

Last October 7, 2010, the Sole Registry of Secured Movable Assets (RSA), initiated operations in Mexico.

***I. What is the RSA?***

The RSA is a section within the Public Registry of Property and Commerce, where legal acts through which secured movable assets are constituted, modified, transmitted or cancelled, a special privilege or a lien on mobile property in favor of third parties are registered.

Unless proved otherwise, it is presumed that the grantor of a secured movable asset authorizes its registry in the RSA.

***II. Which is the governmental agency in charge of the administration of the RSA?***

The registry is exclusively in charge of the Ministry of Economy in its operative part; nevertheless, the rendering of said service is in charge of the Public Registry of Property and Commerce, which conducts its operations by digital means, through a computerized program established by the Ministry of Economy in a national data base.

***III. Which acts are subject of registration?***

- 1) All secured movable asset established under the Commercial Code.
- 2) All secured movable assets established under any other commercial law.

***IV. Definition of Movable Assets.-***

Assets are movable either by nature or by disposition of law.

- 1) By nature are those assets that can be moved from one place to another, either by themselves or by an external force.
- 2) Movable assets by order of law:
  - i) The shares and social parts of a company, even if they have real estate in their assets;
  - ii) Amounts payable derived from a personal action;
  - iii) The obligations, rights and actions that are intended for movable assets;
  - iv) Boats of all kinds;
  - v) Copyrights;
  - vi) Building materials as long as they have not been used;
  - vii) All assets not considered by law as real estate.

***V. Who may carry out a registry before the RSA?***

1. The registration of securities or their entries can be made by authorized notaries, judges and offices accredited by the Ministry of Economy.
2. Likewise, entries may be made by financial entities, governmental servers and other individuals previously authorized by the Ministry of Economy.
3. Creditors who have the Electronic Advanced Signature (FIEL), even though their participation is limited to the registration request without being authorized to perform any other action authorized for recording in the RSA.

***VI. What is the procedure for registration?***

- 1) Registry is automated.
- 2) Upon payment of duties, a folio is generated for the grantor of the security.
- 3) Individuals authorized to carry out registrations must verify the information of the legal act that is going to be registered.

***VII. Special Registries.***

Whenever a security movable asset is registered in other special registries, such registry shall be enough to be in full force and effect under commercial laws, provided, that the Public Registry of Commerce is informed of said registration.

- ❖ In the case of security movable asset remittable in a special registry, (e.g. National Maritime Public Registry or the Mexican Institute of Industrial Property) the special registry system shall automatically duplicate a copy in the RSA. The duplicate shall be taken as registry.

***VIII. Term:***

The term of the registration is of one year, unless in the pre-coded format a different term is established; nevertheless, the registration may be renovated.

***IX. Cancellations:***

- 1) Security assets registered in favor of a creditor must be cancelled by the same, when the obligations secured have been satisfactory fulfilled.
- 2) A partial cancellation to release a security movable asset of one or more properties will be considered as modification.
- 3) The system automatically cancels the registrations of those securities whose term has expired without its renovation being requested.
- 4) The individual that appears as grantor in the RSA, shall be entitled to request from the creditor the modification, transmission, rectification or cancelation of it, as the case may be, when the creditor fails to comply with its obligation to cancel the security or when the registration

information does not correspond to the existing legal acts that originated the entries without prejudice to any other right that it could have.

***X. Who can carry out a consultation on this registry?***

Since this registry is a section within the Public Registry, any individual may carry out a consultation and request the emission of certificates of entries registered in the RSA.

***XI. What data must a consultation and certification from the RSA contain?***

- i) Name or corporate name of creditor;
- ii) Name or corporate name of grantor;
- iii) Name or corporate name of debtor in those cases where this person is different from the grantor;
- iv) Grantor's folio;
- v) Type of security asset;
- vi) Description of the property subject to security assets;
- vii) Date and time of the registration of the security assets and certification.
- viii) Number of security asset given to by the system.
- ix) Security assets existing entries.

***XII. What is an Entry?***

- Entry means any registration of security movable assets, including their modification, transfer, renewal, rectification, cancelation, as well as the preventive notices and annotations. In summary, all registrations made before the RSA.

Laws and Regulatory Codes of the RSA:

- ✓ Amendments to the Commercial Code published in the Official Gazette on August 27, 2009.
- ✓ Reforms to the Regulations of the Public Registry of Commerce, published in the Official Gazette on September 23, 2010.

Presidential Ruling published in the Official Gazette on October 12, 2002.