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STATUTORY INSTRUMENTS

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**1992 No. 225**

**The Uncertificated Securities Regulations 1992**

**PART X**

**CONVERSION OF UNCERTIFICATED  
SECURITIES INTO CERTIFICATED FORM**

**Introductory**

**83.** The provisions of this Part apply:

- (a) where it is proposed to convert an uncertificated security into a certificated security; and
- (b) to require, in certain cases, uncertificated securities to be so converted.

**Conversion**

**84.**—(1) Conversion may be effected by two directors or one director and the secretary signing a certificate of conversion in the form set out in Schedule 6 (with any necessary modifications).

(2) No such certificate of conversion shall have effect unless:

- (a) its signature has been authorised by a resolution of the board of directors of the company or a duly authorised committee of the same; and
- (b) conversion of the security in question has been authorised by a relevant resolution of the holders of the security.

A resolution passed for the purposes of (b) shall specify the date on or after which conversion is proposed to be effected, being a date not less than 30 working days after the date of the meeting at which the resolution is passed; the certificate of conversion shall be signed on, or as soon as reasonably practicable after, the date so specified, but shall be ineffective if signed on any earlier date.

(3) It is the duty of the directors of a company or a duly authorised committee of the same not to authorise the signature of a conversion certificate under this regulation unless the required publicity has been given of the date on which conversion is proposed to be effected.

(4) Subject to paragraph (2), upon the signature of the certificate the security concerned shall cease to be an uncertificated security.

(5) Upon conversion, regulation 119(1) shall cease to apply, and (in the case of shares) any provision of the company's memorandum and articles of association which is inconsistent with any provision of the 1985 Act as to the transfer and registration of certificated securities of the type in question shall cease to have effect, by virtue of the provisions of section 14 of that Act.

(6) For the purposes of this regulation:

- (a) a relevant resolution is:
  - (i) (in the case of shares) a special resolution of the holders of the shares or (in the case of a particular class of shares) an extraordinary resolution passed by the class; or

(ii) (in any other case) a resolution passed:

- by the holders of not less than three quarters of the units of the security, or,
- in the case of a resolution put at a meeting of the holders at which a poll is not demanded, by not less than three quarters of the holders of the units of the security

who (being entitled to do so) vote on the resolution, whether in person or (where permitted) by proxy; and

(b) the required publicity is the publication of a notice on at least two occasions prior to the date on which conversion is proposed to be effected, in such manner and on such occasions as the Operator may direct, to the effect that conversion of the security (identifying it) of the company (naming it) from uncertificated to certificated form will be effected on or shortly after a specified date, being the date set out in the relevant resolution.

### **Notice to the Operator and controllers**

**85.**—(1) A company shall deliver to the Operator a copy of any relevant resolution under regulation 84(2)(b) within 2 working days of its being passed.

(2) The Operator shall as soon as reasonably practicable select a date to be the last date on which transfers of entitlements to units of the security in question in uncertificated form under the system shall be effective and by which any instructions received under regulation 33 must have been acted upon, being a date not less than 5 working days before the date specified in the resolution authorising the conversion. Forthwith upon selecting such date the Operator shall inform all commercial and alter-native company controllers, together with the company or any person appointed as agent for primary company controllers under regulation 11, of the date selected. It shall also publish the date in such manner as may reasonably be expected, in the opinion of the Operator, to cause it to come to the attention of any person likely to be affected by the conversion.

(3) A company shall also deliver a copy of such a conversion resolution to each primary company controller with respect to the security concerned within 5 working days of the passing of the resolution. Upon its being notified of the date selected by the Operator under the last paragraph, the company shall notify all the primary company controllers (with respect to the security) of that date.

### **General call for instructions and issue of certificates**

**86.**—(1) The company shall issue a general call for instructions, with the register to be updated by reference to the date specified in the resolution or such later date as the company may select, not being more than 5 working days after the date specified.

(2) The company shall update the appropriate register from the proper instructions to register received and from standing instructions extant, in accordance with the pro-visions of these Regulations.

(3) This updated register shall form the opening appropriate register for the security in certificated form.

(4) It is the duty of the company to issue, within two months of the date of conversion, certificates to the persons registered on the opening appropriate register in accordance with the provisions of any enactment applicable to certificated securities of the type of security in question or (to the extent there is no enactment so applicable) in accordance with the terms of issue of the security in question.

### **Duty of directors to convert in certain cases**

**87.**—(1) It is the duty of the directors of a company to convert an uncertificated security into a certificated security under the procedure set out in this Part of these Regulations where a resolution has been passed by the holders of the security requesting such conversion which:

- (a) would qualify as a relevant resolution under regulation 84(6); and
- (b) specifies a date, not less than 30 working days after the date of the meeting at which the resolution is passed, on or after which conversion is proposed to be effected.

Such conversion must be effected on the date specified by the resolution or as soon as reasonably practicable after that date.

(2) For the purposes of the procedures for conversion prescribed by this Part, such a resolution shall be treated as a relevant resolution specifying a date proposed for conversion under regulation 84(2).

### **Compulsory conversion of uncertificated securities into certificated form**

**88.**—(1) If it appears to the Secretary of State that:

- (a) there has been a persistent failure by a company to perform its functions under these Regulations with respect to an uncertificated security;
- (b) the company proposes to amend its memorandum and articles of association or otherwise the terms of issue of the security concerned so as to require particulars to be contained in a proper instruction to register which cannot be accommodated by the facilities available to operate the system or (in the case of any additional provision made in the company's memorandum or articles of association) or otherwise in a manner inconsistent with the terms of these Regulations; or
- (c) the Operator is incapable (for any reason) of adequately performing its own functions with respect to an uncertificated security of a company,

he may issue a direction for the conversion of that security into certificated form in accordance with the following provisions of this regulation. Such a direction shall state a date upon which the security is to be converted into certificated form and shall be served on the company and the Operator.

(2) The Secretary of State shall, if it is practicable to do so, afford a company at least 10 working days notice of his intention to issue a direction under paragraph (1)(a) or (b) and shall consider, in deciding whether to issue such a direction, any representations made by the company within that period.

(3) Within two working days of the receipt of a direction under this regulation, the Operator shall notify every commercial and alternative company controller of its issue and of the date of conversion.

It is the duty of a company, having received a direction under this regulation, to notify every primary company controller of its issue and the date of conversion.

(4) The company shall issue a general call for instructions, specifying the date specified in the direction (or such later date as the company may select, not being more than 5 working days after the date so specified) as the date by reference to which the appropriate register is to be updated.

(5) As from the date stated in the direction, the security concerned shall cease to be an uncertificated security; paragraph (5) of regulation 84 shall apply with any necessary modifications.

Paragraphs (2) to (4) of regulation 86 shall apply in connection with proper instructions to register received by virtue of paragraph (4) as they apply to such instructions received by virtue of paragraph (1) of that regulation.

(6) It is the duty of the company (on receipt of such a direction) to inform the holders of the security of its issue and publish the fact that conversion has occurred in such manner as reasonably

appears to the company to be calculated to draw the fact of the conversion to the attention of any person who may be affected by it.

**Conversion: further provisions**

**89.**—(1) The fact that an uncertificated security has been converted into a certificated security under this Part of these Regulations shall not excuse any person from any liability arising out of any act or omission occurring prior to conversion that would attach to him by virtue of any of the provisions of these Regulations.

(2) The fact of the company having commenced the operation of an appropriate register for the security in certificated form shall be conclusive evidence that the security has ceased to be an uncertificated security.

(3) The company shall deliver to the registrar of companies for registration a certified copy of a certificate of conversion under regulation 84 or, where conversion is effected under regulation 88, a statement of the fact that conversion has occurred under this Part of these Regulations and the date of conversion, within 7 working days of the date on which conversion was effected.

In this paragraph “certified copy” means a copy certified as a true copy by a notary, notary public or other person authorised by law, in the jurisdiction where the company is incorporated, to administer oaths or authenticate documents.

(4) Section 380(6) of the 1985 Act applies to a failure to comply with the provisions of this regulation as it does to a failure to comply with section 380(2) or (3) of that Act.

(5) Schedule 7 has effect to make further provision with respect to the conversion of a security from uncertificated into certificated form.