



**DIPLOMATIC CONFERENCE TO ADOPT A
CONVENTION ON SUBSTANTIVE RULES
REGARDING INTERMEDIATED SECURITIES**
Geneva, 1 to 13 September 2008

UNIDROIT 2008
CONF. 11 – Doc. 7
Original: English
March 2008

CONVENTION ON SUBSTANTIVE RULES REGARDING INTERMEDIATED SECURITIES

DRAFT PREAMBLE

*(submitted by France, Germany, Luxembourg, Malta, the Russian Federation, the United Kingdom
and the United States of America)*

THE STATES SIGNATORY TO THIS CONVENTION,

CONSCIOUS of the growth and development of global capital markets and recognising the benefits of holding securities, or interests in securities, through intermediaries in increasing the liquidity of modern securities markets,

RECOGNISING the need to protect persons that acquire or otherwise hold such intermediated securities,

AWARE of the importance of reducing legal risk, systemic risk and associated costs in relation to domestic and cross-border transactions involving intermediated securities so as to facilitate the flow of capital and access to capital markets,

MINDFUL of the need to enhance the international compatibility of legal systems as well as the soundness of domestic and international rules relating to intermediated securities,

DESIRING to establish a common legal framework for the holding and disposition of intermediated securities,

BELIEVING that a functional approach in the formulation of rules to accommodate the various legal traditions involved would best serve the purposes of this Convention,

HAVING due regard for domestic non-Convention law in matters not determined by the Convention,

RECOGNISING that this Convention does not limit or otherwise affect the powers of Contracting States to regulate, supervise or oversee the holding and disposition of intermediated securities or any other matters expressly covered by the Convention, except in so far as such regulation, supervision or oversight would contravene the provisions of this Convention,

HAVE AGREED upon the following provisions: