336.8-103 MS 1994 [Repealed, 1995 c 194 art 1 s 53]

336.8-103 RULES FOR DETERMINING WHETHER CERTAIN OBLIGATIONS AND INTERESTS ARE SECURITIES OR FINANCIAL ASSETS.

(a) A share or similar equity interest issued by a corporation, business trust, joint stock company, or similar entity is a security.

(b) An "investment company security" is a security. "Investment company security" means a share or similar equity interest issued by an entity that is registered as an investment company under the federal investment company laws, an interest in a unit investment trust that is so registered, or a face-amount certificate issued by a face-amount certificate company that is so registered. Investment company security does not include an insurance policy or endowment policy or annuity contract issued by an insurance company.

(c) An interest in a partnership or limited liability company is a general intangible and is not a security or a financial asset, except as follows:

(1) An interest in a partnership or limited liability company is a security and is not a general intangible if it is dealt in or traded on a securities exchange or in a securities market, its terms expressly provide that it is a security governed by this article, or it is an investment company security.

(2) An interest in a partnership or limited liability company is a financial asset and is not a general intangible if it is held in a securities account.

(d) A writing that is a security certificate is governed by this article and not by article 3, even though it also meets the requirements of that article. However, a negotiable instrument governed by article 3 is a financial asset if it is held in a securities account.

(e) An option or similar obligation issued by a clearing corporation to its participants is not a security, but is a financial asset.

(f) A commodity contract, as defined in section 336.9-102(a)(15), is not a security or a financial asset.

(g) A document of title is not a financial asset unless section 336.8-102(a)(9)(iii) applies.

(h) A controllable account, controllable electronic record, or controllable payment intangible is not a financial asset unless section 336.8-102(a)(9)(iii) applies.

History: *1995 c 194 art 1 s 3; 1996 c 361 s 53; 2000 c 399 art 2 s 15; 2004 c 162 art 5 s 17; 2024 c 93 art 8 s 2*