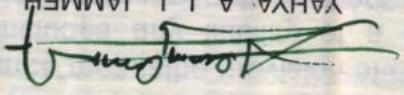


AN ACT to facilitate the use of moveable property as collateral in order to improve access to credit; to provide for the creation, registration and enforcement of security interests in moveable property; to establish an electronic Moveable Property Security Interests Registry and registration system; and for connected matters.

  
YAHYA A. J. JAMMEH  
President



Assented to by The President,  
this 9<sup>th</sup> day of October, 2014

NO. 06 OF 2014  
THE GAMBIA



Supplement "C" to The Gambia Gazette No. of \_\_\_\_\_, 2014  
Security Interests in Moveable Property Act, 2014

## PART I - PRELIMINARY

### 1. Short title

This Act may be cited as the Security Interest in Moveable Property Bill, 2014.

### 2. Commencement

This Act shall come into force on such date as the Minister shall, by Order published in the Gazette, appoint.

### 3. Interpretation

Unless the context otherwise requires -

"accessions" means goods that are installed in, or affixed to, other goods;

"advance" means the provision of credit or the giving of value, and includes any liability of a grantor or debtor to pay interest, costs and other charges in connection with the giving of the advance or its enforcement;

"Bank" means the Central Bank of The Gambia;

"bill of lading" means the document issued by a carrier of goods by sea, or the master or agent of the carrier, to a shipper of goods, as evidence that the goods have been received into the charge of such carrier for shipment within the meaning of Article III of the Rules relating to Bills of lading under the Carriage of Goods by Sea Act;

[Cap. 67:01]

"business" means a person registered by the Single Window Registry to carry on any commercial activity;

"collateral" means moveable property that is subject to a security interest;

"confirmer" means a financial institution or other person that adds its own independent undertaking to that of a guarantor or issuer;

**"competing claimant"** means a creditor of a grantor who is competing with another person over the same collateral of the grantor;

**"control"** with respect to a right to payment of funds credited to a bank account exists automatically upon the creation of a security interest if-

- (a) the depository bank is the secured creditor or agreement with the grantor and the secured creditor, or
- (b) the secured creditor is the account holder;

**"control"** with respect to a right to receive the proceeds under an independent undertaking exists automatically upon the creation of a security interest if-

- (a) the grantor or issuer, confirmor or nominated person is the secured creditor, or
- (b) the grantor or issuer, confirmor or nominated person has made an acknowledgment in favour of the secured creditor;

**"control agreement"** means a written agreement between a depository bank, a grantor and a secured creditor according to which the depository bank has agreed to follow instructions from the secured creditor with respect to the payment of funds credited to the bank account of the grantor without further consent from the grantor;

**"court"** means a court of competent monetary jurisdiction;

**"crops"** mean crops that have not been harvested, whether matured or not and whether naturally grown or planted) including the products of agriculture or aquaculture, if the

products have not been harvested, and trees, if the trees have not been harvested;

**"debtor"** means a person who owes payment of money, or the performance of an obligation that is secured by moveable property (whether or not the person is also the grantor) and includes a secondary obligor such as a guarantor of a secured obligation;

**"document of title"** means a negotiable document (such as a warehouse receipt) issued by or addressed to a bailee that covers identified goods in the bailee's possession, and in which it is stated that the goods identified will be delivered to-

(a) a named transferee,

(b) the bearer, or

(c) to the order of a named person;

**"Effective Date"** means the date on which this Act will come into operation;

**"equipment"** means tangible property used in the operation of a business;

**"electronic record"** means a record created, generated, sent, communicated, received or stored by electronic means as defined by the Information and Communications Act;

[cap. 74:03]

**"execution creditor"** means a creditor who has obtained judgment and commenced execution against a grantor;

**"financial contract"** means any spot, forward, future, option or swap transaction involving interest rates, commodities, currencies, equities, bonds, indices or any financial instrument, any repurchase or securities lending transaction or any similar transaction;

**"financial lease"** means a lessor's right in a tangible property that is the object of a lease agreement under which, at the end of the lease one of the following circumstances prevails-

(a) the lessee automatically becomes the owner of the property that is the object of the lease, or

- (b) the lessee may acquire ownership of the property by paying a nominal price, or
- (c) the property has no more than a nominal value;

"fixtures" means goods other than crops, that are annexed to or fastened to land or buildings as an accessory and do not form part of the original structure;

"Gambian entity" includes a company, partnership, association, corporation, or any other organisation recognised as such by the laws of The Gambia;

"goods" means moveable property that is tangible, including crops, trees to be harvested, livestock, minerals that have been extracted in any form, whether solid, liquid or gaseous, and jewellery but does not include moveable property created pursuant to a financial contract;

"grantor" means the person who creates a security interest over moveable property whether to secure his own obligation or that of another person, and includes a transferee or successor of, the interest of such person;

"guarantor" means a financial institution or other person that issues an independent undertaking;

"household goods" means moveable property of a personal nature-

- (a) reserved for the use of a child,
- (b) comprising bedding used for sleep,
- (c) in use for cooking by a household, and
- (d) comprising articles of clothing in use.

"independent undertaking" means a letter of credit (commercial or standby), a confirmation of a letter of credit, an independent guarantee (including a first demand bank or other guarantee, or a counter guarantee) or any other undertaking recognized as independent by law and practice including the United Customs and Practice for Documentary Credits (UCP) and Uniform Rules for Demand guarantees issued by International Chamber of Commerce's Commission on Banking Technique and Practice;

"inventory" means tangible property held for sale or lease in the ordinary course of a person's business including raw and semi processed materials;

"issuer of a document of title" means the person who is under an obligation to deliver the tangible property covered by the document under the law governing negotiable documents;

"intangible property" means any type of moveable property other than tangible property (including a licence, permit, document of title, negotiable instrument, receivables, and rights to the performance of other obligations);

"intellectual property rights" means all rights that are the subject of the Copyright Act or the Industrial Property Act;

[Cap. 95:02] [Cap. 95:01]

"mass or product" means tangible property other than money that is so physically associated or united with other tangible property that it has lost its separate identity;

"Minister" means the Minister responsible for the affairs of the Central Bank of The Gambia;

"moveable property" includes all forms of personal property whether tangible or intangible, present or future;

"negotiable instrument" means an instrument, such as a cheque, bill of exchange or promissory note, that states that it must be presented on claiming payment, but does not include a document of title;

"perfected" in relation to collateral means the completion of requirements for its third party effectiveness in accordance with Part III;

"person" includes a natural person or Gambian entity;

"personal property" means any property other than immovable property;

"possessory" in relation to a security interest, refers to the delivery of moveable property into the possession of a secured creditor for the purpose of creating the security interest;

"priority claim" means a claim that will be paid before other claims over the same collateral;

"prior law" means the statutory or common law which applied to moveable property security interests before the Effective Date;

"priority" means the right of a claim to rank ahead of another claim in the same collateral by operation of law;

"proceeds" means whatever is received in respect of collateral including-

(a) what is received as a result of-

(i) sale or other disposition or dealing with the collateral,

(ii) an insurance payment or other payment as indemnity or compensation for loss of, or damage to, the collateral,

(iii) payment made in total or partial discharge or redemption of the collateral, and

(b) natural fruit;

"purchase money security interest" means a security interest created in moveable property to secure all or part of its purchase price, or to enable the grantor acquire rights in the moveable property;

"receivable" means the debtor's right to claim or receive payment of any monetary sum, currently or to become due, from a third party, including an accounts receivable;

"register" means the register of Moveable Property Security Interests to be established under section 45;

"Registrar" means the Registrar of Moveable Property Securities Interest appointed under section 47;

"security" means any financing instrument issued by an entity created for the particular purpose of raising funds (a special purpose vehicle) whether in or outside a financial market;

"security agreement" means an agreement between a grantor and a creditor encumbering moveable property of the grantor;

"secured creditor" means a creditor that has a security interest in collateral;

"security interest" means a right created over moveable property by a security agreement that secures payment or other performance of an obligation;

"Sheriff" means the Sheriff of The Gambia appointed under the Sheriff and Civil Process Act;

[cap. 9:01]

"Synchronised Registration Number" means the synchronised business registration number allocated by the Single Window Registry as a combined business registration number, taxpayer identification number, social security employer registration number, and trade licence number;

"Single Window Registry" means the Single Window Business Registry established under the Single Window Business Registration Act, 2013 for the registration of all businesses; and

"tangible property" means every form of corporeal moveable property including goods, acccessions, attachments, and money.

#### 4. Application and Exceptions

(1) Subject to sub-section (3), this Act applies to all security interests in moveable property created by agreement, that secure payment or other performance of an obligation, regardless of-

(a) the form of the transaction or the terminology used by the parties;

(b) the type of the moveable property;

(c) the status of the grantor or secured creditor; or

(d) the nature of the secured obligation,

if the moveable property is located in The Gambia and the grantor is a Gambian entity or person domiciled in The Gambia.

(2) Security interests in moveable property to which this Act applies include-

(a) security interests in all types of movable property, tangible or intangible, present or future, including inventory, equipment and other tangible property, contractual, and non-contractual receivables, and contractual non-monetary claims;

(b) security interests created or acquired by all persons including consumers, without, however, affecting rights under any consumer-protection law that may hereafter be enacted;

(c) security interests securing all types of obligation, present or future, determined or determinable, including fluctuating obligations and obligations described in a generic way;

(d) security interests securing all property rights created contractually to secure the payment or other performance of an obligation, including transfers of title to tangible property for security purposes or assignments of receivables for security purposes, the various forms of retention-of-title sales and financial leases; and

(e) security interests in proceeds of encumbered moveable property.

(3) This Act does not apply to the following moveable property-

(a) aircrafts and ships;

(b) intellectual property, in so far as the provisions of this law is inconsistent with the rights arising under the substantive law on intellectual property, or an international agreement to which The Gambia is a party;

(c) bills of lading, unless the parties have otherwise evidenced an intention to create or provide for a security interest in the goods;

(d) securities;

**PART II - CREATION OF SECURITY INTERESTS**

**5. Method of creation of a security interest**

(1) A security interest is created in moveable property by a security agreement.

(2) If at the time of concluding the security agreement the grantor has rights over, or the power to encumber, the moveable property, the security interest is created as at that time.

(3) If the grantor acquires rights or the power to encumber the moveable property only after the security agreement is made, the security interest is created at the time when the right or power to encumber is acquired.

**6. Form of security agreement**

(1) A security agreement may be oral if accompanied by the delivery of the moveable property to be encumbered into the possession of the creditor.

(2) If a security interest is to be non-possessory, the security agreement by which it is created must be in writing, the terms of which shall indicate the grantor's intention to create a security interest in favour of the creditor.

(3) A security agreement entered into between a grantor and a financial institution, whether possessory or non-possessory, shall be in writing and registered in accordance with this Act.

(4) A writing may be manifested by any method of communication that leaves a permanent record of the consent of the parties to the creation of the security interest, including telex, telefax, electronic data interchange, electronic mail or similar method.

(5) A written security agreement may be in the form prescribed in the Schedule.

### 7. Contents of a security agreement

A written security agreement shall, at the minimum-

- (a) contain the date of execution;
- (b) identify the grantor and the creditor;
- (c) contain the written or electronic signature of the grantor;
- (d) identify the debtor if different from the grantor;
- (e) describe the secured obligation;
- (f) express the intention that the moveable property described is to serve as collateral to a secured obligation; and
- (g) give such description of the collateral by type, kind or serialized number, (where applicable) as to enable its reasonable identification.

### 8. Obligations secured by a security agreement

A security interest may be created to secure any type of obligation, whether present or future, determined or determinable, conditional or unconditional, fixed or fluctuating.

### 9. Moveable property subject to a security interest

(1) Subject to section 4(3) and to the extent limited by law with respect to specific types of property, a security interest may be created in any type of moveable property, including-

- (a) parts of moveable property and unidentified rights in moveable property;
- (b) moveable property that may not on the date of the agreement be in existence yet, or the grantor may not yet own, or yet have the power to encumber;
- (c) future advances;

- (d) accounts receivable; and
- (e) all the grantors moveable property as a floating charge.

(2) For the avoidance of doubt, security interest may be created over-

- (a) moveable property that is an accession at the time of creation of the security interest;

- (b) moveable property that is an attachment at the time of creation of the security interest whether under this Act or the Mortgages Act;

[cap: 97:02]

- (c) crops while they are growing; and

- (d) products of livestock before they become proceeds.

### 10. Continuation of security interests

Unless otherwise agreed by the parties to the security agreement, a security interest-

- (a) extends to-

- (i) the identifiable proceeds of the collateral, or

- (ii) the proceeds of the collateral that become co-mingled with other property of the same kind up to the value of the security interest in the co-mingled property;

- (b) in a document of title, extends to the tangible property covered by the document of title; and

- (c) in tangible property that subsequently became an accession or attachment, continue in the accession or attachment.

### 11. Effectiveness of security interest

(1) Subject to Part III, a security interest is effective according to the terms of the security agreement.

(2) If the security interest is a possessory interest, it takes effect from the moment the grantor delivers possession or control of the collateral to the secured creditor or a third party authorized by the secured creditor, unless otherwise agreed.

**12. Creation of security interest in a right to payment of funds credited to a bank account**

(1) A security interest in a right to payment of funds credited to a bank account is effective notwithstanding actions by the grantor and the depository bank in limiting in any way the grantor's right to create such security.

(2) Notwithstanding sub-section (1), a depository bank has no duty to recognise the secured creditor and no obligation is otherwise imposed on the depository bank with respect to the security interest without its consent.

**13. Security interest over moveable property made outside The Gambia**

A security interest in moveable property brought into The Gambia that is perfected under the law of a foreign jurisdiction in which the moveable property is located when the security interest was created and before the moveable property is brought into The Gambia shall on registration under this Act, be as effective as if created in The Gambia

**PART III - EFFECTIVENESS OF SECURITY INTEREST AGAINST THIRD PARTIES**

**14. Third party effectiveness**

(1) The rights conferred by a security interest in respect of collateral are effective against third parties only if the requirements for third party effectiveness have been perfected.

(2) The requirements for third party effectiveness referred to in sub-section (1) may be achieved only in accordance with the provisions of this Part.

**15. Non-effectiveness against third parties does not affect parties to the security agreement**

A security interest shall be effective as between the grantor and the secured creditor, even if it is not perfected in accordance with this Part.

**16. Transfer of collateral during third party effectiveness**

The transfer of collateral or any right therein other than a security interest does not affect the security interest in the collateral if it was already perfected at the time of transfer, except to the extent provided in this Act.

**17. Achieving third party effectiveness**

(1) Subject to sub-section (2), a security interest shall take effect against third parties by-

- (a) registration in accordance with Part VI;
- (b) delivering possession to the secured creditor in the case of tangible property, or documents of title covering tangible property; or
- (c) the secured creditor obtaining control with respect to rights to-

- (i) a payment of funds credited to a bank account, or

- (ii) receive proceeds under an independent undertaking.

(2) The following security interests may be made effective against third parties in the manner stated with respect to-

- (a) an attachment, by registration in the register of mortgages or charges of immovable property; and

- (b) moveable property which is subject to a specialised registration or title certificate system, by registration in the specialised registry.

**18. Automatic effectiveness**

A security interest shall be automatically effective against third parties in the following circumstances-

- (a) in proceeds, if the security interest in the original encumbered property was perfected;

- (b) in an accession or attachment, if the security interest in the property that becomes an accession or attachment was perfected before it became an accession or attachment; and
- (c) in property that is subject to a document of title if the security interest in the document of title is also perfected.

**19. Continuity of third party effectiveness upon change of location**

If a security interest in collateral is perfected under the law of a foreign jurisdiction in which the collateral is located and that collateral is brought into The Gambia, the security interest shall—

- (a) continue to be effective against third parties in The Gambia for a period of ten days after the relocation; and

- (b) continue to be effective against third parties thereafter only if the requirements for third party effectiveness are complied with under this Act during that ten day period.

**20. Lapse in third party effectiveness**

If third party effectiveness lapses whether due to the expiry of registration or otherwise, it may be re-established, but in any such case, third party effectiveness will take effect from date of re-registration or re-establishment.

**PART IV - PRIORITY BETWEEN SECURITY INTERESTS**

**21. How priority determined**

The priority of security interests is determined by the time of its perfection in accordance with section 17 to 19 regardless of the date of creation of the security interest.

**22. Registration in the mortgages or other specialized register**

For the purpose of this Act, "registration" or "registered" includes registration in the Register of Mortgages of immoveable property or any other specialised register established by law.

### 23. Transfer of security interest

If a security interest is transferred (whether by agreement of the parties or by operation of law), the transferred interest maintains the same priority immediately after the transfer as it had prior to the transfer.

### 24. Transfer of collateral after perfection

(1) Subject to sub-section (2), if collateral is transferred, leased or licensed and at the time of transfer, lease or licence, a security interest in the collateral is perfected (whether by registration or otherwise) the transferee, lessee, or licensee takes its rights subject to the perfected security interest unless the secured creditor authorises the sale, lease or licence free of the security interest.

(2) A buyer or transferee of collateral in the ordinary course of the transferor's business nevertheless, takes free of any security interest in the collateral.

### 25. Voluntary subordination of security interest

A secured creditor may (in a security agreement or otherwise) subordinate the secured creditor's security interest in collateral to any other interest in the collateral.

### 26. Disposal of security interest with consent

The secured creditor may authorise or consent to the grantor disposing of the collateral free of encumbrance, subject to any terms and conditions agreed to by the parties.

### 27. Modifying priority

The priority of security interests may be modified by written agreement between the secured creditors involved, unless third party rights are affected or same is prohibited by law.

### 28. Priority of security interest perfected by control

(1) Notwithstanding any other provision in this Act, a security interest in collateral or its proceeds that is currently perfected by control has priority over a security interest in the same collateral that is currently perfected by another means.

(2) Priority between two or more security interests in collateral or its proceeds that are perfected by control shall be determined by the order in which the interests were perfected by control (where the perfection by control has been continuous).

### 29. Priority of purchase money security interest

(1) A purchase money security interest shall have priority over an earlier security interest that encumbers future moveable property of the grantor, so long as it is created according to the provisions of this Act, even when it is perfected after the earlier security interest.

(2) The purchase money security interest referred to in sub-section (1) shall cover exclusively the specific movable property acquired with the related purchase money and the cash proceeds attributable to its sale, provided that the secured creditor has complied with sub-section (3).

(3) In order for a purchase money security interest to have priority over an earlier security interest in the same property, the secured creditor having the purchase money security interest must comply with the following requirements, before the grantor takes possession of the property-

- (a) register the security interest;
- (b) indicate in the notice of registration that it is a purchase money security interest; and
- (c) notify the holders of earlier perfected security interests over the grantors affected property that the secured creditor has or expects to acquire a purchase money security interest in the collateral described in the notice of registration.

### 30. Documents of title and negotiable instruments

(1) A security interest in a document of title perfected by possession has priority over a security interest in the property covered by such document of title if the later security interest was perfected after the document of title was issued.

(2) The transferee of a negotiable instrument who takes possession with any necessary endorsement in the negotiable instrument in the ordinary course of the transferor's business takes free of any security interest.

(3) The secured creditor who receives notice of acceptance of its perfection) obtained by another secured creditor who did not receive such acceptance or who received it at a later date.

(4) Where the security interest covers the proceeds of a letter of credit, the rules of priority set out in this Act will apply.

### 31. Judgment creditors

A registered security interest has priority over the rights of an execution creditor in the same property in a judgment obtained after the date of registration of the security interest.

### 32. Persons providing services in respect of collateral

Where under any law, a person who renders services with respect to collateral has rights equivalent to security rights, (including the storing, repairing or transporting of the collateral) such rights shall-

(a) be limited to the property in the possession of that creditor, up to the reasonable value of the services rendered; and

(b) have priority as against perfected security interests in the property;

### 33. Effect of security interest in crops on lessor or mortgagee of land

A security interest in crops does not prejudicially affect the interests of a lessor or mortgagee of land on which the crops are growing if-

(a) those interests existed at the time the security interest was created in the crops; and

(b) the lessor or mortgagee has not consented in writing to the creation of the security interest in the crops.

**34. Effect of sale of land on perfected security interest in crops on the land**

A security interest in crops perfected under this Act is not prejudicially affected by a subsequent sale, lease or mortgage of, or other encumbrance on the land on which the crops are growing.

**35. Effect of security interests in accessions on the goods to which they attach**

(1) Except as otherwise provided in sub-section (2), a security interest in goods perfected by registration that become an accession to other goods has priority over a claim to the made by a person with an interest in the goods as a whole.

(2) A security interest in goods that become an accession is subordinate to the interest of a person who has an interest in the goods to which the accession attaches at the time when the accession attaches and who-

(a) has not consented to the security interest in the accession; and

(b) is otherwise entitled to prevent the grantor from removing the accession.

**36. Effect of security interests in an attachment on immovable property**

A perfected security interest in moveable property that becomes an attachment has priority over security interests in the relevant immovable property, if the secured interest in the attachment was registered in the mortgage register in respect of the immovable property before it was attached.

**PART V - RIGHTS AND OBLIGATIONS OF THE PARTIES TO A SECURITY AGREEMENT**

**37. Mutual rights of the parties to a security agreement**

The mutual rights of parties to a security agreement are determined by-

(a) the terms and conditions set forth in the agreement, including any rules or general conditions referred therein;

- (b) any usage to which they have agreed; and
- (c) any practices they have established between them unless otherwise stated.

**38. Implied rights of the Secured creditor**

The security interest in the collateral, whether mentioned in the security agreement or notice of registration or not, extends to the right of the secured creditor to be indemnified for any loss or damage affecting the collateral during the existence of the security interest, and to receive the proceeds of an insurance policy or certificate that covers the value of the moveable property.

**39. The rights and obligations of a grantor**

Unless otherwise agreed, the grantor or any person who acquires the collateral subject to the security interest, has the following rights and obligations-

- (a) the right to use and dispose of the collateral and any proceeds derived from the collateral;

(b) the obligation to-

- (i) discontinue the exercise of the right conferred by paragraph (a) when the secured creditor notifies the grantor of its intention to enforce the security interest in the collateral under this Act,

- (ii) prevent damage and loss of the collateral and to take all necessary steps for the purpose,

- (a) allow the secured creditor to inspect the collateral to verify its quantity, quality and state of preservation; and

- (b) adequately insure the collateral against loss or damage.

**40. Duty of secured creditor**

The secured creditor shall return the collateral in its possession if all commitments to extend credit having terminated, the security interest has been extinguished by full payment or otherwise.

**41. Rights and obligations of the obligor under a negotiable instrument**

The secured creditor's rights under a negotiable instrument are, as against a person obligated on the negotiable instrument, subject to the law governing negotiable instruments.

**42. Rights and obligations of a depository bank**

(1) The creation of a security interest in a right to payment of funds, credited to a bank account does not affect the rights and obligations of a depository bank without the bank's consent.

(2) A right of set-off that a depository bank may have under other laws are not impaired by reason of any security interest that the bank may have in a right to payment of funds credited to a bank account.

**43. Rights and obligations of the issuer of a document of title**

A secured creditor's interest under a document of title is, as against the issuer or any other person obligated on the document of title, subject to the law governing negotiable documents.

**44. Rights and obligations of the guarantor or issuer, confirmor or nominated persons of an independent undertaking**

A secured creditor's interest in the right to receive the proceeds under an independent undertaking is subject to the rights of a guarantor or issuer, confirmor or nominated person and of any other beneficiary in the undertaking or to whom a transfer of the right to draw has been effected, subject to the law and practice governing independent undertakings.

**PART VI - REGISTRATION SYSTEM FOR SECURITY INTERESTS**

**45. Establishment of a Moveable Property Security Interest Registry**

(1) The Bank shall establish a Moveable Property Security Interest Registry and registration system for the electronic registration of all security interests in moveable property.

- (2) The Registry shall maintain a register of all security interests in moveable property in the form of a general electronic data base.
- (3) The register shall be kept as a public record.

#### 46. Finances of the Registry

The Registry shall be operated on a cost recovery basis and the Bank shall to the extent feasible, ensure that the fees prescribed for the services of the Registry are sufficient to cover its operating costs and expenses.

#### 47. The Registrar of Moveable Property Security Interests

There shall be a Registrar of Moveable Property Security Interests who shall be appointed by the Bank on the terms and conditions determined by the Bank.

#### 48. Functions and powers of the Registrar

- (1) The Registrar shall be the repository of the Registry database and shall have the following duties and responsibilities-

- (a) to manage the operations of the Registry;
- (b) to use such computer systems as the Bank shall deem to be appropriate for the effective and efficient functioning of the Registry;
- (c) to determine, and from time to time, publish the requirements to be met by electronic data including, the type of electronic signature, and the manner and form in which an electronic signature shall be attached to any document;
- (d) determine the requirements for the keeping of electronic records, and the appropriate control processes and procedures to be applied to ensure that adequate integrity, security and confidentiality of data messages or payments to the Registry will apply;
- (e) keep such back-up systems and in such form as the Bank may determine;

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(d) determine the requirements for the keeping of electronic records, and the appropriate control processes and procedures to be applied to ensure that adequate integrity, security and confidentiality of data messages or payments to the Registry will apply;

(e) keep such back-up systems and in such form as the Bank may determine;

- (f) manage the Single Window Registry services in a prudent, efficient and cost effective manner; and
- (g) such other duties and responsibilities as the Bank may assign.

(2) The Registrar shall, in the discharge of his or her duties and responsibilities, exercise the powers, authorities and discretions granted to the Registrar under this Act or any other law, and do all things necessary or convenient to be done for or in connection with the performance of his or her duties and functions.

(3) The Registrar may delegate his or her functions to a deputy registrar or other officers of Registry appointed by the Bank as the Bank shall determine.

#### 49. The contents of the register

The register shall contain the following data-

- (a) data in registered notices filed with respect to security interests in moveable property;
- (b) data prescribed by regulations made for the purposes of this Part in relation to registrations;
- (c) any other data deemed necessary for the registration of security interests as may be determined by the Bank.

#### 50. Applications for registration

A person may by notice, apply to the Registrar to register-

- (a) a security interest;
- (b) an amendment to a notice of security interest;
- (c) a continuation of a security interest;
- (d) a release of a security interest;
- (e) a statutory lien over collateral;
- (f) an objection to the registration of a security interest or statutory lien;

- (g) an enforcement of a security interest;
- (h) a request for release of a security interest; and
- (i) such other matters as the Minister may prescribe.

**51. Procedure for registration**

(1) The Registrar shall only register a notice filed under this Act if-

- (a) the notice is in the prescribed form;
- (b) the prescribed fee has been paid;
- (c) it contains a description of the collateral which satisfies section 7 of this Act;
- (d) if the grantor is a natural person, it contains the tax identification number of the person;
- (e) if the grantor is a business, or other entity it contains the Synchronised Registration Number of the business or entity;
- (f) it states the duration of the registration;
- (g) subject to sub-section (2), it is signed by the grantor; and
- (h) the Registrar is satisfied that-

- (i) the application is not frivolous, vexatious, offensive or contrary to public interest; or
- (ii) that the registration is not prohibited by Regulations or guidelines of the Bank.

(2) The following notices shall be signed by the grantor-

- (a) a registration notice;

- (b) an amendment notice which increases the liability or adds to the obligations of the grantor; and
- (c) a request for release notice.

#### 52. Certificate of registration

- (1) Upon registration of a notice of security interest, the Registrar shall issue a certificate of registration of security interest with a unique serial registration number to the secured creditor.
- (2) The Registrar shall make a copy of the certificate of registration available to the grantor, upon request.

#### 53. Multiple registrations

The Registrar may publish in a manner determined by the Bank, a single certificate in relation to a number of registrations if-

- (a) the registration affects a number of secured parties or grantors; and

- (b) the Registrar considers that it would be inconvenient for certificates to be issued to each secured party.

#### 54. Release of registration

- (1) Subject to sub-section (3), a secured creditor shall within seven days of the full-

- (a) payment of the sum secured by a security interest; or
- (b) performance of the obligation secured,

submit a release notice to the Registrar for registration, unless a continuation notice is filed during this period.

- (2) The Registrar shall release the registration of a security interest upon receipt of a release notice or an order of release or discharge from the Court.

- (3) The registration of a security interest shall automatically expire on the seventh day after the expiry of the registration period unless a continuation notice has been filed.

### 55. Grantor may apply for release

(1) If the secured creditor fails to cancel the registration of a collateral under section 54, or within seven days after a written request from the grantor, the secured creditor shall be liable to a penalty prescribed by Regulations for each day of such failure until a release notice is received.

(2) In addition to the penalty referred to in sub-section (1), a grantor may apply to the Registrar for release of a security interest by grantor's request for release notice and serve a copy on the secured creditor.

(3) The Registrar shall, upon receipt of the grantor's request for release notice, notify the secured creditor.

(4) If within three days of notification of grantor's request for release notice the secured creditor makes no objection to the Registrar, the Registrar shall release the registration concerned and notify the secured creditor.

(4) Notwithstanding the penalty imposed by this section, a grantor may, in a court of competent jurisdiction, recover any damages suffered as a result of delay by the secured creditor in filing a release notice under section 54.

### 56. Archiving upon expiration of security interest or release

Upon the expiration of the period of a registered notice or on the registration of a release notice, the Registrar shall archive the data in respect of the secured interest so as to be capable of retrieval.

### 57. Duration of registration

Registration of a security interest shall be effective from the date of registration until expiration of the term specified in the notice.

### 58. Effectiveness of registration

Registration of any notice becomes effective when the information contained in the notice is entered in the Register.

**59. Amendment notice**

(1) Upon the occurrence of any change in the registration information, the secured creditor shall register a notice of amendment.

(2) The name and all other data of the transferee shall be specified in the notice of amendment as if it were the original creditor.

**60. Continuation notice**

Within seven days of the expiry of the period for which a security is registered, a secured creditor may file a continuation notice to extend the registration.

**61. Registration not authorised by the grantor**

Where a registration which is required to be signed by section 51(1) is not signed, the registration is invalid.

**62. Public access to the register**

(1) The data entered in the Register shall be available to the public.

(2) The public may have access to the Register by electronic means, including by the internet and, where a client account exists, by a virtual private network.

(3) The data shall be indexed and retrievable by searchers according to the criteria specified under section 64.

(4) The Register shall operate continuously except for scheduled maintenance.

**63. Searches**

(1) A search may be made by any person in the prescribed form.

(2) A person requesting a search shall state the reasons for the search, if the person does not operate a client account with the Registry.

(3) The Registrar may refuse a search request if the reason stated is frivolous or otherwise does not meet the standards specified in section 51 (h).

(4) If in the search application the searcher requests for a written search result, the Registrar shall issue a written search result in relation to the record searched on the payment of the prescribed fee.

#### 64. Search criteria

A person may access the register to search for data by reference to the following criteria-

(a) a grantor's details (as required to be included) in a notice under this Act;

(b) a serialised number (if any) by which collateral is described in the Register;

(c) an estimated date of registration;

(d) the unique registration number allocated by the Registrar to a registered security interest; and

(e) any other criteria prescribed by regulations.

#### 65. Search results

A written search result in the appropriate form under the hand and seal of the Registrar is admissible as evidence in any court or tribunal and is, in the absence of evidence to the contrary, proof of the matters stated in the search result.

#### 66. Correction of registration errors

(1) The Registrar may on the request of the secured creditor, amend a registration to correct an error or omission of an editorial nature made in a notice.

(2) Notice of an amendment made under sub-section (1) shall be given to the grantor and any other secured creditor who has registered a security interest over the collateral to which the notice under sub-section (1) relates.

(3) If a registration is corrected under sub-section (1), this Act applies as if the error or omission had never been made.

#### 67. Deputy Registrar and other officers

The Bank may appoint such deputy registrars and other officers to assist the Registrar in the discharge of his duties under this Act as the Bank shall deem necessary.

**PART VII - ENFORCEMENT OF SECURITY INTERESTS**

**68. General standard of conduct in the context of enforcement**

(1) A person must enforce its rights and perform its obligations under this Part in good faith and in a commercially reasonable manner.

(2) The general standard of conduct provided in sub-section (1) cannot be waived unilaterally or varied by agreement at any time.

**69. Waiver or variation of rights**

(1) Subject to sub-section (2), a grantor and any other person who owes payment or other performance of the secured obligation may-

(a) waive unilaterally; or

(b) vary by agreement,

any of its rights under this Act, but only after default.

(2) The secured creditor may waive unilaterally or vary by agreement any of its rights under this Act.

(3) A variation of rights by agreement shall not adversely affect the rights of any person not a party to the agreement.

**70. Liability**

A person who fails to comply with his or her obligations under this Part is liable for damages caused by such failure.

**71. Rights of a secured creditor upon default by the debtor or grantor**

Upon default by the grantor or debtor under the security agreement, the secured creditor is entitled to exercise one or more of the following rights with respect to the collateral-

(a) obtain possession, if it is a tangible property;

(b) sell or otherwise dispose of, lease or license, the collateral;

- (c) acquire the collateral in total or partial satisfaction of the secured obligation;
- (d) collect on or otherwise enforce a security interest in the collateral; or
- (e) exercise any other right provided in the security agreement, (except to the extent inconsistent with the provisions of this Act or any law.

#### 72. Procedure for enforcement

A secured creditor who intends to commence enforcement in case of default of the grantor, shall register an enforcement notice in the prescribed form and deliver a copy to the grantor, the debtor (if different from the grantor), to the person in possession of the collateral and to any person who has perfected a security interest in the same collateral.

#### 73. Contents of an enforcement notice

An enforcement notice shall contain-

- (a) the nature of the default by the grantor;
- (b) the serial registration number of the security interest;
- (c) a statement of the amount required to satisfy the secured obligation and to pay the secured creditor's enforcement expenses;
- (d) a statement of the rights conferred by this Act on the recipient of the enforcement notice; and
- (e) a statement of the nature of the remedies the secured creditor intends to exercise.

#### 74. Notice of demand for payment

(1) Where an enforcement notice has been registered, the system will generate a demand notice in the prescribed form addressed to the grantor.

(2) The enforcing secured creditor shall serve the demand notice issued under section (1) together with a copy of the registered enforcement notice on the grantor at the address indicated in the notice of registration of the collateral.

(3) If at the time of enforcement the collateral is not in the possession of the secured creditor, a copy of the enforcement Notice and demand notice shall be filed with the registrar of a court of competent jurisdiction.

### 75. Grantor's objection to enforcement

(1) A grantor receiving notice under section 74 may within three days from the date of receiving notice, object to enforcement by filing evidence in the court referred to in section 74(3), to the effect that full payment of the secured amount has been made or the secured obligation otherwise satisfied.

(2) No other defence other than full payment or satisfaction shall be allowed or admitted by the court.

### 76. Order for re-possession

(1) If the period of three days specified in section 75 lapses without receiving payment, the secured creditor may apply to a Magistrate or Judge in chambers of the court referred to in section 74 to issue an order of re-possession, which shall be enforced forthwith, without granting a hearing to the grantor.

(2) The order for repossession shall direct that the collateral be delivered to the secured creditor or as the secured creditor may direct.

(3) Any defence which the grantor wishes to make other than specified in section 75 shall be made by originating proceedings in a separate action.

(4) Any proceedings commenced under sub-section (3) shall not operate as a stay of enforcement and shall not prevent the secured creditor from enforcing its rights against the collateral.

### 77. Possessory security interest or security interest in intangible collateral

Upon the default of a grantor or debtor with regard to a possessory collateral or intangible or repossessed collateral, the secured creditor may-

(a) sell the collateral privately if-

(i) it has been valued for the valued price,

(ii) by public auction, or

(iii) or otherwise dispose of, lease or license the collateral to the extent of the grantor's rights in the collateral;

(b) if the collateral is receivables, collect or enforce the receivables against the third person obligated on the receivable; and

(c) if the collateral consists of negotiable instruments, the secured creditor may exercise the grantor's rights in relation to the collateral, including redemption rights, rights to draw, voting rights, and rights to collect dividends and other revenues derived from the collateral.

**78. Judicial or other relief for non-compliance**

The grantor, the debtor (if different from the grantor) or any other interested person (including a secured creditor with a lower priority ranking than that of the enforcing secured creditor, a guarantor or a co-owner of the collateral) is entitled-

(a) at any time before the secured creditor gives notice of enforcement under section 74; or

(b) if the secured creditor fails to apply the standards of conduct imposed by section 68 to apply to a court for relief.

**79. Judicial proceedings to be expedited.**

Any action brought under this Act shall be heard speedily

**80. Rights of the defaulting grantor**

A grantor who defaults under a security agreement has the following options-

(a) to pay in full the secured obligation and obtain a release of the security interest over the collateral;

- (b) to, before the receipt of an enforcement notice, apply to a court for relief if the secured creditor is not complying with its obligations under this Act;
- (c) to agree with the secured creditor, to assign the collateral in total or partial satisfaction of the secured obligation; or
- (d) to exercise any other right provided in the security agreement or by law.

**81. Extinction of the security right after full satisfaction of the secured obligation**

(1) The grantor, the debtor (if different from the grantor) or any other interested person, (including a secured creditor whose security interest has lower priority than that of the enforcing secured creditor, a guarantor or a co-owner of the collateral) is at any time entitled to satisfy the secured obligation in full, including payment of the costs of enforcement up to the time of full satisfaction.

(2) The right conferred under sub-section (1) may be exercised until the earlier of the disposition, acquisition or collection of the collateral by the secured creditor or the conclusion of an agreement by the secured creditor to dispose of the collateral.

(3) If all commitments to extend credit have terminated, a full satisfaction of the secured obligation extinguishes the security interest in all collateral subject to any rights of subrogation in favour of the person satisfying the secured obligation.

**82. Post-default rights cumulative**

Rights of the secured creditor which may be exercised after a default by the grantor or debtor are cumulative and the exercise of a right with respect to collateral does not prevent the exercise of a right with respect to the obligation secured by that collateral, and vice versa.

**83. Right of higher-ranking secured creditor to take over enforcement**

(1) A secured creditor whose security interest has priority as against that of the enforcing secured creditor or the enforcing

execution creditor is entitled to take over the enforcement process at any time before the earlier of the disposition, acquisition or collection of the collateral or the conclusion of an agreement by the enforcing secured creditor to dispose of the collateral.

(2) The right to take over enforcement includes the right to enforce by any method available under this Part.

#### 84. Sale or other disposition of collateral by secured creditor

(1) Subject to the standard of conduct provided in section 69 and sub-section (4) of this section, a secured creditor that elects to exercise its right to dispose of the collateral pursuant to section 77 (b) may select the method, manner, time, place and other aspects of the disposition, lease or licence.

Provided that a collateral shall not be sold at less than one half of its commercial value without a court Order.

(2) A secured creditor who wishes to exercise its rights under sub-section (1) shall give advance notice of its intention unless the collateral is perishable in nature, or may decline in value speedily, or is of a kind sold on a recognized market.

(3) The notice referred to in sub-section (2) shall be given to-

(a) the grantor, the debtor and any other person that owes performance of the secured obligation;

(b) any person with rights in the collateral who notifies the secured creditor in writing of those rights more than fourteen days before the sending of the notice referred to in section 84(2);

(c) any other secured creditor that, more than fourteen days before the notice referred to in section 84(2) was sent to the grantor, registered a notice with respect to a security interest in the collateral; and

(d) any other secured creditor that was in possession of the collateral at the time when the enforcing secured creditor took possession of it.

(4) The notice referred to under section 84(2) shall be in a language that is reasonably expected to inform its recipients about its contents and it is sufficient if the notice to the grantor is in the language of the security agreement being enforced.

(5) An application for leave to sell collateral at less than one half of its value shall be made to a court of competent jurisdiction and shall be served on the Grantor and all other persons referred to in sub-section (3).

(6) In determining an application brought under sub-section (2), the court shall consider whether the secured creditor has made reasonable effort to find a higher price, and that it would be commercially reasonable to grant leave.

### 85. Distribution of proceeds of disposition of collateral

(1) The enforcing secured creditor must apply the net proceeds of its enforcement in the following order of priority-

(a) deduction of costs;

(b) payment of the secured obligation;

(c) payment of subordinate competing claimant notified the enforcing secured creditor of the surplus, to the extent of the amount of that claim; and

(d) the balance remaining, if any, must be remitted to the grantor.

(2) Whether or not there is any dispute as to the entitlement of any competing claimant or as to the priority of payment, the enforcing secured creditor may, in accordance with generally applicable procedural rules, pay the surplus to the Sheriff for distribution.

(3) The surplus shall be distributed (whether by the enforcing secured creditor or the Sheriff) in accordance with the provisions of Part IV on priority.

### 86. Liability of grantor for shortfall after enforcement

The grantor and any other person that owes payment of the secured obligation remain liable for any shortfall owing after

application of the net proceeds of enforcement to the secured obligation.

### 87. Acquisition of collateral in satisfaction of the secured obligation

(1) The proposal by the secured creditor for the acquisition of the collateral in total or partial satisfaction of the secured obligation under section 72(c) shall specify the amount owed as of the date the proposal is sent and the amount of the obligation that is proposed to be satisfied by acquisition and be sent to-

- (a) the grantor, the debtor and any other person that owes payment or other performance of the secured obligation (for example, a guarantor);
- (b) any person with rights in the collateral that, more than fourteen days before the proposal is sent by the secured creditor to the grantor, has notified in writing the secured creditor of those rights;
- (c) any other secured creditor that, more than fourteen days before the proposal is sent by the secured creditor to the grantor, registered a notice with respect to a security interest in the collateral indexed under the identifier of the grantor; and
- (d) any other secured creditor that was in possession of the collateral at the time the secured creditor took possession.

(2) The secured creditor may proceed to acquire the property unless it receives an objection in writing within 7 days after its proposal was sent.

(3) In the case of a proposal to acquire the collateral in partial satisfaction of the debt all parties to whom the proposal was sent under sub-section (1) must agree to it.

### 88. Rights of the transferee in a disposition by a secured creditor

A transferee of a moveable property (whether in total or partial satisfaction of the secure obligation), takes the property subject to interests that have priority as against the

application of the net proceeds of enforcement to the secured obligation.

**87. Acquisition of collateral in satisfaction of the secured obligation**

(1) The proposal by the secured creditor for the acquisition of the collateral in total or partial satisfaction of the secured obligation under section 72(c) shall specify the amount owed as of the date the proposal is sent and the amount of the obligation that is proposed to be satisfied by acquisition and be sent to-

- (a) the grantor, the debtor and any other person that owes payment or other performance of the secured obligation (for example, a guarantor);
- (b) any person with rights in the collateral that, more than fourteen days before the proposal is sent by the secured creditor to the grantor, has notified in writing the secured creditor of those rights;
- (c) any other secured creditor that, more than fourteen days before the proposal is sent by the secured creditor to the grantor, registered a notice with respect to a security interest in the collateral indexed entered under the identifier of the grantor; and
- (d) any other secured creditor that was in possession of the collateral at the time the secured creditor took possession.

(2) The secured creditor may proceed to acquire the property unless it receives an objection in writing within 7 days after its proposal was sent.

(3) In the case of a proposal to acquire the collateral in partial satisfaction of the debt all parties to whom the proposal was sent under sub-section (1) must agree to it.

**88. Rights of the transferee in a disposition by a secured creditor**

A transferee of a moveable property (whether in total or partial satisfaction of the secure obligation), takes the property subject to interests that have priority as against the

security interest of the enforcing secured creditor, but free of interests of the enforcing secured creditor and any competing claimant whose interest has a lower priority than that of the enforcing secured creditor.

### 89. Rights of lessees or licensees

If a secured creditor leases or licenses collateral without complying with the provisions of this Part, the lessee or licensee is nevertheless entitled to the benefit of the lease or licence during its term, except as against rights that have priority over the right of the enforcing secured creditor.

### 90. Election to enforce an attachment

The secured creditor may elect to enforce a security interest in an attachment to immovable property in accordance with this Part or the law governing enforcement of encumbrances on immovable property.

### 91. Enforcement of rights in an attachment

(1) A secured creditor with a security interest in an attachment to immovable property is entitled to enforce its security interest only if it has priority as against competing rights in the immovable property

(2) The enforcing secured creditor is liable for any damage to the immovable property caused by the act of removal other than any diminution in its value attributable solely to the absence of the attachment

### 92. Enforcement of a security interest in a right to payment of funds credited to a bank account

A secured creditor who does not have control is entitled, (subject to the rights and obligations of third-party obligors), to collect or otherwise enforce the security interest in the right to payment of funds credited to a bank account against the depositary bank pursuant to a court order only, and not otherwise, unless the depositary bank agrees otherwise

## PART VIII – MISCELLANEOUS

### 93. Secured party to provide certain information relating to security interest

(1) For the purposes of this section, the following persons are interested persons-

(a) the grantor in relation to the collateral in which the security interest is granted;

(b) a person with another security interest in the collateral mentioned in paragraph (a);

(c) an auditor of a grantor mentioned in paragraph (a), if the grantor is a body corporate;

(d) an execution creditor with an interest in the collateral; and

(e) an authorised representative of any of the above.

(2) An interested person mentioned in sub-section (1) may request a secured party who holds a security interest in collateral to send or make available to the interested person, or any other person, any of the following-

(a) a copy of the security agreement that provides for the security interest; and

(b) a statement in writing setting out the amount or the obligation, that is secured by the security interest and the terms of payment or performance of the obligation, as at the date specified in the request;

(3) A request made under sub-section (1) must specify an address to which the information requested under that sub-section must be sent or at which the information must be made available

(4) A person who receives a request made under sub-section (2) must respond to the request.

(5) A person required to respond to a request under this section must respond before the end of ten business days after the day the request is received.

(6) A person required to respond to a request under this section may charge the person making the request a fee for providing information in response to the request not exceeding the reasonable marginal costs of providing the information.

(7) A person who makes a request under this section may apply to a court for an order under this section if the person required to respond to the request has not responded to the request-

- (a) within the time specified in sub-section (5); or
- (b) provided an incomplete or incorrect response; or
- (c) refused to respond to the request.

(8) On application, the court may make an order requiring the person who received the request to-

- (a) respond to the request within a specified period; or
- (b) provide a complete and correct response within a specified period.

(9) If a person fails to comply with a court order made under sub-section (8), the court may, on the application of the person who made the request-

- (a) make an order extinguishing the security interest to which the request relates, together with an order requiring the Registrar to register an amendment notice amending the registration accordingly; or
- (b) make such other orders as the court thinks necessary to ensure compliance with the request.

(10) For the purposes of this Act, a person who responds to a request made under this section is prevented from denying the accuracy of any of the things mentioned in the request to any of the following persons to the extent that that person relies on the response-

- (a) the person who makes the request;
- (b) any other person who the person who responds to the request actually knows will rely on the response.

**94. Notices other than the Notices filed in the Registry**

(1) A notice or any other document required or permitted to be given to any person for the purposes of this Act must be in writing.

(2) A notice or document required or permitted to be given, for the purposes of this Act, to a person registered as a secured party or a grantor, may be given by one of the following methods, at the address or to the contact details specified in the registration notice -

(a) leaving it at the address;

(b) sending it to the address by pre-paid post; or

(c) sending it by fax or email.

(3) A notice or document is, for the purposes of this Act, taken not to have been given to a person registered as a secured party if the notice does not include the unique serial registration number of the secured interest provided by the Registrar

**95. Application of the Act from Effective Date**

From the Effective Date, this Act shall apply to all transactions relating to security interests, whether entered into before or after that date.

**96. Actions commenced before the Effective Date**

(1) This Act does not apply to a matter that is the subject of litigation or alternative binding dispute resolution proceedings that were commenced before the Effective Date.

(2) If enforcement of a security interest has commenced before the Effective Date, the enforcement may continue under the law in force before the Effective Date ("prior law").

**97. Creation of a security interest**

Prior law shall determine whether a security interest was created before the Effective Date.

### 98. Third-party effectiveness of a security interest

(1) A security interest that is perfected under prior law remains effective against third parties until the earlier of-

- (a) the time it would cease to be effective against third parties under prior law; or
- (b) it has been registered under this Act.

(2) Where third party effectiveness requires registration of the security interest such registration shall be effected within sixty days of the Effective Date.

### 99. Powers of investigation

(1) The Registrar may conduct an investigation into any matter for the purpose of performing his or her functions.

(2) If the Registrar believes on reasonable grounds that a person has information that is relevant to an investigation under sub-section (1), the Registrar may, by written notice given to the person, require the person to give any such information to the Registrar, within the period and in the way specified in the notice.

(3) The period specified in a notice under sub-section (2) must be at least fourteen days after the notice is given.

### 100. Offences

A person who-

- (a) fails or neglects to comply with any request or notice issued by the Registrar under this Act; and
- (b) uses or attempts to use the registration system for any frivolous, vexatious or fraudulent purpose; or a purpose not connected with the use prescribed in this Act,

commits an offence and is liable on conviction to fine not exceeding twenty thousand dalasis.

### 101. Regulations

The Minister may after consultation with the Bank, make regulations for the better carrying into effect of the provisions of this Act including the prescribing of penalties for the breach of any provision of this Act or regulations.

### 102. Guidelines

The Bank may issue guidelines as it may consider necessary for the effective administration of this Act, and regulations made under this Act.

### 103. Repeal and savings

(1) The following Acts are hereby repealed-

(a) the Bill of Sale Act;

[cap. 89:02]

(b) the Pawn Brokers Act; and

[cap: 91:03]

(c) the provisions of the Conveyancing and Law of Property Act of the United Kingdom in so far as it relates to the mortgage of chattels or personal property.

(2) A security interest registered in moveable property and not released before the Effective date may be re-registered under this Act without charge within sixty days from the effective date.

(3) The re-registration information entered in the re-registration Notice shall indicate that the security interest arose under prior law.

(4) Failure to re-register a security interest in accordance with its section shall render such registration void without prejudice to the liability of the grantor or debtor (as the case may be) previously secured.

(5) Any security interest required to be perfected by registration and unregistered on Effective date may be registered under this Act notwithstanding the date of effectiveness of the security agreement.

PASSED in the National Assembly this Nineteenth day of August in the year of Our Lord Two Thousand and Fourteen.



D. C. M. Kebbeh

Clerk of the National Assembly

THIS PRINTED IMPRESSION has been carefully compared by me with the Bill which has passed in the National Assembly, and found by me to be a true and correct copy of the said Bill.



D. C. M. Kebbeh

Clerk of the National Assembly