



# **INTRODUCTION OF SECURED TRANSACTION LEGAL FRAMEWORK IN MALAYSIA**

**COMPANIES COMMISSION OF MALAYSIA**

# MOVABLE PROPERTY SECURITY INTEREST BILL



## Description

- New secured transaction legal framework: **Movable Property Security Interest Bill**
- **New legal framework** for Malaysia to regulate the process of creation, registration and enforcement of security interests in movable property that is used as collateral for a loan/financing.



## Objective

- **Initial objective** was to address the gaps identified in the World Bank Doing Report 2015 as follows: -
  - Absence of a unified and integrated legal framework for secured transactions
  - Lack of a collateral registry
- **Present law** under Companies Act 2016: charges provisions – not applicable for unincorporated entities

# CONSULTATION WITH UNCITRAL



Consultation (via email/online meeting): 2020-2021

**OBJECTIVE:** To ensure that the draft Bill is compliant with the UNCITRAL Model Law on Secured Transactions

**OUTCOME:**

- Certain provisions of the Bill was clarified e.g. provisions on advance, PMSI and leases
- Practical implications with regards to provision on the Registry was highlighted – provision was further refined
- Follow-up with specific discussion on provisions for advance

- 1. On going discussions with the AG Chambers to finalise the Bill**
- 2. Discussion on consequential amendments (either amendment or repeal of various legislations) – with several relevant agencies**
  - Companies Act 2016 [Act 777] – amendments regarding charges on movable properties
  - Sale of Goods Act 1957 [Act 382]
  - Bills of Sale Act 1950 [Act 268]



# THANK YOU

[www.ssm.com.my](http://www.ssm.com.my)