



THE PPSR READY TO CLAIM MORE VICTIMS ON ITS 7-YEAR BIRTHDAY

The Personal Property Securities Register (“PPSR”) has now been in operation for 7 years (since 30 January 2012).

It changed the way personal property is treated in Australia.

Ownership is no longer a trump card. Possession is now the trump card, unless you (the owner of the property) has registered on the PPSR.

In short, to maintain your ownership rights, you (as owner) must register your interests ***in your own personal property*** (goods, assets, equipment etc) if you provided those items of property to someone else (for example, under retention of title).

Other types of interest in personal property (including some equipment leases etc) are also required to be registered on the PPSR.

Many registrations on the PPSR last for only 7 years.

The result is that many registrations made on (or shortly after) the commencement of the PPSR 7 years ago ***have expired or are about to expire unless they are renewed prior.***

If any registrations are not renewed prior to expiry, you will be considered an unsecured creditor. In the event of insolvency of your counter-party (the party to whom you provided the personal property), the voluntary administrator or liquidator may be able to keep and sell your property (for example, goods supplied under retention of title) **AND** not pay you.

If the registrations expire and then you then make *new* registrations:

1. You will have lost your priority position (you go to the end of the queue).
2. There is a risk that the registration could be invalid under s588FL of the *Corporations Act* 2001 (Cth) if your counter-party enters liquidation or voluntary administration within 6 months of the new registration. This is because the registration will inevitably be more than 20 business days after the creation of your security interest. If that happens, you will be an unsecured creditor, and as stated above, the voluntary



administrator or liquidator may be able to keep and sell your goods (for example, goods supplied under retention of title) AND not pay you.

You can check when your registrations are due to expire by:

1. Logging in to the PPSR website (use your secured party registration number and password, known as a “token”); and
2. Obtaining a free Registrations Due to Expire Report: <https://www.ppsr.gov.au/registrations-due-expire-report>

Then renew the registration, also double checking the information in the registration to ensure it is correct.

Most businesses should understand what the PPSR is by now, but if you haven't heard of the PPSR or you don't understand it, get advice immediately! Your business could be at considerable risk of suffering *double-loss*, being the loss of property/assets **and** not being paid for them.

For further information or assistance contact Murfett Legal on +61 8 9388 3100.

Author: [Jason De Silva](#) (Director: Business Advisory, Insolvency & Litigation)

Email: jason.desilva@murfett.com.au

Murfett Legal is a leading law firm in WA, providing services in litigation, corporate and commercial, employment and workplace relations, insolvency, debt collection, business restructuring, Wills & estates, property, leasing, settlements, liquor licensing and intellectual property.