



Province of Alberta

# **PERSONAL PROPERTY SECURITY ACT**

Revised Statutes of Alberta 2000  
Chapter P-7

Current as of June 13, 2016

Office Consolidation

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statement containing a description of collateral that includes the product or mass, before the identity of the goods is lost in the product or mass,

- (ii) the notice contains a statement that the person giving the notice has acquired or expects to acquire a purchase-money security interest in goods supplied to the debtor as inventory, and
- (iii) the notice is given before the identity of the goods is lost in the product or mass.

(7) A notice referred to in subsection (6)(c) may be given in accordance with section 72 or by registered mail addressed to the address of the person to be notified as it appears on the financing statement referred to in subsection (6)(c).

(8) This section does not apply to a security interest in an accession to which section 38 applies.

1988 cP-4.05 s39;1990 c31 s28

#### **Subordination of interest**

40 A secured party may, in a security agreement or otherwise, subordinate the secured party's security interest to any other interest, and the subordination is effective according to its terms between the parties and may be enforced by a third party if the third party is the person or one of a class of persons for whose benefit the subordination was intended.

1988 cP-4.05 s40;1990 c31 s29

#### **Rights of assignee**

41(1) In this section, "account debtor" means a person who is obligated under an intangible or chattel paper.

- (2) The rights of an assignee of collateral that is either an intangible or chattel paper are subject to
  - (a) the terms of the contract between the account debtor and the assignor and any defence or claim arising out of the contract or a closely connected contract, and
  - (b) any other defence or claim of the account debtor against the assignor that accrues before the account debtor has knowledge of the assignment,

unless the account debtor has made an enforceable agreement not to assert defences or claims arising out of the contract.

(3) To the extent that an assigned right to payment arising out of the contract has not been earned by performance, and