

Power to make regulations for the transfer of securities

1086. (1) The Minister may make provision by regulations for enabling or requiring title to securities or any class of securities to be evidenced and transferred without a written instrument.

(2) Subject to any exceptions that may be specified in the regulations, the regulations may, in respect of—

(a) securities of public limited companies admitted to trading on a regulated market,

(b) securities of public limited companies admitted to trading on a market other than a regulated market, or

(c) securities of public limited companies of a specified class,

provide that the means provided by the regulations for evidencing and transferring title to such securities shall constitute the sole and exclusive means for doing so (and accordingly, that any purported transfer of such securities otherwise than by those means shall be void).

(3) In this section—

(a) “securities” means transferable securities as defined by Directive 2004/39/EC of the European Parliament and the Council of 21 April 2004;

(b) references to title to securities include any legal or equitable interest in securities; and

(c) references to a transfer of title include a transfer by way of security.

(4) The regulations may make provision—

(a) for procedures for recording and transferring title to securities; and

(b) for the regulation of those procedures and the persons responsible for or involved in their operation; and

(c) for dispensing with the obligations of a company under section 99 to issue certificates and providing for alternative procedures.

(5) The regulations shall contain such safeguards as appear to the Minister appropriate for the protection of investors and for ensuring that competition is not restricted, distorted or prevented.

(6) The regulations may, for the purpose of enabling or facilitating the operation of the new procedures, make provision with respect to the rights and obligations of persons in relation to securities

dealt with under the procedures.

(7) The regulations shall be framed so as to secure that the rights and obligations in relation to securities dealt with under the new procedures correspond, so far as practicable, with those which would arise apart from any regulations under this section.

(8) The regulations may—

(a) require the provision of statements by a company to holders of securities (at specified intervals or on specified occasions) of the securities held in their name;

(b) make provision removing any requirement for the holders of securities to surrender existing share certificates to issuers; and

(c) make provision that the requirements of the regulations supersede any existing requirements in the articles of association of a company which would be incompatible with the requirements of the regulations.