

# Legal Alert



## The New UAE Pledge Law – Security Registration

By Charles Laubach and Imran Asghar | 19 February 2018

UAE Federal Law 20 of 2016 (Regarding the pledge of moveables as a security for debts) (the Pledge Law) introduced a new regime for registering a pledge over moveable assets which are pledged as security for the repayment of a debt. We reported on this law in our inBrief of January 2017, [New UAE Pledge Law Over Moveable Assets](#).

The actual registration of pledges was subject to establishment of a security register pursuant to the implementing regulations issued under the Pledge Law. This security register has now been established by the Emirates Development Bank and is known as the Emirates Movable Collateral Registry.

The Emirates Movable Collateral Registry allows:

1. free public searches of registered securities;
2. certified searches of registered securities;
3. registration of notices of security interests against assets of the primary obligors as well as third party security providers, including non-resident foreign persons (legal or natural) and UAE entities incorporated by federal decrees, for a minimal fee; and
4. registration of notices of termination of security interests (whether by mutual consent of the parties or by way of a court order) free of charge.

All parties holding pledges over moveables in the UAE by way of possession have until 15 March 2018 to register their precedence with the Emirates Movable Collateral Registry. To our knowledge, it is unlikely that an extension of time will be granted. Therefore, we recommend this is done as a priority. ■

### The Author



**Charles Laubach**

Partner

claubach@afridi-angell.com

Tel: +971 4 330 3900

Charles has practiced as a legal consultant in the UAE since 1986. He advises on general corporate matters, contracts and government procurements, project finance, employment, and international trade controls. Charles is a member of the Pennsylvania and DC Bars. He holds a JD and an MA from the University of Pennsylvania, an MA from the University of London School of Oriental and African Studies, and a BA from Dartmouth College.



**Imran Asghar**

Associate

iasghar@afridi-angell.com

Tel: +971 4 330 3900

Imran's practice focuses on corporate and commercial law, as well as mergers and acquisitions. He advises clients in domestic and cross border transactions in connection with acquisitions, divestitures, and corporate restructuring matters. Imran is a member of the Pakistan Bar Association. He holds an LL.M. from the University of Warwick and an LL.B. from the University of London.

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