Draft Regulations laid before Parliament under sections 784 and 1290 of the Companies Act 2006, for approval by resolution of each House of Parliament.

DRAFT STATUTORY INSTRUMENTS

2013 No.

COMPANIES

The Uncertificated Securities (Amendment) Regulations 2013

Made - - - -	***
Coming into force - -	*1st April 2013*

The Treasury, in exercise of the powers conferred on them by sections 784, 785, 788 and 1292 of the Companies Act 2006(**1**), make the following Regulations.

In accordance with section 789 of that Act, the Treasury have carried out such consultation as appeared to them to be appropriate.

In accordance with sections 784(3) and 1290 of that Act, a draft of these Regulations was laid before Parliament and approved by a resolution of each House of Parliament.

Citation and commencement

1. These Regulations may be cited as the Uncertificated Securities (Amendment) Regulations 2013 and come into force on 1st April 2013.

Amendment of the Uncertificated Securities Regulations 2001

2.—(1) The Uncertificated Securities Regulations 2001(**2**) are amended as follows.

(2) Regulation 3(1) (interpretation) is amended as follows—

(a) omit the definition of "designated agency";

(b) in the definition of "Operator", for "Treasury" (in both places) substitute "Bank of England".

(3) Regulation 4 (applications for approval) is amended as follows—

(a) in paragraph (1) for "Treasury for their" substitute "Bank of England for its";

(b) in paragraph (2) for "Treasury" (in both places) substitute "Bank of England";

(**1**) 2006 c.46; section 785 was amended by the Financial Services Act 2012 (c.21), section 112.
(**2**) S.I. 2001/3755; relevant amending instruments are S.I. 2003/1398, 2006/3221, 2010/2628 and 2012/917.

(c) in paragraph (3) for the words from "Treasury" to the end substitute "Bank of England may require the applicant to provide such further information as it reasonably considers necessary to enable it to determine the application.";

(d) in paragraph (4) for the words from "Treasury" to the end substitute "Bank of England requires under this regulation shall, if it so requires, be provided in such form, or verified in such manner, as it may direct.";

(e) in paragraph (5) for "Treasury" substitute "Bank of England".

(4) Regulation 5 (grant and refusal of approval) is amended as follows—

(a) in paragraph (1)—

(i) for "Treasury" (in both places) substitute "Bank of England";

(ii) for "they" substitute "it";

(b) in paragraph (2)—

(i) for "Treasury" substitute "Bank of England";

(ii) for "they consider" substitute "it considers".

(5) Regulation 6 (fees charged by the Treasury) is amended as follows—

(a) in the heading, for "Treasury" substitute "Bank of England";

(b) in paragraphs (1) and (2), for "Treasury" substitute "Bank of England";

(c) in paragraph (3)—

(i) for "Treasury" substitute "Bank of England";

(ii) in sub-paragraph (b), for "themselves" substitute "itself";

(d) in paragraph (4)—

(i) for "Treasury" substitute "Bank of England";

(ii) omit sub-paragraph (b);

(e) in sub-paragraph (c), omit the words from "or in preparing" to "so expended";

(f) in paragraph (5), omit sub-paragraph (b) and the "and" that precedes it;

(g) for paragraph (6) substitute—

"(6) Any fee which is owed to the Bank of England under this regulation may be recovered as a debt due to the Bank of England.";

(h) omit paragraph (7).

(6) Regulation 7 (withdrawal of approval) is amended as follows—

(a) in paragraph (1), for "Treasury" substitute "Bank of England";

(b) in paragraph (2)—

(i) for "Treasury" substitute "Bank of England";

(ii) for "they" substitute "it";

(c) in paragraph (6), for "Treasury think" substitute "Bank of England thinks".

(7) In regulation 8 (compliance orders and directions), for "Treasury" (in each place) substitute "Bank of England".

(8) Regulation 9 (injunctions and restitution orders) is amended as follows—

(a) for "Treasury" (in each place) substitute "Bank of England";

(b) in paragraph (3), for "them" substitute "it".

(9) Regulation 10 (provision of information by Operators) is amended as follows—

(a) for paragraph (1) substitute—

"(1) The Bank of England may, in writing, require an Operator to give it such information or documents as it may specify.";

(b) for paragraph (2) substitute—

"(2) The Bank of England may also, in writing, require an Operator to give it, at such times or in respect of such periods as it may specify, such information or documents relating to that Operator as it may specify.";

(c) in paragraph (3)—

(i) after "information" insert "or documents";

(ii) for "Treasury" substitute "Bank of England";

(iii) for "their" substitute "its";

(d) in paragraphs (4) and (5) for "Treasury" substitute "Bank of England".

(10) For regulation 11 substitute—

"**Reports by skilled persons**

11A.—(1) This regulation applies where the Bank of England has required or could require an Operator to provide information or produce documents under regulation 10.

(2) The Bank of England may—

(a) by notice in writing given to the Operator, require the Operator to provide it with a report on any matter relating to such information or documents, or

(b) itself appoint a person to provide it with a report on any matter relating to such information or documents.

(3) When acting under paragraph (2)(a), the Bank of England may require the report to be in such form as may be specified in the notice.

(4) The Bank of England must give notice of an appointment under paragraph (2)(b) to the Operator.

(5) The person appointed to make a report—

(a) must be a person appearing to the Bank of England to have the skills necessary to make a report on the matter concerned, and

(b) where the appointment is to be made by the Operator, must be a person nominated or approved by the Bank of England.

(6) It is the duty of—

(a) the Operator, and

(b) any person who is providing (or who has at any time provided) services to the Operator in relation to the matter concerned,

to give the person appointed to prepare a report all such assistance as the appointed person may reasonably require.

(7) The obligation imposed by paragraph (6) is enforceable, on the application of the Bank of England, by an injunction or, in Scotland, by an order for specific performance under section 45 of the Court of Session Act 1988.

(8) The Bank of England may make rules providing for the expenses incurred by it in relation to an appointment under sub-paragraph (2)(b) to be payable as a fee by the Operator concerned.

(9) Any fee which is owed to the Bank of England under rules made pursuant to paragraph (8) may be recovered as a debt due to the Bank of England.

Appointment of persons to carry out general investigations etc.

11B.—(1) If it appears to the Bank of England that it is desirable in the interests of the exercise of its functions under these Regulations, the Bank of England may appoint one or more competent persons ("the investigator") to conduct an investigation on its behalf into—

(a) the nature, conduct or state of the business of an Operator;

(b) a particular aspect of that business; or

(c) the ownership or control of an Operator.

(2) An investigator may require the Operator who is the subject of the investigation—

(a) to attend before the investigator at a specified time and place to answer questions; or

(b) otherwise to provide such information as the investigator may require.

(3) An investigator may also require any person to produce at a specified time and place any specified documents or documents of a specified description.

(4) A requirement under paragraph (2) or (3) may be imposed only so far as the investigator concerned reasonably considers the question, provision of information or production of the document to be relevant for the purposes of the investigation.".

(11) In regulation 12 (international obligations), for "designated agency" (in each place) substitute "Bank of England".

(12) In regulation 13 (prevention of restrictive practices)—

(a) for the heading substitute "Prevention of excessive regulatory provision";

(b) for "restrictive practices" substitute "excessive regulatory provision".

(13) In paragraph 3 of Schedule 1 (promotion and maintenance of standards), for "Treasury" substitute "Bank of England".

(14) For Schedule 2 (prevention of restrictive practices), substitute the Schedule set out in the Schedule to these Regulations.

(15) Schedule 3 (procedure for refusal or withdrawal of approval as an Operator, or for giving directions, etc.) is amended as follows—

(a) for paragraph 1, substitute—

"**1.** Before—

(a) refusing an application for approval as an Operator made under regulation 4 (whether or not pursuant to paragraph 1(1) of Schedule 2);

(b) withdrawing an Operator's approval under regulation 7(2); or

(c) giving a direction under regulation 8,

the Bank of England must give written notice of its intention to do so to the Operator.";

(b) in paragraph 2, for sub-paragraph (a), substitute—

"(a) state why the Bank of England intends to refuse the application, withdraw the approval or give the direction; and";

(c) for paragraph 3, substitute—

"**3.** Before the end of the period for making representations, the Operator may make representations to the Bank of England.";

(d) for paragraph 4, substitute—