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Draft Security Rights Registry Guide

Note by the Secretariat

Addendum

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[Draft model regulations] [Draft recommendations]

[Note to the Working Group: The Working Group may wish to recall that, at its nineteenth session, differing views were expressed as to whether the text should take the form of model regulations or recommendations for regulations (see A/CN.9/719). In favour of the formulation of the registration rules in the form of model regulations, it is mainly argued that they are meant to be addressed to States that have enacted the law recommended in the Guide. In favour of the formulation of these rules in the form of recommendations, it is argued that they are part of a guide and, as was done with the Guide, the registration rules should take the form and have the flexibility of recommendations. Pending final decision of the Working Group on this matter, the text remains in the form of model regulations. If the Working Group decides that the text should take the form of recommendations, the definitions may need to be placed in the commentary and each article preceded by the words “The regulations should provide that ...” with appropriate adjustments in the text to refer to recommendations rather than to regulations.]

I. General

Article 1: Definitions

The definitions contained in the law apply also with respect to these regulations subject to the following additions or modifications:

(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; or (iii) a mailing address that is equivalent to (i) or (ii);

(b) “Amendment” means the addition of new information that indicates changes to the information contained in the registry record and includes: (a) the extension of the duration of effectiveness of a registration (renewal of a registration); (b) where two or more secured creditors or grantors are identified in the registered notice, the deletion of a secured creditor or grantor identifier; (c) where one secured creditor or grantor is identified in the registered notice, the deletion of the secured creditor or grantor identifier and the addition of a new secured creditor or grantor identifier; (f) the addition or deletion of encumbered assets, including assets identified by serial number; (g) the modification of the identifier of the grantor; (h) the modification of the identifier of the secured creditor; (i) the assignment of the secured obligation by the secured creditor; (j) the subordination by the secured creditor; (k) the subrogation of a secured creditor’s right; (l) the modification of the address of a grantor or secured creditor; and (m) the modification in the maximum monetary amount for which the security right may be enforced (if applicable).

[Note to the Working Group: The Working Group may wish to note that the commentary will clarify that, in line with the draft model regulations: (a) “amendment” means the change and the result of the change of the information in a notice entered in the registry record; and (b) the communication by which an amendment is made is expressed with the term “amendment notice”. The Working Group may also wish to consider adding to or referring in the commentary to the rules of interpretation discussed in paragraphs 17 and 19 of section B, Terminology

and interpretation of the Introduction to the Guide (with respect to the meaning of the words “or”, “including”, that the singular includes the plural and vice versa, etc.)

(c) “Law” means the law governing security rights in movable assets;

[Note to the Working Group: The Working Group may wish to note that the commentary will clarify that the law meant here is the law based on the recommendations of the Guide.]

(d) “Notice” means a communication in writing (paper or electronic) that includes information related to a potentially existing security right that is submitted to the registry or entered in the registry record, in order to effect a registration, or amend or cancel information in the registry record;¹

[Note to the Working Group: The Working Group may wish to note that the commentary will clarify that the Guide uses: (a) the term “notice” in the sense of a communication (for example, a form or screen) used to transmit information to the registry; (b) the term “information contained in a notice” or “the content of the notice” (see rec. 54 (d) and 57); (c) the term “registry record” in the sense of information in a notice once this information has been accepted by the registry and entered into the database of the registry that is available to the public (see rec. 70); and (d) the term amendment or cancellation notice to reflect a communication intended to amend or cancel information in a notice once entered in the registry record (see recs. 72-75). The draft model regulations use these terms in the same sense.]

(e) “Registrant” means the person that enters information in a notice to be registered;

[Note to the Working Group: The Working Group may wish to note that this definition has been revised to ensure that a courier or other person that merely transmits a notice filled out by someone else is not treated as a registrant. The definition is intended to cover any person that fills out a notice, whether the initial, an amendment or a cancellation notice. The Working Group may wish to note that the registrant may be the secured creditor or a person acting on behalf of the secured creditor.]

(f) “Registrar” means the natural or legal person appointed pursuant to the law and these regulations to supervise and administer the operation of the registry;

(g) “Registration” means the entry of information in a notice into the registry record [and includes the amendment and the cancellation of information in the registry record];

[Note to the Working Group: The Working Group may wish to consider whether the text within square brackets is necessary, in particular as the term “notice” includes an amendment or cancellation notice.]

(h) “Registration number” means a unique number allocated to each registered notice by the registry that is permanently associated with such notice;

¹ See term “notice” in the introduction, section B, terminology and interpretation of the *Guide*.

(i) “Registry record” means the information in all registered notices that is stored electronically in the registry database [or manually in paper files of the registry];

[Note to the Working Group: Noting that, in line with recommendation 70, article 26, paragraph 8, refers to “registry records”, the Working Group may wish to consider whether the commentary should clarify that: (a) the term “registry record” refers to the information relating to an initial notice and any subsequent amendment, while the term “registry records” refers to information relating to all notices registered; or (b) the term “notice” should be defined to include any associated amendment, while the term “registry record” or “registry records” should refer to the information relating to all registered notices.]

[(j) “Serial number” means:

(i) In the case of a motor vehicle, the vehicle identification number marked or attached to the body frame by the manufacturer;

(ii) In the case of an aircraft frame and an aircraft engine, [the current and, if different, intended aircraft nationality and registration marks assigned pursuant to the Convention on International Civil Aviation, 1944, by the relevant authority, as well as] the manufacturer’s serial number and model designator; and

(iii) In the case of a trailer, a mobile home, tractor, railway rolling stock, a boat or a boat motor, the serial number marked on or attached to the asset by the manufacturer [or any serial number assigned to an asset by a Government authority]; and

(k) “Serial number assets” means a motor vehicle, a trailer, a mobile home, tractor, an aircraft frame, an aircraft engine, railway rolling stock and a boat and boat motor.]

[Note to the Working Group: The Working Group may wish to consider whether: (a) all four identifiers in subparagraph (j) (ii) should be retained as constituting the serial number, as this approach would put an undue burden on the registrant to get all of them right, increase the cost of the registry system (since four different fields to enter this information would have to be designed) and complicate searches; (b) the exact meaning of the terms “motor vehicle”, “aircraft frame”, “aircraft engine” and the other types of serial number assets mentioned above should be left to the law of each enacting State or whether indicative definitions should be included here; and (c) the term “serial number” should be defined by reference to the serial number assigned to an asset by a manufacturer or a Government authority (but not both as this would put an undue burden on the registrant). Definitions (k) and (l) (as well as articles of the draft Model Regulations that refer to them) appear within square brackets as the law recommended in the Guide does not refer to serial number indexing (although the commentary of the Guide does, see chap. IV, paras. 31-36). As serial number indexing is used in a number of States, the Working Group may wish to consider whether it should be referred to only in the commentary of the draft Registry Guide or also in the draft model regulations. In addition, the Working Group may wish to identify other matters dealt with in the draft model regulations but not in the

recommendations of the Guide and consider whether these matters should be addressed in the draft model regulations.]

II. Registry and registrar

[Note to the Working Group: The Working Group may wish to note that the draft model regulations address several different sorts of issues. Articles 2-3 address the establishment of the registry and the appointment of the registrar. Articles 4-9 address access to the registry services. Articles 3, alternative B, paragraphs 2 and 3, 7, 8, 10, paragraph 3, 12, 13, 16, 17, paragraph 1, 25 and 30 reiterate provisions of the law because of their importance as a reminder of issues that should be addressed in the law or in the draft model regulations; and (d) the rest of the articles of the draft model regulations address procedural registration matters. The Working Group may wish to consider whether regulations that summarize or paraphrase the secured transactions law should be retained as regulations or placed in commentary and, if they are retained as regulations, whether they should explicitly indicate that they are reiterating provisions of the secured transactions law that are relevant to the operation of the registry rather than creating new rights or obligations. The Working Group may wish to consider identifying criteria that could assist in this effort as it works through each particular case.]

Article 2: The registry

The registry is established for the purposes of receiving, storing and making available to the public information relating to security rights in movable assets pursuant to the law and these regulations.

Article 3: Appointment [and duties] of registrar

Alternative A

[The entity or person authorized by the law] designates the natural or legal person to supervise and administer the operation of the registry, and [regulates] that person's powers and duties in accordance with the law and these regulations.

Alternative B

1. [The natural or legal person authorized by the law] designates the natural or legal person to supervise and administer the operation of the registry, and [regulates] that person's powers and duties in accordance with the law and these regulations.
2. The registry requests and maintains the identity of the registrant but may not require verification of its identity or the existence of authorization for registration of the notice or conduct further scrutiny of the content of the notice.

[Note to the Working Group: The Working Group may wish to note that paragraph 2 is consistent with recommendation 54, subparagraph (d). However, as in several modern systems verification of the registrant's identity (at least, as part of establishing a user account where user accounts are normal practice) is very important, the Working Group may wish to consider referring to verification of the

registrant's identity, at least, in the commentary. Systems require verification of the identity of a registrant in order to address fraudulent registrations. They also require verification in the case of person seeking to amend or cancel a registration to ensure that that person is authorized. In some systems, to ensure such identity verification, a number is issued to the registrant by the registry, and amendments and cancellations can be made only with the use of that number to avoid making the registry system vulnerable to abuse. The Working Group may also wish to consider that paragraph 2 that does not require verification of the registrant's identity of a registrant is consistent with article 6, paragraph 3. There is a difference between the one-time identity verification as a condition of establishing a user account, on the one hand, and verification of the identity for the purposes of accepting every individual notice for registration. While the latter is expressly prohibited by the Guide, the former is not addressed but it is reasonable to require such one-time verification.]

[3. The registry must:

(a) Index information [or otherwise organize it so as to make it searchable] entered in the registry record according to article 14 of these regulations;

(b) Provide a record of the registration to registrant as soon as the registration information is entered into the registry record;

(c) Send promptly a copy of any changes to the information in a registered notice to the person identified as the secured creditor in the notice;

(d) Remove information from the registry record that is available to the public upon the expiry of the term of registration or pursuant to a judicial or administrative order;

(e) Retain in the registry record cancelled information with a specification that it is cancelled and remove it from the registry record only upon the expiry of the term of registration;

(f) Archive information removed from the registry record that is accessible to the public for a period of [20] years in a manner that enables the registry to retrieve that information; and

(g) Keep the user details confidential.]

[Note to the Working Group: The Working Group may wish to note that alternative A deals only with the appointment of the registrar, while alternative B deals also with the registrar's duties. The Working Group may also wish to note that alternative B, paragraph 3, sets forth in detail the role of the registry drawing on recommendations 54, subparagraph (d), 55, subparagraphs (b), (d) and (e), and draft Model Regulations 8, paragraph 1, 14, paragraph (1), 15, paragraph (3), and 17, paragraph (2). If alternative B is retained the articles of the draft Model Regulations may need to be revised to avoid any repetition or inconsistency. The advantage of listing the role of the registry is clarity and transparency in the regulations as to the role of the registry. The possible disadvantage is that such a list may appear but not be comprehensive or may be limiting where it should not be. An alternative approach might be to retain alternative A and explain the role of the registry in the commentary of the draft Registry Guide. In subparagraph 3 (b), reference is made to indexing in accordance with recommendation 54,

subparagraph (h). Indexing is generally used and commercially available database programs come with an indexing functionality. The commentary explains that it is possible to organize information so as to allow searches without an index (for example, by using a free text or wild card searching with key words). While there may be no registry of security rights that uses this type of search logic as an official search logic, some registries that have a debtor-based index provide in addition unofficial or wild card searches with key words.]

III. Access to the registry services

Article 4: Public access to the registry services

Any person is entitled to have access to the registry services in accordance with the law and these regulations.

Article 5: Operating hours of the registry

1. Each office of the registry is open to the public [specify days and hours]. Registry office locations and opening hours are published on the registry's website and opening hours of each office are posted at that office.

[Note to the Working Group: The Working Group may wish to note that the commentary will explain that days and hours may be specified by separate administrative instructions and that the minimum registry office hours should be the usual business hours in that jurisdiction. Where the registration of paper notices is foreseen, the time for receiving paper notices may be set independently from the business hours. For example, the office may close at 17.00 but all notices must be received by 16.30 so that the registry has sufficient time to enter the information into the registry record.]

2. Electronic access to the registry services is generally available [continuously] [24 hours a day, 7 days a week, 365 or 366 days a year].

3. Notwithstanding paragraphs 1 and 2 of this article, the registry may suspend access to registry services in whole or in part for maintenance purposes or when circumstances arise that make it impossible or impractical to provide access. Notification of the suspension of access to the registry services and its expected duration is published in advance when feasible and as soon as reasonably possible on the registry's website and posted at the offices of the registry.

[Note to the Working Group: The Working Group may wish to note that the commentary will clarify that, in the case of an electronic registry, access to services may be suspended automatically (for example, when the Internet network goes down and electronic searches and registrations become unavailable or war, fire, etc. breaks out). The Working Group may also wish to note that the commentary will address the issue of liability of the registry as a matter of law. The secured transactions law may foresee liability of registry staff for loss or damage suffered by a registry user as a result of negligence, gross negligence or wilful conduct on the part of the registry staff in general or in the case of specified situations (e.g. information submitted in a paper notice was entered erroneously into the registry record by the registry staff) or that the registry staff are exonerated from any liability. Alternatively, the matter may be left to general law.]

Article 6: Access to registration services

1. A person is entitled to register a notice in accordance with the law, these regulations and the terms and conditions of use of the registry, if that person has:

- (a) Identified itself as required by the law and article 21 of these regulations;
- (b) Tendered payment for the service requested or has otherwise made arrangements to pay the registry fees prescribed in article 33[, if any];
- (c) Provided the information required by the law and these regulations.

2. A person is entitled to register a notice electronically by complying with the requirements referred to in paragraph 3 of this article or using the paper form attached to these regulations.

[Note to the Working Group: The Working Group may wish to note that, in line with recommendation 54, subparagraph (j), paragraph 2, accommodates the possibility of registration of a paper notice, although many modern registries provide for electronic access only. However, while this recommendation accommodates paper registration, the Guide recommends electronic registration if possible.]

3. A person that wishes to register a notice electronically must:

- (a) Establish a user account pursuant to which the identity of the user has been established [or otherwise establish his or her identity], fill out a form electronically or follow any other method prescribed by the registry and make arrangements for the payment of any fees prescribed under these regulations[, if any]; and

[Note to the Working Group: The Working Group may wish to retain the text in square brackets, as many modern electronic registries permit registration by someone who does not have a user account but who establishes his or her identity and provides for payment by a credit card. This is in line with the principle of free access to the registry enshrined in the Guide and is also a very important feature in particular in the case of consumer transactions.]

- (b) Comply with the terms and conditions of use of the registry.

[4. A natural person that wishes to register a notice using the paper form attached to these regulations must identify himself or herself as the registrant. A natural person that wishes to register a notice on behalf of a legal person using the paper form attached to these regulations must identify himself or herself as the registrant and representative of the legal person.]

[Note to the Working Group: The Working Group may wish to note that: (a) the commentary will explain that, according to recommendation 54, subparagraph (i), a State may decide to charge no fees and that, if any fees are charged, they should be set at a cost-recovery level (see also article 33 of the draft model regulations); and (b) rules relating to registration may be in the form of: (i) provisions of the secured transactions or other law; (ii) regulations; and (iii) separate administrative instructions, including the terms and conditions of use of the registry (for example, those users wishing to have access through a user account, a user account agreement must be entered into).]

Article 7: Access to searching services

Any person may conduct a search and request a search certificate in accordance with the law and these regulations[, without having to provide any reasons for the search or the search certificate,

Option A

or having to pay any fees].

Option B

provided that arrangements are made for the payment of search fees].

[Note to the Working Group: The Working Group may wish to consider whether the text within square brackets should be retained. An argument for its deletion may be that it is superfluous as is covered in recommendation 54, subparagraph (g), and reference to the law recommended in the Guide is already made in the article. An argument for its retention is that it is sufficiently important to be repeated in the draft model regulations (as is done with a number of other matters). The Working Group may also wish to note that the commentary will explain that, according to recommendation 54, subparagraph (i), a State may decide to charge no fees and that, if any fees are charged, they should be set at a cost-recovery level (see also article 33 of the draft model regulations).]

Article 8: Authorization and presumption as to the source of a notice

1. Registration has to be authorized by the grantor. However, the registry may not request such authorization. [Any person asserting rights on the basis of the existence of authorization or the lack thereof has to prove it.]
2. A notice registered by a person using the assigned user account is deemed to have been effected by the person to whom the user account has been assigned by the registry.

[Note to the Working Group: With respect to paragraph 1 of this article, which would apply irrespective of the form of submission, whether electronic or paper, the Working Group may wish to note that, under recommendations 54, subparagraph (d) and 55, subparagraph (b), the registry may request but need not verify the identity of the registrant. Accordingly, if someone submitted a notice without authorization or otherwise fraudulently and that resulted in harm to the grantor or the secured creditor, they would have to prove that the registrant had no authority to effect the notice. However, this would be done outside of the registry system. The function of the registry is to do what is set forth in the recommendations mentioned above. Whether or not the registrant had authority to submit a notice, whether the submission could be attributed to a user account holder seems to be outside the scope of the draft model regulations. As a result, the Working Group may wish to consider whether paragraph 1 of this article, and in particular the wording within square brackets, should be retained in the draft model regulations or simply discussed in the commentary. With respect to paragraph 2 of this article, the Working Group may wish to consider its formulation after agreeing on the formulation of article 3 (as there is overlap between the two articles) and note that for user account holders an additional way to identify the source from which the

notice came makes sense because the notice is traceable to a user account. The Working Group may also wish to note that the obvious obligation of any user to keep user information confidential is a matter for the user agreement that a person signs when she or he opens a user account with the registry. User agreements would also specify that the user has a duty to notify the registry if she or he believes that her user details have been compromised.]

Article 9: Rejection of a notice or search request

1. A notice or search request may be rejected if:
 - (a) It is not communicated to the registry in one of the authorized media of communication (paper or electronic); or
 - (b) The information in the notice or the search request is incomplete with respect to required information or illegible; or
 - (c) Otherwise does not comply with the requirements of the law and these regulations, including where it is not accompanied by the required fee, if any.
2. A message and grounds for rejection must be provided to the registrant or searcher as soon as practicable.

[Note to the Working Group: The Working Group may wish to note that the commentary will explain that: (a) article 9 deals with the question whether the registry may reject a notice or search request; and (b) article 15 deals with the question whether the registry may remove from the record information already registered; (c) the registry may reject non-conforming requests submitted in paper form, while an electronic registry will be designed so as to reject automatically non-conforming requests; and (d) in the case of an electronic registry, the reasons for the rejection of registration or search will be immediately displayed to the user.]

IV. Registration

Article 10: Date and time of registration

1. The registry records the date and time of each registered notice, as provided under paragraphs 2 and 3 of this article, and assigns a registration number to each registered notice.
2. The registry must enter in the registry record and index [or otherwise organize] notices in the order they were received.
3. The registration of a notice is effective from the date and time when the information in the notice is entered into the registry record so as to be available to searchers of the registry record.

[Note to the Working Group: The Working Group may wish to note that the commentary explains that article 10 is intended to provide a basis for the application of a rule along the lines of recommendation 70, which is included in paragraph 3 of this article (it may be retained in the draft regulations because of its importance or simply discussed in the commentary). The date and time when information in a notice becomes available to searchers may be different from the time the notice was received (in particular where paper notices are submitted by

registrants and entered into the registry record by the registry), but must follow the order in which the notice was received by the registry (that is, a notice received on 1 January at 08:00 am must become available to searchers before a notice received by the registry on the same date at 08:01 am). If as a result of negligent or wilful conduct or malfunction of the registry, a registrant loses its priority, the registry may be liable to the registrant for damages. In the case of an acquisition security right, if a notice is registered within the time period specified in the law, the acquisition security right obtains priority even over a previously registered non-acquisition security right (see recommendation 180, alternative A, subparagraph (a) (ii)). Thus, where the registry enters the information in a notice into the registry record and if the law requires that the notice specifies that it relates to an acquisition security right (the Guide does not require that), it is important that this be done within the time period specified in the law for registration of an acquisition security right. Otherwise, as a matter of the law of the enacting State (the Guide does not address this issue), the registry may be liable for damages sustained by a registrant as a result of loss of priority.]

Article 11: Duration and extension of registration

Option A

1. A registration is effective for the period of time specified in the law.
2. The period of effectiveness of a registration may be renewed by the registrant for an additional period of time equal to the initial period specified in the law at any time before the registration expires.

Option B

1. A registration is effective for the period of time indicated by the registrant in the notice.
2. The period of effectiveness of a registration may be renewed by the registrant for an additional period of time indicated in the renewal notice at any time before the registration expires.

[Note to the Working Group: The Working Group may wish to note that the commentary explains that, whether a State enacts option A or B, the rules applying to the calculation of the periods in national law will apply to the period of effectiveness of a registration, unless the secured transactions law provides otherwise. For example, national law may provide that where the calculation is from the day of registration or from the anniversary of the day of registration, a year runs from the beginning of that day.]

Option C

1. A registration of an initial notice is effective for the period of time indicated by the registrant in the notice, not exceeding [20] years.
2. The period of effectiveness of a registration may be renewed by the registrant, at any time before the registration expires, for an additional period of time indicated in the renewal notice, not exceeding [20] years.

[Note to the Working Group: The Working Group may wish to note that the commentary will explain that, where the law requires the registrant to enter the duration of a notice, the requirement is a mandatory requirement. This means that, if the duration is not entered in the notice, the notice will likely be rejected. The Working Group may wish to consider whether the registry may be designed to automatically include a certain duration, if the registrant fails to do so. If the Working Group considers this approach desirable and feasible, it may include a default rule along the following lines: “When no period of time is indicated in the notice, the registration is effective for [5] years”. The commentary will also explain that, while in option A the renewal period is specified in the law, in options B and C, the renewal period can be specified by the registrant in the renewal notice. A renewal extends the duration of the registration so that effectiveness is continuous (see article 26, para. 7). The Working Group may also wish to note that option B may be consistent with recommendation 69 but is not realistic because unless there is a control mechanism all registrations will be effective for infinity. Arguably, it is one thing to give flexibility to registrants to choose the duration of the period of effectiveness of a registration, but it is quite another thing to permit this choice without some control. Some modern systems provide for infinity registrations but charge a very large registration fee to control abuse. In addition, in such systems, fees are calculated on a per year basis, thus discouraging overreaching in the choice of the duration of the period of effectiveness of a registration. If option B is retained, the Working Group may wish to consider including these considerations in the commentary.]

Article 12: Time when a notice may be registered

A notice with respect to a security right may be registered before or after the creation of the security right or the conclusion of the security agreement. Authorization by the grantor must be in writing but may be given before or after registration. A written security agreement is sufficient to constitute authorization.

[Note to the Working Group: The Working Group may wish to note that article 12 has been revised to be aligned more closely with recommendations 67 and 71.]

Article 13: Sufficiency of a single notice

A registration of a single notice is sufficient to achieve third-party effectiveness of one or more than one security right, 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.

[Note to the Working Group: The Working Group may wish to note that, as mentioned in the note above article 2, articles 12 and 13 deal with matters that are typically settled in the law (see recommendations 67, 68 and 71). The Working Group may wish to consider whether they should be retained in these draft model regulations in view of their importance as a reminder of issues that should be addressed in the law or the model regulations, or simply discussed only in the commentary.]

Article 14: Indexing of notices

1. Registered notices are indexed [or otherwise organized so as to become searchable] according to the grantor identifier as provided in the law and these regulations.

[2. A registered notice relating to security rights in serial number assets is [also] indexed [or otherwise organized so as to become searchable] according to the serial number of the asset in addition to the grantor identifier, as provided in the law and these regulations.]

3. All amendment and cancellation notices are [indexed] [organized and become searchable] in a manner that associates them with the initial notice.

[Note to the Working Group: The Working Group may wish to note that what matters is the result, that is, that information is organized and becomes searchable. This result may be achieved with or without an index. The Working Group may also wish to note that articles 14, paragraph 2, 23 and 32, subparagraph (b), appear within square brackets for the consideration of the Working Group in view of the widespread use and importance of serial number indexing (in addition to grantor indexing) in greatly enhancing the reliability and ease of indexing and searching, although the recommendations of the Guide do not refer to serial number as an indexing and search criterion (although the commentary does, see the Guide, chap. IV, paras. 31-36). Another matter that was not addressed in the recommendations of the Guide and the Working Group may also wish to consider because of its importance in the efficient operation of a registry is whether notices should also be indexed in a manner that makes them retrievable according to the secured creditor identifier for the purposes of internal searches of the registry record by the registry staff and of making global amendments (see article 27).]

Article 15: Change, addition, deletion, removal or correction of information in the registry record

1. Subject to paragraphs 2-5 of this article, the registry may not change, delete or add any information in the registry record.

2. The registry may remove information from the registry record accessible to the public only:

- (a) Upon the expiry of the duration of the registration; or
- (b) Pursuant to a judicial or administrative order.

3. Information removed from the registry record accessible to the public must be archived for a period of [20] years in a manner that enables the information to be retrieved by the registry.

4. Information contained in a notice that has been cancelled may be retained in the registry record along with the cancellation notice and may be removed from the registry record accessible to the public only upon the expiry of the duration of the registration, as provided in subparagraph 2 (a), of this article.

5. Where information submitted to the registry in paper form is entered in the registry record by the registry, the registry may correct errors that it made in the process of entering information in the registry record.

[Note to the Working Group: The Working Group may wish to note that the commentary will make it clear that the registry may not change the specific text of a record. Subsequently, an amendment will change the substance of the registry record through another notice, but it will never change the text of the initial notice. Under recommendation 74, when the time of effectiveness of a registered notice has expired or a notice has been cancelled, the registry may remove information from the record accessible to the public and archive it so as to be capable of retrieval if necessary. The Working Group may also wish to note that, following the approach followed in many States, article 28, paragraph 2, of the draft model regulations provides that the information in expired or cancelled notices may be retained in the registry record available to the public with an indication that it has expired or cancelled. The Working Group may also wish to note that paragraph 5 of this article is intended to ensure that the registry may correct errors made in entering into the record information submitted in a paper form (correctness of the information on the form being the responsibility of the registrant), but may not scrutinize and correct information entered by a registrant electronically, as this would run counter to recommendation 54, subparagraph (d), which is intended to limit the role of the registry and accordingly the scope of error and liability for error. The registry may effectuate the change correcting its error by registering a correction form that identifies the clerk making the corrections and the corrections made. Furthermore, the Working Group may wish to clarify what constitutes a “correction” and consider the question whether a “correction” may change the order of priority.]

V. Registration information

Article 16: Responsibility with respect to the information in a notice

1. It is the responsibility of the registrant to ensure that the information in the notice is accurate and complete.
2. The registry does not verify the identity of the registrant, the accuracy or legal sufficiency of information in the notice, determine whether a registration has been authorized or conduct further scrutiny of the notice.

Article 17: Information required in a notice

1. To enter information in the registry record, a registrant is required to provide in the appropriate field in a notice the following information:
 - (a) The identifier and address of the grantor, as required in articles 18-20;
 - (b) The identifier and address of the secured creditor or its representative, as required in article 21;
 - (c) A description of the encumbered assets, as required in articles 22-25;
 - (d) The duration for which the registration is to be effective, as required in article 11²]; and
 - (e) The maximum monetary amount for which the security right may be enforced].³

² If the Law allows it (see recommendation 69).

2. The information in the notice must be expressed in the language specified in the law.
3. If there is more than one grantor, the required information must be provided separately for each grantor, in one notice in the case of joint owners of the same encumbered assets[, and in a separate notice for each grantor in the case of several sole owners of the encumbered assets].
4. If there is more than one secured creditor, the information must be provided separately for each secured creditor, in one notice in the case of joint creditors in one or more security agreement among the same parties[, and in a separate notice for each secured creditor in the case of more than one security agreement among different parties]. However, each secured creditor may provide the name of a representative and more than one secured creditor may provide the name of a common representative.
5. For the purposes of articles 18-21, the grantor and the secured creditor identifier is determined as of the time of the registration.

[Note to the Working Group: The Working Group may wish to note that the commentary will explain that: (a) if the information is entered in the inappropriate field (e.g. the grantor identifier is entered in the secured creditor field), a notice that contains otherwise correct and sufficient information may be ineffective; (b) the registry would need to be able to rely on a set of rules for the transliteration of names with foreign characters in the alphabet of the official language(s) of the enacting State; and (c) naming conventions of the enacting State would apply; and (d) the registry system should be designed so that a search of the identifier of any grantor with any ownership interest in the encumbered assets would reveal the registered notice in which all of the other grantors would be identified. The Working Group may wish to consider whether the text within square brackets in paragraph 3 is necessary, as it seems to state the obvious.]

Article 18: Grantor identifier (natural person)

1. For the purposes of article 17, if the grantor is a natural person, the grantor identifier is:

Alternative A

the name of the grantor. Where required, additional information, such as the birth date or the personal identification number issued to the grantor by the enacting State, may also be provided. Where the grantor has not been issued a personal identification number by the enacting State, the grantor identifier is the grantor's name.

³ If the Law allows it (see recommendation 57 (d)).

Alternative B

the name of the grantor [and] [or] the personal identification number issued to the grantor by the enacting State. Where the grantor has not been issued a personal identification number by the enacting State, the grantor identifier is the grantor's name.

2. For the purposes of article 17 and paragraph 1 of this article:

(a) Where the grantor is a natural person whose name includes a family name and one or more given names, the name of the grantor consists of the grantor's family name and the grantor's first and second given names; and

(b) Where the grantor is a natural person whose name consists of only one word, the name of the grantor consists of that word.

3. For the purposes of article 17 and paragraph 1 of this article, the name of the grantor is determined as follows:

(a) If the grantor was born and the grantor's birth is registered in [the enacting State] 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;

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

(c) If neither (a) nor (b) applies, the name of the grantor is the name stated in an official document, such as an identification card or driver's licence, issued to the grantor by [the enacting State];

(d) If neither (a), nor (b), nor (c) applies but the grantor is a citizen of [the enacting State], the name of the grantor is the name as stated in the grantor's certificate of citizenship;

(e) If neither (a), nor (b), nor (c), nor (d) applies, 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;

(f) In a case not falling within subparagraphs (a) to (e) of this paragraph, the name of the grantor is the name as stated in any two official documents, such as an identification card or a social security or health insurance card, issued to the grantor by the enacting State.

[Note to the Working Group: The Working Group may wish to note that the commentary will explain that: (a) this article deals with the grantor's identifier (indexing and search criteria are dealt with in article 32); (b) in line with recommendation 59, alternative A of paragraph 1 provides that the principal grantor's identifier is the grantor's name and foresees additional grantor identification criteria (error with respect to the grantor identifier is treated differently from error in additional criteria, see recommendations 58 and 64); and (c) according to alternative B of paragraph 1, both the name and number constitute

the grantor identifier and both must be entered correctly, otherwise the rule in recommendation 58 would apply.]

Article 19: Grantor identifier (legal person)

1. For the purposes of article 17, if the grantor is a legal person, the grantor identifier is

Option A

the name of the legal person, that appears in the document constituting the legal person.

Option B

the name of the legal person that appears in the document constituting the legal person [and] [or] the identification number assigned to the legal person by [the enacting State] [the State under whose authority the relevant registry is organized] pursuant to the law on [...],

Alternative A

including the abbreviation which is indicative of type of body corporate or entity, such as S.A., “Ltd”, “Inc”, “Incorp”, “Corp”, “Co”, as the case may be, or the words Société Anonyme, “Limited”, “Incorporated”, “Corporation”, “Company”;

Alternative B

with or without the abbreviation which is indicative of type of body corporate or entity, such as S.A., “Ltd”, “Inc”, “Incorp”, “Corp”, “Co”, as the case may be, or the words “Limited”, “Incorporated”, “Corporation”, “Company”.

[Note to the Working Group: The Working Group may wish to note that the note to article 18 applies to options A and B of paragraph 1 of this article.]

Article 20: Grantor identifier (other)

1. For the purposes of article 17:

(a) If the grantor is the estate of a deceased person or an administrator acting on behalf of the estate, the grantor identifier is the name of the deceased person in accordance with article 18, with the specification in a separate field that the grantor is an estate or an administrator acting on behalf of the estate;

(b) If the grantor is a trade union that is not a legal person, the grantor identifier is the name of the trade union that appears in the document constituting the trade union; [where required, additional information, such as the name of each person representing the trade union in the transaction giving rise to the registration, may be provided in accordance with article 18];

(c) If the grantor is a trust or a trustee acting on behalf of the trust, and the document creating the trust designates the name of the trust, the grantor identifier is the name of the trust in accordance with article 18, with the specification in a separate field that the grantor is a “trust” or a “trustee”;

(d) If the grantor is a trust or a trustee acting on behalf of the trust, and the document creating the trust does not designate the name of the trust, the grantor identifier is the identifier of the trustee in accordance with article 18, with the specification in a separate field that the grantor is a “trust” or a “trustee”;

(e) If the grantor is an insolvency representative acting for a natural person, the grantor identifier is the name of the insolvent person in accordance with article 18, with the specification in a separate field that the grantor is insolvent;

(f) If the grantor is an insolvency representative acting for a legal person, the grantor identifier is the name of the insolvent legal person in accordance with article 19, with the specification in a separate field that the grantor is insolvent;

(g) If the grantor is a participant in a syndicate or joint venture, the grantor identifier is the name of the syndicate or joint venture as stated in the document creating it; [where required, additional information, such as the name of each participant may also be provided in accordance with article 18 or 19, as the case may be;]

(h) If the grantor is a participant in an entity other than one already referred to in the preceding rules, the grantor identifier is the name of the entity as stated in the document creating it; [where required, additional information, such as the names of each natural person representing the entity in the transaction to which the registration relates, may also be provided in accordance with article 18].

2. For the purposes of this article, a representative (other than an insolvency representative) is a natural person who has the power to bind the legal person or its officers or members and who has exercised that power in relation to the transaction to which the registration relates.

Article 21: Secured creditor identifier

1. For the purposes of article 17:

(a) If the secured creditor is a natural person, the identifier is the name of the secured creditor in accordance with article 18;

(b) If the secured creditor is a legal person, the identifier is the name of the secured creditor in accordance with article 19; and

(c) If the secured creditor is a kind of person described in article 20, the identifier is the name of the person in accordance with article 20.

2. If the registrant enters, instead of the identifier and address of the secured creditor, the identifier and address of a representative of the secured creditor, paragraph 1 of this article applies to the identifier of the representative of the secured creditor.

[Note to the Working Group: The Working Group may wish to note that the commentary will explain that there will be a single field in the notice in paper or electronic form to identify the “secured creditor”, whether the actual secured creditor or its representative (that is, a natural person, or a member or representative of a syndicate of banks).]

Article 22: Description of encumbered assets

1. For the purposes of article 17, the description of the encumbered assets, including proceeds, in the notice may be specific or generic as long as it reasonably allows the assets to be identified.
2. Unless otherwise provided in the law, a generic description that refers to all assets within a generic category of movable assets or to all of the grantor's movable assets includes assets within the specified category to which the grantor acquires rights at any time during the period of effectiveness of the registration.

[Note to the Working Group: The Working Group may wish to note that the commentary will explain that additional information may be provided in the form of an attachment to a notice to identify the assets in more detail or if additional space is needed. This is particularly useful or necessary in registry systems that are designed to permit that a limited number of characters be entered in the relevant fields of a notice.]

[Article 23: Description of encumbered serial number assets

For the purposes of article 17, if the encumbered assets are serial number assets not held by the grantor as inventory, the serial number and the type of serial number asset must be indicated in the appropriate field in the notice.]

[Note to the Working Group: The Working Group may wish to note that the commentary will explain that: (a) the serial number (e.g. XYZ456789) and the serial number asset type (e.g. vehicle) is sufficient without providing further details (e.g. Toyota Corolla, 2009 model, etc.); and (b) the consequences of a failure of a registrant to set out the serial number and the serial number asset type in the notice is a matter of the law and there are different approaches followed in the various legal systems.]

Article 24: Description of encumbered attachments to immovable property

A registrant may register a notice of a security right in attachments to immovable property in the general security rights registry according to the law and these regulations or in appropriate immovable property registry office of this State in accordance with the regime that governs such registration.

[Note to the Working Group: The Working Group may wish to note that the commentary will explain that: (a) article 22 deals with the description of the encumbered assets in the notice (including attachments to immovable property); and (b) if the regime governing registration in an immovable property registry does not permit registration of notices, it may need to be revised to permit registration of notices relating to potential security rights in attachments to immovable property (see Guide, chap. III, para. 104).]

Article 25: Incorrect or insufficient information

1. A registration is effective only if it provides the grantor's correct identifier as set forth in articles 18-20 or, in the case of an incorrect statement of the identifier, if the notice would be retrieved by a search of the registry record using the correct grantor identifier.

[2. A registration covering a serial number asset is effective only if it provides the correct serial number as set forth in article 23 or, in the case of an incorrect statement, if the notice would be retrieved by a search of the registry record using the correct serial number.]

3. Except as provided in paragraphs 1 [and 2] of this article, an incorrect or insufficient statement of the information required to be entered in the registry record under these regulations, or in the manner of its entry, does not render the registration ineffective, unless it seriously misleads a reasonable searcher.

4. A description of encumbered assets in a registered notice that does not meet the requirements of the law or these regulations does not render a registered notice ineffective with respect to other encumbered assets sufficiently described in the notice.

[Note to the Working Group: The Working Group may wish to consider whether this article should be retained in the draft model regulations or discussed only in the commentary. Paragraph 1 addresses a matter that is dealt with in recommendation 58; and paragraph 2 parallels recommendation 58 (and may be retained only if serial number is retained as an indexing criterion); paragraph 3 follows recommendation 64; and paragraph 4 follows recommendation 65 (and would be sufficient to cover an error in the serial number as a description requirement). A reason for retaining this article in the draft model regulations is that it addresses a very important matter that is worth drawing attention to in the draft model regulations.]

Article 26: Amendment of registered notice

1. To amend the information entered in the registry record, a registrant must provide in an amendment notice and in the appropriate field the following information:

- (a) The registration number of the notice to which the amendment relates;
- (b) The purpose of the amendment;
- (c) If information is to be added, the additional information in the manner provided by these regulations for entering information of that kind;
- (d) If information is to be changed or deleted, the new information as provided by these regulations for entering information of that kind; and
- (e) The identifier of each secured creditor authorizing the amendment.

[2. If the purpose of an amendment is to disclose a transfer of the encumbered assets to which the notice relates, the registrant must identify the transferee as a grantor in accordance with articles 18-20. If the transfer relates to only part of the encumbered assets described in the notice, the registrant has to identify the transferee as a grantor in accordance with articles 18-20 and describe the part of the encumbered assets transferred in accordance with article 22.]

3. If the purpose of the amendment is to disclose a subordination of priority of the security right to which the registered notice relates, the registrant has to describe the nature and extent of the subordination and identify the beneficiary of the subordination in the fields designated for entering such information.

4. If the purpose of the amendment is to disclose an assignment of the secured obligation, the registrant has to provide the identifier of the assignor and assignee.
5. Amendments that purport to delete all grantors and fail to provide the identifier of a new grantor, delete all secured creditors and fail to provide the identifier of a new secured creditor or delete all encumbered assets and fail to provide a description of the encumbered assets to be added to the registration are ineffective and may be rejected according to article 9.
6. Subject to article 30, a registrant may register an amendment at any time. The registration of an amendment, other than a renewal, does not extend the duration of the effectiveness of the registration.
7. An amendment is effective from the date and time when the information in a notice is entered into the registry records so as to be available to searchers of the registry record.

[Note to the Working Group: The Working Group may wish to note that the commentary will explain the purpose of an amendment (for example, to add, change or delete information in the registry record, or renew the duration of the effectiveness of the registration) and that an amendment changing the identifier of a grantor will be indexed by adding the new identifier as if it were a new grantor. A search under either the grantor's old identifier or the grantor's new identifier will reveal the registration. The Working Group may wish to consider whether to amend or cancel a notice the registrant must identify himself or herself. In the case of registration by electronic means, the registrant who can obtain access to the registry record may not need to identify himself or herself. However, such identification may be necessary in the case of paper-based registration. The Working Group may also wish to consider whether there should be a mechanism to identify different versions of a registration. For example, an initial registration may be given the number 12345-01, the first amendment 12345-02, the third amendment 12345-03 and so on. The Working Group may also wish to consider whether, if a State chooses this option in the law (see Guide, chap. IV, paras. 78-80), in the case of a transfer of the encumbered asset (see para. 3), the transferee should be identified as the new grantor in addition to the existing grantor or whether the identifiers of both the transferor and the transferee should be retained in the publicly available registry record. Paragraph 6 is made subject to article 30, as a different rule applies in the case of a compulsory amendment of a notice.]

[Article 27: Global amendment of secured creditor information in multiple notices

A secured creditor identified in multiple registered notices may request the registry to amend the secured creditor information in all such notices with a single global amendment.]

[Note to the Working Group: The Working Group may wish to note that article 27 appears within square brackets pending determination by the Working Group of whether there should be a secured creditor index for internal searches by the registry staff (see note to article 14).]

Article 28: Cancellation of registered notice

1. To cancel a registered notice, a registrant is required to provide in the cancellation notice and in the appropriate field the following information:

- (a) The registration number of the notice to be cancelled; and
- (b) The identifier of each secured creditor authorizing the cancellation.

2. Subject to article 30, a registrant may cancel a registered notice at any time.

[Note to the Working Group: The Working Group may wish to consider whether the grantor identifier is necessary for a registrant that has obtained access to the registry (with his/her user identification and password or otherwise, that may apply in an electronic or paper context), and has the relevant registration number. In general, the grantor identifier should not be necessary to cancel a registration. However, it may be required in order to avoid inadvertent cancellations. Paragraph 2 is made subject to article 30, as a different rule in the case of a compulsory cancellation of a notice.]

Article 29: Copy of registration, amendment or cancellation notice

1. When a notice is registered, amended or cancelled electronically, the registry must transmit to each person identified in the notice as a secured creditor a printed or electronic copy as soon as the information in the notice is entered into the registry record.

2. Where a notice is registered, amended or cancelled otherwise than electronically, the registry is obligated to send promptly a copy to each person identified in the notice as a secured creditor at the address(es) set forth in the relevant registration, amendment or cancellation notice.

3. The registrant may obtain a copy of the registration, amendment or cancellation notice as soon as the information is entered into the registry record.

4. The registrant must send to each person identified as a grantor in a notice, within [thirty days after the registration is effected], [a printed or electronic] copy of the registration, amendment or cancellation notice, except where that person has waived in writing the right to receive it.

[Note to the Working Group: The Working Group may wish to consider whether the matter addressed in this article is a matter for the law and thus should be discussed in the commentary rather than addressed in the draft model regulations. The Working Group may also wish to note that, with respect to the waiver of rights addressed in paragraph 3 of this article, under recommendation 10 of the Guide, party autonomy applies except where otherwise provided. The relevant recommendation 55, subparagraph (c), is not among those recommendations that are not subject to party autonomy, but provides that failure of the secured creditor to meet this obligation may result in penalties and damages. The Working Group may wish to consider that a waiver of this right of the grantor should not be permitted as sending copies of registered notices to grantors is a fundamental feature of the notice-filing system and an important protection for the grantor.]

VI. Obligations of the secured creditor

Article 30: Compulsory amendment or cancellation of notice

1. Each person identified in the registered notice as a secured creditor is obliged to submit to the registry an amendment or cancellation notice, to the extent appropriate, not later than [15] days after the secured creditor's receipt of a written request by the person identified in the registered notice as the grantor if:

(a) No security agreement has been concluded between the person identified as the secured creditor and the person identified as the grantor[, or the security agreement has been revised];

(b) The security right to which the registration relates has been extinguished by payment or otherwise; or

(c) The registration has not been authorized by the grantor, [at all or to the extent described in the notice].

2. No fee or expense will be charged or accepted by the secured creditor for compliance.

3. If the person identified in the registered notice as a secured creditor does not comply in a timely manner, the person making the request is entitled to seek a cancellation or amendment through a summary judicial or administrative procedure.

4. The person identified in the registered notice as the grantor is entitled to seek a cancellation or amendment through a summary judicial or administrative procedure even before expiry of the period provided in paragraph 1, provided that there are appropriate mechanisms to protect the secured creditor.

5. Upon delivery of a judicial or administrative order ordering cancellation or amendment, the registry has to cancel or amend the registered notice.

[Note to the Working Group: The Working Group may wish to note that paragraph 1 of this article (which is based on recommendation 74 of the Guide), does not refer to the situation where there is no commitment on the part of the secured creditor to provide further credit, but this situation is covered because if there is such a commitment the security right cannot be extinguished. The Working Group may also wish to note that paragraph 1 does not refer to assets of the grantor that are not covered by the security agreement but this situation is covered because in such a case there would be no authorization by the grantor for registration of a notice relating to such unencumbered assets. Alternatively, the Working Group may wish to include language along the language contained within square brackets to clarify these matters and set out more explicitly not only the grounds for a cancellation notice, but also the grounds for an amendment notice. The Working Group may also wish to consider whether the commentary of the draft Registry Guide should refer to a different approach taken in some legal systems. Under this approach, the registered notice is cancelled automatically if the registry is informed by the grantor that the secured creditor has failed to respond to the grantor's demand in a timely manner. This approach reduces the workload of the registry staff and encourages the secured creditor to respond to amendment and cancellation requests in a timely manner. In view of the fact that secured creditors are sophisticated parties, it is considered that the risk that they will miss an amendment

or cancellation demand and the registration will inadvertently be cancelled is insignificant. As to the potential for abuse of this approach by grantors, as with the potential for abuse of the registry system by secured creditors, it is left to be dealt with outside the registry system by law, including law other than secured transactions law. The commentary will also deal with the question whether the grantor may demand additional information and whether: (a) the grantor should be entitled to a limited number of responses free of charge within a specified period of time; and (b) the grantor should be entitled to damages or other remedy through a summary judicial or administrative procedure.]

VII. Searches

Article 31: Search criteria

A searcher of the registry record may request a search by using one of the following search criteria:

- (a) The grantor identifier;
- [(b) The serial number of a serial number asset;] or
- (c) The initial registration number.

Article 32: Search results

1. A search result obtained either indicates that no information was retrieved against the specified search criterion or sets forth all information that exists in the registry record with respect to the specified search criterion at the date and time when the search was performed.
2. A search result reflects information in the registry record that matches [exactly the search criterion except ...] [closely the search criterion.]
3. Upon request made by a person that has tendered or arranged for payment of any fees and used one of the search criteria set forth in article 31, the registry issues a [paper] [electronic] search certificate. The certificate reflects the search result.
4. A search certificate is admissible as evidence in a court or tribunal. In the absence of evidence to the contrary, a search certificate is proof of the registration of the notice, or the lack thereof, to which the search result relates, including the date and time of registration, if any.

[Note to the Working Group: The Working Group may wish to note paragraph 2 has been added to deal with the search logic (exact matches and exceptions or close matches). While it may be important for a registry to be designed to return close matches, this approach may be too broad. In any case, it is important for searchers to know the search logic that the registry system uses. The commentary explains that paragraph 4 is intended to provide evidence of the fact of registration and not necessarily of the information contained in the registration record.]

VIII. Fees

Article 33: Fees for registry services

Option A

1. [Subject to paragraph 2 of this article,] the following fees are payable for registry services:

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

2. 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 [specify an administrative authority] may determine the fees and methods of payment for the purposes of these regulations by decree.

Option C

The registry services are free of charge.

[Note to the Working Group: The Working Group may wish to note that, under recommendation 54, subparagraph (i), of the Guide, registry services may or may not be subject to a fee and that, if there is a fee, it should be aimed at cost recovery rather than profit level (in any case, recommendation 54, subparagraph (c), which provides for rejection of the notice if fees are not paid, would not apply to option C). The Working Group may wish to consider whether one or more of the options set forth above should be retained. In that regard, the Working Group may wish to take into account that registry services are commercial services that should not be paid by the State (that is, the taxpayers). The Working Group may also wish to note that, while regulations are normally easy to revise, in some States, a decree may be a more practical way to set registry fees. If the Working Group adopts or retains option A as a possibility, it may also wish to consider whether fees should depend on the duration of registration to more readily reflect the cost of storing the relevant information. The commentary of the draft Registry Guide may explain that article 33 is intended to set forth some possible examples and that States may wish to enact different regulations for the payment of registry fees. The commentary to

option A may clarify that, if the registry is operated by the State, electronic registry services or just searches may be available without a fee or with lower fees.]
