



DWF Germany

German Ministry of Justice and Consumer Protection and the Ministry of Finance publish draft Electronic Securities Act (eWpG-E)

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DWF welcomes the publication of the first draft (*Referentenentwurf*) of the Electronic Securities Act (eWpG-E) by the German government. The government delivers on its commitment to make the introduction of electronic securities a priority in implementing the blockchain strategy set in 2019. The eWpG is limited to bearer bonds (*Inhaberschuldverschreibungen*) and does not yet deal with equity instruments like limited liability or stock company shares nor any other type of debt instrument, which are announced to be included at a later stage. Notwithstanding the phased approach beginning with bearer bonds, the draft is a significant step forward on the digitization roadmap for the German finance sector.

The eWpG-E provides for the registration of securities in electronic registers as equal substitute for the conventional deed required for the creation of bonds up to now. The proposed draft permits the exchange between already issued paper-based securities into electronic securities and vice versa as well as split issuances (partly paper-based and electronic). It does not only allow for integrating the new electronic securities into the existing paper-based securities' issuance, trading and clearing infrastructure but also a fluent exchange between the legacy and upcoming system. Market participants will quickly adjust their systems to include electronic securities which will open up the market for institutional investors.

In addition, the eWpG-E is more innovative in a number of other aspects. It expressly takes into account the existence of distributed ledger based security tokens and registries and permits crypto registers to be run by entities not being central securities depositories (CSD). Although operating decentralised registries for third party issuers requires the newly introduced financial services license more competition will be created for the German securities market, which is currently dominated by one CSD monopolist.

The draft legislation also provides for comprehensive bona fides status for registered information which include (for decentralised crypto registers only!) the issuer, third party rights and transfer restrictions. As a result, market participants enjoy an enhanced protection compared to the current situation which may stimulate the finance and refinance markets.

We enclose an English convenience translation to facilitate the international interest in this new German legislation.



Dr. Nina-Luisa Siedler

Partner

T +49 30 25090110-0

M +49 151 14368441

E nina.siedler@dwf.law



Axel von Goldbeck

Partner

T +49 30 25090110-0

M +49 170 5543936

E axel.vongoldbeck@dwf.law

- Convenience translation -

Draft law on the introduction of electronic securities

Dated

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The German parliament has passed the following law:

Article 1 Electronic Securities Act (eWpG)

Section 1 General provisions

§ 1 Scope of application

This law applies to bearer bonds.

§ 2 Electronic security

- (1) A security may also be issued as an electronic security. An electronic security is issued by making an entry in an electronic securities register (§ 4 par. 1) instead of issuing a securities certificate.
- (2) Unless otherwise provided by this Act, an electronic security shall have the same legal effect as a security issued by means of a certificate.
- (3) An electronic security shall be deemed to be an object within the meaning of § 90 of the German Civil Code.

§ 3 Owner and beneficiary

- (1) The owner of a cryptographic security (§ 4 par.1) is the person in whose name the cryptographic security or a certain proportion of a total issue is entered in the cryptographic security register.
- (2) The owner of an electronic security which is entered in the central register of electronic securities is the entity keeping the register (§ 12 par.2).
- (3) The entitled party is the person who holds the right arising from a security.

§ 4 Definitions

- (1) Electronic securities registers are
 1. central registers of electronic securities pursuant to § 12 and
 2. cryptographic security registers pursuant to § 16.
- (2) A cryptographic security is an electronic security which is entered in a cryptographic security register.
- (3) Entry is the inclusion of an electronic security in an electronic securities register with a clear and immediately recognisable reference to the terms of conditions of the issue.
- (4) The Terms and conditions of issue are the content of the right for which an electronic security is registered, including ancillary provisions.
- (5) Transfer is the removal of the owner of an electronic security entered in the electronic register of securities and the registration of a new owner.

- (6) Cancellation shall mean the identification of a registered electronic security, including its terms and conditions, as invalid.
- (7) The bodies keeping the register shall be those designated in § 12 par.2 and § 16 par.2.

§ 5
Filing

- (1) Prior to the entry of the electronic security in the electronic securities register, the issuer shall make the terms and conditions of issue available at the registry administrator in a consistent electronic form and with the possibility of direct access to the same for everyone, which can be repeated at will (filing). If the filing is not followed by the registration of the security within one month at the latest, the terms and conditions must be deleted by the register administrator administrator.
- (2) The register administrator shall ensure that only amendments to the terms and conditions of issue laid down are made which are made by law or by virtue of a law, a legal transaction, a court decision or an enforceable administrative act.
- (3) Amendments to the terms and conditions of the issue must be deposited with the register administrator in order to be effective.
- (4) The issuer shall make any amendments to the terms and conditions of the issue at the register administrator accessible to everyone in a permanent electronic form and with the possibility of direct notification that can be repeated at will. The change must be documented.

§ 6
Relationship to securities certificates

- (1) There shall be no right to the delivery of individual securities certificates unless the terms and conditions of issue of the electronic security expressly provide for such a right.
- (2) The issuer may replace an electronic security by a security of the same content issued by means of a certificate if
 1. the beneficiary consents, or
 2. the terms and conditions of the issue expressly permit substitution without the consent of the beneficiary.

The electronic security must be deleted from the register if it is replaced by a security issued by means of a certificate. The entry in the register shall be replaced by the embodiment of the right in the certificate to be issued as soon as the deletion is completed and the certificate is issued.

- (3) The issuer may at any time and without the consent of the beneficiary replace a security issued by means of a collective certificate or by means of individual certificates held in collective custody by an electronic security with the same content which is entered as a collective entry in the central register of electronic securities if in the terms and condition
 1. it is not excluded, or
 2. it is not made dependent on the consent of the beneficiaries The deed becomes invalid upon registration.
- (4) The replacement of a security issued by means of a certificate by a cryptographic security which is entered in a cryptographic security register requires the express consent of the entitled party. The certificate shall become invalid upon registration.

§ 7
Register administration; compensation for damages

- (1) The register administrator shall maintain an electronic securities register in accordance with the current state of the art technology.
- (2) The register administrator shall ensure that the electronic register of securities accurately reflects the existing legal situation at all times and that entries and, in the case of crypto securities, transfers are complete and orderly. It shall be obliged to compensate the entitled party for any loss arising from a failure to keep the register in accordance with sentence 1 unless it is not responsible for the error.
- (3) The register administrator must take the necessary technical and organisational measures to prevent data loss or unauthorised data modification for the entire duration of the registration, otherwise it shall be liable to the authorised person for the damage caused by the loss of data or unauthorised data modification. The register administrator must ensure that the total portfolio of securities issued electronically by the issuer is not changed by entries and, in the case of crypto securities, also by transfers.
- (4) The administration of the register as such does not constitute e custody within the meaning of the German Deposit Act.

§ 8

Collective registration; individual registration

- (1) Electronic securities may, at the instigation of the issuer, up to the nominal amount of the respective issue be entered in the electronic securities register (collective entry)
 1. in the name of a securities clearing and deposit bank or
 2. in the case of cryptographic securities, in the name of a securities clearing and deposit bank or in the name of the custodian
- (2) Notwithstanding par. 1, cryptographic securities may also be registered in the name of the entitled party in the amount of the respective nominal value at the instigation of the issuer, insofar as the terms and conditions of issue provide for this (individual entry).
- (3) Individual registrations may be converted into a collective registration at the request of the owner.

§ 9

Special provision for collective registrations

- (1) Electronic securities in collective registration shall be deemed to be a collective security holding. The beneficiaries of the registered rights with the same content shall be deemed to be co-owners of fractions of the registered electronic security. The respective share shall be determined by the nominal amount of the rights taken in collective registration on behalf of the beneficiary.
- (2) The Central Securities Depository or a custodian shall administer the collective registration in trust for the beneficiary without being the beneficiary itself. The Central Securities Depository or a custodian may manage the collective entry for the entitled persons together with its own shares.
- (3) If the overall issue as a mixed holding consists partly of a collective registration and partly of securities issued by means of a document or securities in individual entry in the same register, these parts shall be deemed to form a uniform collective holding if this is indicated in the register for collective entry.

§ 10

Publicity, Register Secrecy

- (1) The registry administrator shall ensure that participants in the registry have electronic access to the register.
- (2) The registry administrator shall grant electronic access to the register to any person who can demonstrate a legitimate interest. A legitimate interest shall be presumed to be in favour of the competent supervisory, regulatory and law enforcement authorities acting in the performance of their statutory duties.
- (3) Information which goes beyond the details of the registered security, including information on the identity and address of an owner, may only be provided by the register administrator to the person who demonstrates a special legitimate interest. A special legitimate interest is presumed to be in favour of the owner of an electronic security and the competent supervisory, regulatory and law enforcement authorities in the performance of their statutory duties.

§ 11

Supervision

- (1) The supervisory authority shall monitor the maintenance of an electronic securities register pursuant to this Act.
- (2) The supervisory authority within the meaning of this Act shall be the Federal Financial Supervisory Authority.

Section 2

Central register of electronic securities

§ 12

Central register and register administration

- (1) The central register of electronic securities shall be used for the central registration and publicity of electronic securities in accordance with the following provisions.
- (2) The centralised register of electronic securities shall be maintained by an authorised central securities depository in accordance with Article 16 of Regulation (EU) No 909/2014 of the European Parliament and of the Council of 23 July 2014 on enhancing the settlement and clearing of securities within the European Union and through central securities depositories and amending Directives 98/26/EC and 2014/65/EU and Regulation (EU) No 236/2012 (OJ L 257, 28.8.2014, p. 1; L 349, 21.12.2016, p. 5), as last amended by Delegate Regulation (EU) 2018/1229 (OJ L 230, 13.9.2018, p. 1), which provides the core services listed in Section A of the Annex to this Regulation within the country.
- (3) After registration of the electronic security in the Central Register of Electronic Securities, the respective security shall be recorded for settlement by means of a book entry in the securities giro at the Central Securities Depository.

§ 13

Register details

The entity keeping the register shall ensure that the central register of electronic securities contains the following information on the registered security:

1. the essential content of the right including a unique security identification number
2. the total emission volume,
3. the nominal amount,
4. the issuer, and
5. information on the mixed stock referred to in § 9 par.3.

The register administrator shall ensure that the information pursuant to sentence 1 is linked in such a way that it can only be retrieved together.

§ 14

Changes to the contents of the register

- (1) Unless otherwise provided for by law, the registry administrator may only make changes to the information pursuant to § 13 and delete an entry and its terms and conditions of issue with the consent of the issuer and the entitled persons or on the basis of instructions from a person or entity entitled to do so as follows:
 1. by law,
 2. by virtue of a law,
 3. by court decision, or
 4. by an enforceable administrative act.
- (2) If the register administrator has made a change to the contents of the register without the consent of the issuer or the entitled persons or without corresponding instructions from the person or body entitled pursuant to paragraph 1, it must reverse the change without delay. The rights under Article 17 of Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of individuals with regard to the processing of personal data and on the free movement of such data and repealing Directive 95/46/EC (basic data protection regulation) (OJ L 119, 4.5.2016, p. 1; L 314, 22.11.2016, p. 72; L 127, 23.5.2018, p. 2) shall remain unaffected.

§ 15

Authorisation to issue regulations in relation to the central register

The Federal Ministry of Justice and Consumer Protection and the Federal Ministry of Finance may, by means of a joint statutory instrument which does not require the consent of the Bundesrat, lay down more detailed provisions on

1. the technical requirements for the submission of the terms and conditions of issue pursuant to § 5, including the presentation of changes and access to data
2. the procedure for changing the form of issue or the delivery of individual certificates pursuant to § 6,
3. the establishment and maintenance of the register pursuant to § 7,
4. the specifications for data storage and data presentation in accordance with § 13,
5. the requirements for guaranteeing the right to inspect pursuant to § 10, the group of persons entitled to inspect and the reasons which justify a justified or a special legitimate interest in inspection, as well as the regulations on the presentation of the interest and the procedure for inspection,
6. the standard of diligence to be expected in order to reflect the legal situation pursuant to § 7 par.2,
7. the requirements for the confidentiality, integrity, availability and authenticity of the data in accordance with § 7 par. 3,
8. the requirements for the attribution to a mixed stock pursuant to § 9 para 3 and
9. the deletion in accordance with § 14 par.1 in conjunction with § 4 par. 6, including the final destruction of data.

Section 3 **Cryptographic securities register**

§ 16

Cryptographic securities register

- (1) A cryptographic securities register shall be kept on a decentralised, forgery-proof recording system in which data are recorded in the time sequence and stored in a manner protected against unauthorised deletion and subsequent modification.
- (2) The registry administrator is the person designated as such by the issuer to the owner. A change of the registry administrator by the issuer is permissible without the consent of the owner or the entitled person, unless otherwise provided for in the terms and conditions of issue. In the absence of a designation pursuant to sentence 1, the issuer shall be deemed to be the register administrator.

§ 17

Register details

- (1) The register administrator shall ensure that the cryptographic securities register contains the following information on the registered security:
 1. the essential content of the right including a unique identification number and the identification as a security,
 2. an indication of whether it is an individual or collective entry,
 3. the issuer,
 4. the owner,
 5. obstacles to disposal,
 6. rights of third parties and
 7. information on the mixed stock referred to in § 9 par.3.

The designation of the owner must be made by assigning a unique identifier.

- (2) The register administrator shall ensure that the information under subsection 1 first sentence is linked in such a way that it can only be retrieved together.

§ 18

Changes to the contents of the register

- (1) The register administrator may only make changes to the information pursuant to § 17 par. 1 sentence 1 and delete the security on the basis of an instruction

1. of the owner, unless the register administrator is aware that the owner is not entitled, or
2. a person or body authorised to do so as follows
 - a) by law,
 - b) by virtue of a law,
 - c) by legal transaction,
 - d) by judicial decision; or
 - e) by an enforceable administrative act.

In the case of section 17 par. (1) sentence 1 no. 6, the registered third party shall take the place of the owner.

- (2) Unless otherwise provided by law, the register administrator may only amend the information pursuant to § 17 (1) Nos. 1, 2, 3 and 7 and delete an entry and its terms and conditions of issue with the consent of the issuer.
- (3) The register administrator may only make changes to the contents of the register, in particular entries, in the order in which the corresponding instructions from the owner or the authorized persons or bodies pursuant to par. 1 are received by the register administrator. The register administrator shall time stamp the receipt and execution of the instructions.
- (4) The registry administrator may assume that instructions have been given by the owner if the instructions have been issued by means of a suitable authentication instrument. It shall ensure that transfers are unambiguous, are carried out within a reasonable time and that the transaction cannot be invalidated on the recording system.
- (5) If the registry administrator has made a change to the contents of the register without instructions from the owner or the person or entity entitled pursuant to par. 1, it shall immediately reverse the change. The rights under Article 17 of Regulation (EU) 2016/679 shall remain unaffected.

§ 19

Register excerpt for consumers

If the owner of an individually registered cryptographic security is a consumer, the register administrator shall provide the owner with an extract from the register in text form after entry in the register, whenever the contents of the register are changed and once a year.

§ 20

Publication in the Federal Gazette

- (1) The issuer must immediately arrange for the publication in the Federal Gazette of the entry of a cryptographic security in a cryptographic security register as well as the change in the details of a registered cryptographic security as specified in par.2 and at the same time notify the supervisory authority of this publication.
- (2) The publication shall contain the following information:
 1. the issuer,
 2. information on the cryptographic security register,
 3. the register administrator,
 4. the main content of the right, including a unique identification number; and the identification as a security,
 5. the date of entry of the cryptographic security in the cryptographic security register and, in the event of a change, the date of the change and
 6. whether it is a registration or an amendment of the particulars referred to in points 2 to 4
- (3) The supervisory authority shall maintain a public list on the Internet of the cryptographic securities notified to it under par. 1 and entered in a cryptographic securities register. The list contains the following information on the crypto securities:
 1. the issuer,
 2. the register administrator,

3. the date of the entry of the cryptographic security in the cryptographic security register and
4. in the case of notified changes, the date and the main content of the respective changes.

§ 21

Obligations of the issuer

- (1) The issuer shall take the necessary technical and organisational measures to guarantee the integrity and authenticity of the cryptographic securities for the entire duration of the registration.
- (2) If compliance with the requirements applicable to the cryptographic securities register under this Act is no longer ensured, the issuer shall take remedial action within a reasonable period of time. If he does not take such remedial action, the supervisory authority may require the issuer to transfer the cryptographic security to another electronic securities register.

§ 22

Change of the securities register

If the issuer wishes to transfer a cryptographic security to another electronic securities register, it requires the consent of all owners of the crypto security or the consent of the supervisory authority for this purpose.

§ 23

Regulation authorisation with regard to cryptographic paper registers

- (3) The Federal Ministry of Justice and Consumer Protection and the Federal Ministry of Finance may, by means of a joint statutory instrument not requiring the consent of the Bundesrat, adopt more detailed provisions on
 1. the procedure and details of registration under § 4 par.3,
 2. the technical requirements for the determination of the terms and conditions of issue pursuant to § 5, including the presentation of changes and access to data,
 3. the procedure for changing the form of issue or the delivery of individual certificates pursuant to § 6,
 4. the establishment and maintenance of the register pursuant to § 7,
 5. the standard of diligence to be expected for the representation of the legal situation pursuant to § 7 par. 2 as well as the provisions on the cancellation of registrations pursuant to § 18 par. 5,
 6. the requirements for the confidentiality, integrity, availability and authenticity of the data in accordance with § 7 par.3,
 7. the requirements for inclusion in a mixed stock pursuant to § 9 par.3,
 8. the requirements for guaranteeing the right to inspect pursuant to § 10, the group of persons entitled to inspect and the reasons which justify a justified or a particularly justified interest in inspection, as well as the regulations on the presentation of the interest and the procedure for inspection,
 9. the requirements for the identification of the person authorized to issue instructions pursuant to § 18 par.1 and the authentication instrument pursuant to § 18 par. 4,
 10. the procedural requirement for the transmission and execution of instructions pursuant to § 18 paras. 1 to 4,
 11. the requirements regarding the appropriate time period for transfers and the validity of transactions on the recording system pursuant to § 18 par. 4 sentence 2 ,
 12. the requirements for the exchange of information from the registry with third systems or applications and for the mutual use of exchanged information,
 13. the accessibility of the source code used,
 14. the control procedures and control measures used,
 15. ensuring responsibilities and identification features,
 16. technical performance and scalability requirements,
 17. the authorisation concepts for changing and updating the data in the recording system and the contents of the register,

18. the cryptographic procedures used and all means and methods for transforming data in order to conceal their semantic content, prevent their unauthorised use or prevent their unnoticed modification,
 19. the data to be stored in the recording system,
 20. the manner, format and content of the publication and notification pursuant to § 20 par. 1,
 21. the requirements for the inclusion and deletion of cryptographic securities, the format, content and maintenance of the list by the supervisory authority pursuant to § 20 par.3,
 22. the information which the register administrator must compare with the information in the recording system or supplement and store,
 23. the criteria for participation in the registry, allowing fair and open access,
 24. communication procedures with the participants, including the interfaces through which they are connected to the registry administrator and the recording system
 25. details of the procedure for changing the securities register pursuant to § 21 par. 2 and § 22,
 26. the documentation and description of the register,
 27. the requirements for the business organisation in the maintenance of the register and
 28. the type, format and content of the extract from the register pursuant to § 19.
- (1) The Federal Ministry of Justice and Consumer Protection and the Federal Ministry of Finance may transfer the authorization under subsection 1 to the Federal Financial Supervisory Authority by joint statutory instrument.

Section 4

Disposals of electronic securities in individual registration

§ 24 **Transparency of disposals**

The disposal of

1. an electronic security,
2. a right under or over a right in an electronic security, or
3. a right in or over an electronic security

requires, subject to other legal requirements, an entry or transfer in the electronic securities register to be effective.

§ 25 **Transfer of ownership**

- (4) In order to transfer ownership of an electronic security, it is necessary that the electronic security is transferred to the acquirer on the instructions of the beneficiary and that both parties agree that the right is to be transferred. Until the transfer to the acquirer, the beneficiary does not lose his ownership.
- (5) The right attaching to the security shall be transferred when the electronic security is transferred in accordance with par.1.

§ 26 **Acquisition in good faith**

In favour of the person who is entered in the securities register on the basis of a legal transaction

1. the content of the securities register is considered complete and correct,
2. the owner as the beneficiary,
3. a representative as authorized,
4. the transferor is deemed to be authorised to dispose of the property and
5. the transferor or representative as having legal capacity,

unless the acquirer is aware of something else at the time of its registration or is unaware of it due to gross negligence.

§ 27

Presumption of ownership for the owner

Unless otherwise provided by this Act, the owner of an electronic security is presumed to be the owner of the security for the duration of his registration as a owner.

Section 5

Special provisions relating to Book II Section 8 Title 24 of the Civil Code

§ 28

Rights arising from the bond; objections of the issuer

- (1) The owner of a bond issued as an electronic security may demand from the issuer the performance promised in the bond unless he is not entitled to do so. The issuer shall also be released by the performance to the owner.
- (2) The issuer of an electronically issued bond may only raise such objections as arise from the registration, concern the validity of the registration, are based on the bond terms and conditions or are due to him directly against the owner.

§ 29

Obligation to perform only against transfer; lapse

- (1) The issuer of an electronically issued bond shall only be obliged to transfer the bond to the issuer in the case of proof of payment for the performance of the bond if the owner issues the corresponding instructions to the register administrator.
- (2) The presentation of an electronically issued bond within the meaning of § 801 of the German Civil Code shall be made by express request for payment, with proof of entitlement.

§ 30

Extraordinary termination

The owner of a bond entered in a cryptographic security register is entitled to extraordinary termination if he has unsuccessfully set the issuer a reasonable deadline for restoring the functionality of the cryptographic security register. The transfer of the bond to another securities register pursuant to § 21 par.2 and § 22 shall be deemed equivalent to the restoration of the register's functional capability.

Section 6

Fines regulations

§ 31

Fines regulations

- (1) An administrative offence is committed by anyone who
 1. in contravention of § 20 (1), fails to make a publication, or does not do so correctly, completely or in good time, or does not make a notification, or does not do so correctly, completely or in good time, or
 2. contravenes an enforceable order under § 21 par.2.
- (2) An administrative offence is committed by anyone who intentionally or negligently
 1. contrary to § 7 par.1, also in conjunction with a statutory instrument pursuant to § 15 par. 3 or § 23 par.1 no.4 does not keep a register or does not keep it correctly,
 2. contrary to § 7 par. 2 sentence 1, also in conjunction with an administrative instrument pursuant to § 15 no. 6 or § 23 par. 1 no. 5 does not ensure that registration or transfer is effected in the manner specified therein,
 3. contrary to § 7 par. 3 sentence 1, also in connection with a administrative instrument pursuant to § 15 no. 7 or § 23 par.1 no. 6 fails to take a measure referred to therein or does not take such a measure properly or in good time,
 4. contrary to the second sentence of § 7 par. 3, even in conjunction with an administrative instrument pursuant to § 15 no.7 or § 23 par. 1 no.6, does not ensure that the total portfolio referred to therein is not changed,
 5. contrary to § 10 par.1, also in connection with an administrative instrument pursuant to § 15 no.5 or Article 23 par.1 no.8, does not ensure that the participants have access to the information,

6. contrary to § 10, par. 2, Sentence 1, in conjunction with an administrative instrument pursuant to § 15 no. 5 or § 23 par. 1 no. 8 of the Act does not grant access,
 7. provides information in contravention of the first sentence of § 10 par.3 sentence 1 in conjunction with an administrative instrument pursuant to § 15 no. 5 or § 23 par.1 no. 8,
 8. contrary to the first sentence of § 13, also in conjunction with an administrative instrument pursuant to Article 15 no. 4, or contrary to the first sentence of § 17 par. 1, does not ensure that a register referred to therein contains the information specified therein,
 9. contrary to the second sentence of § 13, also in conjunction with an administrative instrument pursuant to § 15 par.3, or contrary to § 17 par.2, also in conjunction with an administrative instrument pursuant to § 23 par.1 no.4, does not ensure that the information is linked in the manner specified therein,
 10. makes an amendment or deletion contrary to § 14 par. 1 or § 18 par. 1, 2 or 4 sentence 1,
 11. in contravention of § 14 par. 2 first sentence, also in conjunction with an administrative instrument pursuant to § 15 no.4, or in contravention of § 18 par.5 first sentence, also in conjunction with an administrative instrument pursuant to § 23 par.1 no.5, does not, incorrectly, incompletely or not in good time reverse an amendment,
 12. contrary to § 16 par. 1, does not properly maintain a cryptographic paper register,
 13. contrary to the second sentence of § 18 par.4 in conjunction with an administrative instrument pursuant to § 23 par. 1 no.11, fails to ensure that a transfer or transaction fulfils a requirement specified therein, or
 14. contrary to § 19, also in connection with an administrative instrument pursuant to § 23 par. 1 no. 28, fails to provide an extract from the register, or provides it incorrectly, incompletely or not in time.
- (3) The administrative offence may be punished by a fine of up to one hundred thousand Euros.
- (4) The administrative authority within the meaning of Section § 36 par.1 no.1 of the Act on Administrative Offences shall be the Federal Financial Supervisory Authority.

Section 7 Final provisions

§ 32

Applicable law

Rights to and dispositions of an electronic security are subject to the law of the state under whose supervision the registry administrator in whose electronic securities register the security is entered is located.

§ 33

Transitional arrangements

§ 6 par.3 shall also apply to securities that were issued before ... [insert date of entry into force of this law in accordance with § 10. Any right to the delivery of individual securities certificates under the terms and conditions of the issue shall remain unaffected by the replacement of the paper form by the electronic form.