



PPS Reform Newsletter - May 2009

Migrating Data to the PPS Register

The Personal Property Securities Bill establishes a single national online register of personal property securities, the PPS Register (PPSR). Security interests in personal property recorded on existing registers will be migrated to the PPSR before the PPSR becomes operational.

Migration process

The PPS team is working closely with the owners existing registers to achieve a seamless transition to the PPSR.

Verification data will be provided by NEVDIS (National Exchange of Vehicle and Driver Information System), ASIC, and the ABR. This data will be used to cross-reference the data migrated from the source registers and will be provided on 'verification statements' that will be sent to the Secured Party's "address for service" as part of the migration process.

A migrated security interest is a legally valid registration that exists on a current register and is supplied and accepted for data migration. The priority between migrated security interests will not be affected by the PPS Bill. The original date and time of registration on the source register will be recorded on the PPSR to ensure users can work out their priority.

Incorrect data can be amended by the Secured Party after go-live in PPSR or before go-live within the current register. ***If you receive a verification statement, please check it carefully and, if corrections are necessary, follow the instructions provided.***

Consequences of migration

Migrated security interests will have priority over new security interests in the same collateral. This is because the PPS Bill will deem migrated security interests to be registered on the PPSR from immediately before the registration commencement time (which is effectively when the PPS Bill commences).

The PPS Bill generally preserves the priority of migrated security interest had relative to another interest in the same collateral created before the PPS Bill was enacted. It would be unconstitutional (section 51(xxxi) of the Commonwealth Constitution) if the PPS Bill were to alter the priority that a secured party had prior to the PPS Bill being enacted, unless the priority between secured parties comes to be determined because of bankruptcy or insolvency (Commonwealth power under section 51(xvii) of the Constitution), or where an existing secured party has agreed to be subject to the terms of the PPS Bill.

A secured party with a migrated security interest will be taken to have agreed to be subject to the terms of the PPS Bill if they voluntarily re-register or amend their registration on the PPSR. Once a secured party 'signs up' to the PPS Bill, their migrated security interest will be subject to the terms of the PPS Bill, including provisions which might result in their registration being amended or removed if the secured party does not meet certain requirements under the PPS Bill.

The PPS Bill is intended to provide protection for migrated security interests

Latest News

Senate Committee Reports

Senate Legal and Constitutional Affairs Committee's report was released on 19 March 2009.

See

http://www.aph.gov.au/senate/committee/legcon_ctte/personal_property/info.htm

Government Response

The Government is considering the Committee's report.

Next Steps

The Bill

The PPS Bill will be introduced into federal Parliament during the 2009 sitting year.

Referral Legislation

The Australian Government will consult with the States and Territories to finalise the referral legislation which will support the enactment of the PPS Bill.

The Register

Design and development of the PPS Register application will continue, with work on detailed design being finalised and focus moving to the development phase.

Consultation

The consultative period on the B2G design proposed for the PPS Register commences on May 20 and will run until June 20 2009.

The Contact Centre

Evaluation of the PPS Contact Centre tenders continues.

while ensuring that the secured party is responsible for keeping the registration active if the security interest is still current. Therefore, a migrated security interest will become unperfected and lose priority if the end time for the registration passes without being extended. The end time assigned to the migrated registration on the PPSR will be that allowed by the law under which the initial register was maintained.

Government Response to Report of the Senate Legal and Constitutional Affairs on the Draft PPS Bill

The Senate Committee's report can be found at http://www.aph.gov.au/senate/committee/legcon_ctte/personal_property/info.htm.

The government is carefully considering the report of the Committee

Consultation

We are committed to working with stakeholders to assist their preparations for transition and integration into the new PPS Register before it commences operation in May 2010.

B2G Consultation

The consultative period on the B2G design proposed for the PPS Register will commence on May 20 and run until June 20 2009.

An invitation to participate has been extended through a range of peak bodies. If you have not received an invitation and are likely to be a user of the B2G interface and wish to participate in the process, please contact pps@ag.gov.au. If you are aware of someone who should be included in the consultation, please pass this invitation on to them.

The PPS Register

The Register will be a single, national Personal Property Securities Register (PPSR). It will be computer based, publicly accessible and updatable in real time. The PPSR will be accessible primarily through the internet and B2G, but also by IVR, SMS, call centre and physical lodgement channels. The Register will be on line in May 2010.

Need a speaker?

Are you running a conference, workshop, presentation which would benefit from a tailored talk on the impact of PPS reforms? We can make available an experienced, informative speaker on PPS related issues. If you would like to discuss whether we can add value to a forum arranged by you, please contact us at pps@ag.gov.au.

Papers and Presentations

Copies of our papers and presentations can be found on our website (www.ag.gov.au/pps).

Data Migration

Planning for the migration of data to the PPS Register from existing registers is underway, with meetings held with register owners.

Contact us

Email: pps@ag.gov.au,
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BARTON ACT 2600

Our Website

<http://www.ag.gov.au/pps>

Invitation

We are committed to working with stakeholders to assist their preparations for transition and integration into the new PPS Register before it commences operation in May 2010.

If you have had this newsletter passed to you and you would like to subscribe in your own right, please let us know.

If you have a question or a suggestion for the newsletter, please contact us at pps@ag.gov.au.