

**Reprint
as at 1 December 2014**



**Securities Transfer (Approval of
System for Electronic Transfer
of Securities on Australian Stock
Exchange) Order 1997**
(SR 1997/102)

Michael Hardie Boys, Governor-General

Order in Council

At Wellington this 3rd day of June 1997

Present:

His Excellency the Governor-General in Council

Pursuant to section 7 of the Securities Transfer Act 1991, His Excellency the Governor-General, acting by and with the advice and consent of the Executive Council and on the advice of the Minister of Commerce given in accordance with a recommendation of the Securities Commission, makes the following order.

Note

Changes authorised by subpart 2 of Part 2 of the Legislation Act 2012 have been made in this official reprint.

Note 4 at the end of this reprint provides a list of the amendments incorporated.

This order is administered by the Ministry of Business, Innovation, and Employment.

Contents

	Page
1 Title and commencement	2
2 Interpretation	2
3 Approval of system for electronic transfer of financial products quoted on Australian Stock Exchange	2
Schedule	3
Description of system	

Order

1 Title and commencement

- (1) This order may be cited as the Securities Transfer (Approval of System for Electronic Transfer of Securities on Australian Stock Exchange) Order 1997.
- (2) This order comes into force on 3 July 1997.

2 Interpretation

In this order, unless the context otherwise requires, terms and expressions have the same meaning as in the Financial Markets Conduct Act 2013.

Clause 2: amended, on 1 December 2014, by section 150 of the Financial Markets (Repeals and Amendments) Act 2013 (2013 No 70).

3 Approval of system for electronic transfer of financial products quoted on Australian Stock Exchange

The system for the electronic transfer of financial products on the Australian Stock Exchange, the essential requirements of which are described in the Schedule, is approved for the transfer of financial products to which subpart 9 of Part 5 of the Financial Markets Conduct Act 2013 applies that are—

- (a) issued by companies incorporated in New Zealand; and
- (b) quoted on the Australian Stock Exchange operated by Australian Stock Exchange Limited.

Clause 3 heading: amended, on 1 December 2014, by section 150 of the Financial Markets (Repeals and Amendments) Act 2013 (2013 No 70).

Clause 3: amended, on 1 December 2014, by section 150 of the Financial Markets (Repeals and Amendments) Act 2013 (2013 No 70).

Schedule Description of system

cl 3

Interpretation

For the purposes of the description of the system,—

approved security means a financial product—

- (a) for which, by virtue of section 1096(2A) of the Corporations Law, the public issuer is not required to issue a certificate; and
- (b) that is approved by the Company as a security that may be registered and transferred under the system

broker means a share broker that is a member organisation of the Australian Stock Exchange

business rules means the business rules (within the meaning of Chapter 7 of the Corporations Law) of the Company

CHESS means the Clearing House Electronic Subregister System, a system for the electronic transfer and registration of approved securities operated by the Company

Company means ASX Settlement and Transfer Corporation Pty Limited approved as the securities clearing house under the Corporations Law

Corporations Law means the Corporations Law of the Commonwealth of Australia

Exchange means the Australian Stock Exchange operated by Australian Stock Exchange Limited

participant means a person who, or a partnership or company that, under the business rules, is entitled to use CHESS; and includes a broker

public issuer means a company that is the issuer of securities that are quoted on the Exchange

SEATS means the Stock Exchange Automated Trading System, an electronic trading system operated by the Exchange.

System description

The essential requirements of the system are—

- (a) the electronic entry into SEATS by a broker of an order to sell approved securities;
- (b) the matching by SEATS of the selling order with an equivalent buying order so as to constitute a trade in the securities;

- (c) the electronic entry of the details of trades in approved securities into a computer that determines the net settlement obligations among brokers in respect of trades made through SEATS:
- (d) the electronic communication to brokers of their net settlement obligations for settlement on the fifth day after the date of the trade:
- (e) the allocation on the settlement date by a broker into the broker's settlement account of sufficient approved securities to satisfy the broker's settlement obligations:
- (f) in order to meet a broker's net delivery obligations, the transfer by CHESSE on the settlement date of approved securities from the broker's settlement account into the settlement account of another broker entitled to receive the securities:
- (g) the adjustment on the settlement date by CHESSE of the number of approved securities held by security holders of approved securities:
- (h) details of transfers of securities of a public issuer are communicated daily by the Company to the public issuer through the computer link between the Company and the public issuer:
- (i) in the case of a public issuer incorporated in New Zealand and whose securities may be transferred and registered under the system, a requirement that the public issuer issue share certificates in accordance with section 90(1) of the Companies Act 1955 or with section 95(1) of the Companies Act 1993, as the case may be, for securities that are not held on the CHESSE subregister or an issuer sponsored subregister but that are held on the certificated register of the public issuer:
- (j) each participant using CHESSE warrants—
 - (i) the accuracy of the messages transmitted through the computer link; and
 - (ii) in respect of each transfer of approved securities effected by the participant, that it was legally entitled or authorised to transfer the securities:
- (k) the participants using CHESSE undertake to indemnify other participants, the public issuer, and the Company against all losses, damages, costs, and expenses suffered or incurred as a result of any inaccurate message transmitted through the computer link.

Schedule **approved security**: amended, on 1 December 2014, by section 150 of the Financial Markets (Repeals and Amendments) Act 2013 (2013 No 70).

Reprinted as at **Securities Transfer (Approval of System
1 December 2014 for Electronic Transfer of Securities on
Australian Stock Exchange) Order 1997**

Schedule paragraph (i): amended, on 26 March 1998, by clause 2 of the Securities Transfer (Approval of System for Electronic Transfer of Securities on Australian Stock Exchange) Amendment Order 1998 (SR 1998/20).

Marie Shroff,
Clerk of the Executive Council.

Issued under the authority of the Legislation Act 2012.
Date of notification in *Gazette*: 5 June 1997.

Reprints notes

1 *General*

This is a reprint of the Securities Transfer (Approval of System for Electronic Transfer of Securities on Australian Stock Exchange) Order 1997 that incorporates all the amendments to that order as at the date of the last amendment to it.

2 *Legal status*

Reprints are presumed to correctly state, as at the date of the reprint, the law enacted by the principal enactment and by any amendments to that enactment. Section 18 of the Legislation Act 2012 provides that this reprint, published in electronic form, has the status of an official version under section 17 of that Act. A printed version of the reprint produced directly from this official electronic version also has official status.

3 *Editorial and format changes*

Editorial and format changes to reprints are made using the powers under sections 24 to 26 of the Legislation Act 2012. See also <http://www.pco.parliament.govt.nz/editorial-conventions/>.

4 *Amendments incorporated in this reprint*

Financial Markets (Repeals and Amendments) Act 2013 (2013 No 70): section 150

Securities Transfer (Approval of System for Electronic Transfer of Securities on Australian Stock Exchange) Amendment Order 1998 (SR 1998/20)
