

## Uncertificated Securities Rules Instrument 2013

*The following rules are made by the Bank of England under the Uncertificated Securities Regulations 2001<sup>1</sup>.*

*Rule USR 1 is made under paragraph 3 of Schedule 2 to those Regulations and rule USR 2 is made under regulation 11A(8).*

*These rules are made on 25<sup>th</sup> March 2013 and come into force on 1<sup>st</sup> April 2013, immediately after section 112 of the Financial Services Act 2012<sup>2</sup> comes fully into force.*

### **USR 1 Extent of duty to notify proposal to make regulatory provision.**

- 1.1 The duty in paragraph 3(1) of Schedule 2 to the Uncertificated Securities Regulations 2001 (in this rule ‘the duty’) only applies in respect of a regulatory provision of a description specified in paragraph 1.2 which is not excluded under paragraph 1.3.
- 1.2 The specified regulatory provisions are those which (whether considered alone or together with any other regulatory provision) materially:
  - (a) increase disclosure, reporting or corporate governance requirements imposed on any person (whether directly or indirectly);
  - (b) limit access to, or use by, any person (whether directly or indirectly including, without limitation, through an amendment to fees or charges) of the facilities operated by the Operator proposing to make the regulatory provision; or
  - (c) add to the circumstances in which any person (whether directly or indirectly) may be liable to penalties or other sanctions or have liability in damages.
- 1.3 The duty does not apply to a regulatory provision to the extent that it:
  - (a) is required under EU law or any enactment or rule of law in the United Kingdom;
  - (b) specifies or amends standard terms relating to the provision of clearing services for any derivative;
  - (c) specifies or amends operating procedures which are reasonably consequential on any regulatory provision falling within sub-paragraph (b);

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<sup>1</sup> S.I. 2001/3755 as amended most recently by the Uncertificated Securities (Amendment) Regulations 2013 (S.I. 2013/632).

<sup>2</sup> 2012 c.21.

- (d) is expressed to have effect for no longer than three months and which is made by in response to an emergency event (including, without limitation, a war, terrorist attack or labour strike); or
  - (e) does not impose a requirement (including any obligation or burden) on persons affected (directly or indirectly) by it.
- 1.4 Where the duty applies, a written notice of a proposal by the Operator to make a regulatory provision must:
- (a) state expressly that it is a notice for the purpose of that regulation;
  - (b) contain full particulars of the proposed provision; and
  - (c) be accompanied by sufficient supporting information to enable the Bank of England to assess the purpose and effect of the proposed regulatory provision or, where such information has already been provided to the Bank of England, refer to such information.
- 1.5 A UK RCH must provide such additional information in connection with a notice under paragraph 3(1) of Schedule 2 to the Uncertificated Securities Regulations 2001 as the Bank of England may reasonably require.

## **USR 2 Fees in respect of expert reports.**

- 2.1 This rule applies where the Bank of England (“the Bank”) gives notice under regulation 11A(4) of the Uncertificated Securities Regulations 2001 to the Operator concerned that the Bank has appointed a person under regulation 11A(2)(b) to provide the Bank with a report on a matter.
- 2.2 Where the Bank notifies the Operator in writing that the Bank has incurred expenses in relation to the appointment and specifies the amount of those expenses, the Operator must pay those expenses to the Bank as a fee within 30 days.
- 2.3 The expenses may include any amount invoiced to the Bank by the appointed person in relation to any work carried out in connection with the matter.

*Bank of England*

*25<sup>th</sup> March 2013*