

ARRANGEMENT OF SECTIONS

Section

Application, Creation of Security Interest and Credit Agreement

1. Application with respect to security interest
2. Application with respect to other credit agreements
3. Creation of security interest
4. Credit agreement

Effectiveness of a Security Interest between the Lender and Borrower and Collateral Description

5. Execution of a credit agreement
6. Security interest between the borrower and lender
7. Non-transfer of title
8. Sufficient description of collateral
9. Sufficient description of secured obligations
10. Automatic extension of security interest
11. Contractual limitations on the creation of a security interest in account receivables
12. Contractual limitations on the creation of a security interest in deposit accounts
13. Contractual limitations on the creation of a security interest in intellectual property

Effectiveness of a Security Interest against Third Parties

14. Achieving third-party effectiveness
15. Extension of a security interest to proceeds
16. Security interest with respect to proceeds
17. Concurrent registration of security interest

Collateral Registry and Registration of Security Interest

18. Collateral Registry
19. Functions of the Registry
20. Appointment of the Registrar
21. Functions of the Registrar
22. Registration of security interest
23. Particulars of registration
24. Acknowledgment of registration

25. Effectiveness of registration
26. Grounds for refusal of registration
27. Authorisation to register
28. Access to the Registry
29. Amendment of registration
30. Discharge of registration
31. Discharges and amendments of registrations by Registrar
32. Searches

General Priority Rules

33. Priority of registration
34. Priority between security interests
35. Priority of a security interest in proceeds
36. Subordination of priority
37. Priority of future advances
38. Priority of purchase money security interest
39. Priority of security interest in accessions and commingled goods
40. Priority with respect to transferred collateral

Priority of Transferees of Money, Negotiable Instruments, Security Certificates and Deposited Securities

41. Priority of transferee of money
42. Priority of transferee of funds
43. Priority of a purchaser of a negotiable instrument, a document of title or a security certificate

Priority of Buyers

44. Priority of buyer or lessee

Priority Rules Related to Interests in Immovable Property and Fixtures

45. Priority of mortgages
46. Priority of right to payment related to immovable property
47. Priority of security interests in fixtures

Special Priority Provisions for a Lien Arising by Operation of Law

48. Possessory lien in respect of movable property
49. Lien in respect of immovable property
50. Judgment liens

Rights of Borrower

51. Right to apply for credit
52. Protection against discrimination with respect to credit
53. Access to credit for persons with disabilities
54. Delivery of documents
55. Credit rights of borrower
56. Confidentiality
57. Pre-agreement disclosure
58. Account statement

Repayment and Recovery of Debt

59. Obligation of borrower
60. Default
61. Remedies of lender on default
62. Realisation without court order
63. Right of lender to possession
64. Warrant for police assistance
65. Application of collateral in satisfaction of obligation
66. Realisation of collateral after default
67. Notice of sale of collateral
68. Effect of sale of collateral
69. Accounting for sale
70. Distribution of proceeds of sale
71. Retention of collateral after default
72. Effect of retention of collateral
73. Right to settle debt and redeem collateral
74. Appointment of receiver or manager
75. Registration of appointment or removal of receiver or manager

Supervisory and Enforcement Role of Bank of Ghana under this Act

76. Functions of the Bank under this Act
77. Rules by the Bank
78. Investigation
79. Examination by the Bank
80. Order for search of premises
81. Power of court to make certain orders
82. Administrative sanctions

Miscellaneous Provisions

- 83. Regulations
- 84. Method of recourse to Court
- 85. Interpretation
- 86. Conflict of laws
- 87. Transitional provisions
- 88. Repeals and Savings

FIRST SCHEDULE

Pre-Agreement Disclosure Statement

SECOND SCHEDULE

Memorandum of No Objection

THIRD SCHEDULE

Memorandum of Release of Debt



THE ONE THOUSAND AND FIFTY-SECOND

ACT

OF THE PARLIAMENT OF THE REPUBLIC OF GHANA
ENTITLED

BORROWERS AND LENDERS ACT, 2020

AN ACT to regulate transactions between borrowers and lenders, to establish a Collateral Registry, to provide a legal framework for the registration and enforcement of security interests in collateral, to establish an order of priority of security interests, to provide for credit agreements generally and provide for related matters.

DATE OF ASSENT: 29th December, 2020.

PASSED by Parliament and assented to by the President

Application, Creation of Security Interest and Credit Agreement

Application with respect to security interest

1. (1) This Act applies to a security interest other than a security interest mentioned in subsection (3), and includes

- (a) a credit agreement that provides for a security interest in property;
- (b) the creation of a security interest, the effectiveness of a security interest against third parties and priority of a security interest in tangible property located in this country;

- (c) security interest in which the tangible property is of a type ordinarily used in more than one country if the borrower is located in this country;
 - (d) the creation of a security interest, the effectiveness of a security interest against third parties and priority of a security interest in intangible property, if the borrower is located in this country;
 - (e) issues relating to the enforcement of a security interest in intangible property if the borrower is located in this country;
 - (f) issues relating to the enforcement of a security interest in intangible property if the enforcement takes place in this country;
 - (g) the creation of a security interest, effectiveness of a security interest against third parties and priority of a security interest in a deposit account if a bank, specialised deposit-taking institution or other financial institution that maintains the relevant deposit account has a place of business in this country;
 - (h) the creation of a security interest, the effectiveness of registration of a security interest against third parties in proceeds arising from the disposition of collateral by a borrower if this Act governs the security interest in the original collateral;
 - (i) the effectiveness of a security interest against third parties, priority and enforcement of security interests in fixtures created under the Mortgages Act, 1972 (N.R.C.D. 96) or the Home Mortgage Finance Act, 2008 (Act 770); and
 - (j) the effectiveness of a security interest against third parties, priority and enforcement of mortgages and other interests in immovable property, including a transfer of rental payments and a right to payment that arises in connection with an interest in immovable property created under the Home Mortgage Finance Act, 2008 (Act 770) or the Mortgages Act, 1972 (N.R.C.D. 96).
- (2) For the purposes of this section, a borrower is located in this country if the borrower
- (a) is ordinarily resident in this country;

Act 1052

Borrowers And Lenders Act, 2020

Complete Act Available at **Ghana Publishing Company Ltd.**

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