CLEARY GOTTLIEB

ALERT MEMORANDUM

Settlement Structures for UK-Listed Shares of Overseas Companies

August 13, 2026

UK-listed shares are required to be held and settled through the UK's electronic settlement system (CREST), as operated by Euroclear UK & International Limited (Euroclear UK). Shares issued by a company that is not incorporated in the UK or Channel Islands cannot be transferred in CREST. However, access to CREST may be achieved through the creation of English-law governed instruments representing the underlying shares. Such instruments may be created by Euroclear UK in the form of CREST depositary interests (CDIs), or alternatively by independent service providers in the form of depositary interests (DIs). Both CDIs and DIs can be held and settled through CREST.

The below outlines the key features of CDIs and DIs and the key steps required for setting up the relevant programs.

If you have any questions concerning this memorandum, please reach out to your regular firm contact or the following authors

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CDIs	DIs
KEY FEATURES	
▪ Dematerialized interests transferable within CREST from one person's CREST account to another's without the need to use share certificates or written instruments of transfer; ▪ Independent securities constituted under English law; ▪ The same ISIN number as the underlying securities; ▪ The underlying securities are admitted to the FCA's Official List and to trading on the London Stock Exchange; ▪ CDI/DI holders have an indirect entitlement to the underlying securities, but are not the registered holders thereof; accordingly, CDI/DI holders can only exercise their rights (including the right to vote at general meetings of shareholders) by issuing instructions in CREST which direct the relevant depositary to exercise these rights on their behalf; and ▪ Challenges may arise in jurisdictions that do not recognize the concept of holding on trust. Issuers in such jurisdictions may wish to consider establishing a GDR (global depositary receipt) program instead.	
MAIN PARTIES	
Euroclear UK and/or its nominees.	Service providers acting in the capacity as the depositary, custodian, registrar and in other similar capacities.

CDIs	DIs
DEPOSITARY AGREEMENT	
N/A	Entered into between the issuer of the underlying securities and the depositary. Normally, the issuer also enters into a registrar service agreement with the depositary's affiliate located outside the UK.
DEED POLL	
CREST Deed Poll (the global deed poll dated June 25, 2001, as subsequently modified, supplemented and/or restated).	A separate deed poll executed by the depositary in favor of DI holders from time to time.
CREST SECURITY APPLICATION FORM	
Application for permission for a security to be transferred by means of the CREST relevant system.	
▪ CREST International Security Application Form ▪ Executed by the issuer or a CREST member.	▪ CREST Security Application Form ▪ Executed by the depositary with respect to the DIs.
LEGAL OPINIONS	
N/A	The depositary's legal counsel is required to deliver a legal opinion to Euroclear UK, support for which is provided in the form of opinions from the issuer's counsels as follows: ▪ Opinion of local counsel in the issuer's country of incorporation covering, among other items, the issuer's legal capacity, validity of the transactional documents and transferability of the underlying securities; ▪ Opinion of local counsel in the registrar's country of incorporation confirming that, among other items, the securities underlying the DIs are not assets of the depositary; and ▪ Opinion of English law counsel that the DIs are exempt from UK stamp duty reserve tax. Opinions may also be required from local counsel as to the absence of stamp or transfer taxes in the issuer's jurisdiction of incorporation.
FEES	
Issuer: No fees are charged to issuers for setting up CDIs. *Holders*: Euroclear UK will charge CDI holders based on the standard Euroclear UK international service tariff. CDI holders may be required to pay additional taxes, duties, charges, costs or expenses which may be or become payable in connection with the holding of the underlying securities through the CREST International Settlement Links Service.	*Issuer*: The issuer is required to pay certain fees and charges, including a set-up fee, an annual fee, a fee based on the number of DIs per year to the relevant depositary. The depositary is also typically entitled to recover reasonable out-of-pocket costs and expenses from the issuer. *Holders*: Euroclear UK will charge DI holders based on the standard Euroclear UK domestic rate tariff.
TYPICAL TIMING	
Several weeks to a month.	Several months.