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PPSR – Time may be running out to extend your registration.

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The Personal Property Securities Register (PPSR) commenced operation on 31 January 2012.

The default registration period starts at 7 years or less, and is the cheapest option when registering a security interest on the PPSR. What this means is that 7-year registrations will begin to expire from January 2019. If you were one of the early birds and ensured you had registrations from the commencement of the PPSR, then your PPSR registrations could be due to expire from January 2019.



What happens if I don't extend my registration

Failure to extend a registration (that is still required to secure personal property) could result in a loss of priority to later security interests. This is because expired or lapsed PPSR registrations cannot be renewed. If a registration lapses then a new registration will be required in order to protect the interest in the personal property. However:

-) the new registration may not have the same priority as the previous registration; and
-) if the grantor of the security interest is a company, then in the event that the grantor company becomes insolvent within 6 months of the new registration, this new registration may vest in the company and the security holder will lose their security interest.

How can I make sure my PPSR registration continues to protect my security

A PPSR registration may be extended, provided that the extension occurs prior to expiry or lapsing of the PPSR registration. You can undertake a free search using the PPSR search tool to determine if your PPSR registrations are due to expire in 2019 and need to be extended. This search tool is available from <https://www.ppsr.gov.au/registrations-due-expire-report>. This will identify those security interests due to expire from January 2019. You can then decide whether those registrations require extension or may be due to be discharged.

What can JHK Legal do to help

At JHK Legal we can:

-) assist you in undertaking the necessary searches to determine whether you have any registrations which are due to expire in 2019; and
-) assist you in amending your PPSR registrations as necessary, including extending any registrations which are due to expire.

JHK Legal can also assist you with:

-) registering new security interests
-) providing you with advice in respect of your existing securities, to determine if they are adequate
-) reviewing your terms of trade or other documents relating to the goods and services you provide in your business, to work out if you are able to register security interests (you may not realise you have invalid registrations).

Please contact one of our friendly commercial lawyers to discuss how we may help you.