

# Review of *Bangsund on the Personal Property Security Act: The CCPPSL Model* by Clayton Bangsund \*

---

M O H A M E D F . K H I M J I \* \*

Secured credit has become an increasingly important feature of the global financial system since the enactment of the Uniform Commercial Code in the United States in 1966. The origin of the modern law of secured transactions may be traced back to Article 9 of the Uniform Commercial Code. That innovative legislation overhauled the legal regime with a view to lowering the cost of and increasing the availability of secured credit. Ontario became the first Canadian jurisdiction to proclaim into force personal property security legislation based on Article 9 in 1976.<sup>1</sup>

While some other Canadian common law jurisdictions soon followed suit, the Western Canada Personal Property Security Act Committee (the “Western Committee”) was established in 1986 to encourage interjurisdictional uniformity. The original members of the Western Committee consisted of representatives from Alberta, British Columbia, Manitoba, Northwest Territories, Saskatchewan, and Yukon. Subsequently, representatives from the Atlantic provinces, Ontario, and the federal government also began attending the Western Committee’s annual meetings. Therefore, the Western Committee was renamed the Canadian Conference on Personal Property Security Legislation (the “CCPPSL”) in 1990.

The CCPPSL has been extraordinarily successful in achieving its objective of promoting interjurisdictional uniformity across Canada. Other

---

\* (Toronto: Thomson Reuters, 2021) 479 pp. \$150

\*\* Associate Professor and David Allgood Professor in Business Law, Faculty of Law, Queens University

<sup>1</sup> *Personal Property Security Act*. R.S.O. 1990, Chapter P.10 (“OPPSA”).

than Ontario, Quebec, and Yukon, every Canadian jurisdiction has implemented personal property security legislation based on the model promulgated by the CCPSL. In *Bangsund on the Personal Property Security Act: The CCPSL Model*, the author provides a helpful overview of the history and development of personal property security legislation in Canada, from the influence of Article 9 through innovations by the CCPSL, in the opening two chapters. Professor Bangsund also produces a helpful chart setting out the current personal property security legislation implemented across Canadian jurisdictions indicating the model employed.<sup>2</sup> Chapter three is also of national application as it contains an explanation of the economic and social values embodied in all Canadian personal property security legislation.

Much of the remainder of the book may be thought of as annotated statute but organized by subject matter as opposed to statutory provision. The focus is very much on the version of personal property security legislation promulgated by the CCPSL. In other words, a statutory analysis of the secured transactions rules contained in the *OPPSA* and the *Québec Civil Code*<sup>3</sup> is not provided. Instead, Saskatchewan's legislation is presented as the proxy law for the CCPSL model while equivalent provisions from legislation in other Canadian jurisdictions employing the CCPSL model are cross-referenced in footnotes.<sup>4</sup> Chapters four to eleven provide commentary on the following key aspects of secured financing arrangements address by the legislation: terminology, application, attachment of security interests, security agreements, perfection of security interests, priority rules, enforcement, and conflict of laws.

Professor Bangsund's treatment of this subject matter is both accessible and comprehensive. Modern personal property legislation requires careful attention to statutory language. Both the purported collateral and the nature of the financing arrangement need to be classified correctly in order to determine the applicability of the statute, possible perfection method(s), applicable priority rules, and appropriate enforcement mechanisms.

---

<sup>2</sup> Clayton Bangsund, *Bangsund on the Personal Property Security Act: The CCPSL Model* (Toronto: Thomson Reuters, 2021) at 19.

<sup>3</sup> CCQ-1991 - Civil Code of Québec.

<sup>4</sup> As the author indicates, while Yukon's legislation is not technically a CCPSL model statute, it has been updated relatively consistently along the lines of recommendations made by the CCPSL. Therefore, the book treats Yukon's legislation as a CCPSL model statute; Bangsund, *supra* note 2 at 14.

Professor Bangsund's decision to organize the book by subject matter as opposed to the chronology of statutory provisions is vindicated as readers are helpfully directed to the key classification questions in chapters four and five so as to be able to identify the applicable rules relating to perfection, priorities, and enforcement in subsequent chapters.

In the final chapter, Professor Bangsund provides some reflections on future law reform initiatives in Canada, the United States, and other foreign jurisdictions. It is inevitable that commercial practice will continue to evolve and law reform will be necessary in response. Specifically, cryptocurrency is identified as needing its own classification as a form of collateral with tailored rules for enforcement that are more efficient than the current regime for intangible property.<sup>5</sup> Being a member of the CCPSL, the author's insights will no doubt influence the direction of future law reform and, in turn, feature in future editions.

This book provides a valuable resource to lawyers, judges, academics, students, and market participants working in the area of secured financing. Canadian personal property security legislation is technical, functional, and policy driven; i.e. the definition and rules in the statutes are not always intuitive.<sup>6</sup> The commentary provided by the author explains the meaning, relevance, and purpose of statutory provisions in an organized and systematic manner. Of particular value to students, academics teaching courses on secured transactions, and the uninitiated are the self-assessment exercises at the end of each substantive chapter.

---

<sup>5</sup> *Ibid* at 427-428.

<sup>6</sup> For example, a lease for more than one year, despite not being a security agreement, falls within the application of the legislation. The policy rationale is that equipment held by a debtor on long term leases may be used to deceive prospective creditors by being presented as assets owned; *ibid* at 71, 75-76.