

## Regional Secured Transactions Assessment – Estonia

### Specific types of security / syndicated lending

The following table relates to specific types of security such as charge over accounts receivable, bank account, insurance claims, equities, debt securities as well as the issues in relation to syndicated lending. The Explanatory Notes describe the methodological approach to the survey.

<b>A</b>	<b>Account Receivables</b>	<b>Grading</b>
1.	Can the security be established over future and/or fluctuating accounts?	<b>2</b>
2.	Can a third party establish if account receivable has been charged?	<b>0</b>
3.	Can security be created without the obligor's acceptance or notification?	<b>3</b>
4.	Can the security be enforced by private sale of receivables or direct collection of payments?	<b>3</b>

<b>B</b>	<b>Bank Account</b>	<b>Grading</b>
1.	Can effective security be created without the account bank's contractual involvement?	<b>0</b>
2.	Can a third party establish if the account has been charged?	<b>0</b>
3.	Can the chargor draw and receive funds while the charge exists?	<b>3</b>

<b>C</b>	<b>Insurance claim</b>	<b>Grading</b>
1.	Does the security cover insurance claim in case of destruction of secured property?	<b>3</b>
2.	Can the charge creditor takeover the payment of premiums?	<b>?</b>

<b>D</b>	<b>Business Shares</b>	<b>Grading</b>
1.	Can a third party establish the existence of charge over business participation?	<b>2</b>
2.	Are the parties free to agree on the collection of dividends, usage of voting rights and transferability of participations?	<b>?</b>

<b>E</b>	<b>Equity Securities</b>	<b>Grading</b>
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1.	Can a third party establish the existence of charge over listed shares?	3
2.	Are the parties free to agree on the collection of dividends, usage of voting rights and transferability of shares?	?

F	Debt Securities	Grading
1.	Can a third party establish the existence of charge over debt securities?	3
2.	Are the parties free to agree on the collection of instalments and transferability of debt securities?	?

G	Syndicated Lending	Grading
1.	Is there a possibility to create a security for a person who is not the creditor but representing all members of the bank syndicate (security manager)?	2
2.	Has the parallel debt or other security management structure used in practice been recognised by known court decision?	0
3.	Does the security manager have the right to start enforcement?	3
4.	Are security and parallel debt insulated from the insolvency estate of the security manager?	?

### Remarks

A1	Accounts have to be precisely defined. However, in practice it may not be as effective as conditional assignment of the account receivables
D1	The share pledge can be established only if the shares are registered in the commercial register.
E1	Third party can establish the existence of charge over shares and other securities registered in the ECRS which is a public register. In case the shares/securities are not registered in the ECRS, information about existence of charge over such shares/securities is not publically available.
G1	Security agents are widely used in syndicated and multi-lender transactions but there are no legal provisions supporting such structures.