

WHAT IS THE PPSR?



PPSR
Personal Property
Securities Register

The PPS Register is a single, national online register for secured parties and potential secured parties to use it to search for and register security interests in personal property.

Everything from work vehicles, farm or factory equipment, livestock and crops, artwork, office equipment, patents, contracts, intellectual property, shares, bank accounts and any collateral that is owned by a business or an individual is seen as personal property.

If a business has a security interest in property, then it can register interest to officially mark itself as having certain legal rights over the property.

A business should consider doing a PPSR search if they are:

- Purchasing a privately owned vehicle,
- Purchasing used machinery or other equipment from a business,
- Buying anything that may be under finance or used as collateral,
- Conducting transactions with a seller that uses stock as collateral,
- Extending credit or offering a loan,
- Making a considerable investment in an individual or a business.

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Using the register can protect a business in two main ways:

- When buying goods – searching the register helps the business make an informed decision because the PPSR allows a check on whether the valuable goods that are being identified to buy are free from existing financed debt and so safe from possible repossession.
- When selling on retention of title or consignment or hiring or leasing out goods – properly registering can protect the business's interest should customers not pay or go broke.



The PPSR and COVID-19

As many Australian businesses have been directly impacted by the COVID-19 crisis. The Personal Property Securities Register (PPSR) can assist by offering a business risk protection in the current challenging financial environment.

The federal government's bankruptcy law relief measures in response to COVID-19 are temporary measures, which are in place for six months, and are intended to avoid unnecessary insolvencies and bankruptcies. They don't eliminate the liability of businesses to pay their debts. For suppliers and creditors, it's as important as ever to register security interests. However, many businesses are not familiar with the useful implications of the PPSR. A business or lender can use the PPSR to register their security interest over personal property. In the event of liquidation or a debtor defaulting, the PPSR will determine who has priority for secured creditors. With a secured interest in this scenario, a business will be in the best position to receive the goods, or its value, back. Traditional contracts with retention of title clauses may not protect you in the event your customer defaults on payments. It is important for a business to back up contracts with a registered interest on the PPSR as soon as possible. Having no priority interest can result in a business receiving little to nothing when trying to receive goods or money back.

Increased Financing Options

An effective registration on the PPSR helps to protect the financial interests of a business and is also a tool that can help you raise finance using your business goods and assets.



The PPSR has significantly broadened the forms of personal property over which security can be taken, from cars to crops and includes a wide variety of intangible assets, such as shares and other investment products, currency, and monies held in bank or other accounts or debts.

Essentially, anything you can imagine can now be used as collateral for large or small business, companies, partnerships or sole traders in order to gain access to finance to help them grow their business.

By granting banks a registered security interest in that property the bank will be more willing to lend a business money as they know they have a registered interest in that property should the business default on payment.

Learn more about the PPSR from their [Education Hub](#).

