

DRAFTING COMMITTEE

PROPOSAL

(submitted by the Delegation of Japan)

Article 9

1. – In the event of default in the performance of a secured obligation, the chargee may exercise any one or more of the following remedies, provided, however, that with respect to the security agreement the remedies of (a) and (b) are not available without a court order so authorising or directing:

- (a) take possession or control of any object charged to it;
- (b) sell or grant a lease of any such object;
- (c) collect or receive any income or profits arising from the management or use of any such object;
- (d) apply for a court order authorising or directing any of the above acts.

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Article 11

~~In the event of default by the conditional buyer under a title reservation agreement or by the lessee under a leasing agreement, the conditional seller or the lessor, as the case may be, may terminate the agreement and take possession or control of any object to which the agreement relates. The conditional seller or the lessor may also apply for a court order authorising or directing either of these acts.~~

Article Y

1. – A Contracting State may declare at the time of signature, ratification, acceptance, approval of, or accession to the Protocol that while the charged object is situated within, or controlled from its territory the chargee shall not grant a lease of the object in that territory.

2. – A Contracting State may declare at the time of signature, ratification, acceptance, approval of, or accession to the Protocol that any remedy available to the obligee under Articles 9 to 11, which is not there expressed to require application to the court may only be exercised with leave of the court, or which is there expressed to require application to the court may be exercised without leave of the court.

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