

30 November 2009

Commercial Law e-alert

The new Personal Property Securities Act, what businesses need to do now

The Personal Property Securities Bill was passed by the Senate on 26 November 2009 and the new *Personal Property Securities Act (PPS Act)* comes into effect May 2011.

The PPS Act will impact on the business of financiers, insurers, lessors and suppliers of goods, as well as insolvency practitioners.

The Act will replace about 70 pieces of legislation around the country and will set up a Federal regime for the registration of securities over personal property other than land and certain statutory licences. Securities such as Company Charges and Chattel Mortgages that were previously registered with ASIC and other various state and territory agencies, will now be registered in the PPS register which will be administered by the Insolvency and Trustee Service Australia (ITSA).

Other arrangements such as conditional sale agreements (including ones containing retention of title provisions) and certain leases will now also be registerable interests.

Some Registers will cease to exist

Registers such as the Register of Encumbered Vehicles (REVS) register in NSW and the equivalent Registers in other states and territories will cease to exist and registration of interests in motor vehicles and boats will now be via the PPS Register, an online register currently being created.

Hunt & Hunt has been doing presentations on the new PPS regime with the Federal Attorney General's department around the country in the past month, and is involved in key business consultation groups staying at the forefront of the changes.

What businesses need to do now

Although it appears that May 2011 is quite far away, the effect of the PPS Act will require some very significant changes to the way businesses operate and it is important to be ready and to understand how it may affect your business. This will require a full review of business security registers and other arrangements, which will now be covered by the PPS Act.

Hunt & Hunt will be conducting a number of presentations throughout 2010 in our offices across Australia and will be providing further updates throughout the year on the new regulations and the operation of the PPS Register.

If you want to know more about how your business will be affected and want to ensure your documentation and systems are compliant with the PPS Act please contact:

Maria Townsend, Sydney (City)	+61 2 9391 3059	mtownsend@hunthunt.com.au
Andrew Hudson, Melbourne	+61 3 8602 9200	ahudson@hunthunt.com.au
Lynette Reynolds, Brisbane	+61 7 3232 9700	lreynolds@macrossans.com.au
Rick Harley, Adelaide	+61 8 8414 3333	rharley@hunthunt.com.au
Darren Miller, Perth	+61 8 9488 1300	dmiller@hunthunt.com.au
Antony Logan, Hobart	+61 3 6210 6200	alogan@hunttas.com.au
Susan Moran, Newcastle	+61 2 4925 5500	smoran@hunthunt.com.au