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## THE FINAL DATE TO REGISTER ASSIGNMENTS OF CLAIMS CONTAINED IN OLD INDEMNITY AGREEMENTS IS NOW KNOWN: IT WILL BE ON AUGUST 31, 1996.

In our last Bulletin (June 1995) we mentioned that *Bill 67* (amending the *Act respecting the implementation of the reform of the Civil Code*) had been tabled before the National Assembly. The relevant amendments deal with the delay to register securities granted before the coming into force of the new *Civil Code*, which did not have to be registered under the old law. These included assignments of receivables or of claims contained in old indemnity agreements.

The *Act to amend the Act respecting the implementation of the reform of the Civil Code and other legislative provisions as regards security and the publication of rights (Bill 67)* was passed and assented to on June 22<sup>nd</sup>, 1995, but its relevant provisions only came into force on August 31<sup>st</sup>, 1995.

You may recall that *Bill 67* adds section 157.1 to the *Application Act*, dealing with:

- the securities granted under the former legislation,
  - which were not subject to registration under the old law in order to be set up against third parties,
  - which became hypothecs under the new Code and
  - which are now subject to registration in the register in order to be set up against third parties.

«This registration must be made on an Application for the registration of an hypothec (Form RH) ...»

These securities include **assignments of receivables** (also called assignments of claims or debts) granted under the old indemnity agreements, which have now become “movable hypothecs” pursuant to the *Application Act*. They also include assignments of receivables of a shareholder contained in **subordination agreements, specific assignments of debts** which are not necessarily contained in indemnity agreements, **assignments of rights in contracts**, securities, insurance policies or other titles.

**Such securities must now be registered in the register of personal and movable real rights, on or before August 31<sup>st</sup>, 1996.**

This registration must be made on an Application for the registration of an hypothec (Form RH), under heading number 35 - “Other mentions”, wherein it should be indicated that the registration is made according to section 157.1 of the *Act respecting the implementation of the reform of the Civil Code*.

## **OTHER CHANGE BROUGHT ABOUT BY *BILL 67* DEALING WITH CONSTRUCTION**

*Bill 67* also modifies the *Building Act*, by allowing a building owner on which a construction legal hypothec has been registered, to ask for its cancellation, when the contractor having registered its hypothec is not a licensed contractor.

September 1995

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