



TIMELY REMINDER TO CHECK THE END DATE OF YOUR PPSR REGISTRATIONS

The 7th anniversary of the commencement of the Personal Property Securities Register (PPSR) will occur on 30 January 2019.

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This impending anniversary serves as a reminder for Secured Parties to check the End Date of their registrations.

End Dates – a recap

Security Interests can be registered on the PPSR for:

- (a) 7 years or less;
- (b) more than 7 but less than 25 years; or
- (c) no stated End Time.

Registrations in respect of serial-numbered goods (motor vehicles, watercraft and some other property such as certain items of plant and machinery) fall in a special class. Security Interests over such items are limited to a maximum of 7 years in duration. Therefore, it is possible that many registrations over serial-numbered goods, which were registered at or around the time of commencement of the PPSR, will start to expire from 30 January 2019.

What happens when the End Date of your registration arrives?

Put simply, you will likely become unsecured which will give rise to serious implications.

The Grantor who is in possession of the secured property will be able to sell or dispose of that property free of your Security Interest, and any liquidator appointed in respect of the Grantor may seize and dispose of the secured property free of your Security Interest, leaving you with little or no prospects of recovering any money owing to you.

What should you do?

Apart from the specific issue of Security Interests over serial-numbered goods discussed above, you should regularly audit your Security Interests generally to determine their expiry date, particularly where you hold numerous Security Interests or regularly register Security Interests.

The End Date of a Security Interest can very easily and quickly be extended by logging on the PPSR. The catch is, however, that it can only be extended before its End Date.

Please don't hesitate to contact us at any time if you require assistance in keeping track of your Security Interests or if we can otherwise assist with these issues.

This e-Alert is intended to provide general information only and should not be treated as professional or legal advice. It is recommended that readers seek their own legal advice before making any decisions in relation to their own circumstances.