



Securities Transfer (Approval of FASTER System) Order 2001

Silvia Cartwright, Governor-General

Order in Council

At Wellington this 10th day of September 2001

Present:

Her Excellency the Governor-General in Council

Pursuant to section 7 of the Securities Transfer Act 1991, Her Excellency the Governor-General, acting on the advice and with the 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.

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Order

1 Title

This order is the Securities Transfer (Approval of FASTER System) Order 2001.

2 Commencement

This order comes into force on 12 October 2001.

3 Interpretation

In this order, unless the context otherwise requires, terms and expressions have the same meaning as in the Securities Transfer Act 1991.

4 Approval of system for electronic transfer of securities

The system controlled by the New Zealand Stock Exchange and known as the FASTER system, the essential requirements of which are described in the Schedule, is approved for the transfer of securities.

5 Revocation

The Securities Transfer (Approval of FASTER System) Order 1998¹ is revoked.

¹ 1998/83

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Schedule
Description of FASTER system**1 Interpretation**

For the purposes of the following description of the FASTER system,—

buyer includes a transferee who acquires securities without consideration

Exchange means the New Zealand Stock Exchange

FASTER transfer account means an account in the name of a participant or its nominee that records securities of public issuers that are held for transfer through the FASTER system and are either—

- (a) held by the participant on behalf of the seller or buyer of the securities; or
- (b) held by the participant in its own right

FIN means the FASTER Identification Number issued to a holder of securities by the public issuer of the securities

member of the Exchange means a member of the Exchange acting in the ordinary course of business as a member; and includes an officer, employee, or agent of the member

participant means a person or body (whether corporate or unincorporate) authorised by the Exchange to effect the electronic transfer of securities through the FASTER system

public issuer means a person or body (whether corporate or unincorporate) that is a party with the Exchange to—

- (a) a listing agreement; or
- (b) a securities transfer services agreement

public issuer's register means a register of a class of securities maintained by a public issuer

securities means securities within the meaning of section 2 of the Securities Transfer Act 1991 that are—

- (a) quoted by the Exchange; and
- (b) approved by the Exchange for transfer through the FASTER system

securities holder's statement means a statement issued to a holder of securities by a public issuer that includes the following details:

- (a) that person's securities holder number; and
- (b) the name of the public issuer; and
- (c) the number of securities held by that person; and
- (d) the class of securities held by that person

securities transfer services agreement means an agreement between the Exchange and a public issuer under which the public issuer agrees to the use of the FASTER system to transfer the public issuer's securities or a class of them

seller includes a transferor disposing of securities without consideration.

2 System description

The FASTER system is controlled by the Exchange and is used to effect the electronic transfer of securities from a seller to a buyer. The essential requirements of the FASTER system are—

- (a) the provision by a public issuer of a FIN to all securities holders who are not participants. A FIN may be varied from time to time by the public issuer:

- (b) if the seller is a participant, an electronic entry into the computer system controlling the public issuer's register indicating that the securities are held in the seller's FASTER transfer account:
- (c) if the seller is not a participant, an electronic entry into the computer system controlling the public issuer's register effected by a participant who is a member of the Exchange—
 - (i) entering the information described in paragraph (d) into the FASTER computer link system between the participant, the Exchange, and the public issuer; and
 - (ii) deleting the seller's name as the registered holder of the securities; and either
 - (iii) entering the participant's name as the registered holder of the securities, together with an indication that the securities are held in the participant's FASTER transfer account; or
 - (iv) entering the name of the FASTER transfer account of the participant as the registered holder of the securities:
- (d) the information referred to in paragraph (c)(i) is—
 - (i) the seller's securities holder number; and
 - (ii) the seller's FIN; and
 - (iii) the name of the public issuer of the securities being transferred; and
 - (iv) the number of securities being transferred; and
 - (v) any other information required by the Exchange:
- (e) an electronic entry into the computer system controlling the public issuer's register effected by the seller if the seller is a participant or effected by a participant who is a member of the Exchange acting on behalf of the seller if the seller is not a participant,—
 - (i) deleting the name of the registered holder of the securities, being—
 - (A) the name of the seller; or
 - (B) the name of a participant acting on behalf of the seller; or
 - (C) the name of the FASTER transfer account of a participant acting on behalf of the seller; and either

- (ii) entering the buyer's name as the registered holder of the securities; or
- (iii) entering, as the registered holder of the securities,—
 - (A) the name of a participant who is a member of the Exchange and who is acting on behalf of the buyer, together with an indication that the securities are held in the participant's FASTER transfer account; or
 - (B) the name of the FASTER transfer account of the participant:
- (f) if an entry is made under paragraph (e)(iii), an electronic entry into the computer system controlling the public issuer's register effected by a participant who is a member of the Exchange and who is acting on behalf of the buyer—
 - (i) deleting, as the registered holder of the securities, the name of the participant or the name of the participant's FASTER transfer account, as the case may be; and
 - (ii) entering the buyer's name as the registered holder of the securities:
- (g) the public issuer forwarding a securities holder's statement to the buyer within 7 days after the transfer, or on the request of a securities holder if that securities holder has not received a securities holder's statement within the last 6 months.

Marie Shroff,
Clerk of the Executive Council.

Explanatory note

This note is not part of the order, but is intended to indicate its general effect.

This order, which comes into force on 12 October 2001, approves the system operated by the New Zealand Stock Exchange (the **Exchange**) known as the FASTER system as a system for the transfer of securities for the purposes of the Securities Transfer Act

1991. The order replaces the Securities Transfer (Approval of FASTER System) Order 1998 (the **previous order**).

Section 7 of that Act provides that securities may be transferred in accordance with a system of transfer that is wholly or partly electronic and that is approved by the Governor-General by Order in Council.

The previous order applied only to securities of companies that were parties to a listing agreement with the Exchange. Securities quoted by the Exchange and traded on the Exchange's unlisted securities market but not issued by companies that were parties to a listing agreement could not be transferred under the system approved by the previous order.

The system approved by this order applies to the electronic transfer of both securities of companies that are parties to a listing agreement with the Exchange and securities quoted by the Exchange and issued by companies that, although not parties to a listing agreement, are parties to a securities transfer services agreement.

Issued under the authority of the Acts and Regulations Publication Act 1989.

Date of notification in *Gazette*: 13 September 2001.

This order is administered in the Ministry of Economic Development.
