

## **DFO ALLOWS ALL LENDERS TO USE ITS NOTICE AND ACKNOWLEDGEMENT LICENCE REGISTRY**

**By Brad Caldwell**

In the January 2012 Mariner's News section of *Western Mariner*, readers were informed of the new amendments to the B.C. *Personal Property Security Act* allowing for encumbrances against fishing licences. In the July 2012 Mariner's News readers were also informed of a new Notice and Acknowledgement system that allows lenders to file a notice of their encumbrances with the Department of Fisheries and Oceans ("DFO"). At the time, it was reported that one of the limitations of the new systems was that only recognized financial institutions such as chartered banks would be able to use it. Fortunately, DFO has now modified its policy and has limited this Recognized Financial Institution requirement to the Atlantic region. As a result, the Pacific, Arctic and Central regions now allow all lenders, including fish processing companies, to use this system. This is good news in British Columbia, as a significant number of fishing vessel owners rely on fish processors to extend them credit to get out fishing each year. In addition, given the demographics of the industry, a lot of vessel owners are reaching retirement age. The amendments to the *Personal Property Security Act*, along with the DFO Notice and Acknowledgement System provide the option of selling fishing licences with vendor financing provisions providing for payment over time. This could, in some circumstances, provide tax advantages and also facilitate selling to family members who might not otherwise qualify for bank financing. – *Brad Caldwell (lawyer)*

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