

Personal Property Security Act

R.S.O. 1990, CHAPTER P.10

Consolidation Period: From March 22, 2017 to the e-Laws currency date.

Last amendment: 2017, c. 2, Sched. 12, s. 7.

Legislative History: 1991, c. 44, s. 7; 1993, c. 13, s. 2; 1996, c. 5; 1998, c. 18, Sched. E, s. 193-202; 2000, c. 26, Sched. B, s. 16; 2001, c. 9, Sched. D, s. 13; 2002, c. 30, Sched. E, s. 14; 2006, c. 8, s. 123-141; 2006, c. 19, Sched. G, s. 8; 2006, c. 21, Sched. F, s. 136 (1); 2006, c. 34, Sched. E; 2006, c. 35, Sched. C, s. 108, 136; 2010, c. 16, Sched. 4, s. 28; 2010, c. 16, Sched. 5, s. 4; 2012, c. 8, Sched. 45; 2015, c. 9, s. 32; 2015, c. 20, Sched. 35; 2015, c. 38, Sched. 7, s. 57; 2016, c. 17, s. 97 (see: 2016, c. 37, Sched. 18, s. 5); 2017, c. 2, Sched. 3, s. 8; 2017, c. 2, Sched. 12, s. 7.

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Same

(3) A security interest in a futures contract or a futures account created by a futures intermediary is perfected when it attaches. 2006, c. 8, s. 131.

Section Amendments with date in force (d/m/y)

2006, c. 8, s. 131 - 01/01/2007

Unperfected security interests

20 (1) Except as provided in subsection (3), until perfected, a security interest,

- (a) in collateral is subordinate to the interest of,
 - (i) a person who has a perfected security interest in the same collateral or who has a lien given under any other Act or by a rule of law or who has a priority under any other Act, or
 - (ii) a person who causes the collateral to be seized through execution, attachment, garnishment, charging order, equitable execution or other legal process, or
 - (iii) all persons entitled by the *Creditors' Relief Act, 2010* or otherwise to participate in the distribution of the property over which a person described in subclause (ii) has caused seizure of the collateral, or the proceeds of such property;
- (b) in collateral is not effective against a person who represents the creditors of the debtor, including an assignee for the benefit of creditors and a trustee in bankruptcy;
- (c) in chattel paper, documents of title, instruments or goods is not effective against a transferee thereof who takes under a transaction that does not secure payment or performance of an obligation and who gives value and receives delivery thereof without knowledge of the security interest;
- (d) in intangibles other than accounts is not effective against a transferee thereof who takes under a transaction that does not secure payment or performance of an obligation and who gives value without knowledge of the security interest. R.S.O. 1990, c. P.10, s. 20 (1); 2006, c. 8, s. 132; 2010, c. 16, Sched. 4, s. 28.

Idem

(2) The rights of a person,

- (a) who has a statutory lien referred to in subclause (1) (a) (i) arise,
 - (i) in the case of the bankruptcy of the debtor, at the effective date of the bankruptcy, or
 - (ii) in any other case, when the lienholder has taken possession or otherwise done everything necessary to make the lien enforceable in accordance with the provisions of the Act creating the lien;
- (b) under clause (1) (b) in respect of the collateral are to be determined as of the date from which the person's representative status takes effect. R.S.O. 1990, c. P.10, s. 20 (2).

Purchase-money security interest

(3) A purchase-money security interest that is perfected by registration,

- (a) in collateral, other than an intangible, before or within 15 days after,
 - (i) the debtor obtains possession of the collateral, or
 - (ii) a third party, at the request of the debtor, obtains possession of the collateral,

whichever is earlier; or

- (b) in an intangible before or within 15 days after the attachment of the security interest in the intangible,

has priority over an interest set out in subclause (1) (a) (ii) and is effective against a person described in clause (1) (b). R.S.O. 1990, c. P.10, s. 20 (3); 2010, c. 16, Sched. 5, s. 4 (2); 2017, c. 2, Sched. 3, 8 (2).

Section Amendments with date in force (d/m/y)

2006, c. 8, s. 132 (1-3) - 01/01/2007

2010, c. 16, Sched. 4, s. 28 - 25/10/2010; 2010, c. 16, Sched. 5, s. 4 (2) - 25/10/2010

2017, c. 2, Sched. 3, 8 (2) - 22/03/2017