

### 554.8102 Definitions.

#### 1. In [this Article](#):

a. “*Adverse claim*” means a claim that a claimant has a property interest in a financial asset and that it is a violation of the rights of the claimant for another person to hold, transfer, or deal with the financial asset.

b. “*Bearer form*”, as applied to a certificated security, means a form in which the security is payable to the bearer of the security certificate according to its terms but not by reason of an indorsement.

c. “*Broker*” means a person defined as a broker or dealer under the federal securities laws, but without excluding a bank acting in that capacity.

d. “*Certificated security*” means a security that is represented by a certificate.

e. “*Clearing corporation*” means:

(1) a person that is registered as a “clearing agency” under the federal securities laws;  
 (2) a federal reserve bank; or  
 (3) any other person that provides clearance or settlement services with respect to financial assets that would require it to register as a clearing agency under the federal securities laws but for an exclusion or exemption from the registration requirement, if its activities as a clearing corporation, including promulgation of rules, are subject to regulation by a federal or state governmental authority.

f. “*Communicate*” means to:

(1) send a signed writing; or  
 (2) transmit information by any mechanism agreed upon by the persons transmitting and receiving the information.

g. “*Entitlement holder*” means a person identified in the records of a securities intermediary as the person having a security entitlement against the securities intermediary. If a person acquires a security entitlement by virtue of [section 554.8501, subsection 2](#), paragraph “b” or “c”, that person is the entitlement holder.

h. “*Entitlement order*” means a notification communicated to a securities intermediary directing transfer or redemption of a financial asset to which the entitlement holder has a security entitlement.

i. (1) “*Financial asset*”, except as otherwise provided in [section 554.8103](#), means:

(a) a security;  
 (b) an obligation of a person or a share, participation, or other interest in a person or in property or an enterprise of a person, which is, or is of a type, dealt in or traded on financial markets, or which is recognized in any area in which it is issued or dealt in as a medium for investment; or

(c) any property that is held by a securities intermediary for another person in a securities account if the securities intermediary has expressly agreed with the other person that the property is to be treated as a financial asset under [this Article](#).

(2) As context requires, the term means either the interest itself or the means by which a person’s claim to it is evidenced, including a certificated or uncertificated security, a security certificate, or a security entitlement.

j. Reserved.

k. “*Indorsement*” means a signature that alone or accompanied by other words is made on a security certificate in registered form or on a separate document for the purpose of assigning, transferring, or redeeming the security or granting a power to assign, transfer, or redeem it.

l. “*Instruction*” means a notification communicated to the issuer of an uncertificated security which directs that the transfer of the security be registered or that the security be redeemed.

m. “*Registered form*”, as applied to a certificated security, means a form in which:

(1) the security certificate specifies a person entitled to the security; and  
 (2) a transfer of the security may be registered upon books maintained for that purpose by or on behalf of the issuer, or the security certificate so states.

n. “*Securities intermediary*” means:

(1) a clearing corporation; or

(2) a person, including a bank or broker, that in the ordinary course of its business maintains securities accounts for others and is acting in that capacity.

o. “Security”, except as otherwise provided in [section 554.8103](#), means an obligation of an issuer or a share, participation, or other interest in an issuer or in property or an enterprise of an issuer:

(1) which is represented by a security certificate in bearer or registered form, or the transfer of which may be registered upon books maintained for that purpose by or on behalf of the issuer;

(2) which is one of a class or series or by its terms is divisible into a class or series of shares, participations, interests, or obligations; and

(3) which:

(a) is, or is of a type, dealt in or traded on securities exchanges or securities markets; or

(b) is a medium for investment and by its terms expressly provides that it is a security governed by [this Article](#).

p. “Security certificate” means a certificate representing a security.

q. “Security entitlement” means the rights and property interest of an entitlement holder with respect to a financial asset specified in [Part 5](#).

r. “Uncertificated security” means a security that is not represented by a certificate.

2. Other definitions applying to [this Article](#) and the sections in which they appear are:

a. “Appropriate person” ..... [Section 554.8107](#)

b. “Control” ..... [Section 554.8106](#)

c. “Delivery” ..... [Section 554.8301](#)

d. “Investment company security” ..... [Section 554.8103](#)

e. “Issuer” ..... [Section 554.8201](#)

f. “Overissue” ..... [Section 554.8210](#)

g. “Protected purchaser” ..... [Section 554.8303](#)

h. “Securities account” ..... [Section 554.8501](#)

3. In addition, [Article 1](#) contains general definitions and principles of construction and interpretation applicable throughout [this Article](#).

4. The characterization of a person, business, or transaction for purposes of [this Article](#) does not determine the characterization of the person, business, or transaction for purposes of any other law, regulation, or rule.

[C66, 71, 73, 75, 77, 79, 81, §554.8102]

[89 Acts, ch 113, §1](#); [96 Acts, ch 1138, §10, 84](#); [2007 Acts, ch 41, §29](#); [2012 Acts, ch 1023, §157](#)

Referred to in [§511.8\(21\)\(a\)](#), [§515.35](#), [§518.14](#), [§518A.12](#), [§554.4104](#), [§554.8103](#), [§554.9102](#), [§626.25](#), [§633.89](#), [§642.17](#)