

Amendment No. 1 to SB2640

Bailey
Signature of Sponsor

AMEND Senate Bill No. 2640

House Bill No. 2806*

by deleting all language after the enacting clause and substituting:

SECTION 1. Tennessee Code Annotated, Section 47-8-110, is amended by deleting subsection (b) and substituting:

(b) The local law of the entitlement holder's jurisdiction governs:

(1) Acquisition of a security entitlement from the securities intermediary;

(2) The rights and duties of the securities intermediary and entitlement holder arising out of a security entitlement;

(3) Whether the securities intermediary owes any duties to an adverse claimant to a security entitlement; and

(4) Whether an adverse claim can be asserted against a person who acquires a security entitlement from the securities intermediary or a person who purchases a security entitlement or interest therein from an entitlement holder.

SECTION 2. Tennessee Code Annotated, Section 47-8-110, is amended by deleting subsections (e) and (f).

SECTION 3. Tennessee Code Annotated, Section 47-8-503(a), is amended by deleting ", except as otherwise provided in § 47-8-511".

SECTION 4. Tennessee Code Annotated, Section 47-8-511, is amended by deleting the section and substituting:

If a securities intermediary does not have sufficient interests in a particular financial asset to satisfy both its obligations to entitlement holders who have security entitlements to that financial asset and its obligation to a creditor of the securities

intermediary who has a security interest in that financial asset, then the claims of entitlement holders, other than the creditor, have priority over the claim of the creditor.

SECTION 5. Tennessee Code Annotated, Section 47-9-305(a), is amended by deleting subdivisions (3) and (4) and substituting:

(3) The local law of the commodity intermediary's jurisdiction governs perfection, the effect of perfection or nonperfection, and the priority of a security interest in a commodity contract or commodity account.

SECTION 6. This act takes effect July 1, 2024, the public welfare requiring it.