



General Assembly

January Session, 2025

Committee Bill No. 5849

LCO No. 4542



Referred to Committee on BANKING

Introduced by:
(BA)

AN ACT CONCERNING THE PRIORITY OF CLAIMS TO FINANCIAL ASSETS OF SECURITIES INTERMEDIARIES.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 42a-8-511 of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective October 1, 2025*):

3 (a) Except as otherwise provided in [subsections] subsection (b) [and
4 (c)] of this section, if a securities intermediary does not have sufficient
5 interests in a particular financial asset to satisfy both its obligations to
6 entitlement holders who have security entitlements to that financial
7 asset and its obligation to a creditor of the securities intermediary who
8 has a security interest in that financial asset, the claims of entitlement
9 holders, other than the creditor, have priority over the claim of the
10 creditor.

11 [(b) A claim of a creditor of a securities intermediary who has a
12 security interest in a financial asset held by a securities intermediary has
13 priority over claims of the securities intermediary's entitlement holders
14 who have security entitlements with respect to that financial asset if the
15 creditor has control over the financial asset.]

16 [(c)] (b) If a clearing corporation does not have sufficient financial
17 assets to satisfy both its obligations to entitlement holders who have
18 security entitlements with respect to a financial asset and its obligation
19 to a creditor of the clearing corporation who has a security interest in
20 that financial asset, the claim of the creditor has priority over the claims
21 of entitlement holders.

This act shall take effect as follows and shall amend the following sections:		
Section 1	October 1, 2025	42a-8-511

Statement of Purpose:

To eliminate a statutory provision setting forth that a claim of a creditor of a securities intermediary who has a security interest in a financial asset held by a securities intermediary has priority over claims of the securities intermediary's entitlement holders who have security entitlements with respect to that financial asset if the creditor has control over the financial asset.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]

Co-Sponsors: REP. HOXHA, 78th Dist.

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