

Secure Your Receivables in Mexico via the RUG

WHAT IS IT ?

RUG is the acronym for the secured transaction filing system in Mexico.

Registro Unico Garantias Mobiliarias

(Unified Registry of Moveable Property Collateral)

In September of 2010, Mexico instituted amendments to their secured transaction law. These amendments better aligned Mexico's secured transactions with U.S. Uniform Commercial Code - Revised Article 9 and Canada's Personal Property Security Act.

A properly perfected pledge (in the U.S. & Canada this would be the security agreement), protects the creditor against third parties that claim an interest in the collateral, allows the creditor to foreclose on the property and apply all proceeds to the outstanding debt, and grants preference against a bankruptcy trustee and all other creditor types including tax claims.

- 1 Ninguno**
all products that are to be sold by the debtor (similar to the PMSI in Inventory filing under UCC/PPSA)
- 2 Todos los bienes de la empresa**
all assets currently owned (similar to Blanket or Basic filing under UCC/PPSA)
- 3 Bienes especificos**
any specific asset that can be identified (similar to a PMSI in Equipment filing under UCC/PPSA)

How to Comply

In order to comply with the RUG, the debtor must sign three documents (which must be written in Spanish):

1. A non-possessory pledge, which is similar to a security agreement under the UCC & PPSA
2. A credit application, which is specific to the RUG filing process with Mexican law governing.
3. A promissory note, which elevates the security interest to an executive proceeding if there is a default, and provides stronger remedies for the creditor.



PLUS...

The secured party will need to authenticate the identities of the debtor by ensuring a Mexican notary public is present at the time the documents are signed.

The secured party must verify the debtor's correct legal name, by requesting the debtor provide a copy of the articles of incorporation, as well as provide their The Federal Tax Registration and electronic registry number.

The completed pledge agreement, signed by both parties and notarized, should then be recorded in the public registry by a Federal Notary.

"Sounds like a LOT of work..."

A RUG filing is in place for 12 years!

Not for NCS Credit! We can provide you with all necessary documentation and assist with the execution of the RUG filing!

Let us take the hassle & confusion out of secured transactions.

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