

COLLATERAL REGISTRY

1. What is the Collateral Registry

The Collateral Registry is a notice based Registry established by an Act of Parliament under the Borrowers and Lenders Act, 2014 to principally register charges and collaterals created by borrowers to secure credit facilities provided by lenders. Besides registrations, the Collateral Registry also provides information on the existence of relationships between lenders and borrowers as they relate particularly to movable assets.

2. What is the purpose of the Collateral Registry

The main purpose of the Collateral Registry is to give transparency to the credit system by:

- ✓ Giving publicity that a security interest may exist in identified collateral.
- ✓ Establishing priority of secured creditors according to the time of registration.

The Registry provides a platform for searches, so that an interested party may find out if there are prior registrations against the assets offered by the debtors as collateral for a loan.

3. Why is the Collateral Registry important?

The Collateral Registry is important because it makes available to the public database of registrations relating to security interests in movable property. As such, it allows secured creditors to better assess the status of a loan applicants assets and its potential priority as against other secured creditors. For instance, before taking a security interest in the equipment the debtor proposes as collateral, the secured creditor should search the Registry to make sure no other secured creditor already has a security interest in that collateral. Furthermore, a debtor may offer his/her property as collateral to multiple secured parties who will decide whether the property has sufficient value to secure all of those loans.

4. Who is in charge of the Collateral Registry?

The Collateral Registry is maintained and managed by the Bank of Sierra Leone.

5. Who can search in the Registry?

Any person may search the Registry and obtain a printed search result of the registrations, without any need to provide reasons for the search. Searches may be carried out using the name or identification number of the debtor or the serial number of the collateral. The fee for searches and search certificates is Le10,000. This may, however, be subject to change from time to time. Always consult the Collateral Registry website for the most current information on fees.

6. When would the Collateral Registry be launched?

The Collateral Registry will be launched when:

- The software and the hardware issues are addressed.
- The equipment is tested and found to be running satisfactorily.

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