
STATUTORY INSTRUMENTS

1992 No. 225

The Uncertificated Securities Regulations 1992

PART IV

ENTITLEMENT

CHAPTER IV

Off-Market Transfers Where One Controller involved

Instruction to controller to hold for another

33.—(1) An account holder, for whom a controller holds an entitlement, may instruct the controller to hold the entitlement for another specified person in place of the account holder, provided the instruction sets out the requisite particulars.

For this purpose the requisite particulars are:

- (a) the name and address of the account holder (in the case of persons acting jointly who are together an account holder, the name and address of each of them);
- (b) the name and address of the person on whose behalf the controller is to hold the entitlement for the future (in the case of persons acting jointly who are together to be the account holder, the name of each of them and the address of the person first named in the instruction);
- (c) the security concerned; and
- (d) the number of entitlements concerned.

(2) In the case of a commercial controller, paragraph (1) is subject to any agreement between the controller and his or its account holder.

(3) It is the duty of a controller to give effect to an instruction received under this regulation by expressly re-allocating the entitlement as being held for the person specified by amending his or its record of account holders accordingly, provided that:

- (a) the controller holds sufficient entitlements to units of the security for the instructing account holder, which he or it has not previously consented to the transfer of and which have not been the subject of instructions under this regulation, to enable him or it to comply in full with the instruction; and
- (b) he or it has authority to hold the entitlements for the person specified.

This paragraph is without prejudice to the provisions of Chapters II to IV of Part VI of these Regulations.

(4) Upon a controller entering, under paragraph (3), the name of a person into a record of account holders as the person for whom an entitlement is held, the controller shall thereupon hold the entitlement for that person (who accordingly is thereupon the account holder with respect to the entitlement) in place of the person giving the instruction, notwithstanding that the controller may have neglected to make the corresponding amendment to the entry of the latter.

(5) In the case of one among two or more primary company controllers or an alternative company controller, if the controller, having received an instruction under this regulation, is not able to give effect to the instruction solely because he or it has no authority to hold entitlements for any person specified, he or it shall notify a transaction to (in the case of a primary company controller) the company or (in the case of an alternative company controller) the Operator for the entitlement or entitlements concerned to be transferred to a primary company controller which is so authorised and instruct that controller to hold the entitlement for the person specified.

Conditional instructions by way of security (England and Wales and Northern Ireland)

34.—(1) This regulation shall have effect so as to facilitate the giving of a security interest over units of a security under the law of England and Wales or Northern Ireland.

(2) Without prejudice to any other circumstances in which a conditional instruction may be issued to a controller, an account holder may, in order to give security for any obligation, issue an instruction to a controller to hold an entitlement for another person (which may be the controller) under regulation 33(1) on terms that the instruction:

- (a) is conditional upon being confirmed by the person specified in the instruction; and
- (b) is to cease to have effect if that person cancels it but is otherwise irrevocable as between the controller and the account holder.

(3) A controller shall acknowledge the receipt of such an instruction to the account holder and the person specified in the instruction, giving the date of its receipt.

(4) Where a commercial controller has received such an instruction but the instruction has not yet been confirmed or cancelled, the controller shall not issue any communication on behalf of the account holder to the company or any other person in respect of the entitlements subject to the instruction unless he or it has given 10 working days prior notice to the person specified in the instruction.

(5) A commercial controller:

- (a) may agree with an account holder that he or it will not receive instructions under this regulation; and
- (b) shall not accept an instruction under this regulation unless he or it is authorised to hold any entitlement concerned.

This regulation is also subject to any agreement between such a controller, an account holder of that controller giving an instruction under this regulation and any person specified in the instruction.

(6) An instruction given under paragraph (1) shall be regarded, for the purposes of any provision of these Regulations, as being an instruction under regulation 33(1), notwithstanding its conditional nature.

A person giving such an instruction shall be regarded as the account holder with respect to any entitlement concerned until the instruction has been confirmed and acted upon.