

# NOTICE

## Securities Transfer Act

The *Securities Transfer Act*, passed at the most recent Sitting of the Legislative Assembly, will come into force on August 1, 2009.

This Act will govern the transfer and holding of securities and interests in securities. Current legislation fails to deal adequately with modern securities market practices, particularly the holding and trading of securities electronically through multiple tiers of intermediaries. Much of the current law is still based on a paper-based system in which a share certificate is provided to the shareholder. This may still work in the case of private corporations but this is no longer the case for publicly traded securities.

The new Act establishes a comprehensive set of rules for the transfer and holding of securities, in particular the transfer of publicly traded securities electronically across provincial/territorial and international borders consistent with uniform rules across most of North America. It is based on the model Act developed by the Canadian Securities Administrators after a period of extensive consultation with industry stakeholders. The Uniform Law Conference of Canada approved the model Act in 2004, and subsequently the Council of Ministers responsible for securities regulation identified the *Securities Transfer Act* as legislation that all provinces and territories should enact. The Act is virtually identical to the legislation now in force in all provinces except P.E.I. and Nova Scotia.

The Bill also replaces the securities settlement rules currently included in the *Business Corporations Act*. In addition, it includes consequential amendments to the *Personal Property Security Act*, governing the use of securities as collateral for a loan, as well as the *Seizures Act*. After the Act is in force, consolidations on the Department's website will be updated. In the meantime, a copy of the Bill is available under House Business on the Legislative Assembly website:

<http://www.assembly.gov.nt.ca/>