

STATES OF JERSEY ORDER PAPER

Tuesday, 2nd November 1999

THIRD SUPPLEMENTARY

B. TABLING OF SUBORDINATE LEGISLATION

(Explanatory note attached)

Companies (Uncertificated Securities) (Jersey) Order 1999. R & O 9462
Finance and Economics Committee

E. STATEMENTS AND PROPOSITIONS RELATING TO THE ARRANGEMENT OF PUBLIC BUSINESS AT THIS OR ANY SUBSEQUENT MEETING

THE STATES are asked to agree that the following matters lodged "au Greffe" will be considered at the next meeting on 9th November 1999 -

Draft Invalid Care Allowance (Jersey) Regulations 199 . P.172/99
Lodged: 26th October 1999.
Employment and Social Security Committee.

G.H.C. COPPOCK

Greffier of the States

2nd November 1999

**Explanatory Note regarding subordinate legislation
tabled at this Meeting**

(See Item B)

R & O 9462

The purpose of this Order is to allow ownership of company securities to be recorded and transferred by computer systems, without certificates or other written instruments.

The Order will extend to shares, stock, debentures, bonds, warrants, units in collective investment funds and other securities.

However, it will only apply in respect of computer systems operated -

- (a) by persons who are approved for that purpose by the Jersey Financial Services Commission itself, or
- (b) by persons who are recognized by the Commission as operators because they are approved for that purpose by a competent authority in the United Kingdom, Guernsey or Man, or in another member state of the European Union.

The scheme of the Order, in summary, is as follows -

Part I, which is introductory, defines expressions used in the Order and contains a general statement of its purposes.

Part II provides for the approval or recognition of persons who may operate computer systems, their supervision, and the suspension or termination of their authorization.

In particular, it sets standards that must be met if an operator is to obtain approval. These are set out in detail in the Schedule.

Part III regulates the way in which transactions may be conducted on a computer system.

It deals with uncertificated holdings, transfers of title, transfers between uncertificated and certificated holdings and the recording and registration of such transfers.

Part IV relates to the authentication of computer instructions for the purposes of transactions. It provides for the obligations that arise from authenticated instructions, the rights of addressees to rely on instructions, liability in respect of the acceptance of instructions and remedies in respect of instructions that are not authentic (for example, computer instructions generated maliciously by a hacker).

Part V contains miscellaneous provisions, including notices to be given to minority shareholders in takeover situations.

The Order was made on 1st November 1999 by the Finance and Economics Committee, after consultation with the Commission, and will come into force on 1st December 1999.