

The Patents and Companies Registration Agency

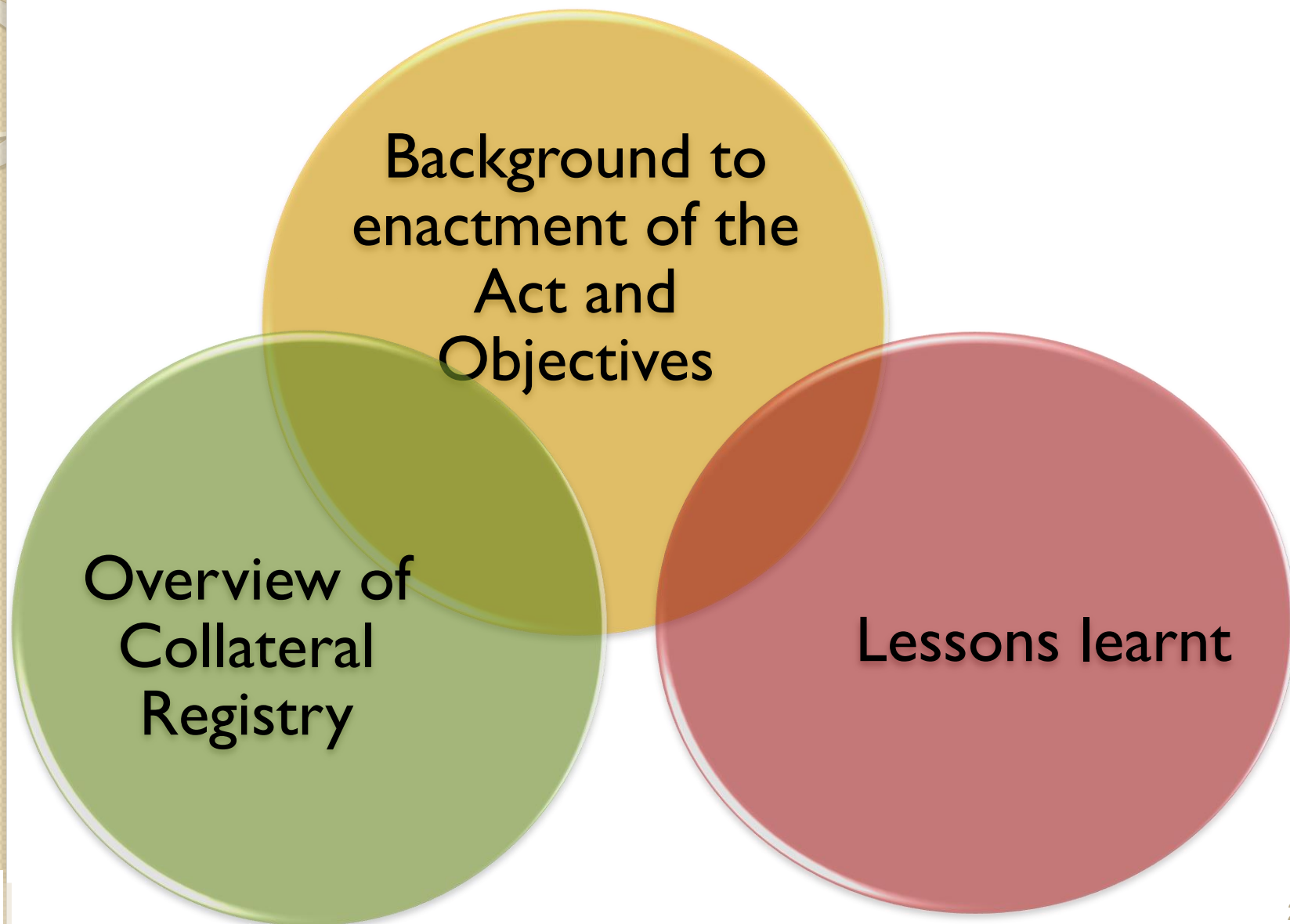
Overview of the Zambia Collateral Registry and lessons learnt

**Presentation at the 5th Africa Credit
Information Sharing Conference in Kenya
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Outline of Presentation



Establishment of the Zambia Collateral Registry

- **The Collateral Registry System was rolled out and became operational in October, 2016 and was officially launched on 17th November 2017.**



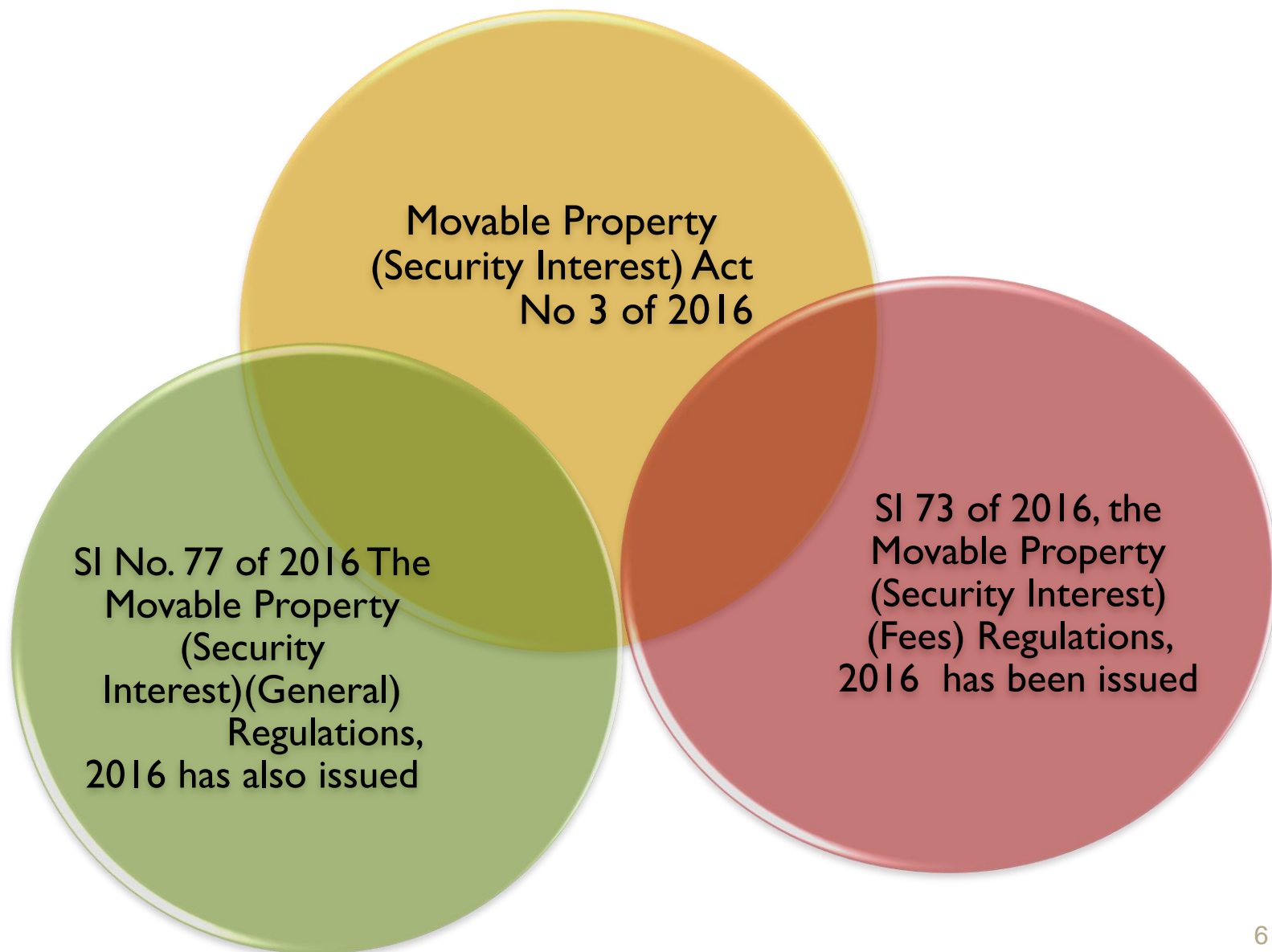
Zambia Collateral Registry System

- **The Movable Property (Security Interest) Registry (Collateral Registry) is an online notice web based registry**

Establishment of the Zambia Collateral Registry

- **The Zambia Collateral Registry was established in collaboration with the following institutions:**
- **Bank of Zambia (BOZ);**
- **International Finance Corporation (IFC) of the World Bank Group ;**
- **Financial Sector Deepening Zambia (FSDZ); and**
- **Other stakeholders such as FSPs**

Legal Framework



Model Law

Not based on one particular law but borrows heavily from secure transaction laws in Canada, Malawi and Australia

Also informed by United Nations Commission on International Trade Law (UNCITRAL) Model Law

Salient Provisions and Objectives of the Act

- **Act deals with creation, perfection and priority of security interests;**
- **Ensures certainty as to priority vis-à-vis competing claims over collateral;**
- **Eases enforcement in case of default;**
- **Ultimately seeks to enhance access to credit**

Lessons learnt

In accordance with section 2 of the Movable Property (Security Interest) Act No. 3 of 2016 the existing security interest had to be perfected within 6 months after it came into effect.

The time period was too short for the Collateral Registry Office and Financial Service Providers.

Lessons learnt

- Despite the establishment of the collateral registry, the usage of the Registry has not met the desired expectations as evidenced by the World Bank data analysis report of 2019.
- It has been observed, that only 20% of the financial service providers have adopted and used the Collateral Registry.

Measures to increase the usage of the collateral Registry

- Conducting massive sensitization and awareness campaigns on radio and training workshop;
- Provision of financial literacy and sharing experiences on the use and benefits of the Collateral Registry with Financial Service Providers; and
- Bank of Zambia included use of the collateral registry as part of prudential regulations



THANK
YOU