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CENTRAL BANK OF NIGERIA
REGISTRATION OF SECURITY INTERESTS IN MOVABLE
PROPERTY BY BANKS AND OTHER FINANCIAL
INSTITUTIONS IN NIGERIA (REGULATIONS NO. 1, 2015)



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CENTRAL BANK OF NIGERIA
 REGISTRATION OF SECURITY INTERESTS IN MOVABLE
 PROPERTY BY BANKS AND OTHER FINANCIAL
 INSTITUTIONS IN NIGERIA (REGULATIONS NO. 1, 2015)

[2nd Day of February, 2015]

Commence-
ment.

In exercise of the powers conferred upon me by the Central Bank of Nigeria Act, 2007 and Section 57(1) of the Banks and Other Financial Institutions Act, Cap B3 Laws of the Federation of Nigeria, 2004 (as amended) and in order to improve access to finance for Micro, Small and Medium Enterprises ('MSMEs') while maintaining a strong prudent lending policy to promote Sound Financial System in Nigeria, I, GODWIN IFEANYI EMEFIELE, Governor of the Central Bank of Nigeria, make the following Regulations—

PART I—INTRODUCTION

1.—(1) These Regulations provide a regulatory framework for—

Objective.

- (a) accessing credit secured with Movable Property ;
- (b) creation and perfection of Security Interests ;
- (c) realization of Security Interests in Movables.

(2) The Regulations also provide for the establishment and operations of the Collateral Registry.

(3) The Regulations aim to stimulate responsible lending to Micro, Small and Medium Enterprises (MSMEs) by providing a mechanism for efficient registration of security interests in movable assets and realization of such interests in the event of a default.

2.—(1) In these Regulations—

Definitions.

“*account receivable*” means a right to receive value arising from an obligation owed by a third party to the debtor including book debts but excluding a negotiable instrument ;

“*amendment*” means a modification of information contained in a registration ;

“*collateral*” means movable property, whether tangible or intangible, that is subject to a security interest ;

“*Collateral Registry*” means the registry designated by the Central Bank of Nigeria under these Regulations ;

“*consumer goods*” means goods that the debtor uses or intends to use primarily for personal, family or household purpose ;

“*debtor*” means a person that has rights in the collateral, and includes a grantor of any type of charge, chattel mortgage, pledge or lien in movable property ;

“*equipment*” means machinery or other capital goods used in the operation of the debtor’s business ;

“*farm products*” include—

- (a) crops grown, growing, or to be grown ;
- (b) fish stocks ;
- (c) livestock, poultry and their unborn offspring ;
- (d) seeds, fertilizers, manure and supplies used or produced in a farming operation ; and
- (e) products of crops and livestock in their unprocessed states ;

“*financial institution*” means Banks and other Financial Institutions licensed by the Central Bank of Nigeria under the Banks and Other Financial Institutions Act ;

“*financing statement*” means the prescribed Forms on which information is provided to effect, amend, cancel or continue a registration under these Regulations ;

“*goods*” means Tangible Movable Property and include farm products, inventory, equipment, consumer goods, trees that have been severed and oil, gas or minerals that have been extracted ;

“*initial financing statement registration number*” means the number assigned to the initial financing statement by the Collateral Registry on its registration that is permanently associated with such financing statement ;

“*inventory*” means goods that are—

- (a) held for sale or lease in the ordinary course of business ; and
- (b) raw materials or work in progress ;

“*movable*” means Tangible Property that can be moved or any intangible property ;

“*MSMEs*” means such enterprises as defined by the National Policy on Micro, Small and Medium Enterprises in Nigeria ;

“*possessory lien*” means a Right of the Person securing payment for services provided in the ordinary course of business that exists as long as the person remains in possession of the goods ;

“*proceeds*” means Identifiable or Traceable Movable property received as a result of sale, other disposition, collection, lease or license of the collateral, including natural fruits, distributions, insurance payments and claims arising from defects in, damage to or loss of collateral ;

“*purchase money security interest*” means—

- (a) a right taken by a financial institution who provides credit to enable the debtor to acquire the collateral if such credit is in fact so used ; and
- (b) a right of a financial lessor ;

“*registration*” means Information provided in the initial registration under these Regulations and amendment related thereto which is entered in the Collateral Registry ;

“*secured creditor*” means a Financial Institution in whose favour a security interest is created and includes a chargee under any type of charge, chattel mortgagee or holder of any type of consensual lien ;

“*security agreement*” means an Agreement in any form and whatsoever entitled between the debtor and secured creditor that creates a security interest ;

“*security interest*” means a Property Right in collateral that is created by agreement and secures payment or other performance of an obligation, regardless of whether the parties have denominated it as a security interest but it does not include a personal right against a guarantor or other person liable for the performance of the secured obligation ;

“*serial-numbered goods*” means such Movable Property that have a serial or identification number permanently marked on or attached to its principal part by the manufacturer including motor vehicles, planes, boats, plant and machinery ;

“*serial number*” means an Identification Number marked or attached to the body frame of a movable property by the manufacturer ;

“*confirmation statement*” means a Certificate issued by the Collateral Registry confirming the initial financing statement registration number, date and time of a registration ;

“*writing*” includes an Electronic Message if the information contained therein is accessible so as to be usable for subsequent reference.

(2) For the purposes of these Regulations, the determination of whether goods are consumer goods, equipment, farm products or inventory is to be made at the time when the security agreement is concluded and the secured creditor may rely on the representations of the debtor as to the intended use.

3.—(1) These Regulations apply to all security interests in movable property created by an agreement that secures payment or other performance of an obligation, regardless of the form of the transaction, the type of movable property or the nature of the secured obligation.

Scope of the Regulations.

(2) All financing leases entered into by any secured creditor after these Regulations have become effective are subject to registration in the Collateral Registry and the priority provisions of these Regulations.

(3) These Regulations shall not apply to—

- (a) any right of set-off ;
- (b) charges required to be registered under the Companies and Allied Matters Act ;
- (c) the creation or transfer of an interest in Land.

PART II—CREATION OF SECURITY INTERESTS

Incidence of Creation of Security Interest.	<p>4.—(1) A security agreement shall be effective and create a security interest as between the parties according to its terms.</p> <p>(2) A security interest in the property acquired after the security agreement shall become effective as of the moment the debtor acquires a right to such property without a written consent or any further act of the borrower provided it falls under the collateral description in the security agreement.</p>
Debtors' Rights in the Collateral.	<p>5.—(1) The security interest shall be created to the extent of the rights that the debtor has in the collateral.</p> <p>(2) A transfer of and a security interest in an account receivable is effective as between the debtor and the secured creditor and as against the account debtor of the receivable notwithstanding any agreement limiting in any way the debtor's right to assign its receivables, including to create a security interest.</p>
Content of the Security Agreement.	<p>6.—(1) The security agreement must at a minimum—</p> <ul style="list-style-type: none"> (a) reflect the intent of the parties to create a security interest ; (b) identify the secured creditor and the debtor ; (c) describe the secured obligation, including the maximum amount for which the security interest is enforceable ; (d) describe the collateral adequately ; and (e) indicate the tenor of the obligation secured. <p>(2) The security agreement may also incorporate by reference the provisions of this Regulation.</p>
Description of Collateral in Security Agreement.	<p>7. —(1) A security interest shall be created only if a security agreement contains an adequate description of the collateral.</p> <p>(2) A description is adequate if the collateral is described by—</p> <ul style="list-style-type: none"> (a) item, kind, type or category ; or (b) a statement that a security interest is taken in all of the debtor's present property and those acquired after signing of the security agreement. <p>(3) A security interest shall automatically continue in the identifiable or traceable proceeds of the collateral, whether or not the security agreement contains a description of the proceeds.</p>
Requirements for Perfection.	<p>8. A security interest is perfected when a financing statement in respect of that security interest has been registered in the Collateral Registry by the secured creditor.</p>

PART III—COLLATERAL REGISTRY

9.—(1) The Collateral Registry provided for under these Regulations shall be designated, maintained and operated by the Central Bank of Nigeria. Establishment of the Collateral Registry.

(2) The Governor of the Central Bank of Nigeria shall appoint the Registrar to supervise and administer the operation of the Registry.

(3) The Governor of Central Bank of Nigeria may issue guidelines to govern the functions and operations of the Collateral Registry from time to time.

(4) The Collateral Registry shall accept for registration financing statements in the prescribed form which shall be electronically transmitted.

(5) The Collateral Registry shall be accessible at all times except if precluded by maintenance, technical and security constraints.

(6) The Collateral Registry is responsible for reasonable loss or damage suffered by a person as a result of—

- (a) erroneous transcription of information from a financing statement into the Collateral Registry system ;
- (b) reliance on an erroneous search result ;
- (c) incorrect information given by the Collateral Registry.

10. By entering into a security agreement, the debtor authorises the registration of a financing statement. Effect of Security Agreement.

11.—(1) The Registrar and any employee of the Collateral Registry shall not verify whether authorisation for registration has been properly granted pursuant to Regulation 10 or conduct any scrutiny of the information provided in the financing statement. Administrative Role of the Collateral Registry.

(2) The Collateral Registry has no responsibility for changes, omissions or corruption of electronically transmitted information which occurred prior to its receipt.

(3) Information provided in financing statements shall be entered into the Collateral Registry as received and no character substitution or truncation shall be performed.

(4) Registration of a financing statement shall be rejected only if—

- (a) it is not submitted in the prescribed manner or in a form that enables the information to be entered into the Collateral Registry ; or
- (b) it does not contain the information required by these Regulations ; or
- (c) the prescribed fee has not been paid.

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Information
Required to
Register
Financing
Statement.

12.—(1) The secured creditor submitting a financing statement for registration must ensure that all information that is required by these Regulations is provided legibly in the fields designated for entering information of that kind.

(2) The secured creditor shall provide in a financing statement the following information—

(a) Debtor type description: individual, micro, small or large business ;

(b) In the case of a Company, Co-operative or registered Business Name, the unique identification number which shall be the Corporate Affairs Commission registration number of these types of debtors ;

(c) In the case of an individual, the unique identification number derived from approved biometric based identification, gender, name, address including telephone and date of birth of the debtor ;

(d) the name and address of the secured creditor or a representative of the secured creditor ;

(e) a description of the collateral ;

(f) the maximum amount for which the secured obligation may be enforced ; and

(g) the period of time for which the registration is to be effective.

(3) If there is more than one debtor or secured creditor, the required information must be entered in the designated field separately for each debtor or secured creditor.

(4) If the debtor is an individual who is neither a citizen nor a resident of Nigeria, the secured creditor shall enter the debtor's name and unique identification number that appear on the debtor's passport issued by a Foreign Government or any other document as the Central Bank of Nigeria may prescribe from time to time.

Description
of Collateral.

13.—(1) The financing statement must include a description of the collateral that reasonably allows its identification.

(2) A description of collateral is sufficient if the collateral is described by—

(a) item, kind, type or category ; or

(b) a statement that a security interest is taken in all of the debtor's present and property acquired after the signing of the security agreement ; or

(c) or any other description that reasonably identifies the collateral.

(3) If a financing statement covers serial-numbered goods it must contain information of the serial number as defined in Regulation 2.

(4) Serial-numbered goods that are held as inventory need not be described by a serial number. A description of serial-numbered goods held as inventory is sufficient if it satisfies the requirements of Regulation 2.

14.—(1) A financing statement shall be registered when a unique initial financing statement registration number, date and time are assigned to it by the Collateral Registry.

Time of
Registration
and
Confirmation
Statement.

(2) The Collateral Registry shall, as soon as reasonably practicable after a financing statement has been registered, provide a confirmation statement to the secured creditor who submitted the financing statement for registration.

15.—(1) Subject to paragraph 2 of this Regulation, a registration shall be ineffective if there is an error in—

Material
Error in
Registration.

(a) the unique identification number of the debtor ; or

(b) the serial number of the collateral that causes the registration not to be retrieved in a search.

(2) An error in the serial number of the collateral may render the registration ineffective only with respect to the collateral identified by such serial number and an error in the unique identification number of the debtor may render the registration ineffective only with respect to that debtor.

16.—(1) An error in the name or address of the debtor does not render the registration ineffective.

Consequences
of other
Errors in the
Registration.

(2) An error in the maximum amount for which the security interest may be enforced does not render the registration ineffective.

(3) An error in the name or address of the secured creditor does not render the registration ineffective.

(4) An error in the collateral description other than in the serial number may render the registration ineffective with respect to that collateral if the error seriously misleads the searcher.

(5) An incorrect description of some collateral shall not render the registration ineffective with respect to other collateral sufficiently described.

(6) An error in other information entered by the secured creditor in the financing statement does not render the registration ineffective.

17.—(1) The registration of a financing statement shall be effective until the earlier of—

Duration of
Registration.

(a) the expiration of the term specified in the financing statement ; or

(b) its cancellation.

(2) A registration may be extended or renewed by an amendment of the financing statement before the registration expires.

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(3) Information shall not be deleted from the Collateral Registry, whether or not an amendment financing statement cancelling the registration has been registered. Expired registrations shall be maintained in the Collateral Registry and searchable by the public for six months following their expiration. Cancelled and expired registrations shall be identified as such in a search.

(4) Six (6) months after the expiry, registrations shall cease to be publicly searchable and shall be removed into an archive from which it may be retrieved only by the Collateral Registry.

Amendment
of
Registration.

18.—(1) The registration may be amended by the secured creditor upon registration of an amendment financing statement.

(2) An amendment to a registration that adds collateral, that adds a new debtor or that modifies the maximum amount of the secured obligation is effective as to the added collateral, the added debtor and the new maximum amount only from the date and time when the amendment financing statement is registered.

(3) A secured creditor who wishes to register an amendment financing statement must—

(a) provide the initial financing statement registration number of the registration to which the amendment financing statement relates ;

(b) indicate whether the purpose of the amendment is to add, change or delete information in a registration ;

(c) if information is to be added, indicate the additional information ; and

(d) 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.

(4) The amendment financing statement must also identify the secured creditor authorising the amendment and an amendment shall be effective only with respect to such secured creditor.

Cancellation
of
Registration.

19.—(1) The registration may be cancelled by the secured creditor upon registration of a cancellation statement.

(2) The secured creditor shall cancel the registration within fifteen (15) working days of receiving a demand from the debtor but only after all obligations under the security agreement have been performed and there is no commitment to make future advances.

(3) The cancellation statement shall include—

(a) the initial financing statement registration number of the registration to which the cancellation statement relates ; and

(b) identification of the secured creditor authorising the cancellation.

(4) If the secured creditor fails to comply, the debtor may appeal to the Registrar showing cause as to why the registration should be cancelled by the Registrar, notice of which shall be given to the secured creditor before a decision is taken by the Registrar.

(5) A secured creditor objecting to a cancellation request by the debtor shall have a right to respond within seven (7) days of receipt of notice in this regard.

(6) The decision of the Registrar on the request shall be final save as may otherwise be determined by a Court of competent jurisdiction.

(7) A cancellation is effective only with respect to the secured creditor that in fact authorised it.

20.—(1) Any person may search the Collateral Registry and obtain a printed search result of the information provided by secured creditors in accordance with Regulation 12 without the need to demonstrate or justify the reasons for the search.

Search of the Collateral Registry.

(2) The Collateral Registry shall, upon request and payment of the fee prescribed in these Regulations, issue a printed search result that shall be conclusive evidence of the existence of information in the Collateral Registry as of the date and time of its issuance.

(3) The search result shall either indicate that no registrations were retrieved against the search criterion provided by the searcher or shall set out all registrations searchable in the Collateral Registry at the date and time when the search was performed.

21. The Collateral Registry may be searched by reference to the following criteria—

Search Criteria.

- (a) In the case of a Company, Co-operative or Registered business name, its registered number as may be applicable ;
- (b) In the case of an individual, the unique identification number ; or
- (c) The serial number of the collateral.

22.—(1) The fees set out below are payable for the following matters—

Fees.

	₦
(a) initial registration	1,000
(b) renewal/amendment	500
(c) searches and search certificates ..	500

(2) The fees prescribed in paragraph 22 (1) of this Regulation as well as the preferred mode of payment of such fees may be reviewed from time to time by the Governor of the Central Bank of Nigeria.

PART IV—PRIORITY BETWEEN SECURITY INTERESTS

Priority of Security Interests.

23.—(1) A security interest perfected under these Regulations shall have priority over a security interest that has not been perfected under these Regulations.

(2) Subject to the special priority rules in Regulations 27-34, the priority between security interests perfected under these Regulations in the same collateral created by the same debtor shall be determined by the order of registration in the Collateral Registry.

Same Priority for Original Collateral, Proceeds and Advances.

24.—(1) The priority of a security interest subject to these Regulations in original collateral shall also be the priority with respect to its proceeds.

(2) A security interest subject to these Regulations shall have the same priority in respect of all secured obligations and advances, whether existing or future.

Transfer does not affect Priority.

25.—(1) A security interest subject to these Regulations that is transferred shall have the same priority as it had at the time of the transfer.

(2) Transfer of such a security interest is effective without registering an amendment financing statement in the Collateral Registry.

Voluntary Subordination of Priority.

26.—(1) The secured creditor may agree to subordinate its priority under these Regulations in favour of any other claimant.

(2) Subordination is effective without registering an amendment financing statement in the Collateral Registry.

(3) An agreement to subordinate may not adversely affect rights of a person that is not a party to the agreement.

Priority of Purchase Money Security Interest and its Proceeds.

27. A purchase money security interest in collateral and its proceeds subject to these Regulations shall have priority over a non-purchase money security interest in the same collateral subject to these Regulations created by the same debtor if the purchase money security interest is perfected when the debtor receives the collateral.

Priority of Security Interests in Processed or Co-mingled Goods.

28.—(1) A security interest perfected under these Regulations in goods that subsequently become part of a product or mass shall continue as a perfected security interest in the product or mass if the goods are so manufactured, processed, assembled or co-mingled that their identity is lost in the product or mass.

(2) If more than one security interest is perfected under these Regulations in the goods before they become part of a product or mass, the security interests rank equally in proportion to the value of the goods at the time they became part of the product or mass.

29.—(1) A transferee of money or funds from a deposit account subject to a security interest under these Regulations takes the money or funds free of such security interest unless the transferee acts in collusion with the debtor in violating the rights of a secured creditor.

Priority of
Creditor
who receives
Payment.

(2) Bank's right of set-off shall have priority over a security interest perfected under these Regulations that extends to the Deposit Account.

30. A holder of a negotiable instrument or document of title shall have priority over a security interest in the negotiable instrument or the document of title perfected under these Regulations if the holder—

Priority of
Holders of
Negotiable
Instruments
and
Documents
of Title.

(a) gave value ;

(b) acquired the negotiable instrument or the document of title without knowledge that the transaction is a breach of the security agreement to which the security interest relates ; and

(c) took possession of the negotiable instrument or the document of title.

31.—(1) The rights of an Assignee of an account receivable shall be subject to—

Priority of
Assignee.

(a) the terms of the contract between the Account Debtor and the Assignor and any defense or claim arising from the contract ; and

(b) any other defense or claim of the Account Debtor against the Assignor, including a defense by way of a right of set-off that accrues before the Account Debtor receives notification of the assignment.

(2) Paragraph (1) shall not apply if the Account Debtor has made an enforceable agreement not to assert defenses to claims arising out of the contract.

(3) Priority between competing Assignees of the same receivable subject to these Regulations is determined according to the time of registration in the Collateral Registry irrespective of the time when the Account Debtor receives a notification of the assignment.

32.—(1) A Buyer or Lessee who acquires goods for value and receives their possession shall take the goods free of a security interest that has not been perfected under these Regulations.

Rights of the
Buyer or
Lessee of
Goods.

(2) A Buyer of goods sold in the ordinary course of business of the Seller and a Lessee of goods leased in the ordinary course of business of the Lessor shall take the goods free of a security interest created by the Seller or Lessor under these Regulations unless the Buyer or Lessee knows that the sale or the lease constitutes a breach of the security agreement under which the security interest was created.

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Priority of holders of Liens.

33.—A possessory lien arising out of materials or services provided in the ordinary course of business in respect of goods that are subject to a security interest under these Regulations shall have priority over that security interest.

PART V—REALISATION OF SECURITY INTERESTS

Application of this Part.

34.—(1) A secured creditor may enforce its rights under this Part or the Law governing the transaction that relates to the security interest.

(2) After default, a secured creditor has the rights provided in this Part and those provided in the security agreement signed by the debtor. A secured creditor may also resort to any available judicial procedure.

(3) This Part is applicable only to the extent that it does not conflict with any other applicable Law, including a security agreement entered into between the debtor and secured creditor.

Repossession of the Collateral.

35.—(1) After default, a secured creditor must provide a notice of the default to the debtor.

(2) The notice required under sub-section 1 may be delivered to the debtor by—

- (a) hand ;
- (b) courier service ;
- (c) registered mail ; and
- (d) other means agreed by the parties .

(3) Ten (10) days after sending the notice of default, the secured creditor—

- (a) may take possession of the collateral ; or
- (b) without removal, may render the collateral inoperative.

(4) A secured creditor may proceed under this Regulation—

- (a) pursuant to judicial process ; or
- (b) without judicial process, if the debtor consented in the security agreement to relinquishing possession without a Court Order.

(5) In the event of proceeding without judicial process, the secured creditor with the help of Law Enforcement Agencies shall enforce his right of possession in a peaceable manner.

(6) The secured creditor may require the debtor to assemble the collateral and make it available at a designated place.

36.—(1) The secured creditor may render the collateral inoperative if the collateral is of a kind that cannot be readily moved from the debtor’s premises or is of a kind for which adequate storage facilities are not readily available.

Secured
Creditor may
render
Collateral
Inoperative.

(2) The secured creditor may dispose of collateral on the debtor’s premises provided that it shall not cause the person in possession of the premises, if other than the debtor, any greater inconvenience than is necessary.

37.—(1) A secured creditor may collect and apply an account receivable, money or a negotiable instrument taken as collateral to the satisfaction of the obligation secured by the security interest if the debtor is in default.

Secured
Creditor
may collect
Accounts
Receivable.

(2) The secured creditor may notify the account debtor and collect payment even prior to default.

38.—(1) The secured creditor may dispose of the collateral by sale, lease, license or other form of disposal in its present condition or following any commercially reasonable preparation or processing. All provisions of this part governing sale of the collateral equally apply to other forms of disposition.

Secured
Creditor
may
Dispose of
the
Collateral.

(2) The secured creditor may sell the collateral in an auction, public tender, private sale or any other method provided for in the security agreement.

(3) The secured creditor shall owe a duty to obtain the fair price obtainable as at the time of sale or other disposal.

39.—(1) The secured creditor who intends to sell the collateral shall not less than ten (10) working days before selling the collateral, send notice in the manner stipulated in Regulation 35(1) hereof to the following persons—

Notice of
Sale of
Collateral.

(a) the debtor ; and

(b) any secured creditor who has registered a financing statement in respect of the collateral that became effective before the secured creditor repossessed the collateral.

(2) Paragraph (1) shall not apply if—

(a) the collateral may perish within ten (10) working days of the repossession ;

(b) the secured creditor believes on reasonable grounds that the collateral will decline substantially in value if it is not disposed of immediately ;

(c) the cost of care and storage of the collateral is disproportionately large in relation to its value ; or

(d) the collateral consists of inventory or farm products ; and

(e) in the manner prescribed under paragraph 36(1) of this Regulation.

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Extinguishment of Subordinate Security Interests.

40. If collateral has been sold under this Part, all security interests in the collateral that are subordinate to the security interest of the secured creditor who sold the collateral shall be extinguished.

Secured Creditor to give Statement of Account to Debtor.

41. The secured creditor shall, within fifteen (15) working days after the sale of the collateral, provide to the persons entitled to receive a notice of sale a statement of account in writing, indicating—

- (a) the amount of the proceeds of sale ;
- (b) the amount of the costs and expenses of the sale ; and
- (c) the balance owing by the secured creditor to the debtor or by the debtor to the secured creditor, as the case may be.

Distribution of Sale Proceeds.

42.—(1) A secured creditor who has sold collateral shall, before applying the proceeds of the sale towards the satisfaction of the debt or other obligation secured by the security interest, apply the proceeds of the sale towards the reasonable costs and expenses of the sale, and to the extent provided for in an agreement, reasonable legal expenses.

(2) The secured creditor shall pay the following persons the amount of any surplus from the disposal in the following order—

- (a) secured creditors who have a sub-ordinate security interest perfected by registration, in the order of their priority ; and
- (b) the debtor.

(3) The secured creditor may pay the surplus into Court if there is a question as to who is entitled to receive payment.

(4) The debtor remains liable for any deficiency.

Right to Redeem Collateral.

43.—(1) At any time before the secured creditor sells the collateral, the debtor, the person that owes payment or other secured creditor may redeem the collateral by—

- (a) fulfillment of all the obligations secured by the collateral ; and
- (b) paying any other reasonable expenses incurred by the secured creditor.

(2) The debtor’s right to redeem the collateral shall have priority over any other person’s right to redeem the collateral.

Reinstatement of Security Agreement.

44.—(1) At any time before the secured creditor sells the collateral, the debtor may reinstate the security agreement by—

- (a) paying the sums actually in arrears ;
- (b) remedying any other default ; and
- (c) paying a sum equal to the reasonable expenses incurred by the secured creditor.

(2) Unless otherwise agreed, the debtor shall not be entitled to reinstate a security agreement more than twice in each year.

PART VI—RIGHTS AND DUTIES OF THE PARTIES

45.—(1) All rights, duties or obligations that arise under a security agreement or these Regulations shall be exercised and discharged in good faith and in accordance with commercially reasonable standards.

Good Faith and Commercial Reasonableness.

(2) A person shall not act in bad faith merely because the person acts with knowledge of the security interest of some other person, unless it knows that its actions would violate rights of the other person.

46.—(1) If a person fails to discharge any duty or obligation imposed by these Regulations, the person to whom the duty or obligation is owed shall have a right to recover damages for any loss or damage.

Entitlement to Damages.

(2) Nothing in paragraph (1) shall limit or affect any liability that a person may incur under any law of Nigeria.

47.—(1) The secured creditor shall, not later than fifteen (15) working days after the day on which the confirmation statement of the registration was received, provide to the debtor a copy of the confirmation statement.

Secured Creditor to provide Confirmation Statement to the Debtor.

(2) The confirmation statement may be provided in the same manner prescribed for giving notices under Section 35(2) of this Regulation.

48.—(1) A debtor may request the secured creditor to send or make available to any person, at an address specified by the debtor making the request, any of the following—

Secured Creditor to provide certain Information.

(a) a summary of a security agreement that creates or provides for a security interest ;

(b) a statement in writing of the amount of the indebtedness and of the terms of payment of the indebtedness ;

(c) an itemized list of collateral, unless the security interest is over all of the movable property of the debtor ; or

(d) a statement of account indicating the pay off amount needed to fully satisfy the secured obligation.

(2) Where the secured creditor no longer has an interest in the obligation secured or collateral covered by the registration, the secured creditor shall disclose to the debtor the name and address of the immediate successor in interest or transferee and the latest successor in interest or transferee, if known.

(3) A secured creditor shall comply with the request within ten (10) working days of its receipt.

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(4) A secured creditor may charge the debtor only the reasonable costs for providing the information, and the debtor shall be entitled to one response free of charge every six (6) months.

MADE at Abuja this 2nd day of February, 2015.

GODWIN IFEANYI EMEFIELE
Governor of the Central Bank of Nigeria