



AVOCAT FIDUCIAIRE

FIDUCIE USED AS SECURITY

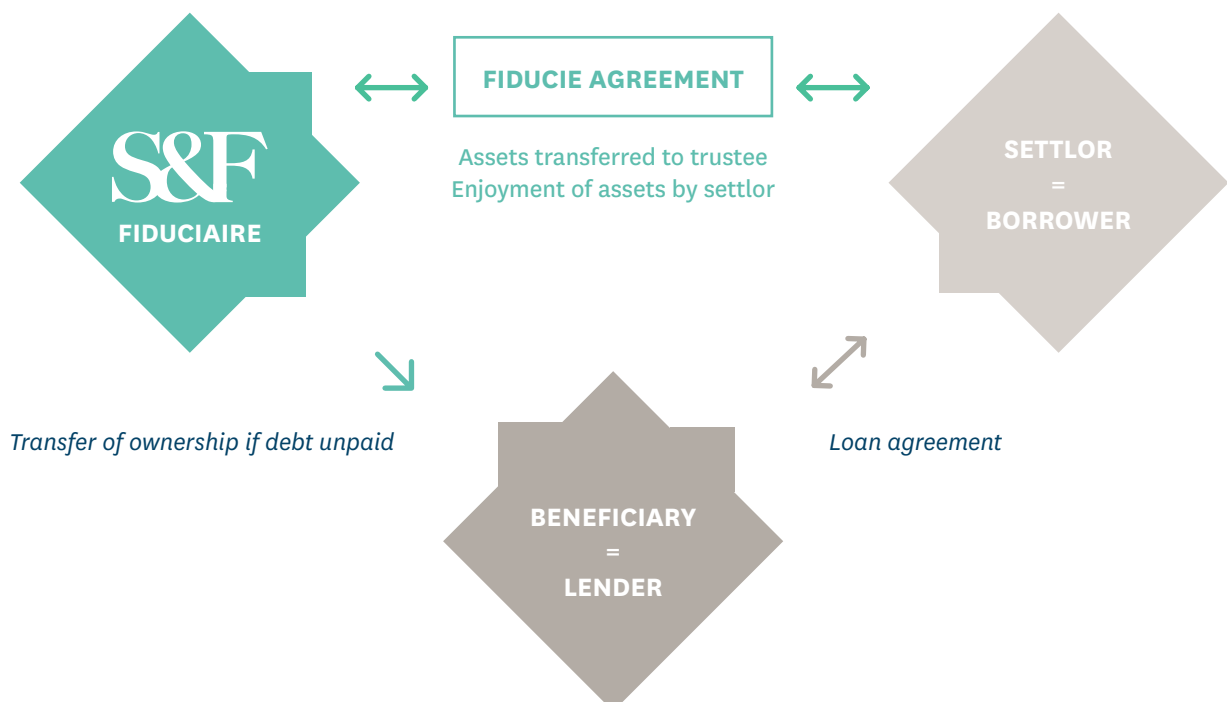
Under a **Security Fiducie** a Settlor transfers ownership of an asset or right to a Trustee to secure a claim of the Beneficiary on the Settlor.

The creditor that is the Beneficiary thus has a personal right against the Trustee, enabling it to demand that full ownership of the assets be transferred to it or, if the fiducie agreement expressly provides for it, that the assets be sold and all or part of the proceeds be paid to it, if the borrower (Settlor) defaults on its financial commitments.

The fiducie agreement may apply both to moveable and immovable property. Order No 2021-1192 of 15 September 2021, reforming the law on security interests, provides some details. Henceforth, secured debts may be existing or future; but, in the case of future debts, they must be determinable.

The legislator has prescribed specific rules applying to the drawing up of the fiducie agreement for Security Fiducies, which are provided for in articles 2372-1 TO 2372-5 of the French Civil Code.

Under a **Security Fiducie**, a Settlor (borrower) may transfer the ownership of the assets constituting the guarantee to the Trustee, in order to secure the loan.





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