



STATUTORY INSTRUMENTS.

S.I. No. 353 of 2023



EUROPEAN UNION (DEMATERIALIZED SECURITIES)
REGULATIONS 2023

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I, SIMON COVENEY, Minister for Enterprise, Trade and Employment, in exercise of the powers conferred on me by section 3 of the European Communities Act 1972 (No. 27 of 1972) and for the purpose of giving further effect to Regulation (EU) No 909/2014 of the European Parliament and of the Council of 23 July 2014¹ on improving securities settlement in the European Union and on central securities depositories and amending Directives 98/26/EC and 2014/65/EU and Regulation (EU) No 236/2012, hereby make the following regulations:

Citation

1. These Regulations may be cited as the European Union (Dematerialised Securities) Regulations 2023.

Definition

2. In these Regulations, “Principal Act” means the Companies Act 2014 (No. 38 of 2014).

Chapter 5A – Dematerialisation of applicable securities

3. Part 3 of the Principal Act is amended by the insertion of the following Chapter after Chapter 5:

“Chapter 5A

Dematerialisation of applicable securities

Interpretation and application

101A. (1) In this Chapter –

‘applicable securities’ means transferable securities as defined in point (44) of Article 4(1) of Directive 2014/65/EU (or interests in them) that were, prior to 1 June 2015 –

- (a) issued by a relevant issuer, and
- (b) admitted to trading or listed on any market, whether a regulated market or not, in the State or elsewhere;

‘central securities depository’ has the same meaning as it has in section 1087A;

‘certificate’ means any certificate, or other document of, or evidencing, title to applicable securities, other than any register of securities;

¹ OJ No. L257, 28.08.2014, p.1

‘CSD Regulation’ has the same meaning as it has in section 1087A;

‘nominee’ means, in respect of a central securities depository, any body as may from time to time be nominated by or on behalf of that central securities depository to hold applicable securities represented in that central securities depository’s securities settlement system;

‘relevant issuer’ means a company that has issued applicable securities.

(2) This Chapter shall apply from 1 January 2025 to any applicable securities issued on or before 1 June 2015.

Abolition of certificates in respect of applicable securities

101B. A relevant issuer is not required to issue certificates in respect of applicable securities under this Act or any other enactment, and any certificates in issue in respect of applicable securities shall have no legal effect for the purpose of evidence of ownership of those securities or otherwise.

Transfer of applicable securities of company

101C. Notwithstanding section 94, section 2(1) of the Stock Transfer Act 1963 or any other enactment, a written instrument of transfer shall not be necessary to transfer the title to applicable securities that are transferred –

- (a) from a central securities depository or its nominee to any holder of the rights or interests in those securities,
- (b) from one central securities depository or its nominee to another central securities depository or its nominee, or
- (c) to a central securities depository or its nominee from any holder of the rights or interests in those securities.

Disapplication of certain provisions to applicable securities

101D. Section 99(2), (3), (4), (5) and (9) shall not apply to applicable securities.

Disapplication of requirement for certificate in respect of applicable securities

101E. Any provision contained in –

- (a) a company’s constitution,
- (b) any resolution of a company, a company’s directors or the holders of applicable securities of a company, or
- (c) the terms of issue of any applicable securities,

(however worded and whether express or implied), requiring a certificate in respect of applicable securities of the company shall not apply.

Representation of applicable securities

101F. Nothing in this Chapter shall affect or restrict a company arranging for applicable securities to be represented in book-entry form as immobilisation or dematerialisation by a central securities depository or its nominee.”.

Chapter 3A - Dematerialisation of applicable securities

4. Part 16 of the Principal Act is amended by the insertion of the following Chapter after Chapter 3:

“Chapter 3A

Dematerialisation of applicable securities

Interpretation

984A. In this Chapter –

‘applicable securities’ means transferable securities as defined in point (44) of Article 4(1) of Directive 2014/65/EU that are –

- (a) issued by a relevant issuer, and
- (b) admitted to trading or traded on a trading venue;

‘central securities depository’ has the same meaning as it has in section 1087A;

‘certificate’ means any certificate, or other document of, or evidencing, title to applicable securities, other than any register of securities;

‘CSD Regulation’ has the same meaning as it has in section 1087A;

‘nominee’ means, in respect of a central securities depository, any body as may from time to time be nominated by or on behalf of that central securities depository to hold applicable securities represented in that central securities depository’s securities settlement system;

‘relevant issuer’ means a DAC that has issued securities that are applicable securities;

‘trading venue’ has the same meaning as it has in section 1087I.

Application of Chapter

984B. This Chapter shall apply –

- (a) from 1 January 2023, to applicable securities issued after that date, and
- (b) from 1 January 2025, to any applicable securities issued on or before 1 January 2023.

Abolition of certificates in respect of applicable securities

984C. A relevant issuer is not required to issue certificates in respect of applicable securities under this Act or any other enactment, and any certificates in issue in respect of applicable securities shall have no legal

effect for the purpose of evidence of ownership of those securities or otherwise.

Transfer of applicable securities of DAC

984D. Notwithstanding section 94, section 2(1) of the Stock Transfer Act 1963 or any other enactment, a written instrument of transfer shall not be necessary to transfer the title to applicable securities that are transferred –

- (a) from a central securities depository or its nominee to any holder of the rights or interests in those securities,
- (b) from one central securities depository or its nominee to another central securities depository or its nominee, or
- (c) to a central securities depository or its nominee from any holder of the rights or interests in those securities.

Disapplication of certain provisions to applicable securities

984E. Section 99(2), (3), (4), (5) and (9) shall not apply to applicable securities.

Disapplication of requirement for certificate in respect of applicable securities

984F. Any provision contained in –

- (a) a DAC’s constitution,
- (b) any resolution of a DAC, a DAC’s directors or the holders of applicable securities of a DAC, or
- (c) the terms of issue of any applicable securities,

(however worded and whether express or implied), requiring a certificate in respect of applicable securities of the company shall not apply.

Representation of applicable securities

984G. Nothing in this Chapter shall affect or restrict a DAC arranging for applicable securities to be represented in book-entry form as immobilisation or dematerialisation by a central securities depository or its nominee.”.

Chapter 7B – Dematerialisation of applicable securities

5. Part 17 of the Principal Act is amended by the insertion of the following Chapter after Chapter 7A:

“Chapter 7B

Dematerialisation of applicable securities

Interpretation

1087I. (1) In this Chapter –

‘applicable securities’ means transferable securities as defined in point (44) of Article 4(1) of Directive 2014/65/EU that –

- (a) are issued by a relevant issuer,
- (b) are admitted to trading or traded on a trading venue, and
- (c) are not ‘relevant securities’ within the meaning of Chapter 7A of Part 17;

‘central securities depository’ has the same meaning as it has in section 1087A;

‘certificate’ means any certificate, or other document of, or evidencing, title to applicable securities, other than any register of securities;

‘CSD Regulation’ has the same meaning as it has in section 1087A;

‘nominee’ means, in respect of a central securities depository, any body as may from time to time be nominated by or on behalf of that central securities depository to hold applicable securities represented in that central securities depository’s securities settlement system;

‘relevant issuer’ means a PLC that has issued securities that are applicable securities;

‘securities settlement system’ has the meaning given to it in section 1087A;

‘trading venue’ has the meaning given to it in Article 2 of the CSD Regulation.

(2) A word or expression that is used in this Chapter, Chapter 5A of Part 3 or Chapter 3A of Part 16 and is also used in the CSD Regulation has, unless the contrary intention appears, the same meaning in this Chapter, Chapter 5A of Part 3 or Chapter 3A of Part 16 that it has in the CSD Regulation.

Application of Chapter

1087J. This Chapter shall apply –

- (a) from 1 January 2023, to applicable securities issued after that date, and
- (b) from 1 January 2025, to any applicable securities issued on or before 1 January 2023.

Abolition of certificates in respect of applicable securities

1087K. Notwithstanding subsections (1) and (4) of section 67 –

- (a) a relevant issuer is not required to issue certificates in respect of applicable securities under this Act or any other enactment, and
- (b) any certificates in issue in respect of applicable securities shall have no legal effect for the purpose of evidence of ownership of those applicable securities or otherwise.

Transfer of applicable securities

1087L. Notwithstanding section 94(4), section 2(1) of the Stock Transfer Act 1963 or any other enactment, a written instrument of transfer shall not be necessary to transfer the title to applicable securities –

- (a) that are shares, or
- (b) in the case of applicable securities other than shares, that are transferred –
 - (i) from a central securities depository or its nominee to any holder of the rights or interests in those securities,
 - (ii) from one central securities depository or its nominee to another central securities depository or its nominee, or
 - (iii) to a central securities depository or its nominee from any holder of the rights or interests in those securities.

Restrictions on transfer of applicable securities

1087M. The provisions of section 95(2)(b) shall apply to the directors' power to decline to register any instrument of transfer of shares that are applicable securities with the modification that the instrument of transfer is not required to be accompanied by the certificate of the shares to which the instrument of transfer relates.

Disapplication of certain provisions to applicable securities

1087N. The following sections shall not apply to applicable securities:

- (a) section 67(3);
- (b) section 99 as it applies to shares and debentures allotted or, as the case may be, transferred;
- (c) section 1017 as it applies to securities issued by a PLC and documents creating or evidencing securities so issued;
- (d) subsections (4) to (8) of section 1019.

Disapplication of requirement for certificate in respect of applicable securities

1087O. Any provision contained in –

- (a) a constitution of a PLC,
- (b) any resolution of a PLC, a PLC's directors or the holders of applicable securities of a PLC, or
- (c) the terms of issue of any applicable securities,

(however worded and whether express or implied), requiring a certificate in respect of applicable securities of the company shall not apply.

Representation of applicable securities

1087P. Nothing in this Chapter shall affect or restrict a PLC arranging for applicable securities to be represented in book-entry form as immobilisation or dematerialisation by a central securities depository or its nominee.”.

Application of Chapter 3A of Part 16 to CLGs

6. Part 18 of the Principal Act is amended by the insertion of the following section after section 1193:

“Application of Chapter 3A of Part 16 to CLGs

1193A. Chapter 3A of Part 16, in so far as it applies to a designated activity company, shall apply to a CLG.”.

Application of Chapter 3A of Part 16 to PUCs and PULCs

7. Part 19 of the Principal Act is amended by the insertion of the following section after section 1263:

“Application of Chapter 3A of Part 16 to PUCs and PULCs

1263A. Chapter 3A of Part 16, in so far as it applies to a designated activity company, shall apply to a PUC and a PULC.”.



GIVEN under my Official Seal,
4 July, 2023.

SIMON COVENEY,
Minister for Enterprise, Trade and Employment.

EXPLANATORY NOTE

(This note is not part of the Instrument and does not purport to be a legal interpretation.)

These regulations provide for the dematerialisation of applicable securities in line with the requirements of the Central Securities Depository Regulation (Regulation (EU) No 909/2014 of the European Parliament and of the Council of 23 July 2014). Dematerialisation of all newly issued applicable securities will be required from 1 January 2023 and for all other applicable securities from 1 January 2025.

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