

Regional Secured Transactions Assessment – Egypt

Non-possessory charge over movable property

The following table relates to non-possessory security over movable assets and rights. The survey is best understood if read in conjunction with the EBRD Core Principles, which specify the basic criteria for a modern secured transactions law. The Explanatory Notes describe the methodological approach to the survey.

A	Non-possessory charge – Scope	Grading
1.	Can anyone grant a charge?	1
2.	Can anyone take a charge?	1
3.	Can the charge cover all types of tangible movable property?	1
4.	Can the property be described in general terms?	0
5.	Can the charge be established over future property?	0
6.	Can the charge be established over changing pool of assets?	1
7.	Can the charge be established over going concern (enterprise) or all present and future assets of the chargor?	3
8.	Can debts of any type be secured by charge?	3
9.	Can parties agree on the rights of the chargor over charged assets?	3
10.	Is the good faith charge creditor protected from subsequent claims which may adversely affect the charge?	0
11.	Does a third party acquire property free from security in the ordinary course of business?	0
12.	Are subsequent charges permitted over same property?	3
13.	Can the charge creditor dispose of its priority position?	3
14.	In case of transfer of secured claim does charge follow automatically?	0

B	Non-possessory charge – Creation / Registration	Grading
15.	Are charges registered?	1
16.	Can a third party determine whether property is encumbered?	1
17.	Is the data centralised? Is the data from the register available on line?	0
18.	Is data in the register indexed against the name of the chargor?	3

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C	Non-possessory charge –Enforcement	Grading
19.	Are the manners of starting enforcement and the enforcement procedure clearly established?	3
20.	Does commencement of enforcement have to be publicised?	0
21.	Is out of court realisation of assets permitted?	0
22.	Can the charge creditor decide on the way the realisation will be done?	0
23.	Can the charge creditor exercise control over the realisation process?	0
24.	Is enforcement rapid?	0
25.	Is the purchaser protected?	3
26.	Is the charge creditor protected against chargor's obstruction?	0
27.	Is taking possession of charged asset simple and quick?	0
28.	Can the charge creditor actively protect the charged assets?	3
29.	Is the charge creditor right protected in case of third party initiated enforcement against the asset?	3

A1	The concept of a non-possessory charge is available only in case of charge of the enterprise – <i>fonds de commerce</i> . Only a trader/merchant is able to create such a charge.
A2	Charge may be granted only in favour of licensed banks.
A3	Charge can cover only assets strictly enumerated in the law..
A6	Only as a <i>fonds de commerce</i> charge.
B15	Only FDC charge. A charge is registered in the commercial registry where the enterprise is located as well as the commercial registry in the district where the movable property is located, if they are different.
B16	The FDC charge can be established by requesting an extract from the commercial registry office. However, such registration shows only that a commercial charge is registered and the name of the charge creditor, it does not enumerate/describe the charged assets.