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STATUTORY INSTRUMENTS

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**2003 No. 3226**

**FINANCIAL SERVICES AND MARKETS**

**The Financial Collateral Arrangements (No.2) Regulations 2003**

*Made - - - - 10th December 2003*

*Laid before Parliament 10th December 2003*

*Coming into force*

*Regulation 2 11th December 2003*

*Remainder 26th December 2003*

**THE FINANCIAL COLLATERAL  
ARRANGEMENTS (NO.2) REGULATIONS 2003**

PART 1

General

1. Citation and commencement
2. Revocation
3. Interpretation

PART 2

Modification of law requiring formalities

4. Certain legislation requiring formalities not to apply to financial collateral arrangements
5. Certain legislation affecting Scottish companies not to apply to financial collateral arrangements
6. No additional formalities required for creation of a right in security over book entry securities collateral in Scotland
7. Certain legislation affecting Northern Ireland companies and requiring formalities not to apply to financial collateral arrangements

PART 3

Modification of insolvency law

8. Certain legislation restricting enforcement of security not to apply to financial collateral arrangements

*Status: This is the original version (as it was originally made).*

9. Certain Northern Ireland legislation restricting enforcement of security not to apply to financial collateral arrangements
10. Certain insolvency legislation on avoidance of contracts and floating charges not to apply to financial collateral arrangements
11. Certain Northern Ireland insolvency legislation on avoidance of contracts and floating charges not to apply to financial collateral arrangements
12. Close-out netting provisions to take effect in accordance with their terms
13. Financial collateral arrangements to be enforceable where collateral-taker not aware of commencement of winding-up proceedings or reorganisation measures
14. Modification of the Insolvency Rules 1986 and the Insolvency Rules (Northern Ireland) 1991
15. Modification of the Insolvency (Scotland) Rules 1986

#### PART 4

##### Right of use and appropriation

16. Right of use under a security financial collateral arrangement
17. No requirement to apply to court to appropriate financial collateral under a security financial collateral arrangement
18. Duty to value collateral and account for any difference in value on appropriation

#### PART 5

##### Conflict of laws

19. Standard test regarding the applicable law to book entry securities financial collateral arrangements
- Signature  
Explanatory Note