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Draft Technical Legislative Guide on the Implementation of a Security Rights Registry: Annex I. Terminology and recommendations

Note by the Secretariat

Addendum

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Annex I

Terminology and recommendations

Terminology*

(a) “Address” means: (i) a physical address, including a street address and number, city, postal code and State; (ii) a post office box number, city, postal code and State; (iii) an electronic address; or (iv) an address that would be effective for communicating information;

(b) “Amendment” means the modification of information contained in a previously registered notice to which the amendment relates;

(c) “Cancellation” means the removal from the public registry record of the information contained in all previously registered notices to which the cancellation relates;

(d) “Designated field” means the space on the prescribed form of notice designated for entering the specified type of information;

(e) “Grantor” means the person identified in the notice as the grantor;

(f) “Law” means the law of the enacting State governing security rights in movable assets;

(g) “Notice” means a communication in writing (paper or electronic) to the registry of information with respect to a security right; a notice may be an initial notice, an amendment notice or a cancellation notice;

(h) “Registrant” means the person who submits a notice to the registry for registration [and may be the secured creditor or a third-party service provider];

(i) “Registrar” means the person appointed pursuant to the law and the regulation to supervise and administer the operation of the registry;

(j) “Registration” means the entry of information contained in a notice into the registry [record] [database];

(k) “Registration number” means a unique number allocated to an initial notice by the registry and permanently associated with that notice and any related notice;

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

(m) “Regulation” means the body of rules implemented by the enacting State with respect to the registry, whether these rules are found in administrative guidelines or the substantive secured transactions law; and

* Section B of the Introduction to the *Secured Transactions Guide* on terminology and interpretation applies also to the draft Registry Guide, supplemented by the terminology and interpretation section of the Introduction to the draft Registry Guide.

(n) “Secured creditor” means the person identified in the notice as the secured creditor [and may be the secured creditor or its representative].

Recommendations

I. Registry and registrar

Recommendation 1. Establishment of the registry

The regulation should provide that 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 movable assets.

Recommendation 2. Appointment of the registrar

The regulation should provide that [the person authorized by the enacting State or by the law of the enacting State] appoints the registrar, determines the registrar’s duties and monitors the registrar’s performance.

Recommendation 3. Functions of the registry

The regulation should provide that the functions of the registry include:

(a) Providing access to the registry services in accordance with recommendations 4, 6, 7 and 9;

(b) Publicizing the means of access to registry services, and the opening days and hours of any office of the registry in accordance with recommendation 5;

(c) Providing the grounds for rejection of the registration of a notice or the performance of a search in accordance with recommendations 8 and 10;

(d) Entering the information contained in a notice submitted to the registry into the registry [record] [database], and recording the date and time of each registration, in accordance with recommendation 11, and assigning a registration number to the initial notice in accordance with recommendation 12;

(e) Indexing or otherwise organizing the information in the registry record so as to make it searchable in accordance with recommendation 16;

(f) Providing registrants and secured creditors with a copy of the registered notice in accordance with recommendation 18;

(g) Entering the information contained in an amendment notice into the registry [record] [database] in accordance with recommendation 19;

(h) Removing the information contained in a registered notice from the public registry record upon the expiry of its period of effectiveness or registration of a cancellation notice in accordance with recommendation 20;

(i) Archiving information removed from the public registry record in accordance with recommendation 21; and

(j) Protecting the integrity of the information in the registry record in accordance with recommendation 17, subparagraph (b).

II. Access to the registry services

Recommendation 4. Public access to registry services

The regulation should provide that any person may submit a notice or a search request to the registry [in accordance with recommendations 6 and 9].

[Note to the Working Group: To assist the reader in understanding the inter-relationship between recommendation 4, on the one hand, and recommendations 6 and 9, on the other, and to avoid inadvertently creating an inconsistency between them, the Working Group may wish to consider retaining the bracketed text.]

Recommendation 5. Operating days and hours of the registry

The regulation should provide that:

(a) If access to registry services is provided through a physical office:

(i) Each office of the registry is open to the public during [the days and hours to be specified by the enacting State]; and

(ii) Information about any registry office locations and their opening days and hours is publicized on the registry's website, if any, or otherwise widely publicized, and the opening days and hours of registry offices are posted at each office;

(b) If access to registry services is provided through electronic means of communication, access is available at all times; and

(c) Notwithstanding subparagraphs (a) and (b) of this recommendation:

(i) The registry may suspend access to registry services in whole or in part for a period of time that is as short as practicable; and

(ii) Notification of the suspension and its expected duration is published in advance when feasible and otherwise as soon thereafter as reasonably practicable on the registry's website, if any, or otherwise widely publicized, and, if the registry provides access to its services through physical offices, the notification is posted at each office.

Recommendation 6. Access to registration services

The regulation should provide that any person may submit a[n initial] notice for registration if that person:

(a) Uses the form prescribed by the registry;

(b) Provides [information about] its identity in the manner prescribed by the registry; and

(c) Has paid, or made arrangements to pay, to the satisfaction of the registry any fee prescribed by the registry.

[Note to the Working Group: The Working Group may wish to consider retaining: (a) the bracketed text in the chapeau as "notice" covers also amendment and cancellation notice and registry procedures may impose certain limitations (for

example, require entry of a security code assigned to the registrant of the initial notice) on who may register an amendment or cancellation notice; and (b) the bracketed word in subparagraph (b), in view of the fact that a person provides information (e.g. a copy of a document) but not its identity as such, or alternative wording along the lines “identifies itself” or “establishes its identity” as long it is explained that no verification of identity beyond what is foreseen in recommendation 7 is required.]

Recommendation 7. Verification of identity, evidence of authorization or scrutiny of the contents of the notice not required

The regulation should provide that:

- (a) The registry maintains [information about] the identity of the registrant but does not require its verification;
- (b) The registry does not require evidence of the existence of authorization for registration of a notice; and
- (c) The registry does not conduct other scrutiny of the content of the notice. In particular, it is not the responsibility of the registry to ensure that information entered in a designated field is complete, accurate and legally sufficient.

[Note to the Working Group: In considering the bracketed text in subparagraph (a) of this recommendation, the Working Group may wish to note that the reference to the registry maintaining information would mean preserving in its records the information submitted by the registrant as to its identity (e.g. a copy of an identity card or a driver’s licence or a record of the pertinent information on these documents).]

Recommendation 8. Rejection of the registration of a notice

The regulation should provide that:

- (a) The registry may reject the registration of a notice submitted to it for registration if the registrant failed to enter information in all the required designated fields or if the information entered is not legible; and
- (b) The registry provides the grounds for the rejection of the registration of a notice submitted to the registry as soon as practicable.

[Note to the Working Group: The Working Group may wish to note that the commentary explains that, in the case of an electronic registry, the wording “as soon as practicable” should mean “almost immediately”, while, in the case of a registry in which the submission of paper notices is possible, the wording will mean “as soon as possible under the circumstances”.]

Recommendation 9. Access to searching services

The regulation should provide that any person may submit a search request, if that person:

- (a) Uses the form prescribed by the registry; and
- (b) Has paid, or made arrangements to pay, to the satisfaction of the registry any fee prescribed by the registry.

Recommendation 10. Rejection of a search request

The regulation should provide that:

- (a) The registry may reject a search request if it fails to provide a search criterion in a legible manner; and
- (b) The registry provides the grounds for the rejection of a search request as soon as practicable.

III. Registration

Recommendation 11. Time of effectiveness of the registration of a notice

The regulation should provide that:

- (a) The registration of a notice is effective from the date and time when the information in the notice is entered into the registry [record] [database] so as to be accessible to searchers of the public registry record;
- (b) The registry maintains a record of the date and time when each notice is entered into the registry [record] [database] so as to be accessible to searchers of the public registry record; and
- (c) The registry enters into the registry [record] [database] and indexes or otherwise organizes information in a notice submitted to the registry for registration so as to make it accessible to searchers of the public registry record as soon as practicable or within [a short period of time to be specified by the enacting State] and in the order in which the notice was submitted to the registry.

[Note to the Working Group: The Working Group may wish to note that, in subparagraph (c) of this recommendation, the words “as soon as practicable” replaced the word “immediately”, as: (a) even, in the case of an electronic registry, registered notices would become searchable almost immediately; and (b) for consistency with the wording of recommendation 8, subparagraph (b). If the Working Group decides to retain this new wording, it may wish to include in the commentary an explanation along the lines of the explanation in the note to recommendation 8 and delete the alternative wording (“or within ...”).]

Recommendation 12. Registration number

The regulation should provide that the registry assigns a unique registration number to an initial notice [and that all notices related to that initial notice are assigned the same number].

[Note to the Working Group: The Working Group may wish to retain the bracketed text. While it appears repeating the thrust of the text used in the explanation of this term in the terminology, this may be necessary (or useful): (a) as the text has the form of a guide and the terminology is part of the commentary (not regulations with definitions); and (b) even if the text had the form of regulations with definitions, a distinction would need to be drawn between definitions and operative rules.]

Recommendation 13. Period of effectiveness of the registration of a notice

The regulation should provide that:

Option A

(a) The registration of an initial notice is effective for [the enacting State to insert the period of time specified in its law];

(b) The period of effectiveness may be extended for [an additional period of time specified in the law of the enacting State] at any time before it expires. The new period starts when the current period expires; and

[(c) An amendment notice other than an amendment notice referred to in subparagraph (b) of this recommendation does not extend the period of effectiveness.]

Option B

(a) The registration of an initial notice is effective for the period of time indicated in the designated field in the notice;

(b) The period of effectiveness may be extended or reduced for the period of time indicated in an amendment notice at any time before it expires. In the case of an extension, the new period starts when the current period expires; and

[(c) An amendment notice other than an amendment notice referred to in subparagraph (b) of this recommendation does not extend the period of effectiveness.]

Option C

(a) The registration of an initial notice is effective for the period of time indicated in the designated field in the notice, not exceeding [a long period of time, such as, for example, twenty years, to be specified by the enacting State].

(b) The period of effectiveness may be extended or reduced for the period of time indicated in an amendment notice not exceeding [a long period of time, such as, for example, twenty years, to be specified by the enacting State] at any time before the period of effectiveness of the registration expires. In the case of an extension, the new period starts when the current period expires.

[(c) An amendment notice other than an amendment notice referred to in subparagraph (b) of this recommendation does not extend the period of effectiveness.]

[Note to the Working Group: The Working Group may wish to note that the commentary explains that only an amendment notice that extends the period of effectiveness has that effect. Other amendment notices (e.g. modifying the description of the encumbered assets) do not extend the period of effectiveness. In view of that, the Working Group may wish to consider that subparagraph (c) in all three options is superfluous as stating the obvious that is, in any case, explained in the commentary. The Working Group may also wish to consider whether subparagraph (c) should state instead (or in addition, if current paragraph (c) is

retained), in line with rec. 11, that an amendment notice becomes effective as of the time it is entered into the registry record so as to be accessible to searchers.]

Recommendation 14. Time when a notice may be registered

The regulation should provide that a[n initial or amendment] notice may be registered before or after the creation of the security right or the conclusion of the security agreement.

[Note to the Working Group: The Working Group may wish to consider retaining the bracketed text in the title and the text of this recommendation, as an initial or an amendment notice may be pre-registered. If the negotiations do not lead to an agreement, a cancellation notice must be registered anyway.]

Recommendation 15. Sufficiency of a single notice

The regulation should provide that the registration of a single notice is sufficient to achieve the third-party effectiveness of one or more than one security right created by the grantor in favour of the same secured creditor in the encumbered asset described in the notice, whether they exist at the time of registration or are created thereafter, and whether they arise from one or more than one security agreement between the same parties.

Recommendation 16. Indexing or other organization of information in the registry record

The regulation should provide that:

(a) The registry indexes or otherwise organizes information in an initial notice in the public registry record so as to make it searchable [by a searcher] according to the grantor identifier or the registration number assigned to the initial notice;

(b) The registry indexes or otherwise organizes information in an amendment notice in the public registry record so as to make it searchable [by a searcher] together with the initial and any related notice; and

(c) The registry indexes or otherwise organizes information in a cancellation notice in the registry archives so as to make it retrievable [by the registry] in accordance with recommendation 21 together with the initial and any related notice.

[Note to the Working Group: The Working Group may wish to consider retaining text along the lines of the bracketed text to avoid creating the implication that a searcher may have access to archived information.]

Recommendation 17. Integrity of the registry record

The regulation should provide that:

(a) Except as provided in recommendations 19 and 20, the registry does not amend information in or remove information from the registry record; and

(b) The registry protects the registry record from loss or damage, and provides for back-up mechanisms to allow reconstruction of the registry record.

[Note to the Working Group: The Working Group may wish to note that subparagraph (b) has been added to implement a decision of the Working Group (A/CN.9/764, para. 31). The Working Group may also wish to note that the commentary explains that this recommendation is intended to implement recommendation 55, subparagraph (l), of the Secured Transactions Guide and is not intended to deal with liability which is a matter addressed in recommendation 56. The commentary also explains that the registry should be able to reconstruct information other than information in registered notices (e.g. accounts, user names, passwords, etc.).]

Recommendation 18. Copy of registered notice

The regulation should provide that:

(a) The registry promptly transmits a copy of a registered notice to each secured creditor at the address set forth in the notice, indicating the date and time when the registration of the notice became effective and the registration number; and

(b) The secured creditor sends a copy of an initial notice to each grantor at the address set forth in the notice and a copy of an amendment notice to each grantor at the address set forth in the notice or at the current address known to the secured creditor within [a short period of time, such as thirty days, to be specified by the enacting State] after the secured creditor has received a copy of the registered notice.

Recommendation 19. Amendment of information in the public registry record

The regulation should provide that:

(a) Information in a registered notice may be amended by the secured creditor through the registration of an amendment notice in accordance with recommendation 30, 31 or 33; and

(b) The registration of an amendment notice does not result in the removal of information from the public registry record.

[Note to the Working Group: The Working Group may wish to note that the commentary explains that the grantor's consent is required for the following amendments: adding encumbered assets and increasing the amount of the secured obligation or, where applicable, the maximum amount for which the security right may be enforced. The commentary also explains that, as with the registration of an initial notice, on-record evidence of the grantor's authorization is not a pre-condition to registration of an amendment notice, and the grantor's authorization may be given before or after the registration either in the security agreement or in another off-record agreement. If authorization was not obtained, the grantor may seek the registration of an amendment notice through a summary judicial or administrative proceeding (see draft Registry Guide, rec. 33). The commentary also discusses the effectiveness of the registration of an amendment notice that was not authorized by the secured creditor but resulted from fraud or other misconduct by a third party (see A/CN.9/WG.VI/WP.54/Add.4, paras. 28-37). The Working Group may wish to consider whether it is sufficient to discuss this matter in the commentary or whether it should be addressed in a recommendation to be included in the draft Registry Guide.]

Recommendation 20. Removal of information from the public registry record

The regulation should provide that information in a registered notice is removed from the public registry record upon the expiry of its period of effectiveness or upon registration of a cancellation notice in accordance with recommendation 32 or 33.

Recommendation 21. Archival of information removed from the public registry record

The regulation should provide that information removed from the public registry record in accordance with recommendation 20 is archived for a period of at least [a long period of time, such as, for example, twenty years, to be specified by the enacting State] in a manner that enables the information to be retrieved in accordance with recommendation 16.

Recommendation 22. Language of a notice

The regulation should provide that:

- (a) The information in a notice should be expressed in [the language or languages to be specified by the enacting State]; and
- (b) The registry should specify and make publicly available the character set to be used.

IV. Registration of initial notices

Recommendation 23. Information required in an initial notice

The regulation should provide that:

- (a) An initial notice must contain the following information in the designated field:
 - (i) The identifier of the grantor determined in accordance with recommendations 24-26, the address of the grantor [and any other information to be specified by the enacting State to assist in uniquely identifying the grantor];
 - (ii) The identifier of the secured creditor or its representative determined in accordance with recommendation 27 and the address of the grantor or its representative;
 - (iii) A description of the encumbered assets determined in accordance with recommendations 28 and 29;
 - [(iv) The period of effectiveness of the registration determined in accordance with recommendation 11;¹ and

¹ If the enacting State has chosen option B or C in recommendation 11 (see *Secured Transactions Guide*, rec. 69).

(v) The maximum monetary amount for which the security right may be enforced];² and

(b) If there is more than one grantor or secured creditor, the required information must be entered in the designated field separately for each grantor or secured creditor, either in the same notice or in separate notices.

Recommendation 24. Grantor identifier (natural person)

The regulation should provide that, if the grantor is a natural person:

(a) The grantor identifier is the name of the grantor;

(b) Where the grantor's name includes a family name and a given name, the name of the grantor consists of the grantor's family name and the grantor's given name, and each component of the name must be entered in the designated field for that component;

(c) Where the grantor's given name or family name consist of more than one word, the given name and the family name of the grantor consist of those words and they must be entered in the designated fields for the given and the family names;

(d) Where the grantor's name consists of only one word, the name of the grantor consists of that word and it must be entered in the designated field for the family name;

(e) The name of the grantor is determined as follows:

(i) If the grantor was born and the grantor's birth was registered in [the enacting State to insert its name] 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;

(ii) If the grantor was born but the grantor's birth was not registered in [the enacting State to insert its name], the name of the grantor is the name as stated in a valid passport issued to the grantor by [the enacting State to insert its name];

(iii) If neither subparagraph (e) (i) nor subparagraph (e) (ii) of this recommendation applies, the name of the grantor is the name as stated in [the enacting State should specify the type of official document, such as an identification card or driver's licence, issued to the grantor by the enacting State, that it considers the most appropriate source of the name to be used, and their hierarchical order];

(iv) If neither subparagraph (e)(i), nor subparagraph (e)(ii), nor subparagraph (e)(iii) of this recommendation applies but the grantor is a citizen of [the enacting State to insert its name], the name of the grantor is the name as stated in the grantor's certificate of citizenship;

(v) If neither subparagraph (e)(i), nor subparagraph (e)(ii), nor subparagraph (e)(iii), nor subparagraph (e)(iv) of this recommendation applies,

² If the secured transactions law of the enacting State requires it (see *Secured Transactions Guide*, rec. 57, subpara. (d)).

the name of the grantor is the name as stated in a valid passport issued by the State of which the grantor is a citizen and, if the grantor does not have a valid 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;

(vi) In a case not falling within subparagraphs (e) (i) to (v) of this recommendation, the name of the grantor is the name as stated in any two of the following valid official documents [the enacting State to specify documents other than the ones specified in subparagraph (e) (iii) of this recommendation, such as a social security, health insurance or tax card, issued to the grantor by the enacting State, and their hierarchical order].

Recommendation 25. Grantor identifier (legal person)

The regulation should provide that, if the grantor is a legal person, the grantor identifier is the name of the grantor that is specified as its name in the most recent [document, law or decree to be specified by the enacting State] constituting the legal person.

[Recommendation 26. Grantor identifier (special cases)]

The regulation should provide that:

(a) If the encumbered assets are subject to insolvency proceedings, the grantor identifier is the name of the insolvent person determined in accordance with recommendation 24 or 25, with the specification in a separate field that the grantor is in insolvency proceedings;

(b) If the grantor is a syndicate or joint venture, the grantor identifier is the name of the syndicate or joint venture designated in the most recent [document, law or decree to be specified by the enacting State] constituting it determined in accordance with recommendation 24 or 25;

(c) [If the grantor is a trust or an estate, the grantor identifier is the name of the trust or the estate determined in accordance with recommendation 24 or 25, with the specification in a separate field that the grantor is a trust or estate.]

(d) If the grantor is an entity other than one already referred to in the preceding rules, the grantor identifier is the name of the entity as designated in the most recent [document, law or decree to be specified by the enacting State] constituting it determined in accordance with recommendation 24 or 25.]

[Note to the Working Group: The Working Group may wish to note that, the commentary explains that this recommendation appears within square brackets to indicate that its goal is to set out examples of special cases for enacting States to select and adapt to their own laws, as the treatment of these cases may differ from State to State. The Working Group may wish to consider referring instead in subparagraph (a) to a grantor that is subject to insolvency proceedings and the security right is created by the insolvency representative. The current text would apply even to security rights created by the grantor before commencement of insolvency proceedings and would appear requiring an amendment of the registered notice to indicate that the grantor is in insolvency proceedings. The Working Group

may wish to consider whether subparagraph (d) is necessary. It states the obvious as it provides that, in all other cases, the general rule stated in recommendation 24 or 25 applies.]

Recommendation 27. Secured creditor identifier

The regulation should provide that:

(a) If the secured creditor or its representative is a natural person, the identifier is the name of the secured creditor or its representative determined in accordance with recommendation 24;

(b) If the secured creditor or its representative is a legal person, the identifier is the name of the secured creditor or its representative determined in accordance with recommendation 25; and

(c) If the secured creditor or its representative is a kind of person referred to in recommendation 26, the identifier is the name of the person determined in accordance with recommendation 26.

Recommendation 28. Description of encumbered assets

The regulation should provide that:

(a) The encumbered assets must be described in the designated field of the notice in a manner that reasonably allows their identification;

(b) Unless otherwise provided in the law, a generic description that refers to all assets within a category of movable assets includes all of the grantor's present and future assets within the specified category; and

(c) Unless otherwise provided in the law, a generic description that refers to the grantor's movable assets includes all of the grantor's present and future movable assets.

Recommendation 29. Incorrect or insufficient information

The regulation should provide that:

(a) The registration of an initial notice, or an amendment notice that amends the grantor's identifier or adds a grantor, is effective if the notice provides the grantor's correct identifier as set forth in recommendations 24-26 or, in the case of an incorrect identifier, if the notice would be retrieved by a search of the public registry record using the grantor's correct identifier;

(b) Except as provided in subparagraph (a) of this recommendation, an incorrect or insufficient statement of the information required in a notice does not render the registration ineffective, unless the incorrect or insufficient statement would seriously mislead a reasonable searcher;

(c) An incorrect identifier of a grantor in a notice does not render the registration ineffective with respect to other grantors correctly identified in the notice;

(d) An insufficient description of encumbered assets in a notice does not render the registration ineffective with respect to other encumbered assets sufficiently described in the notice; and

(e) An incorrect statement in a notice with respect to the period of effectiveness of the registration and the maximum amount for which the security right may be enforced does not render the registration ineffective, except to the extent that it seriously misled third parties that relied on the registered notice.

[Note to the Working Group: The Working Group may wish to consider whether paragraph (a) of this recommendation should refer to a search by the registry's standard search logic. In theory, a grantor identifier could always be found if enough wild cards were used. Alternatively, this matter might be explained in the commentary.]

V. Registration of amendment and cancellation notices

Recommendation 30. Information required in an amendment notice

The regulation should provide that:

(a) An amendment notice must contain the following information in the designated field:

(i) The registration number of the initial notice to which the amendment relates; and

(ii) If information is to be modified, the additional information in the manner provided for entering that kind of information in an initial notice in accordance with recommendation 23;

(b) An amendment notice that discloses a change in the grantor identifier must indicate the new grantor identifier in accordance with recommendations 24-26;³

(c) An amendment notice that discloses a transfer of all of the encumbered assets must indicate the identifier and address of the transferee as a grantor in accordance with recommendations 24-26;

(d) An amendment notice that discloses a transfer that relates to only part of the encumbered assets must indicate the identifier and address of the transferee as a grantor in accordance with recommendations 24-26 and describe the part of the encumbered assets transferred in accordance with recommendation 28;

(e) An amendment notice that discloses an assignment of the secured obligation must indicate the identifier and address of the assignee as a secured creditor in accordance with recommendation 27 and, in the case of a partial

³ This type of amendment is mandatory in the sense that the *Secured Transactions Guide* recommends that, if the secured creditor does not register the amendment notice within a specified short "grace period" (for example, 15 days) after the grantor's identifier has changed, its security right is ineffective against buyers, lessees, licensees and other secured creditors that acquire rights in the encumbered asset after the change in the grantor identifier and before the amendment is registered (see *Secured Transactions Guide*, rec. 61).

assignment, describe in the designated field the encumbered assets to which the partial assignment relates; and

(f) An amendment notice may relate to one or multiple items of information in a notice.

Recommendation 31. Global amendment of secured creditor information in multiple notices

Option A

The regulation should provide that a secured creditor named in multiple registered notices may amend the secured creditor information in all these notices with a single global amendment.

Option B

The regulation should provide that a secured creditor named in multiple registered notices may request the registry to amend the secured creditor information in all these notices with a single global amendment.

Recommendation 32. Information required in a cancellation notice

The regulation should provide that a cancellation notice must contain in the designated field the registration number of the notice to which the cancellation relates.

Recommendation 33. Compulsory amendment or cancellation

The regulation should provide that:

(a) The secured creditor is obligated to register an amendment or cancellation notice, as the case may be, if:

(i) The registration of an initial or amendment notice has not been authorized by the grantor at all or to the extent described in the notice;

(ii) The registration of an initial or amendment notice has been authorized by the grantor but the authorization has been withdrawn or no security agreement has been concluded;

(iii) The security agreement has been revised in a way that makes the information contained in the notice incorrect or insufficient; or

(iv) The security right to which the notice relates has been extinguished by payment or other performance of the secured obligation or otherwise and there is no further commitment by the secured creditor to extend credit;

(b) In the case of subparagraph (a)(ii) to (a)(iv) of this recommendation, the secured creditor may charge any fee agreed upon with the grantor;

(c) Not later than [a short period of time, such as fifteen days, to be specified by the enacting State] after receipt of a written request from the grantor, the secured creditor is obliged to comply with its obligation under subparagraph (a) of this recommendation;

(d) Notwithstanding subparagraph (b) of this recommendation, no further fee or expense may be charged or accepted by the secured creditor if it complies with a written request from the grantor in accordance with subparagraph (c) of this recommendation;

(e) If the secured creditor does not comply within the time period provided in subparagraph (c) of this recommendation, the grantor is entitled to seek an amendment or cancellation, as the case may be, through a summary judicial or administrative procedure;

(f) The grantor is entitled to seek an amendment or cancellation, as the case may be, through a summary judicial or administrative procedure even before expiry of the period stated in subparagraph (c) of this recommendation, provided that there are appropriate mechanisms to protect the secured creditor; and

(g) The amendment or cancellation notice in accordance with this recommendation is registered by

Option A

the registry promptly upon receipt of the notice with the relevant judicial or administrative order attached.

Option B

a judicial or administrative officer promptly upon issuance of the relevant judicial or administrative order with a copy thereof attached.

[Note to the Working Group: The Working Group may wish to note that the commentary explains that the security right may be extinguished in different ways, including performance, settlement, enforcement, set off, avoidance of the security agreement in insolvency or avoidance of the security agreement for other reason (e.g. illegality).]

VI. Searches

Recommendation 34. Search criteria

The regulation should provide that the criterion by which a search of the public registry record may be conducted is:

- (a) The grantor identifier; or
- (b) The registration number.

Recommendation 35. Search results

The regulation should provide that:

- (a) The registry provides a search result that indicates the date and time when the search was performed and either sets forth all information in each registered notice that matches the specified search criterion or indicates that no registered notice matched the search criterion;

(b) A search result reflects information in the public registry record that matches exactly the search criterion except [in cases, in which a search result may reflect information in the public registry record that closely matches the search criterion and the rules (search logic) used by the registry to determine what constitutes a close match, to be specified by the enacting State];

(c) Upon request made by searcher, the registry issues an official search certificate indicating the search result.

[Note to the Working Group: The Working Group may wish to note that the commentary sets out examples of rules for determining what constitutes a close match.]

VII. Fees

Recommendation 36. Fees for registry services

The regulation should provide that:

Option A

(a) [Subject to subparagraph (b) of this recommendation,] the following fees are payable for registry services:

- (i) Registrations:
 - a. Paper-based [...];
 - b. Electronic [...];
- (ii) Searches:
 - a. Paper-based [...];
 - b. Electronic [...];
- (iii) Certificates:
 - a. Paper-based [...];
 - b. Electronic;

(b) The registry may enter into an agreement with a person that satisfies all registry terms and conditions and establish a registry user account to facilitate the payment of fees.

Option B

The [administrative authority specified by the enacting State] may determine the fees and methods of payment for the purposes of the regulations by decree.

Option C

The [registry] [search] [electronic search] services are free of charge.