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**Registration of security rights in movable assets
Model regulations**

Note by the Secretariat

Addendum

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I. General

Article 1: Definitions

For the purposes of these Regulations:

- (a) “Amendment” means:
 - (i) Extension of registration period (renewal of a registration);
 - (ii) Deletion of a secured creditor where two or more secured creditors are identified in the notice registered;
 - (iii) Addition of a secured creditor;
 - (iv) Deletion of a grantor debtor when two or more grantor debtors are identified in the notice registered;
 - (v) Addition of a grantor;
 - (vi) Deletion of secured assets;
 - (vii) Change of name of the grantor;
 - (viii) Change of name of the secured creditor;
 - (ix) Assignment of the secured claim by the secured creditor;
 - (x) Subordination by the secured creditor;
 - (xi) Subrogation of secured creditor’s right;
 - (xii) Amendment to the address of a grantor or secured creditor; [and
 - (xiii) A change in the maximum monetary amount for which the security right may be enforced;]

(b) “Attachment to immovable property” means a tangible asset that is so physically attached to immovable property that, despite the fact that it has not lost its separate identity, it is treated as immovable property under the law of the State where the immovable property is located;

(c) “Inventory” means tangible assets that are held by a person for sale or lease in the ordinary course of that person’s business, as well as raw and semi-processed materials (work in progress);¹

(d) “Motor vehicle” means a mobile device that is propelled primarily by any power other than muscle power, in, on or by which a person or thing may be transported or drawn, and which is designed for use on a road or natural terrain. The term includes a pedal bicycle with a motor attached, a mobile device used in the construction or maintenance of road, as well as a combine or tractor, but does not include a mobile device that runs on rails or machinery designed only for use in farming other than a combine or tractor;

¹ See term “inventory” in the introduction, section B, terminology and interpretation of the *Guide*.

- (e) “Notice” means information transmitted to the Registry in order to effect, amend or cancel a registration as provided in these Regulations;²
- (f) “Serial number” means:
- (i) In the case of a motor vehicle, the vehicle identification number marked or attached to the body frame by the manufacturer;
 - (ii) In the case of a boat, the serial number marked on or attached to the boat by the manufacturer;
 - (iii) In the case of an aircraft registered under the law of a State that is a party to the Convention on International Civil Aviation, 1944, the registration marks assigned to the airframe by the relevant authority; and
 - (iv) In the case of any other aircraft, the serial number marked on or attached to the airframe by the manufacturer;
- (g) “Password” includes a confidential numerical and alphabetical key issued by or under the authority of the Registry;
- (h) “Registrant” means the person who submits information in a notice to the Registry for the purposes of effecting, amending or terminating a registration;
- (i) “Registration” includes an amendment to a registration;
- (j) “Registration number” is a unique number allocated to each registration by the Registry that is permanently associated with such registration; and
- (k) “User identification” (“user ID”) means an identification code the registrar assigns to a secured creditor, a registrant or a grantor pursuant to these Regulations.

[Note to the Working Group: The Working Group may wish to consider the above-mentioned definitions, as well as additional definitions, building, to the extent possible, on the terminology of the Guide (see the Guide, sect. B, terminology and interpretation). In that connection, the Working Group may wish to note that the terminology used in the text below is to the extent possible consistent with the terminology in the Guide (although the terminology of the Guide is part of the commentary and not the recommendations). For example, the term “notice” is used rather than the term “registration information”, although the latter appears to be more relevant and neutral than the former and the term “notice” is defined in these Regulations in a slightly different way.]

II. Registry services

Article 2: Establishment of Registry

The Ministry of [...] or other entity authorized by the law governing security rights in movable assets of the enacting State (the “Law”) will establish an [electronic] Registry of Security Rights in Movable Assets (the “Registry”) for the purposes of receiving, storing and making available to the public [notices]

² See term “inventory” in the introduction, section B, terminology and interpretation of the *Guide*.

[information] relating to security rights in movable assets pursuant to the Law and these Regulations.

[Note to the Working Group: The Working Group may wish to note that recommendation 55, subparagraph (a), of the Guide provides that, while the day-to-day operation of the Registry may be delegated to a private entity, the State retains the responsibility to ensure that the Registry is operated in accordance with the governing legal framework. This does not necessarily mean that the State must “establish” the Registry. In a number of jurisdictions, the Registry is actually established by a private sector entity such as the Chamber of Commerce, and the State only supervises its operation. The Working Group may wish to consider the text within square brackets. The term “electronic” appears within square brackets, since the Guide recommends an electronic registry “if possible” (see the Guide, recommendation 54, subpara. (j)). The terms “notice” and “information” appear within square brackets since, while the Guide refers to “notices”, what is actually registered is information.]

Article 3: Appointment of Registrar and Deputy Registrar(s)

1. The Ministry of [...] or other entity authorized by the Law will designate a person as registrar (the “Registrar”).
2. The Registrar may designate one or more persons as deputy registrar(s) (the “Deputy Registrar”).

Article 4: Duties and powers of Registrar and Deputy Registrar(s)

1. The Registrar supervises and administers the operation of the Registry and has the powers and duties specified by the Ministry of [...] or other entity authorized by the Law.
2. The duties and powers specified by the Ministry of [...] or other entity authorized by the Law cannot be inconsistent with the Law and these Regulations.
3. A Deputy Registrar has [the same powers and duties as the Registrar, subject to the direction and supervision of the Registrar] [the powers and duties assigned to the Deputy Registrar by the Registrar.]
4. The Registry has no obligation to verify the accuracy of information contained in notices submitted to it. The Registry does not assess the legal sufficiency of the information contained in a notice and does not determine whether it is factually correct or incorrect. The Registry does not determine whether or not registration, amendment or cancellation of a notice has been authorized.³

[Note to the Working Group: The Working Group may wish to consider the alternative text in square brackets in paragraph 3 of this article.]

³ See the *Guide*, recommendation 54, subparagraph (d).

Article 5: Registry to be open to the public

Any person may have access to the Registry record to effect a registration or to make a search in accordance with the requirements of the Law and these Regulations.⁴

[Note to the Working Group: The Working Group may wish to note that the commentary might clarify that no one outside the Registry staff should have access to the Registry record or database itself, only to the interface.]

Article 6: Hours of access to the Registry

1. Each office of the Registry is open to the public during the days and hours specified for that office by the Registrar. Registry office locations and opening hours are published on the Registry's website and posted at each office.⁵

[2. Access to the Registry record by a person who has entered into an agreement with the Registrar that provides for access to the Registry from that person's own computer facilities is generally available 24 hours a day 7 days a week.]

3. Notwithstanding the preceding provisions, the Registrar may suspend access to the Registry or to Registry services in whole or in part for maintenance or servicing purposes, or where circumstances arise that make it impossible or impractical to provide access. Notice of the temporary suspension of access or service and its duration are published on the Registry's website and at the offices of the Registry.

Article 7: Conditions of Registry services

1. Registry services may be provided only to a person who has tendered payment for the service requested or who has a user account with sufficient credit to pay Registry fees.

2. A user account for a person may be created when a contract providing for an account has been entered into between the person and the Registry. Access to Registry services are in accordance with these Regulations and the terms of the contract.

3. A user account owner must deposit money in any designated account of the Registry, which money shall be credited to that person's user account.

4. Upon termination of a user account contract, the Registry must return to the user account owner the amount of any credit in that person's user account.

[5. The electronic search services of the Registry may be freely available and not subject to payment of a fee. The processing of a paper-based search request shall be subject to a fee.]

[Note to the Working Group: The Working Group may wish to consider whether articles 6 and 7 are consistent with recommendation 54, subparagraphs (f) and (k), in accordance to which access to the Registry should be open to the public and registrants may choose among multiple modes and points of access. While the recommendations of the Guide provide for access to the Registry by a registrant or

⁴ See the *Guide*, recommendation 54, subparagraph (f).

⁵ See the *Guide*, recommendation 54, subparagraph (l).

searcher only upon payment of a fee (see recommendation 54, subparas. (c)(i) and (i)), and that the Registry may request and maintain the identity of a registrant, it does not provide for user accounts. Articles 6, paragraph 2, and 7, paragraph 5, appear within square brackets as they deal with conditions to the electronic access to the Registry.]

Article 8: Liability of the Registry

The State is [liable] [not liable] for loss or damage suffered by a person as a result of:

- (a) Reliance on an erroneous search result provided by the Registry;
- (b) Malfunction in the operation of the hardware or software of the Registry;
- (c) Unauthorized amendment or cancellation of a registered notice; or
- (d) Incorrect information or advice given by the Registrar, a Deputy Registrar or an employee or agent of the Registry.

[Note to the Working Group: The Working Group may wish to note that, under recommendation 54, subparagraph (d), of the Guide, and article 4, paragraph 4, of these Regulations, the Registry does not require verification of the identity of the registrant or the existence of authorization for registration of the notice or conduct further scrutiny of the content of the notice. The Working Group may also wish to consider leaving to each enacting State the extent of the liability a State is prepared to assume, if any, for loss or damage resulting from a malfunction in the operation of the Registry, giving effect to an unauthorized amendment or termination of a registration, from a breach of the security of the Registry, or from providing incorrect advice given by Registry personnel. The commentary could clarify that, to the extent any liability is assumed by a State, the Regulations should specify the maximum amount of the liability and the prescription period after which a claim cannot be pursued. The commentary could also discuss various possibilities for the State to obtain insurance to cover the risk of such claims.]

III. Registrations

Article 9: Notice registration

For the purposes of the Law and these Regulations, a notice relating to a present or future security right may be registered so as to be effective against third parties when the information required by article 19 is entered in the Registry record so as to be available to searchers.⁶

Article 10: Date and time of registration

A registration is effected as of the date and time when the information required by article 19 has been entered into the record of the Registry and is available to

⁶ See the *Guide*, recommendations 54, subparagraph (b), 67 and 70.

searchers as provided in these Regulations. Every registration shall be separately identifiable by date and time of effectiveness.⁷

Article 11: Period of registration

1. A registration is effective for the period of time indicated in the notice in accordance with paragraph 2 of this article.
2. A registration may be effective:
 - (a) For a number of years, months and days in whole number not exceeding [20] years; or
 - (b) For an unlimited number of years.
3. For purposes of calculating the period of effectiveness of a registration, where the calculation is from the day of registration or from the anniversary of the day of registration, a year runs from the beginning of that day. If the day of registration or an anniversary day falls on the twenty-ninth day of February, the anniversary date in a year that is not a leap year is deemed to be the first day of March.
4. A registration may be renewed at any time before the registration expires and, subject to paragraph 2 of this article, the period of time for which the registration is effective is extended by the renewal period indicated in the notice transmitted to the Registry to renew the registration.⁸

Article 12: Advance registration

A notice may be registered before or after the security agreement to which it relates is concluded or the security right to which it relates is created.⁹

Article 13: Registration relating to multiple security rights arising from multiple security agreements

A notice may relate to one or more than one security rights, whether they exist at the time of registration or are created thereafter and whether they are created by one or more than one security agreement between the same parties.¹⁰

Article 14: Indexing of registered notices

1. Notices relating to present or future security rights in all types of movable asset entered in the Registry record must be indexed according to the name of the grantor as provided in these Regulations and a registration number must be assigned by the Registry to the registration.
- [2. Notices relating to security rights in serial number assets must in addition be indexed according to the serial number of the asset.]
3. All amendments and cancellations relating to the registration shall be indexed in a manner that associates them with the registration number.

⁷ See the *Guide*, recommendation 70.

⁸ See the *Guide*, recommendation 69.

⁹ See the *Guide*, recommendation 67.

¹⁰ See the *Guide*, recommendation 68.

[Note to the Working Group: The Working Group may wish to note that paragraph 2 of this provision will apply only when the law of the enacting State requires that some assets be described in notices by serial numbers. The Working Group may also wish to note that the recommendations of the Guide do not refer to serial number as an indexing and search criterion (although the commentary does, see the Guide, chap. IV, paras. 31-36) or require the Registrar to assign a registration number. If a reference to registration numbers is retained, the Regulations may need to provide how registration numbers are to be assigned. The Working Group may also wish to consider whether notices should also be indexed in a manner that makes them retrievable by entering the identifier of the secured creditor for the purposes of internal searches of the registry record by the Registrar or the staff of the Registry.]

Article 15: Removal of registered notices from the Registry record

1. The Registrar may not change, alter or add to any notice entered in the Registry record.
2. The Registrar may remove registered notices accessible to the public from the Registry record only:
 - (a) Upon the expiry of the term of the registration; or
 - (b) Upon the registration of a cancellation notice.

[Note to the Working Group: The Working Group may wish to note that a notice that deletes the identifier of one of the secured creditors from an existing notice that lists the identifiers of more than one secured creditor is an amendment rather than a cancellation.]

3. Notices removed from the Registry record that is accessible to the public must be archived for a period of [20] years in a manner that enables the information in them to be retrieved by the Registrar in accordance with the indexing criteria of the Registry.¹¹

IV. Access to the Registry services

Article 16: Modes and conditions of access to the Registry

1. A person who wishes to have access to the Registry to effect a registration must:
 - (a) Apply in person at any office of the Registry for access to the Registry using the computer facilities located at that office or such other method prescribed by the Registrar;
 - (b) Enter into an agreement with the Registrar that provides for electronic access to the Registry interface using the applicant's own computer facilities on terms and conditions prescribed by the Registrar.
2. The Registrar must assign a user identification number (user ID) and a password to a person referred to in paragraph 1 of this article, provided that:

¹¹ See the *Guide*, recommendation 74.

(a) Arrangements satisfactory to the Registrar have been made for the payment of any fees prescribed under these Regulations; and

(b) Proof satisfactory to the Registrar of the identity of that person has been received by the Registrar.

3. The Registrar must permit a registration to be entered in the Registry record without requiring proof that:

(a) The registrant is the person to whom the Registrar assigned the user ID and password entered by the registrant;

(b) The registrant is authorized by the grantor or secured creditor identified in the registration to enter the registration.

4. The Registry may reject a registration, amendment or cancellation of a registration when a registration requirement of the Law or these Regulations has not been complied with. A message and grounds for rejection must be sent to the registrant as soon as practicable. Without limiting the generality of the foregoing, the Registry may reject a registration when a notice is not communicated to the Registry in one of the prescribed form, or the information in the notice is incomplete, incomprehensible and illegible or otherwise does not comply with the requirements of these Regulations relating to effecting, amending or cancelling a registration.

5. A person whose name is recorded in the Registry as user account owner is deemed to have full authority to transmit notices to effect a registration, amendment or cancellation of a notice that was registered by that person or another person who is also a user account owner of the same account, including a notice in which persons in addition to the user account owner are identified as secured creditors.

6. A person who has been assigned a user ID and a password by the Registry and who has complied with these Regulations may have electronic access to the Registry to effect a registration, amendment or cancellation of a notice. Registration, amendment or cancellation of a notice effected using the assigned user ID and password is conclusively deemed to have been effected by the person to whom the user ID and password have been assigned by the Registry.

[Note to the Working Group: The Working Group may wish to consider whether article 16 is compatible with the recommendations of the Guide relating to free access to the Registry.]

Article 17: Registry searches

A person who wishes to have access to the Registry record to obtain a search result from the Registry as provided in chapter VIII must:

(a) Apply for access to the Registry record using the one of the methods provided for obtaining a search result; [and

(b) Enter into an agreement with the Registrar that provides for electronic access to the Registry using the applicant's own computer facilities on terms and conditions that the Registrar considers advisable.]

[Note to the Working Group: The Working Group may wish to consider whether subparagraph (b) of this provision is compatible with the recommendations of the Guide relating to free access to the Registry.]

V. Registration information

Article 18: Responsibility of registrants

For a registration to be effective, a person who provides, enters or attempts to enter information in a notice to the Registry has to ensure that the information required by this chapter is correct and is entered in the correct fields in the Registry form [or screen].

[Note to the Working Group: The Working Group may wish to consider whether this provision is necessary. It must be obvious in the Law that the correctness of the information provided is the registrant's problem; and the part about using the correct fields says no more than that the registrant must follow the rules.]

Article 19: Required information

1. To effect an initial registration, a registrant has to provide in a notice the following information:

- (a) The identifier and address of each grantor, as required in articles 21-22;
- (b) The identifier and address of the secured creditor or its representative, as required in article 23;
- (c) A description of the encumbered assets, as required in articles 24-26;
- (d) The period of time for which the registration is to be effective, as required in article 11[; and
- (e) The maximum monetary amount for which the security right may be enforced].¹²

2. If the registered notice covers more than one grantor, the registrant must enter the information required for each grantor separately in the notice.

Article 20: Impact of omissions and errors on the effectiveness of a registration

1. A registration is ineffective if a search of the Registry record using the correct grantor identifier does not disclose the registration.

[2. A registration relating to an encumbered asset that is a serial number asset is ineffective if a search of the Registry using the correct serial number does not disclose the registration. Such registration is ineffective only with respect to the incorrectly identified serial number asset and this ineffectiveness does not affect the effectiveness of the registration with respect to any other assets described in the same registration.]

¹² See the *Guide*, recommendation 57.

3. Except as provided in paragraphs 1 [and 2] of this article, the effectiveness of a registration is not affected by a defect, omission or error in the information required to be entered in the Registry under these Regulations, or in the manner of its entry, unless it is seriously misleading.¹³

Article 21: Grantor information (natural person)

1. If the grantor is a natural person, for a registration to be effective, the registrant must enter the grantor identifier in the appropriate fields in the notice designated for entering “Grantor — natural person” information.¹⁴

2. If the grantor is a natural person, the registrant must enter:

(a) The Personal Identification Number issued to the grantor by the enacting State and the grantor’s mail address of the grantor (including electronic mail address); or

(b) Where State of residence of the grantor is not the enacting State, the birth date and the name of the grantor in the following form: the last name [or the last two names], followed by the first name, followed by the middle name, if any; and the mailing (and e-mail) address of the grantor.

3. For the purposes of paragraph 2 of this article:

(a) Where the grantor is a natural person whose name includes more than one middle name, the notice must include the first of the middle names; and

(b) Where the grantor is a natural person whose name consists of only one word, the notice must include the name as the last name of the grantor.

4. Where the grantor is a natural person who carries on business, other than as a legal person, under a business name that is not the person’s name, the notice must include information referred to in paragraph 2 above and the person’s business name.

5. For the purposes of this article, the name of the grantor is to be determined in accordance with the following rules:

(a) If the grantor was born in [the enacting State] and the grantor’s birth is registered in [the enacting State] with a government agency responsible for the registration of births, the name of the grantor is the name as stated in the grantor’s birth certificate or equivalent document issued by the government agency;

(b) If the grantor was born in [the enacting State] but the grantor’s birth is not registered in [the enacting State], the name of the grantor is the name as stated in a current passport issued to the grantor by the Government of [the enacting State];

(c) If the grantor does not have a current passport issued by the enacting State, the name of the grantor is the name stated in the [document] issued to the grantor by the enacting State;

¹³ See the *Guide*, recommendations 64-66.

¹⁴ See the *Guide*, recommendations 58 and 59.

(d) If the grantor was not born in [the enacting State], but is a citizen of [the enacting State], the name of the grantor is the name as stated in the grantor's certificate of citizenship;

(e) If the grantor was not born in and is not a citizen of [the enacting State], the name of the grantor is the name as stated in a current passport issued by the State of which the grantor is a citizen;

(f) If the grantor does not have a current passport, the name of the grantor is the name as stated in the birth certificate or equivalent document issued to the grantor by the government agency responsible for the registration of births at the place where the grantor was born;

(g) In a case not falling within subparagraphs (a) to (g) of paragraph 2 of this article, the name of the grantor is the name as stated in any two of [document] issued to the grantor by the enacting State.

6. For the purposes of this article, the relevant name of the grantor is the name of the grantor at the time of the transaction to which the registration relates, subject to the effect of a change in the grantor's identifier.

[Note to the Working Group: The Working Group may wish to consider whether this provision should be retained as the Guide does not provide specific rules on the identifier of a grantor who is a natural person other than those in recommendation 59. If the Working Group decides to retain this provision, it may also wish to consider whether, in addition to entering the name of a grantor who is a natural person in accordance with the preceding rules, the registrant may enter any other name of the grantor of which the registrant has knowledge as a separate grantor name.]

Article 22: Grantor information (legal person)

1. If the grantor is a legal person, for a registration to be effective, the registrant must enter the grantor identifier in the appropriate fields in the notice designated for entering "Grantor — legal person" information.

2. If the grantor is a legal person, the registrant must enter:

(a) The registration number assigned to the grantor by the enacting State pursuant to the Law on [...], and the mail address of the grantor (including the electronic mail address);

(b) The name of the entity, as it appears on the public record (including at the discretion of the registrant the abbreviation which is indicative of type of body corporate or entity, such as "Ltd", "Inc", "Incorp", "Corp", "Co," as the case may be, or "Limited", " Incorporated", "Corporation", "Company"), and the mail address of the entity (including the electronic mail address);

(c) Where the grantor is a legal person that is the estate of a deceased natural person, the [identification number] and [name] of the deceased person in accordance with the provisions for entering the name of a grantor who is a natural person followed by the word "estate," and the address of the administrator of the estate;

(d) Where the grantor is a legal person that is a trade union, the name of the trade union, the [identification numbers] [names] of each person representing the

trade union in the transaction giving rise to the registration, and the address of the trade union;

(e) Where the grantor is a trustee acting for a legal person in the form of a trust, and the document creating the trust designates the name of the trust, the name of the trust followed by the word “trust” unless the name of the trust already contains the word “trust” and the mail address of the trustee (including the electronic mail address);

(f) Where the grantor is a trustee acting for a legal person in the form of a trust, and the document creating the trust does not designate the name of the trust, the [identification number] [name] of the trustee in accordance with the provisions for entering the name of a grantor who is a natural person followed by the word “trustee,” and the mail address of the trustee (including the electronic mail address);

(g) Where the grantor is an insolvency representative acting for a natural person, the [identification number] [name] of the insolvent person in accordance with the provisions for entering the name of a grantor who is a natural person followed by the words “insolvent” and the mail address of the insolvency representative (including the electronic mail address);

(h) Where the grantor is an insolvency representative acting for a legal person, the name of the insolvent legal person in accordance with the provisions for entering the name of a grantor that is a legal person followed by the words “insolvent” and the mail address of the insolvency representative (including the electronic mail address);

(i) Where the grantor is a participant in a legal person that is a syndicate or joint venture, the name, if any, of the syndicate or joint venture as stated in the document creating it, the address of the syndicate or joint venture, the identifier of each participant in the manner designated for a grantor of that type, and the mail address of each participant (including the electronic mail address);

(j) Where the grantor is a participant in a legal person other than one already referred to in the preceding rules, the name of the legal person as stated in the document creating it, the address of the legal person, the [personal identification numbers] [names] of each natural person representing the legal person in the transaction to which the registration relates in accordance with the provisions for entering the name of a grantor that is a natural person, and the addresses of the representatives.

3. For the purposes of this article, a representative is a natural person who has power to bind the legal person or its officers or members and who has exercised that power in relation to the transaction to which the registration relates.

[Note to the Working Group: The Working Group may wish to consider whether all of these provisions should be retained in the Regulations or in the commentary. Some of these provisions may go beyond the recommendations of the Guide (see recommendation 60) and provide only examples as to how these issues might be dealt with.]

Article 23: Secured creditor information

1. For a registration to be effective, the registrant must enter the identifier of the secured creditor in the appropriate fields in the notice designated for entering “Secured Creditor” information.
2. The registrant must indicate whether the secured creditor is a natural or a legal person.
3. If the secured creditor is a natural person, the registrant must enter the identifier of the secured creditor, in the manner specified in article 21 for entering the identifier of a grantor who is a natural person, and the mail address of the secured creditor (including the electronic mail address).
4. If the secured creditor is a legal person, the registrant must enter the identifier of the secured creditor, in the manner specified in article 22 for entering the identifier of a grantor that is a legal person of that type, and the address of the secured creditor (including the electronic mail address).
5. The registrant may enter instead of the identifier and address of the secured creditor the identifier and address of a representative of the secured creditor to whom inquiries relating to the registration may be addressed.¹⁵

[Note to the Working Group: The Working Group may wish to consider whether this provision should be retained. The Working Group may wish to take into account that the Guide does not include specific recommendations on the secured creditor identifier and that this information might not be necessary because the secured creditor identifier is not an indexing or a search criterion (except for internal Registry searches by Registry staff).]

Article 24: Description of encumbered assets

For a registration to be effective, the registrant must enter a description of the encumbered assets that reasonably allows them to be identified. Unless otherwise provided in the Law, a generic description that refers to all assets within a generic category of movable or to all of the grantor’s movable assets includes assets within the specified category to which the grantor acquires rights at any time during the period of effectiveness of the registration.¹⁶

[Article 25: Description of encumbered serial number assets

If the registration relates to serial numbered assets, other than assets held by the grantor as inventory, for a registration to be effective, the registrant must:

- (a) Enter the serial number in the “Serial Number” field; and
- (b) Describe the serial number assets by type, manufacturer, model, model year or any other particulars in a manner that reasonably identifies them in the “Serial Number Asset Description” field.]

[Note to the Working Group: The Working Group may wish to consider whether this provision should be retained. If the Working Group decides that this

¹⁵ See the *Guide*, recommendation 57, subparagraph (a).

¹⁶ See the *Guide*, recommendation 63.

provision should be retained, it may wish to note that enacting States that decide to institute serial number asset indexing and searching will need to consider the type of asset to which this feature should apply and what alpha-numerical identification criteria should be specified for each category of asset. The enacting State will also need to take into account its existing registry regimes for registering property rights in certain of these categories of asset, as well as international regimes, notably the registries for aircraft frames, aircraft engines and railway rolling stock established under the Cape Town Convention on International Interests in Mobile Equipment. With regard to subparagraph (b) of this provision and the definition of the term “serial number”, the Working Group may wish to note that parties other than the manufacturer may provide or issue the serial number.]

Article 26: Description of encumbered attachments to immovable property

1. When the registration information relates to attachments to immovable property that are tangible assets, for a registration to be effective, the registrant must enter in the appropriate fields in the notice:

(a) A description of the tangible assets that reasonably identifies them; and

(b) A description of the relevant immovable property, to which the attachments are or will be attached, [sufficient under the registry rules for the immovable property of the enacting State] [by reference to the parcel identifier number in the records of the immovable property registry of the enacting State].

2. A secured creditor may register a notice of a security right in attachments to immovable property that are tangible assets in the appropriate immovable property registry office of the enacting State by submitting a notice to that office setting out:

(a) The identifier information relating to the grantor and secured creditor set out in the manner prescribed by these Regulations;

(b) A description of the tangible assets that reasonably identifies them;

(c) A description of the relevant immovable property, to which the attachments are or will be attached, [sufficient under the registry rules for the immovable property of the enacting State] [by reference to the parcel identifier number in the records of the immovable property registry of the enacting State];

(d) The name or other identifier of the owner of the immovable property as it appears in the records of the immovable property registry, if different from the name or other identifier of the grantor;

(e) A statement specifying, in multiples of whole years, the period of time during which the registration of the notice is to be effective[; and

(f) A statement of the maximum monetary amount for which the security right may be enforced].

[Note to the Working Group: The Working Group may wish to note that, while this provision does not refer explicitly to crops or similar types of asset, it may apply to crops or similar types of asset, if a State treats them as attachments to immovable property.]

Article 27: Amendment of registration

1. A registrant may amend a registration at any time during the period that the registration to which the amendment relates is effective.
2. Registration of an amendment is effective only from the date and time assigned to the registration of the amendment by the Registry, so that it becomes publicly available to searchers.
3. A registrant who wishes to register an amendment must:
 - (a) Indicate in the appropriate field that the registrant wishes to enter an amendment;
 - (b) Enter the registration number of the registration to which the amendment relates in the appropriate field;
 - (c) Locate the screen displaying the registration that is to be amended;
 - (d) Indicate whether the purpose of the amendment is to add, change or delete a registration;
 - (e) If information is to be added, indicate the additional information in the manner provided by these regulations for entering information of that kind;
 - (f) If information is to be changed or deleted, enter the information to be changed or deleted, and in case of change also enter new information in the manner provided by these regulations for entering information of that kind; and
 - (g) Identify the secured creditor authorizing the amendment.
4. If the purpose of an amendment is to disclose a transfer of the encumbered assets to which the registration relates, the registrant must add the transferee as an additional grantor in the manner provided for entering grantor information in a registration.
5. If the transfer relates to only part of the encumbered assets described in the registration, the registrant must enter, in the field for entering “Additional Information”, a statement describing the part of the encumbered asset that is being transferred and indicating the grantor to whom it is being transferred.
6. If the purpose of the amendment is to disclose a subordination of the security right to which the registration relates, the registrant must enter, in the field designated for entering “Additional Information” a statement specifying the nature and extent of the subordination and the identity of the beneficiary of the subordination.
7. When the amendment has been ordered by a court, the court order must be delivered to the Registry.
8. The registration of an amendment, other than a renewal, does not extend the period of effectiveness of the registration.

[Note to the Working Group: The Working Group may wish to consider whether paragraphs 5 and 6 of this provision should be retained as they describe a very specific system and many systems do not have “Additional Information” fields.]

Article 28: Global amendment of secured creditor information

Upon request of a secured creditor identified in multiple registrations entered in the Registry, the Registry must amend the secured creditor information in all such registrations.

Article 29: Cancellation of registration

A registration may be cancelled by a registrant by transmitting to the Registry the following information:

- (a) The registrant's User ID and password;
- (b) The registration number of the registration to which the cancellation relates; and
- (c) The identifier of the grantor identified in the initial registration.

VI. Verification and reinstatement**Article 30: Notice of registration, amendment or cancellation**

1. When a registration is effected, amended or cancelled, the Registry must send a notice verifying the registration, amendment or cancellation to the registrant and to the secured creditor (when not the registrant) at the address(es) set out in the registration.
2. The verification notice [may be in printed or electronic form and] must contain the following related information from the registration:
 - (a) The identifier of the secured creditor;
 - (b) The identifier of the grantor;
 - (c) The description of the encumbered assets;
 - (d) The date and time when the initial registration was effected, amended or cancelled, as the case may be; and
 - (e) The registration number allocated to the initial registration.
3. [When a registration is cancelled, the verification notice must contain the statement that, if the registrant delivers to the Registry a notice of reinstatement of registration as provided in article 31, the registration will be reinstated.]
4. The registrant must send to each person identified as a grantor in a registration, within [thirty days after the registration is effected], [a printed or electronic] verification statement disclosing the registration information in the registration, except where that person has waived in writing the right to receive it.

[Note to the Working Group: The Working Group may wish to note that, with respect to changes, recommendation 55, subparagraph (d), of the Guide requires only a notice to the secured creditor. The Working Group may also wish to note with respect to the waiver of rights addressed in paragraph 4 of this provision that, under the recommendations of the Guide, party autonomy applies except where otherwise provided.]

Article 31: Reinstatement of registration

A registration that has been cancelled without authorization or in error may be reinstated by submitting to the Registry, within [30] days following the date the Registry sent the notice verifying its cancellation, the following information in a manner identical to that recorded in the cancelled registration:

- (a) The identifier of the secured creditor;
- (b) The identifier of the grantor;
- (c) The description of the encumbered assets;
- (d) The date and time when the registration was effected; and
- (e) The registration number allocated to the registration.

VII. Obligations of the secured creditor**Article 32: Compulsory amendment or cancellation of registration**

1. The person identified in a registration as the secured creditor is obliged to cancel the registration within [30] days after receipt of a written request from the grantor unless the person identified in the registration as grantor consents to its continuation.

2. The person identified in a registration as the grantor, or any person with rights in the encumbered assets described in a registration, may give a written demand to the person identified as the secured creditor in the registration, requiring cancellation or amendment, as appropriate, of the registration if:

(a) All of the obligations under the security agreement to which the registration relates have been performed;

(b) The description of the encumbered assets in the registration refers to assets that are not encumbered or are no longer encumbered under a security agreement between the person identified as the grantor and the person identified as the secured creditor in the registration; or

(c) No security agreement exists between the person identified as the grantor and the person identified as the secured creditor in the registration.

3. The person identified as the secured creditor will comply with the demand no later than [15] days after its receipt. No fee or expense will be charged or accepted for compliance.

4. If the person identified as the secured creditor does not comply with the demand, the person making the demand may apply to the court for an order maintaining the registration on the basis that the registration information is correct or the registration is authorized.

[Note to the Working Group: The Working Group may wish to note that, under recommendation 72, subparagraph (b), of the Guide, the grantor bears the burden to prove that the registration must be amended or cancelled.]

Article 33: Grantor's right to demand additional information

1. A person identified in a registration as the grantor or a person authorized in writing to act as the grantor's agent for this purpose may demand in writing that the person identified in the registration as the secured creditor:

(a) Confirm in writing whether or not there exists a security agreement between the grantor and the secured creditor as of the date of the demand;

(b) Approve or provide a list of the assets encumbered by any security agreement between the identified grantor and secured creditor as of the date of the demand; and

(c) Approve or provide a statement indicating the amount of the obligation secured by the security right to which the registration relates as of the date of the demand.

2. The person making the demand may request that the secured creditor deliver its response to a designated third person.

3. The secured creditor will comply with the demand within [15] days after it is received.

4. If the secured creditor fails to timely respond to the demand without reasonable excuse, the person making the demand may apply to the court with appropriate notice to the secured creditor for an order requiring that the registration to which the demand relates be cancelled. Upon delivery of an order of the court ordering cancellation, the Registrar must cancel the registration.

VIII. Searches**Article 34: Search criteria**

A search of the Registry record may be requested by any person who has tendered or arranged for payment of the searching fee using one of the following search criteria:

(a) The identifier of the grantor;

[(b) The serial number of a serial number asset;] or

(c) The registration number of a registration.

Article 35: Search results

1. A search result obtained pursuant to article 34 must either indicate that no registrations were retrieved against the specified search criterion or set out all registrations that exist in the Registry record searchable index at the date and time when the search was performed, as well as the following information with respect to each such registration as set in the registration:

(a) The identifier of the secured creditor;

(b) The identifier of the grantor;

(c) The description of the encumbered assets;

- (d) The date and time when the registration was effected;
 - (e) All amendments to the registration and the date and time each amendment was effected;
 - (f) The registration number allocated to the registration[; and
 - (h) The maximum monetary amount for which the security right may be enforced.]
2. The Registrar must issue a Registry Certificate on the basis of one of the criteria referred to in paragraph 1 to a person who has requested it and who has tendered or arranged for payment of the Certificate fees.

IX. Fees

Article 36: Registration and search fees

1. The following fees are payable for registrations and searches in the Registry:
[...].
2. The Registrar may enter into an agreement with a person establishing an account with the Registrar to enable fees to be charged and paid.

[Note to the Working Group: The Working Group may wish to wish to note that, under recommendation 54, subparagraph (i), of the Guide “Fees for registration and for searching, if any, are set at a level no higher than necessary to permit cost recovery.” This rule implies that registration and searches may or may not be subject to a fee and that, if there is a fee, it should be aimed at cost recovery rather than profit level. The Working Group may wish to consider whether the Regulations should provide (at least as an option) that no fee should be charged for: (a) electronic registrations and searches; or (b) registering a notice of cancellation of a registration.]