



**BILLE AN STOCMHARGAIDH (MARGAI A CHOMHLANU),
1977
STOCK EXCHANGE (COMPLETION OF BARGAINS) BILL,
1977**

EXPLANATORY MEMORANDUM

The Council of the Stock Exchange has been authorised by the membership to introduce a new computerised settlement and stock transfer system. The Bill will amend the law relating to the transfer of securities and to companies, trustees and personal representatives so as to enable The Stock Exchange to introduce the new computerised system. In connection with this it will facilitate and clarify the procedures relating to the issue of certificates and the maintenance of registers and other records.

The Bill will exempt companies from the obligation to issue share certificates, debentures or debenture stock certificates when these securities are held by a stock exchange nominee. It will enable the Minister for Finance to prescribe new stock transfer forms for use when securities are transferred to or from such a nominee.

The Bill provides that a trustee may not be charged with breach of trust solely as a result of using the new settlement system.

The Bill will also amend the law relating to the sealing of securities, share and debenture stock certificates etc. and makes it clear that companies may keep registers and other records on computers.

Section 1 deals with interpretation and defines the term "stock exchange nominee".

Section 2 will relieve companies of the requirement to issue share certificates, debentures or certificates for debenture stock in respect of shares, debentures or debenture stock where these are allotted or transferred to a stock exchange nominee.

Section 3 will allow companies to have a special official seal for sealing securities issued by the company and other documents creating or evidencing such securities.

Section 4 confirms that companies may keep certain records such as registers, in a non-legible form e.g. on computers. It provides that, where the records are so kept, facilities are to be made available for inspecting and obtaining copies of a reproduction of the information in a legible form. It also gives the Minister for Industry, Commerce and Energy power, by regulations, to make provision about records kept in a non-legible form. The regulations may make modifications of provisions of the Companies Act, 1963 relating to records.

Section 5 provides for amendments to the Companies Act, 1963 which are consequential to *section 3*.

Section 6 applies *sections 2 to 4* to unregistered companies.

Section 7 provides that a trustee or personal representative will not be chargeable with breach of trust or neglect in administering the estate by reason only of his having transferred securities in accordance with the new stock transfer and settlement system.

Section 8 widens the powers of the Minister for Finance under the Stock Transfer Act, 1963 to prescribe alternative stock transfer forms so as to enable new transfer forms to be prescribed for transfers to or from a stock exchange nominee.

Section 9 provides for the laying of regulations made under the Act before each House of the Oireachtas.

Section 10 provides for expenses incurred in the administration of the Act.

Section 11 gives the short title of the Bill and provides for the coming into operation of the Bill.

**Roinn Tionscail, Tráchtála agus Fuinnimh.
Deireadh Fómhair, 1977.**

The Council of the Stock Exchange has proposed a new computerised settlement and stock transfer system. The Bill will amend the law relating to the transfer of securities and to companies, trustees and personal representatives so as to enable the Stock Exchange to introduce the new computerised system. In connection with this it will facilitate and clarify the procedures relating to the issue of certificates and the maintenance of registers and other records.

The Bill will exempt companies from the obligation to issue share certificates, debentures or debenture stock certificates when these securities are held by a stock exchange nominee. It will enable the Minister for Finance to prescribe new stock transfer forms for use when securities are transferred to or from such a nominee.

The Bill provides that a trustee may not be charged with breach of trust solely as a result of using the new settlement system.

The Bill will also amend the law relating to the sealing of securities, share and debenture stock certificates etc. and make it clear that companies may keep registers and other records on computers.

Section 1 deals with interpretation and defines the term "stock exchange nominee".

Section 2 will relieve companies of the requirement to issue share certificates, debentures or debentures for debenture stock in respect of shares, debentures or debenture stock where these are allotted or transferred to a stock exchange nominee.

Section 3 will allow companies to have a special official seal for sealing securities issued by the company and other documents creating or evidencing such securities.

Section 4 confirms that companies may keep certain records such as registers, in a non-legible form e.g. on computers. It provides that where the records are so kept, facilities are to be made available for inspecting and obtaining copies of a reproduction of the information in a legible form. It also gives the Minister for Industry, Commerce and Energy power, by regulations, to make provision about records kept in a non-legible form. The regulations may make modifications of provisions of the Companies Act, 1963 relating to records.

Section 5 provides for amendments to the Companies Act, 1963 which are consequential to section 3.

Section 6 applies sections 2 to 4 to registered companies.