

# Boring but important

## The Personal Property Securities Act

- The *Personal Property Securities Act (2009) (Cth)* (“PPSA”) comes into effect in October 2011 and will bring with it new rules for the creation, priority and enforcement of security interests in personal property.
- All security interests over personal property will need to be recorded on a single, national online register accessible 24/7.
- Once you take security over personal property, by registering it you will perfect your interest and gain legal priority over later secured parties.
- Anyone will be able to search the register to see whether particular property they want to buy or take security over has an existing security over it.

### Why this may be important for you

- The following forms of personal property interests will need to be registered:
  - Securities over tangibles such as inventory, machinery, cars, mining equipment and planes;
  - Securities over intangibles such as intellectual property, licences and contractual rights;
  - Securities over shares, units and debts; and
  - Equipment leases (but not real estate leases).
- An example: if you lease equipment to a mining company, you will need to notify this lease on the register. If you do not, you could lose your title to the equipment if the lessee goes into liquidation or sells the equipment to a third party. Kind of a “register it or lose it” type of thing!

Any questions, please give us a call.

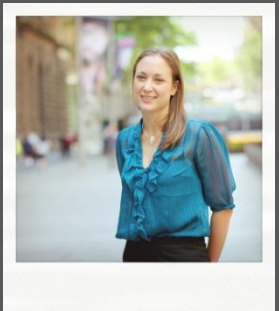
We will remind you when the PPSA is about to come into effect.

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