

Personal Property Securities

Frequently asked questions

Benefits of PPS Reform and the PPSR

One of the major components of the reform is the combining of existing state and Commonwealth registers into a single PPS register, the PPSR.

An increased opportunity exists for businesses to use personal property as Collateral for finance, enabling the securing of capital for growth.

There is also an increased level of transparency with more Security Interests being registered and available for searching.

What is the main purpose of the register?

To protect the rights of lenders when a Grantor (the borrower) becomes bankrupt or insolvent.

What is a registration?

A registration is simply the process of recording the existence of a security interest on the PPSR, i.e. “registering an interest”. All registrations on PPSR are Security Interests.

What is a Security Interest?

A Security Interest refers to an interest in personal property that secures payment of a debt or other obligation. If you were to purchase a new vehicle on finance, the company providing the finance will hold a Security Interest over that vehicle until full payment has been made.

What is personal property?

Personal property is any property other than real property (land & fixtures).

Why do I need to register my security interests on the PPSR?

You need to register a Security Interest on the PPSR in order to retain the right to any goods that you may have lent money against, for the purposes of insolvency protection.

What is a Secured Party?

A Secured Party is a company, individual or other entity that has a Security Interest in a piece of personal property (Collateral).

What is an SPG?

A Secured Party Group is made up of one or more secured parties. Every secured party must be part of an SPG and cannot exist separately on the register

The concept of SPGs has been created for the sole purpose of registering Security Interests on the PPSR. An SPG contains one or more secured parties.

A registration cannot exist without being associated with an SPG.

Can I search the PPSR without an SPG?

Yes, you can search the register without being part of an SPG. You may only search against the name of an individual for which you have an authorised purpose.

If you wish to register a Security Interest on the PPSR, you will need an SPG.



Can CITEC Confirm create an SPG on my behalf?

Yes, CITEC Confirm can create an SPG for you, if required, which will allow you to begin registering Security Interests.

What/who is a Grantor?

Generally speaking, a Grantor is a borrower.

An individual or organisation that grants a security interest over personal property to another party. Grantors include those who use their business assets as security for a loan, receive property under a retention of title arrangement, or lease personal property from another party for an extended period.

Read more about Grantors here:

<http://www.ppsr.gov.au/AsktheRegistrar/Whocansearch/Pages/default.aspx>

What is Collateral?

Collateral is the personal property or “goods” to which the Security Interest is attached. Collateral is organised into classes, for example: tangible and intangible.

What is Retention of Title (ROT)?

An ROT is a type of Security Interest where the registering SPG retains ownership of the property e.g. leasing arrangements. Security Interests registered as ROT become a PMSI Super Priority which defeats all other registered Security Interests in the Collateral.

What is a PMSI?

A Purchase Money Securities Interest will arise if:

- money was lent for the purchase of the Collateral
- the Collateral was advanced to the Grantor, with outstanding payments
- the Collateral was advanced to the Grantor on consignment.
- the Collateral was leased to the Grantor.

What proof will I receive upon successful registration of a security interest?

A verification statement (including Financing Statement) will be issued to the secured party.

The secured party must give a notice of the verification statement to the Grantor.

What is a Perfected Security Interest?

A Perfected Security Interest is a Security Interest that is registered on the PPSR and follows all the rules required by the PPS Act, i.e.

- it is registered within the correct time frame
- it is valid
- the correct Collateral class is used
- Collateral details are entered correctly, eg. VIN
- Grantor details are correct and supporting information is required, e.g. DOB is provided for Grantors who are individuals
- the registration is submitted and payment is made for the registration.

What happens to interests I have registered prior to the introduction of PPSR?

Your existing registrations will be ‘floating’ in the PPSR. You will need to find your registered Security Interest and connect it to your SPG.

What is a Transitional Security Interest?

A Transitional Security Interest is ANY interest that existed before the commencement of PPSR, including those interests that were never registered before.

Transitional Security Interests are considered ‘temporarily perfected’ for 24 months from register commencement in order to provide a safe harbour within which secured parties can adapt to the PPS Act.



If after 24 months the secured party does not perfect the security interest on the PPSR, it becomes unperfected and would be subordinate in priority to a Perfected Security Interest.

What is pre-load?

Pre-load is no longer available.

The pre-load process gave businesses the opportunity to load their existing registrations into the PPSR.

Those who missed the pre-load window are at no disadvantage, as businesses still have 24 months from the commencement of the PPSR to register any interest that existed before the introduction of the Act.

Which registers are not being migrated?

Victorian agricultural interests

Crop and wool liens will not be migrated because they have a maximum period of registration of 12 months. The PPS Act will provide temporary perfection for an equivalent period without migrating the registrations.

Northern Territory Register of Co-operative Charges
- There are no registrations.

Western Australian Register of Co-operative Charges
- This register was created too late (March 2011).
Any registration on this register will be considered “transitional”.

Any register that doesn't give priority by registration and any register that is not covered by the PPS Act (including previously included registers that relate to statutory licences).

Can I bulk register through CITEC Confirm?

Yes, CITEC Confirm supports bulk registration.

What are attachments?

Attachments are optional and include any supporting documentation that is added to a registration for clarification purposes e.g. if you are registering an interest in cattle, the secured party may want to attach a picture of the cattle to remove any disputes.

The PPSR will accept up to 5 attachments per registration.

Attachments do not ‘perfect’ a Security Interest.

1800 773 773
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Confirm.

Innovative Information Solutions

CITEC Confirm's PPSR solution

Frequently asked questions

What software and settings are required to use our PPSR solution?

In order to utilise CITEC Confirm's PPSR solution, please ensure you have the latest version of Microsoft Silverlight installed on your PC. If you don't have Microsoft Silverlight installed, you will be prompted to download and install once you click on the PPSR link from the main menu

To ensure the best user experience with our PPSR system, please ensure you adjust any pop-up blockers that may be setup on your browser to allow the following websites:

- app.esisweb.com.au
- confirm.citec.com.au

What searches can I conduct?

PPSR/Registration number:

Search using the Registration number (unique number assigned to each interest recorded on the PPSR menu).

Serial number:

Search for serialised goods using one of the following identifiers:

Motor Vehicle VIN, Motor Vehicle Chassis Number, Motor Vehicle Manufactures Number, Watercraft HIN, Watercraft Official Number, Aircraft Engine Manufactures Number, Airframe Manufactures Number, Helicopter Manufactures Number, Aircraft Nationality Code & Reg. Mark, Patent Number, Trademark Number, Design Number or Plan Breeders Right Number.

Grantor:

Search by the person who owns or has an interest

in the personal property to which a security interest is attached, using Organisation name, Organisation Number (ACN/ABN etc.) or Individual Name (DOB required). Once a Grantor Search has been purchased, each individual result can be accessed and subsequent certificates can be generated at no additional cost.

Note: if searching by organisation, the Collateral type defaults to 'All present and after acquired property' (both with and without exceptions). If you wish to broaden the collateral types, please select the relevant classes prior to clicking the 'Search' button.

Ordinal:

This search compares two Registration numbers (or events) and identifies which one has priority. The Ordinal search is useful for determining priority when an item of Collateral has more than one interest on it.

How do I keep track of my searches/registrations for billing purposes?

CITEC Confirm has built its PPSR solution to cater for the entry of matter codes for both Registrations and Searches. These matter codes or references populate through onto your daily usage report, making reconciliation of search and registration costs simple.

When searching, the matter code can be entered via the 'Reference' field. When registering an interest, the matter code can be entered via the 'Client UDF1' field. Note: both fields have a 40 character limit.



I have conducted a search but I'm unsure how to generate the search certificate:

Click the 'Searches' button from the CITEC Confirm PPSR main menu. This will provide a list of all past searches conducted by the account. If you can't see your past search easily, you can use the controls or 'Find' function at the top of the screen to refine the results. Once you have located the row containing the appropriate past search, select it and click the 'Open' button to the right of the screen. When the past search is retrieved, select the 'Certificate' button on the right hand side. This will produce a PDF copy of your search certificate.

Why are no interests returned when I search on a company?

Firstly, there may not be any registered interests against the company. You can obtain a certificate to show this fact.

Due to an issue that occurred when the Attorney General's Department migrated the interest data into the PPSR, the interest could be under a different search term. Because of this issue and until otherwise advised, when searching for interests on a company – the Attorney General's department have recommended that you conduct three searches: ABN, ACN & Organisation name. This will verify if there were any interests recorded on the PPSR.

How can I get more information on an error for both searching and registrations?

For both search and registration errors, start by highlighting the line item in question and clicking the open button. From here, select the third tab across the top of the screen "Message". This tab will give you an error code and a description of what the error code means. If you can't interpret the error message please contact our Customer Service Centre on **1800 773 773** for further assistance.

Why does the "verify" button say no organisation exists?

At this stage the verification looks against a database of ABN based company numbers. If your organisation number is not ABN based it will fail the verification. If this occurs but you are sure the number entered is correct, simply click ok and continue the search.

Why does the attachment say "no image exists"?

Unfortunately, due to an error occurring when the Attorney General's Department migrated the interest data into the PPSR the information was lost and will not be available. In order to obtain the image/attachments please contact the SPG for this information.

How long do results store for, and where?

Results for all searches are stored on our system for 30 days. Searches are stored under the search tab and can be accessed via the above method (see generating the search certificate).

I want to be able to lodge Interests/ Registrations on the PPSR:

By default, your account will only have access to searching the PPSR system. If you would like to have access to Registrations enabled, please contact our Customer Service Centre on **1800 773 773**.

How do I migrate my interests to CITEC Confirm?

Simply contact our Service Centre and our friendly staff can assist you to have your interests migrated into our PPSR system. To ensure the migration occurs as efficiently as possible, it is beneficial if



you have the following information available prior to contacting us:

- SPG Details
- SPG Access Code
- Registration Number
- Corresponding Registration Token Code
- Giving of Notice Identifier

What is a 'Giving of Notice Identifier' and how it is different to a reference field?

The 'Giving of Notice Identifier' (GOIN) field is where you can enter text to help identify the new registration. The details you enter are publicly available and must be used by someone giving notice to a secured party under the PPS Act.

If lodging this on behalf of a client, this information would normally be provided to you.

How do I discharge a registration?

To discharge a registration through CITEC Confirm, you first need to ensure the registration is listed in CITEC Confirm's PPSR system. If the registration was created in or previously migrated into CITEC Confirm, simply select the registration you'd like to discharge from the list available to you and click on the discharge button. You will be prompted to confirm that you wish to discharge the registration before the request is fulfilled.

If the registration has not been migrated to CITEC Confirm's PPSR system, please see the details above on how to migrate your interests into the CITEC Confirm system prior to discharging.

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