

Security Law 2012 provides enhanced benefits to creditors

Service area / [Banking and Finance](#)

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The Security Interests (Jersey) Law 2012 came into force on 2 January 2014. This law established a new regime for the creation and registration of security interests over shares and other intangible movable property situate in Jersey.

Set out below is a summary of the key advantages to creditors of the 2012 law:

- **Enhanced enforcement powers.** Secured parties are afforded much wider powers of enforcement including appropriation of the collateral and step-in rights.
- **14 day enforcement grace period addressed.** There is no delay to enforcement as parties may now contract out of the 14 day statutory notice period.
- **Register of security.** An online, real-time, searchable public register of security interests is now available.
- **Greater flexibility in creation of security.** Introduced a simple method of creating security by attachment (description) and registration to complement the more traditional methods e.g. by way of having 'control' of shares or a bank account.
- **Second ranking security simplified.** Advantages for mezzanine finance deals when taking second ranking security.
- **Catch-all security possible.** Able to take security over all present and future intangible movable property of the grantor.
- **Third party security.** Third party security expressly acknowledged which will simplify documentation and negate the need for limited recourse guarantees in security agreements.
- **Composite agreements are possible.** It is not necessary to have a separate agreement for each asset class.

Security granted under the Security Interests (Jersey) Law 1983 remains valid and retains its priority position except in certain circumstances.



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