

HB 1109 -- CERTIFICATE TOKENS

SPONSOR: McDaniel

This bill relates to certificate tokens, which are defined as a representation of shares that is stored in an electronic format and contains information entered into a blockchain or other secure, auditable database, linked to or associated with the certificate token, and able to be transmitted electronically to the issuing corporation, the person to whom the certificate token was issued, and any transferee.

The bill requires each certificate to state on its face the name of the person to whom it is issued. Each certificate token must state the data address to which the token was issued.

This bill allows the articles of incorporation or bylaws of a corporation to specify that all or a portion of the shares of the corporation may be represented by share certificates in the form of certificate tokens. The electronic message, command, or transaction that transmits the certificate tokens to the data address to which a certificate token was issued shall be authorized at the time of issuance by the network signatures of two officers.

For the purposes of Chapter 351, RSMo, regarding General and Business Corporations, any reference to share certificate, share, stock, share of stock shall be construed to include a certificate token. Any reference to a requirement to print information on a share certificate shall be construed to be satisfied if the information satisfies the requirements under this bill. Any reference to certificated shares or words of similar import shall be construed to include shares represented by certificate tokens, and any reference to the delivery or deposit of these shares to the corporation shall be construed to refer to any method of granting control of the tokens to the corporation. Any reference to a certificate being duly endorsed shall be construed to mean that the transaction authorizing transfer of control of the certificate token was signed by the lawful holder of the token with the network signature corresponding to the lawful holder's data address.