



Moveable Transactions (Scotland) Act 2023 2023 asp 3

PART 2

SECURITY OVER MOVEABLE PROPERTY

CHAPTER 1

PLEDGE

Pledge, secured obligation and encumbered property

42 Pledge

- (1) A pledge is created in accordance with [this section](#).
- (2) Where a pledge is to be created over moveable property which is corporeal only, the pledge is created—
 - (a) by delivery of the property to the secured creditor, provided that the property is the provider's at the time of delivery,
 - (b) in a case where the property is not the provider's at the time of such delivery, on the property becoming the provider's subsequent to such delivery, or
 - (c) by registration in accordance with [section 48](#) or [49](#).
- (3) Where a pledge is to be created over moveable property which is—
 - (a) incorporeal only, or
 - (b) both corporeal and incorporeal,the pledge is created by registration in accordance with [section 48](#) or [49](#).
- (4) A pledge created by registration in accordance with [section 48](#) or [49](#) is to be known as a “statutory pledge”.
- (5) Nothing in [this section](#) affects any rule of law which existed prior to the commencement of this section whereby a pledge may be created over a negotiable

Status: This is the original version (as it was originally enacted).

instrument, and nothing in [this Part](#) applies in relation to any pledge created in accordance with such a rule.