PROPOSAL OF THE DRAFTING COMMITTEE RELATING TO ARTICLES 8, 12 AND 25

Article 8
Measures to enable account holders to receive and exercise rights

1. An intermediary must take appropriate measures to enable its account holders to receive and exercise the rights specified in Article 7(1).

2. This Convention does not require the relevant intermediary to establish a securities account with another intermediary or to take any action that is not within its power or to establish a securities account with another intermediary.

Article 12
Effectiveness in insolvency

1. The rights of an account holder under Article 7(1) that have become effective against third parties under Article 9, and an interest that has become effective against third parties under Article 10, are effective against the insolvency administrator and creditors in any insolvency proceeding.

2. In insolvency proceedings, the following rules apply to the rights and interests mentioned in paragraph 1 to the extent that they apply to equivalent interests effective in insolvency proceedings:
   
   (a) ranking of categories of claims or avoidance as a preference or a transfer in fraud of creditors;
   
   (b) enforcement of rights or interests after the opening of an insolvency proceeding;
   
   (c) any other substantive or procedural rule.

[...]

Article 25
Obligations and liability of intermediaries

1. The obligations of an intermediary under this Convention, including the manner in which an intermediary complies with its obligations, may be specified by the non-Convention law and, to the extent permitted by the non-Convention law, the account agreement or the uniform rules of a securities settlement system. If the substance of an obligation of an intermediary under this Convention is addressed by any provision of the non-Convention law or, to the extent permitted by the non-Convention law, the account agreement or the uniform rules of a securities settlement system, compliance with that provision satisfies that obligation.

[...]

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