



## FREQUENTLY ASKED QUESTIONS (FAQ's)

### What is the Collateral Registry?

The Collateral Registry is a body established by Parliament under the Borrowers and Lenders Act, 2020 (Act 1052) to primarily register Security Interest and collaterals created by borrowers to secure credit facilities provided by lenders.

### What is a security interest?

A security interest according to the Borrowers and Lenders Act, 2020 (Act 1052) constitutes a proprietary right in movable or immovable assets that has been created by an agreement to secure payment or other performance of an obligation, regardless of whether the parties have denominated it as a security interest and regardless of the type of asset, the status or other encumbrance of any nature created by an agreement other than a lien arising by operation of law.

### What is collateral?

Collateral is any property [movable or immovable] pledged by a borrower to secure a credit facility.

### What are the functions of the Collateral Registry?

The functions of the Collateral Registry are;

- to register security interests;
- to keep and maintain a Register of security interests;
- to keep and maintain a platform for the conduct of searches in security interest; and
- to perform any other function determined by the Bank.

### Who are the users of the Collateral Registry?

Users of the Registry include but are not limited to Banks, Specialized Deposit-Taking Institutions, Non-Bank Financial Institutions, and the General Public.

### Do registrations on the Collateral Registry Application Software expire?

Under section 25 (2) of Act 1052, a registration shall remain effective until discharged by the registrant.

### Can I register all security interests I have created at the Registry?

No, Section 1(3)(a) and (b) of the Act provides for security interests exempted under this Act.

### What are the prescribed fees for the Collateral Registry's services?

The fees for the Registry services are as follows:

- Registration of security interest - GHS 20.00;
- Searches - GHS 10.00;
- Late Registration of security interest - GHS 25.00.

### What are the benefits of patronizing the services of the Collateral Registry?

- Registration of security interests - lenders can perfect their interest in collateral against third party claims by registering their security interests with the Collateral Registry.
- The Registry has significantly improved the mechanism for enforcing credit agreements, where a lender need not go to court in order to realise a security interest in the event of a default under the credit agreement by the borrower. Per Section 61 (1) (b) of Act 1052, a lender may realise a security interest in collateral registered under this Act, without initiating proceedings in court.
- The Collateral Registry also provides an electronic software system on which searches may be conducted to ascertain whether an asset such as land, building, vehicle etc. being purchased or presented as collateral already has an encumbrance by way of a security interest.
- Lenders can take comfort in the supremacy provision under Section 33 of Act 1052, which states that registrations of security interests registered under this Act, shall, irrespective of the time of registration, have priority over any other security interest registered under any other enactment.