

PERSONAL PROPERTY SECURITIES REGISTER COMMENCEMENT 30 JANUARY 2012

The Personal Property Securities Register ("PPSR") created by the Personal Property Securities Act 2009 (Cth) ("PPSA") went live on 30 January 2012 and can be accessed at: www.ppsr.gov.au .

The PPSR is a national online regime registering security interest in Personal Property.

Personal property is any property other than land. It includes:

1. Tangibles such as goods, crops and livestock, motor vehicles, paintings, machinery and debtors; and
2. Intangibles such as licenses, intellectual property, trademarks, and investment instruments. Land is specifically excluded from this reform and the current laws governing registering a mortgage or caveat remain the same. Other exemptions include water rights, certain liens, and set offs of accounts.

If you are a secured party, or party to be secured, searches of the PPSR can be conducted 24/7 for details of any registration or security interests registered against a particular grantor of the security interest.

Anyone who:

- Sells goods on credit;
- Provides credit facilities;
- Makes loans or advances of funds to anyone;
- Has goods or assets located at other people's premises;
- Rents, leases or hires goods or assets to others;
- Supplies goods on retention of title terms;
- Supplies goods on consignment and these goods are stored elsewhere;
- Grants licenses to other parties to use any of their products, trademarks or intellectual property;
- Plans to enter into a pay a deposit for a conditional sale or purchase contract;
- Intends to take security over certain assets;
- Has guarantors with charging clauses in their favour;
- Has assets or funds held on trust by other parties

will be affected by the PPSA and must register any security interests on the PPSR.

A failure to register may result in losing out to a competing secured creditor with a security interest in the same personal property, or losing the security interest on the insolvency of the grantor of the security interest.

All in all, if you are receiving a security interest over personal property of another, you should ensure that your interest is properly registered on the PPSR so as to avoid any potential dissolution of that interest.