The law of 14 December 2005 stipulates that bearer securities will be abolished gradually. In concrete terms: existing bearer securities will be converted into registered or dematerialised securities.

WHAT IS THE PURPOSE OF THIS LAW?
In most European countries bearer securities are no longer in circulation. With this law Belgium is now harmonising its legislation in line with the European standard.

Dematerialised securities offer considerable advantages. The main advantage is the greater security: the risk of loss or theft of your securities is excluded. Furthermore, securities transactions will be considerably simpler, in keeping with the general trend to modernise securities legislation.

Another objective of the legislator is to eliminate the misuse of bearer securities and their anonymity. It is a way to fight fiscal fraud and to combat infringements of the inheritance reserve law. Importantly it counteracts financial crime (money laundering) and the funding of terrorism.

TYPES OF SECURITIES?
At the present time, disregarding dematerialised public sector securities, two types of securities exist: bearer and registered securities. The new law introduces a third type: dematerialised securities. Eventually Belgian bearer securities will disappear.
Bearer securities
A bearer security is a security whose owner is anonymous: their name is not mentioned. Possession of the security is deemed as evidence of ownership: the holder of the bearer security is assumed to be its owner. Bearer securities exist in both physical form (on paper) and book-entry form (on a portfolio). Ownership of the security can be transferred by simply handing over the certificate (physical form) or by means of a transfer to the securities portfolio of another person (book-entry form).

Registered securities
The name of the holder is clearly indicated on such securities. They are listed in the register of shareholders of the company in the name of a given individual and can only be transferred subject to specific procedures and statutory provisions.

Dematerialised securities
This type of securities exists only through the booking on an account in the name of the securities holder with a recognised account holder. A recognised account holder can be a credit institution or a stock market company which has been licensed for that purpose. In addition the issuer must also indicate a clearing house or an account holder which must update the register of the issue and is responsible for the settlement of outstanding securities. In turn it opens one or more securities accounts in the name of recognised account holders.

In future
Since 1 January 2008 no new Belgian bearer securities may be issued. Companies, authorities and all issuers in general will only be able to issue registered or dematerialised securities. Since that date, existing bearer securities which are booked on a securities account may no longer be physically delivered in Belgium.

Registered securities will continue to exist.

In addition, since 1 January 2008, dematerialised securities also exist. If the company’s articles of association do not recognise dematerialised securities, then the holder can only apply for registration in their own name in the register. That possibility is still available.

IMPORTANT DATES
1 January 2008
Since 1 January 2008 Belgian bearer securities may no longer be issued. Furthermore, since that date securities may no longer be delivered physically. The rule also applies for all foreign securities and for all bearer securities booked on a securities account. At that time an automatic dematerialisation procedure was launched for securities of companies which can be traded on a regular market, all institutions for collective investments (funds and ‘sivacs/beveks’) and savings certificates, certificates of deposit and real estate certificates (residual category) provided they are booked on a securities account. Unlisted companies which have not prepared for dematerialisation or want to have the issue registered in name will not come under the automatic dematerialisation procedure during the transitional stage.

1 January 2014
Over a transitional period bearer securities which are not dematerialised automatically can be converted voluntarily into registered securities. During the transitional stage securities on accounts will be automatically converted into dematerialised securities at the time stipulated by the issuer and provided the issuer has taken preparatory measures. The transitional period runs until 31 December 2013. Once the deadline has passed, securities which have not been automatically converted will be converted ipso facto into registered securities. They will be
listed in the name of the issuer in the register of registered shares although it will not become the owner.
As long as the holder is unknown, the rights linked to the bearer securities will be suspended until their regularisation.

1 January 2015
As from 1 January 2015 the issuer will sell any securities whose claimant is not known.

In the case of securities admitted on a regular market, the sale will occur at the earliest one month after the announcement of the sale and within the following three months through the regular market. The announcement must be made by means of a notice published in the Belgian Official Gazette and two national newspapers, one in Dutch and one in French. The notice will ask the claimants to exercise their rights on the securities. The sale deadline of three months does not apply to the other securities.

The proceeds from the sale will be deposited with the ‘Deposito- en Consignatiekas/Caisse de Dépôt et Consignation’ until somebody who can validly evidence their capacity as claimant reclaims them.

Securities which have not been sold by 30 November 2015 will be deposited with the ‘Deposito- en Consignatiekas/Caisse de Dépôt et Consignation’.

1 January 2016
Anyone who requests the refund of the proceeds from the sale of the securities from the ‘Deposito- en Consignatiekas/Caisse de Dépôt et Consignation’ will be fined. The fine will cost 10% of the amount or of the value of the securities per year of arrears. Each year commenced will be considered as a full year.

What will this mean for you?
Do you own any bearer securities? If you do the new law will have concrete repercussions for you. They are listed below.

Paper securities will not be abolished in one go, but gradually. Since 1 January 2008 it is no longer possible to obtain physical or paper securities. This rule applies for both Belgian and foreign securities, for instance investment funds under Luxembourg law, Euro-bonds, etc. Nor is it possible to request the physical delivery of securities held in a securities portfolio.

We advise you to place all your securities in a securities portfolio now. In that way you can be certain that everything will be in order in accordance with the new law.

Securities portfolio
Depositing securities in a portfolio is a straightforward operation which simplifies the management of your movable assets. Furthermore a securities portfolio offers numerous advantages.

Convenience
You will no longer have to cut off coupons or dividends. Moreover they will be automatically paid into your account on the predetermined date. The capital at maturity will also be credited promptly. You will no longer have to manually update maturity and coupon dates.

Safe
Securities in a portfolio cannot be lost or stolen. Were you aware that every year millions of euros worth of paper securities are lost? The replacement of lost or stolen securities is a cumbersome and tedious procedure which takes several years.
**Flexible**
You can check the value of securities in your portfolio at any time. You can check it via Home’Bank, Self’Bank, Phone’Bank and naturally your ING Branch. You will be informed automatically in the event of mergers, de-mergers or splits with repercussions for your securities. Nothing could be easier than monitoring investments kept in a securities portfolio.

**Inexpensive**
You will not pay any safe-custody fees for the investment funds, savings certificates, bonds and other assets issued by companies of the ING group. In addition you will avoid the taxes (0.6%) and charges (12.5 euros per security) levied on the delivery of paper securities.

**Inheritance insurance**
As an accident can take you unawares, it is best to be properly insured. You can link inheritance insurance to your securities portfolio. It covers the accidental death of the insured and guarantees a payment to the beneficiary. Such payment represents a percentage of the value of the securities portfolio on the day before the accident.

<table>
<thead>
<tr>
<th>Insured value of your securities portfolio</th>
<th>Minimum amount insured</th>
<th>Maximum amount insured</th>
<th>Annual premium per securities portfolio</th>
</tr>
</thead>
<tbody>
<tr>
<td>25%</td>
<td>€ 2,500</td>
<td>€ 20,000</td>
<td>€ 12.5</td>
</tr>
<tr>
<td>35%</td>
<td>€ 25,000</td>
<td>€ 90,000</td>
<td>€ 62</td>
</tr>
<tr>
<td>35%</td>
<td>€ 90,000</td>
<td>€ 125,000</td>
<td>€ 114</td>
</tr>
<tr>
<td>35%</td>
<td>€ 125,000</td>
<td>€ 250,000</td>
<td>€ 190</td>
</tr>
</tbody>
</table>

If you take out inheritance insurance in 2007 with an insured securities portfolio value of 35% and a maximum insured amount of 90,000 euros, you will not pay any premiums for the first year: in other words you will save 62 euros.

**Dematerialisation in a nutshell**
Wendy keeps her investment funds and shares in a safe. What is the best advice for her with regards to dematerialisation?
It is in Wendy’s interest to deposit her securities in a portfolio as soon as possible. In that way she can benefit straightaway from the advantages of a securities portfolio and put the administrative rigmarole behind her. If she decides not to place her securities in a portfolio now, she will have to anyway by 1 January 2014 at the latest. Otherwise she could suffer from the disadvantages: apply for a refund, fines as from 2016, …

John’s savings certificates and Belgian shares are already in a portfolio. Must he do anything concrete with regards to dematerialisation?
No, John does not need to do anything at all. On 1 January 2008 the Belgian bearer shares listed on a regular market have been automatically dematerialised and his savings certificates do not cause any problems either.
**Key Dates One by One**

1 January 2008  
Start of automatic dematerialisation of all bearer securities, except for unlisted private sector securities for which no measures have yet been taken.

1 January 2014  
Non-automatically converted securities will be converted into securities in the name of the issuer.

1 January 2015  
Issuer will sell securities whose claimant is unknown.

30 November 2015  
Unsold securities will be deposited with the Depósito- en Consignatiekas/ Caisse de Dépôt et Consignation.

1 January 2016  
Fines for anyone who requests the refund of the proceeds from the sale of the securities.

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**Important**

It is up to you to take the initiative to deposit your paper securities in a portfolio at your bank. Make your life easy and do it as soon as possible. In that way you can avoid any costs and fines for late deposits in securities portfolios.

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We are perfectly aware that this issue is not simple. Perhaps you will still have some questions after reading this brochure. You will find more extensive information about the reform at www.dmat.be. Naturally you can always contact your Adviser at your branch.