
STATUTORY INSTRUMENTS

2003 No. 3226

The Financial Collateral Arrangements (No.2) Regulations 2003

PART 2

Modification of law requiring formalities

Certain legislation requiring formalities not to apply to financial collateral arrangements

4.—(1) Section 4 of the Statute of Frauds 1677 ^{M1} (no action on a third party's promise unless in writing and signed) shall not apply (if it would otherwise do so) in relation to a financial collateral arrangement.

(2) Section 53(1)(c) of the Law of Property Act 1925 ^{M2} (disposition of equitable interest to be in writing and signed) shall not apply (if it would otherwise do so) in relation to a financial collateral arrangement.

(3) Section 136 of the Law of Property Act 1925 (legal assignments of things in action) shall not apply (if it would otherwise do so) in relation to a financial collateral arrangement, to the extent that the section requires an assignment to be signed by the assignor or a person authorised on its behalf, in order to be effectual in law.

(4) [^{F1} [^{F2}Sections 859A] (charges created by a company) and [^{F3}859H] (consequence of failure to register charges created by a company) of the Companies Act 2006] shall not apply [^{F4}(if they would otherwise do so)] in relation to a security financial collateral arrangement or any charge created or otherwise arising under a security financial collateral arrangement [^{F5}or, in Scotland, to relation to any charge created or arising under a financial collateral arrangement].

(5) Section 4 of the Industrial and Provident Societies Act 1967 ^{M3} (filing of information relating to charges) shall not apply (if it would otherwise do so) in relation to a ^{F6}... financial collateral arrangement or any charge created or otherwise arising under a ^{F6}... financial collateral arrangement.

Textual Amendments

- F1** Words in reg. 4(4) substituted (1.10.2009) by [The Financial Collateral Arrangements \(No. 2\) Regulations 2003 \(Amendment\) Regulations 2009 \(S.I. 2009/2462\)](#), regs. 1(2), **2(2)(a)**
- F2** Words in reg. 4(4) substituted (6.4.2013) by [The Companies Act 2006 \(Amendment of Part 25\) Regulations 2013 \(S.I. 2013/600\)](#), reg. 1, **Sch. 2 para. 4(2)** (with reg. 6)
- F3** Word in reg. 4(4) substituted (6.4.2013) by [The Companies Act 2006 \(Amendment of Part 25\) Regulations 2013 \(S.I. 2013/600\)](#), reg. 1, **Sch. 2 para. 4(2)** (with reg. 6)
- F4** Words in reg. 4(4) substituted (1.10.2009) by [The Financial Collateral Arrangements \(No. 2\) Regulations 2003 \(Amendment\) Regulations 2009 \(S.I. 2009/2462\)](#), regs. 1(2), **2(2)(b)**
- F5** Words in reg. 4(4) inserted (6.4.2011) by [The Financial Markets and Insolvency \(Settlement Finality and Financial Collateral Arrangements\) \(Amendment\) Regulations 2010 \(S.I. 2010/2993\)](#), regs. 1, **4(3)(a)** (with reg. 3)

Changes to legislation: The Financial Collateral Arrangements (No.2) Regulations 2003, PART 2 is up to date with all changes known to be in force on or before 23 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

F6 Words in reg. 4(5) omitted (6.4.2011) by virtue of The Financial Markets and Insolvency (Settlement Finality and Financial Collateral Arrangements) (Amendment) Regulations 2010 (S.I. 2010/2993), regs. 1, **4(3)(b)** (with reg. 3)

Marginal Citations

M1 1677 c. 3
M2 1925 c. 20
M3 1967 c. 48

Certain legislation affecting Scottish companies not to apply to financial collateral arrangements

^{F7}5.

Textual Amendments

F7 Reg. 5 omitted (6.4.2013) by virtue of The Companies Act 2006 (Amendment of Part 25) Regulations 2013 (S.I. 2013/600), reg. 1, **Sch. 2 para. 4(3)** (with reg. 6)

No additional formalities required for creation of a right in security over book entry securities collateral in Scotland

6.—(1) Where under the law of Scotland an act is required as a condition for transferring, creating or enforcing a right in security over any book entry securities collateral, that requirement shall not apply (if it would otherwise do so).

(2) For the purposes of paragraph (1) an “act”—

- (a) is any act other than an entry on a register or account maintained by or on behalf of an intermediary which evidences title to the book entry securities collateral;
- (b) includes the entering of the collateral-taker’s name in a company’s register of members.

[^{F8}Certain legislation affecting overseas companies not to apply to financial collateral arrangements

6A. Any provision about registration of charges made by regulations under section 1052 of the Companies Act 2006 (overseas companies) does not apply (if it would otherwise do so) in relation to a security financial collateral arrangement or any charge created or otherwise arising under a security financial collateral arrangement [^{F9}or, in Scotland, to any charge created or arising under a financial collateral arrangement.]]

Textual Amendments

F8 Reg. 6A inserted (1.10.2009) by The Financial Collateral Arrangements (No. 2) Regulations 2003 (Amendment) Regulations 2009 (S.I. 2009/2462), regs. 1(2), **2(4)**
F9 Words in reg. 6A inserted (6.4.2011) by The Financial Markets and Insolvency (Settlement Finality and Financial Collateral Arrangements) (Amendment) Regulations 2010 (S.I. 2010/2993), regs. 1, **4(5)** (with reg. 3)

Changes to legislation: The Financial Collateral Arrangements (No.2) Regulations 2003, PART 2 is up to date with all changes known to be in force on or before 23 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) [View outstanding changes](#)

Certain legislation affecting Northern Ireland companies and requiring formalities not to apply to financial collateral arrangements

F107.

Textual Amendments

F10 Reg. 7 omitted (1.10.2009) by virtue of [The Financial Collateral Arrangements \(No. 2\) Regulations 2003 \(Amendment\) Regulations 2009 \(S.I. 2009/2462\)](#), regs. 1(2), **2(5)**

Changes to legislation:

The Financial Collateral Arrangements (No.2) Regulations 2003, PART 2 is up to date with all changes known to be in force on or before 23 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations.

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Changes and effects yet to be applied to :

- Regulations revoked by [2023 c. 29 Sch. 1 Pt. 2](#)