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Chapter IV. The registry system

Article 26. Establishment of a public registry

The Registry is established for the purposes of receiving, storing and making accessible to the public information in registered notices with respect to security rights in accordance with [the legislative instrument or instruments to be specified by the enacting State (including the “registry-related provisions” set forth below)].

[Note to the Working Group: The Working Group may wish to consider the name and the placement of the registry-related provisions in the draft Model Law. If they are included in this chapter, article 26 should be deleted as it is exactly the same as article 1 of the registry-related provisions, which was added pursuant to a decision by the Commission (A/70/17, para. 172). If, however, they are included in an annex (or part II) of the draft Model Law (for the enacting State to decide whether to include it in its secured transactions law, a separate act, decree, regulation or other act, or a combination thereof), both articles 26 of the draft Model Law and article 1 of the draft registry-related provisions may need to be retained.]

Registry-related provisions

Section A. General provisions

[Article 1. Establishment of a public registry]

The Registry is established for the purposes of receiving, storing and making accessible to the public information in registered notices with respect to security rights in accordance with [the legislative instrument or instruments to be specified by the enacting State (including the “registry-related provisions” set forth below)].

Article 2. Definitions

- (a) “Address” means:
 - (i) a physical address or a post office box number, city, postal code and State; or
 - (ii) an electronic address;
- (b) “Amendment” means a modification with respect to information contained in a previously registered notice to which the amendment relates;
- [(c) “Cancellation” means the removal from the public registry record of all information contained in a previously registered notice to which the cancellation relates;]
- (d) “Designated field” means the space on the prescribed registry notice form designated for entering the specified type of information;
- (e) “Law” means the law of the enacting State governing security rights in movable assets;

(f) “Notice” means a communication in writing (paper or electronic) to the Registry of information with respect to a security right. The term includes an initial notice, an amendment notice and a cancellation notice;

(g) “Registrant” means the person who submits the prescribed registry notice form to the Registry;

(h) “Registrar” means the person appointed pursuant to the Law [and the Regulation] to supervise and administer the operation of the Registry;

(i) “Registration” means the entry of information contained in a notice into the registry record;

(j) “Registration number” means a unique number assigned to an initial notice by the Registry and permanently associated with that notice and any related notice;

(k) “Registry” means [the enacting State’s] system for receiving, storing and making accessible to the public information about security rights in movable assets; [and]

(l) “Registry record” means the information in all registered notices stored by the Registry; it consists of the record that is publicly accessible (public registry record) and the record that has been removed from the public registry record and archived (registry archives)[; and

(m) “Regulation” means the body of rules adopted by the enacting State with respect to the Registry, whether these rules are found in administrative guidelines or the Law].

[Note to the Working Group: The Working Group may wish to note that: (a) if a State implements the registry-related provisions in the draft Model Law, it will need to include these definitions in article 2 of the draft Model Law; (b) the definition of the term “cancellation” appears within square brackets, since a cancellation in a State that chooses the “open drawer approach” of option B of article 31, paragraph 1, would not result in the removal of the registered information from the public registry record; (c) the definition of the term “Law” would be needed only if a State decided not to include all of the registry-related provisions in its secured transactions law; and (d) the term “Regulation” appears within square brackets (in subparas. (h) and (m)), since two of the options presented to States are to insert all of the registry-related provisions in their secured transactions law or in a separate law, in which case they would not need this definition. The Working Group may wish to consider whether an additional definition should be added along the following lines: “Registered notice means a notice after the information in the notice has been entered into the public registry record”. In addition, the Working Group may wish to consider the placement in the text of the clarification that, if the Registry is operated by a governmental entity, it can exercise the supervisory functions foreseen in the registry-related provisions (e.g. art. 6, para. 2, art. 13, para. 2, art. 28, and art. 34, para. 2), while otherwise these functions should only be exercised by the governmental authority supervising the private entity operating the Registry. Moreover, the Working Group may wish to consider whether the notes to each defined term in the Registry Guide should also be included either in this article (or in article 2 of the draft Model Law) or in the Guide to Enactment.]

Article 3. Grantor's authorization for registration

1. Registration of an initial notice is ineffective unless authorized by the grantor in writing.
2. Registration of an amendment notice that adds encumbered assets not included in the security agreement [or increases the maximum amount for which the security right to which the registration relates may be enforced]¹ is ineffective unless authorized by the grantor in writing.
3. [With the exception of an amendment notice under article 27, registration]² [Registration] of an amendment notice that adds a grantor is ineffective unless authorized by the additional grantor in writing.
4. Authorization may be given before or after registration of a notice.
5. A written security agreement is sufficient to constitute authorization by the grantor for the registration of a notice.
6. The Registry may not require evidence of the existence of the grantor's authorization.

[Note to the Working Group: The Working Group may wish to consider whether paragraph 6 is necessary, since paragraph 4 provides that the grantor's authorization may be given even after registration. The Working Group may also wish to note that, in line with recommendations 71 of the Secured Transactions Guide and the Registry Guide (see para. 101), paragraph 5 provides that authorization must be given by the grantor in writing. In this connection, the Working Group may wish to consider whether a new paragraph should be added to provide that possession by the secured creditor pursuant to an oral security agreement also constitutes sufficient authorization by the grantor.]

Article 4. One notice sufficient for security rights under multiple security agreements

The registration of a single notice may relate to security rights created by the grantor under one or more than one security agreement [between the parties identified in the registered notice] [with the same secured creditor].

[Note to the Working Group: The Working Group may wish to consider the two sets of words in square brackets in this article. The first contains the text agreed upon at the Commission session (see A/70/17, para. 171). However, where the name of the representative of the secured creditor is entered in the notice, the security agreement will not be "between the parties identified in the notice". The second set of bracketed words is intended to address this problem in a way that would be consistent with recommendation 68 of the Secured Transactions Guide, on which this article is based and which refers to an agreement "between the same parties" (same issue in article 5; see A/70/17, para. 173).]

¹ This provision will be necessary if the enacting State implements article 6, subparagraph 3 (e), of the draft Model Law.

² This wording will be necessary if the enacting State implements option A or option B of article 27 below.

Article 5. Advance registration

A notice may be registered before the creation of a security right or the conclusion of a security agreement [between the parties identified in the notice] [to which the notice relates].

Section B. Access to registry services

Article 6. Public access

1. Any person may submit a notice to the Registry, if that person:
 - (a) Uses the prescribed notice form; [and]
 - (b) Identifies itself in the prescribed manner[; and]
 - (c) Has paid or arranged to pay the prescribed fee].³
2. A person that submits an amendment or cancellation notice must also [satisfy the secure access requirements to be specified by the Registry].
3. Any person may submit a search request to the Registry, if that person:
 - (a) Uses the prescribed search request form[; and]
 - (b) Has paid or arranged to pay the prescribed fee].⁴
4. If access is refused, the Registry must communicate the reason to the registrant or searcher without delay.

Article 7. Rejection of the registration of a notice or a search request

1. The Registry must reject the registration of a notice if:
 - (a) No information is entered in one or more of the required designated fields; or
 - (b) The information entered in a required designated field is not legible[; or]
 - (c) An amendment notice that seeks to extend the period of effectiveness of a registration is not submitted within the period referred to in article 15, paragraph 2].⁵
2. The Registry must reject a search request if:
 - (a) No information is entered in one of the fields designated for entering a search criterion; or
 - (b) If the information entered in a required designated field is not legible.
3. Except as provided in paragraph 1 or 2, the Registry may not reject the registration of a notice or a search request.
4. If the registration of a notice or a search request is rejected, the Registry must communicate the reason to the registrant or searcher without delay.

³ This provision will be necessary if the enacting State implements option A of article 34 below.

⁴ This provision will be necessary if the enacting State implements option A of article 34 below.

⁵ This provision will be necessary if the enacting State implements option B or option C of article 15, paragraph 2, below.

Article 8. No verification by the Registry

The Registry must maintain information about the registrant's identity submitted in accordance with article 6, subparagraph 1 (b), but may not require verification of that information, or conduct any scrutiny of the content of a notice or search request.

Section C. Registration of a notice

Article 9. Information required in an initial notice

An initial notice must contain the following information in the relevant designated field:

- (a) The identifier and address of the grantor [and any additional information that the enacting State may decide to require to be entered to assist in uniquely identifying the grantor] in accordance with article 10;
- (b) The identifier and address of the secured creditor or its representative in accordance with article 11; [and]
- (c) A description of the encumbered assets in accordance with article 12;
- [(d) The period of effectiveness of the registration in accordance with article 15];⁶ and
- [(e) A statement of the maximum amount for which the security right to which the registered notice relates may be enforced.]⁷

Article 10. Grantor identifier

1. Where the grantor is a natural person, the identifier of the grantor is the name of the grantor, as it appears in [the relevant official document in the order in which it should be used to determine the grantor's name to be specified by the enacting State].
2. [The enacting State should specify which components of the grantor's name determined in accordance with paragraph 1 must be entered in the notice].
3. [The enacting State should specify the way in which the grantor's name is determined if the name is legally changed after the issuance of the relevant document referred to in paragraph 1.]
4. Where the grantor is a legal person, the grantor identifier is the name of the grantor that appears in [the most recent document, law or decree to be specified by the enacting State] constituting the legal person.
5. [The enacting State should specify whether additional information must be entered in the notice in special cases, such as where the grantor is subject to

⁶ This provision will be necessary, if the enacting State implements option B or option C of article 15 below.

⁷ This provision will be necessary if the enacting State includes in its law article 6, subparagraph 3 (e), of the draft Model Law.

insolvency proceedings, a trustee, or a representative of the estate of a deceased person.]

Article 11. Secured creditor identifier

1. Where the secured creditor is a natural person, the secured creditor identifier is the name of the secured creditor or its representative as it appears in [the relevant official document in the order in which it should be used to determine the secured creditor's name to be specified by the enacting State].
2. Where the secured creditor is a legal person, the secured creditor identifier is the name of the secured creditor or its representative that appears in [the most recent document, law or decree to be specified by the enacting State] constituting the legal person.
3. [The enacting State should specify whether additional information must be entered in the notice in special cases, such as where the secured creditor is subject to insolvency proceedings, a trustee, or a representative of the estate of a deceased person.]

Article 12. Description of encumbered assets

1. The assets encumbered or to be encumbered must be described in a notice in a manner that reasonably allows their identification.
2. A description that indicates that the encumbered assets consist of all of the grantor's movable assets, or of all of the grantor's movable assets within a particular category, satisfies the standard in paragraph 1.

Article 13. Language of information in a notice

1. With the exception of the names and addresses of the grantor and the secured creditor or its representative, the information contained in a notice must be expressed in [the language or languages to be specified by the enacting State].
2. The information contained in a notice must be expressed in the character set prescribed and publicized by the Registry.

Article 14. Time of effectiveness of the registration of a notice

1. The registration of an initial or amendment notice is effective from the date and time when the information in the notice is entered into the registry record so as to be accessible to searchers of the public registry record.
2. The Registry must enter information in an initial or amendment notice into the registry record without delay after the notice is submitted and in the order in which each notice was submitted.
3. The Registry must record the date and time when the information in an initial or amendment notice is entered into the registry record so as to be accessible to searchers of the public registry record.

Option A⁸

4. The registration of a cancellation notice is effective from the date and time when the information in the notice to which it relates is no longer accessible to searchers of the public registry record.

Option B⁹

4. The registration of a cancellation notice is effective from the date and time when the information in the notice is entered into the registry record so as to be accessible to searchers of the public registry record.

Option A¹⁰

5. The Registry must record the date and time when the information in the initial or amendment notice to which a cancellation notice relates is no longer accessible to searchers of the public registry record.

Option B¹¹

5. The Registry must record the date and time when the information in a cancellation notice is entered into the registry record so as to be accessible to searchers of the public registry record.

Article 15. Period of effectiveness of the registration of a notice**Option A**

1. The registration of an initial notice is effective for [a period of time to be specified by the enacting State].
2. The period of effectiveness of the registration of an initial notice may be extended within [a period of time to be specified by the enacting State] before its expiry by the registration of an amendment notice providing for an extension.
3. The period of effectiveness of the registration of an initial notice may be extended more than once.
4. The registration of an amendment notice in accordance with paragraph 2 extends the period of effectiveness for the period referred to in paragraph 1 beginning from the time the current period would have expired if the amendment notice had not been registered.

⁸ This provision will be necessary, if the enacting State implements option A or option B of article 22 below.

⁹ This provision will be necessary, if the enacting State implements option C or option D of article 22 below.

¹⁰ This provision will be necessary, if the enacting State implements option A of paragraph 4 of this article.

¹¹ This provision will be necessary, if the enacting State implements option B of paragraph 4 of this article.

Option B

1. The registration of an initial notice is effective for the period of time indicated by the registrant in the designated field of the notice.
2. The period of effectiveness of the registration of an initial notice may be extended at any time before its expiry by the registration of an amendment notice that indicates in the designated field a new period.
3. The period of effectiveness of the registration of an initial notice may be extended more than once.
4. The registration of an amendment notice in accordance with paragraph 2 extends the period of effectiveness for the period indicated in the amendment notice beginning from the time the current period would have expired if the amendment notice had not been registered.

Option C

1. The registration of an initial notice is effective for the period of time indicated by the registrant in the designated field of the notice, not exceeding [a maximum period of time to be specified by the enacting State].
2. The period of effectiveness of the registration of an initial notice may be extended within [a period to be specified by the enacting State] before its expiry by the registration of an amendment notice that indicates in the designated field a new period not exceeding the maximum period of time referred to in paragraph 1.
3. The period of effectiveness of the registration of an initial notice may be extended more than once.
4. The registration of an amendment notice in accordance with paragraph 2 extends the period of effectiveness for the period specified in the amendment notice beginning from the time the current period would have expired if the amendment notice had not been registered.

Article 16. Obligation to send a copy of a registered notice

1. Without delay after the registration of a notice, the Registry must send to the person identified in the notice as the secured creditor at its address set forth in the notice a copy of the information in a registered notice, indicating: (a) the date and time when the registration became effective; and (b) the registration number assigned to the notice.
2. Within [a short period to be specified by the enacting State] after the person identified in a registered notice as the secured creditor receives a copy of the information in the notice in accordance with paragraph 1, that person must send it to the person identified in the notice as the grantor:
 - (a) At the address set forth in the notice; or
 - (b) If that person knows that the address has changed, at the most recent address known to that person or an address reasonably available to that person.
- [3. Failure of the person identified in a registered notice as the secured creditor to meet the obligation under paragraph 2 may result only in [an amount of nominal

penalties to be specified by the enacting State] and any damages resulting from that failure that may be proven.]

[4.] Upon request by the person identified in a registered notice as the grantor, the Registry must provide the information about the registrant's identity obtained under article 6, subparagraph 1 (b).

[Note to the Working Group: The Working Group may wish to note that paragraphs 3 and 4 have been added pursuant to a decision by the Commission (A/70/17, paras. 188 and 189).]

Section D. Amendments and cancellations

Article 17. Right to register an amendment or cancellation notice

1. Subject to paragraph 2, the person identified in a registered initial notice as the secured creditor may register an amendment or cancellation notice relating to that notice.
2. Upon registration of an amendment notice changing the person identified in a registered initial notice as the secured creditor, only the person identified in the amendment notice as the secured creditor may register an amendment or cancellation notice.

Article 18. Information required in an amendment notice

1. An amendment notice must contain in the relevant designated field:
 - (a) The registration number; and
 - (b) The information to be added, deleted or changed.
2. An amendment notice may relate to one or more than one item of information in a notice.

Article 19. Global amendment of secured creditor information

Option A

The person identified in multiple registered notices as the secured creditor may register a single amendment notice to amend its identifier, its address or both, if the name, address or both of that person change or the secured obligation is assigned.

Option B

[The enacting State may wish to specify a way for the Registry to amend the identifier, address or both of the person identified as the secured creditor in multiple registered notices upon the request of that person where its name, address or both change or the secured obligation is assigned.]

Article 20. Information required in a cancellation notice

A cancellation notice must contain in the designated field the registration number assigned by the Registry to the registered initial notice to which the cancellation relates.

Article 21. Compulsory registration of an amendment or cancellation notice

1. The secured creditor must register an amendment notice if:
 - (a) The registered notice to which it relates contains information that exceeds the scope of the grantor's authorization; or
 - (b) The security agreement to which the registered notice relates has been revised to delete some encumbered assets or to reduce the maximum amount indicated in the registered notice and the grantor has not otherwise authorized the registration of a notice containing that revised information.
2. The secured creditor must register a cancellation notice if:
 - (a) The registration of an initial notice was not authorized by the grantor;
 - (b) The registration of an initial notice was authorized by the grantor but the authorization has been withdrawn and no security agreement has been concluded; or
 - (c) The security right to which the notice relates has been extinguished.
3. [In a case falling within subparagraphs 1 (a) and (2) (a), the] [The] secured creditor may not charge or accept any fee or expense for complying with its obligation.
4. If any of the conditions set out in paragraph 1 or 2 are met, the grantor is entitled to request the secured creditor in writing to register an amendment or cancellation notice and the secured creditor may not charge or accept any fee or expense.
5. If the secured creditor does not comply with the grantor's written request referred to in paragraph 4 within [a short period to be specified by the enacting State] after its receipt, the grantor is entitled to seek the registration of an amendment or cancellation notice through [a summary judicial or administrative procedure to be specified by the enacting State].
6. An amendment or cancellation notice in accordance with paragraph 4 is registered by

Option A

the Registry without delay upon receipt of the notice with a copy of the relevant order.

Option B

[the judicial or administrative officer to be specified by the enacting State] without delay upon the issuance of the relevant order with a copy of the order.

**Article 22. Amendment or cancellation notices
not authorized by the secured creditor**

Option A

The registration of an amendment or cancellation notice is effective regardless of whether it is authorized by the person identified in the registered initial [or amendment] notice as the secured creditor.

Option B

1. Subject to paragraph 2, the registration of an amendment or cancellation notice is effective regardless of whether it is authorized by the person identified in the registered initial [or amendment] notice as the secured creditor.
2. The unauthorized registration of an amendment or cancellation notice does not affect the priority of the security right to which it relates as against the right of a competing claimant [which arose before the registration and] over which the security right had priority before the registration.

Option C

The registration of an amendment or cancellation notice is ineffective unless authorized by the person identified in the registered initial [or amendment] notice as the secured creditor.

Option D

1. Subject to paragraph 2, the registration of an amendment or cancellation notice is ineffective unless authorized by the person identified in the registered initial [or amendment] notice as the secured creditor.
2. The unauthorized registration of an amendment or cancellation notice is nonetheless effective as against a competing claimant whose right was acquired in reliance on a search of the registry record made after the registration of the amendment or cancellation notice, provided that it did not have knowledge that the registration was unauthorized at the time it acquired its right.

Section E. Searches**Article 23. Search criteria**

A search of the public registry record may be conducted according to:

- (a) The identifier of the grantor; or
- (b) The registration number assigned to the initial notice.

Article 24. Search results

1. Upon submission of a search request, the Registry must provide a search result that indicates the date and time when the search was performed and:

Option A

- (a) Sets forth all information in each registered notice that contains information matching the search criterion exactly; or
- (b) Indicates that no registered notice contains information matching the search criterion exactly.

Option B

- (a) Sets forth all information in each registered notice that contains information matching the search criterion:
 - (i) exactly; or
 - (ii) where the search criterion is the grantor identifier, closely [under criteria to be specified by the enacting State];
 - (b) Indicates that no registered notice contains information matching the search criterion:
 - (i) exactly; or
 - (ii) where the search criterion is the grantor identifier, closely [under criteria to be specified by the enacting State].
2. Upon request by a searcher, the Registry must issue an official search certificate indicating the search result.
 3. A written search result that purports to have been issued by the Registry is proof of its contents in the absence of evidence to the contrary.

Section F. Errors and post-registration changes

Article 25. Registrant errors in required information

1. An error in the grantor identifier entered in a notice does not render the registration of the notice ineffective if the notice would be retrieved by a search of the registry record using the grantor's correct identifier as the search criterion.
- [2. An error in the grantor identifier entered in a notice does not render the registration of the notice ineffective if the notice would be retrieved as a close match [under criteria to be specified by the enacting State] by a search of the registry record using the grantor's correct identifier as the search criterion, unless the error would seriously mislead a reasonable searcher.]
- [3.] An error in the grantor identifier entered in a notice does not render the registration of the notice ineffective with respect to other grantors correctly identified in the notice.
- [4.] An error in required information other than the grantor's identifier entered in a notice does not render the registration ineffective unless the error would seriously mislead a reasonable searcher.
- [5.] An error in the description of an encumbered asset in a notice does not render the registration of the notice ineffective with respect to other encumbered assets sufficiently described.
- [6.] Notwithstanding paragraph 4, an error in the period of effectiveness of registration¹² or the maximum amount for which the security right may be enforced

¹² This provision will be necessary, if the enacting State implements option B or option C of article 15 above.

entered in a notice,¹³ does not render the notice ineffective, except to the extent it seriously misled third parties that relied on the information set out on the notice.

Article 26. Post-registration change of grantor identifier

1. If the grantor's identifier changes after a notice is registered and the secured creditor registers an amendment notice indicating the new identifier of the grantor within [a short period of time to be specified by the enacting State] after the change but before the expiry of the period of effectiveness of the registered notice, the security right to which the notice relates remains effective against third parties and retains whatever priority it had over the rights of competing claimants before the change.

2. If the secured creditor registers an amendment notice after the expiration of the time period indicated in paragraph 1 or does not register an amendment notice at all:

(a) A security right with respect to which a notice is registered or which is otherwise made effective against third parties after the change in the grantor's identifier but before the registration of the amendment notice has priority over the security right to which the amendment notice relates; and

(b) A person that buys, leases or licenses the encumbered asset after the change in the grantor's identifier but before the registration of the amendment notice acquires its rights free of the security right to which the amendment notice relates.

Article 27. Post-registration transfer of an encumbered asset

Option A

1. If a security right in an encumbered asset has been made effective against third parties by registration of a notice and the encumbered asset is transferred to a transferee that acquires its rights subject to the security right under article 29, the security right remains effective against third parties and retains whatever priority it had over the rights of competing claimants before the transfer, provided that the secured creditor registers an amendment notice adding the transferee's identifier and address as a new grantor within [a short period of time to be specified by the enacting State] after the secured creditor acquires knowledge of the transfer.

2. If the secured creditor registers an amendment notice after the expiration of the time period indicated in paragraph 1 or does not register an amendment notice at all:

(a) A security right created by the transferee with respect to which a notice is registered or which is otherwise made effective against third parties after the transfer but before the registration of the amendment notice has priority over the security right to which the amendment notice relates; and

¹³ This provision will be necessary, if the enacting State implements article 9, subparagraph (e), above.

(b) A person that buys, leases or licenses the encumbered asset after its transfer but before the registration of the amendment notice acquires its rights free of the security right to which the amendment notice relates.

3. A security right in intellectual property that has been made effective against third parties by registration of a notice remains effective against third parties and retains its priority notwithstanding a transfer of the encumbered asset covered by the notice.

4. In the case of successive transfers of an encumbered asset, paragraphs 1, 2 and 3 apply to the last transfer.

Option B

1. If a security right in an encumbered asset has been made effective against third parties by registration of a notice and the encumbered asset is transferred to a transferee that acquires its rights subject to the security right under article 29, the security right remains effective against third parties and retains whatever priority it had over the rights of competing claimants before the transfer, provided that the secured creditor registers an amendment notice adding the transferee's identifier and address as a new grantor within [a short period of time to be specified by the enacting State] after the transfer.

2. If the secured creditor registers an amendment notice after expiration of the time period indicated in paragraph 1 or does not register an amendment notice at all:

(a) A security right created by the transferee with respect to which a notice is registered or which is otherwise made effective against third parties after the transfer but before the registration of the amendment notice has priority over the security right to which the amendment notice relates; and

(b) A person that buys, leases or licenses the encumbered asset after its transfer but before the registration of the amendment notice acquires its rights free of the security right to which the amendment notice relates.

3. A security right in intellectual property that has been made effective against third parties by registration of a notice remains effective against third parties and retains its priority notwithstanding a transfer of the encumbered asset covered by the notice.

4. In the case of successive transfers of an encumbered asset, paragraphs 1, 2 and 3 apply to the last transfer.

Option C

1. A security right in an encumbered asset that has been made effective against third parties by registration of a notice remains effective against third parties and retains its priority notwithstanding a transfer of the encumbered asset covered by the notice.

2. In the case of successive transfers of an encumbered asset, paragraph 1 applies to the last transfer.

[Note to the Working Group: The Working Group may wish to note that the article dealing with the post-registration transfer of intellectual property has been

added to options A and B of this article as paragraph 3 (it is not necessary in option C, as this option adopts the same rule for all types of asset). The Working Group may also wish to note that a new paragraph has been added to all options in this article to address successive transfers pursuant to a decision by the Commission (see A/70/17, para. 209).]

Section G. Organization of the Registry and the registry record

Article 28. Appointment of the registrar

The [the appropriate executive, ministerial or other authority to be specified by the enacting State] is authorized to appoint and dismiss the registrar, and determine the registrar's duties.

Article 29. Organization of information in registered notices

1. The Registry must assign a unique registration number to a registered initial notice and associate all registered amendment or cancellation notices that contain that number with the initial notice.
2. The Registry must organize the registry record so that the information in a registered initial notice and in any associated registered notice can be retrieved:

Option A¹⁴

- (a) As an exact match by a searcher of the registry record that uses the identifier of the grantor or the registration number assigned to the initial notice as the search criterion;

Option B¹⁵

- (a) As an exact match by a searcher of the registry record that uses the identifier of the grantor or the registration number assigned to the initial notice as the search criterion, or as a close match by a searcher of the registry record that uses the identifier of the grantor as the search criterion; and

Option A¹⁶

- (b) By the person identified in multiple notices as the secured creditor that uses its identifier or the registration number assigned to the initial notice as the search criterion.

¹⁴ This provision will be necessary, if the enacting State implements option A of article 24, paragraph 1, above.

¹⁵ This provision will be necessary, if the enacting State implements option B of article 24, paragraph 1, above.

¹⁶ This provision will be necessary, if the enacting State implements option A of article 19 above.

Option B¹⁷

(b) By the Registry that uses the identifier of the person identified in multiple notices as the secured creditor or the registration number assigned to multiple initial notices as the search criterion.

3. Upon registration of an amendment or cancellation notice, the Registry may not amend or delete information contained in any associated registered notice, and the registration of an amendment or cancellation notice does not result in the amendment or deletion of information in any associated notice.

Article 30. Integrity of information in the registry record

1. Except as provided in articles 31 and 32, the Registry may not amend or delete information contained in the registry record.

2. The Registry must preserve information contained in the registry record and reconstruct in the event of loss or damage.

Article 31. Removal of information from the public registry record and archival

Option A

Upon the expiry of the period of effectiveness of the registration of a notice in accordance with article 15 or upon registration of a cancellation notice in accordance with article 20 or 21, the Registry must remove information in a registered notice from the public registry record.

Option B

1. The Registry must remove information in a registered notice from the public registry record only upon the expiry of the period of effectiveness of the registration of a notice in accordance with article 15.

2. The Registry must archive information removed from the public registry record in accordance with paragraph 1 for [a period at least co-extensive with its prescription period for disputes arising from a security agreement to be specified by the enacting State] in a manner that enables the information to be retrieved by the Registry in accordance with article 29.

[Note to the Working Group: The Working Group may wish to note that option B of paragraph 1 is intended to accommodate the “open-drawer approach”, in which, unless a registered notice expired, all information in the public registry record would be available to searchers and the Registry would not have the authority to do anything but accept, retain and disclose all information (see A/70/17, para. 213).]

Article 32. Correction of errors by the Registry

1. Without delay after discovering that it made an error or omission in entering into the registry record the information contained in a notice submitted for

¹⁷ This provision will be necessary, if the enacting State implements option B of article 19 above.

registration or erroneously removed from the registry record information contained in a registered notice, the Registry must

Option A

register a notice to correct the error or omission, or restore the erroneously removed information, and send a copy of the information in the registered notice to the person identified in the notice as the secured creditor.

Option B

inform the person identified in the registered notice as the secured creditor so as to enable that person to register a notice to correct the error or omission or restore the erroneously removed information.

2. The registration of a notice referred to in paragraph 1 is effective

Option A

as of the time the information in the notice becomes accessible to searchers of the registry record.

Option B

as of the time the information in the notice becomes accessible to searchers of the registry record, except that the security right to which the notice relates has the priority it would otherwise have had over the right of a competing claimant but for the Registry's error or omission or the Registry's erroneous removal of the information.

Option C

as of the time it would have been effective if the error or omission had never been made or the information had never been erroneously removed.

Option D

as of the time it would have been effective if the error or omission had never been made or the information had never been erroneously removed, except that the security right to which the notice relates is subordinate to the right of a competing claimant that acquired a right in the encumbered asset in reliance on a search of the public registry record made before the notice was registered, provided the competing claimant did not have knowledge of the error or omission or the erroneous removal of the information at the time it acquired its right.

[Note to the Working Group: The Working Group may wish to note that, in accordance with a decision of the Working Group, this article has been aligned with revised article 22 on amendment or cancellation notices that are not authorized by the secured creditor (see A/CN.9/836, para. 106). However, the Working Group may also wish to note that the issue of the impact of notices correcting Registry errors on the effectiveness and priority of the security right to which the correction relates as against intervening third-party rights is different than the issue addressed in article 22. The Working Group may thus wish to consider that: (a) paragraph 1 should be retained so as to ensure that the Registry is authorized to correct its

errors; and (b) paragraph 2 should be deleted, as it may not be possible to come up with a set of alternative rules equivalent to the set of options reflected in article 22. If this approach were adopted, a notice registered to correct a registry error or omission (or to restore erroneously removed information) would take effect only as of the time the information in the notice becomes searchable (in accordance with the general rule reflected in article 14). As a result, the secured creditor that was the victim of the Registry's error might find itself subordinated to a competing claimant that acquired a right in the encumbered asset before the registry record was corrected. In that event, its only recourse would be to claim compensation against the Registry subject to any limitation on the liability of the Registry under article 33. The Working Group may also wish to consider the application of article 32 where the enacting State adopts the "open-drawer approach" contained in option A of article 31, paragraph 1.]

Article 33. Limitation of liability of the Registry

Option A

Any liability that the Registry may have under other law is limited for loss or damage caused by:

- (a) An error or omission in a search result issued to a searcher or in a copy of a registered notice sent to the secured creditor [up to a maximum amount to be specified by the enacting State]; [and]
- (b) An error or omission in entering or failing to enter information in the registry record or in erroneously removing information from the registry record [up to a maximum amount to be specified by the enacting State];
- (c) A failure of the Registry to send a copy of the registered notice to the person identified in the notice as the secured creditor in accordance with article 16, paragraph 1 and article 32, paragraph 1; and
- (d) The provision of false or misleading information to a registrant or searcher.

Option B

Any liability that the Registry may have under other law for loss or damage caused by an error or omission in the administration or operation of the Registry is limited to [a maximum amount to be specified by the enacting State].

Option C

The Registry is not liable for loss or damage caused to a person by an error or omission in the administration or operation of the Registry.

[Note to the Working Group: The Working Group may wish to consider the options presented in this article. If the Working Group decides to retain option A, the Working Group may wish to consider whether the limitation of liability up to a maximum amount should be placed in the chapeau of option A for it to apply to all of the subparagraphs of option A.]

Article 34. Registry fees

Option A

1. The Registry may charge [the fees at cost-recovery level or lower to be specified by the enacting State] for [the services to be specified by the enacting State].
2. The Registry must publicize its fee schedule, which it may modify from time to time.
3. The Registry may enter into an account agreement with any person to facilitate the registration process, including the payment of registry fees.

Option B

The Registry may not charge any fee for its services.
