



PPSR timing rules

The timing of registering and discharging has legal implications. Failure to follow these timing rules can have significant consequences. Below are some common timings to consider.

More information can be found in *Your business guide to the PPSR*. Go to ppsr.gov.au to download a copy.

What are the PPSR timing requirements...	Purpose	Time limit/period or explanation	Legislation	Can it be extended by court?
... to achieve purchase money security interest (PMSI) super-priority?	Registration time period for PMSI super-priority.	<p>Where goods supplied will be part of grantor's (customer's) inventory – before grantor gets possession of goods (or attachment for other personal property). (For example, before the goods are delivered to the customer's premises).</p> <p>Where goods supplied will not form part of the grantor's (customer's) inventory – 15 business days from grantor's possession of goods (or attachment of other personal property). (For example, within 15 days from delivery to the customer's premises).</p>	S62(3) Personal Property Securities Act 2009 (PPSA)	Yes, s293 PPSA
... when dealing with a company?	Registration against corporate grantor.	<p>Register within 20 business days of security agreement OR register more than six months before insolvency commences.</p> <p>Be aware: If you're seeking PMSI super-priority, then the PMSI registration time limits apply.</p>	S588 FL Corporations Act 2001	Yes, s588FM Corporations Act 2001
... when it looks like the deal is not going ahead or it appears you no longer have a security interest in the collateral?	Amendment of financing statement¹ where no reasonable belief that a security interest exists.	<p>Where there are no longer reasonable grounds for such a belief, amendment should be made as soon as practicable, or at the latest within 5 business days from the day there stopped being reasonable grounds for the belief.</p> <p>Note: Civil penalties apply.</p>	S151(2)(b) and (3)(b) PPSA	Yes, s293 PPSA
... when the security interest (or obligation) is satisfied (or finished) over serial numbered goods (such as a car) or consumer collateral?	The need to remove registrations over consumer or serial numbered goods when the secured debt has been repaid.	The secured party must discharge the registration within 5 business days after the debt is unperfected (e.g. the debt is repaid).	S167(2) PPSA	Yes, s293 PPSA

¹ A *financing statement* is commonly referred to as a PPSR registration

What are the PPSR timing requirements...	Purpose	Time limit/period or explanation	Legislation	Can it be extended by court?
... when regularly engaged in the business of leasing or bailing?	To determine which leases, or bailments for value, should be registered.	<p>As of 20 May, 2017 a 'PPS lease' is now defined to cover agreements:</p> <ul style="list-style-type: none"> • to lease property for a term of more than 2 years or • to lease property for a term of up to 2 years, but includes option to renew so that the total term might exceed 2 years, or • to lease property for a term of up to 2 years or an indefinite period and the lessee has uninterrupted possession for more than 2 years. <p>Note: For leases entered into before this date, the earlier PPS lease definition still applies.</p> <p>TIP: If you've got goods that have been out on hire for nearly 2 years (with the same customer), consider whether you should register before the lease reaches the 2 year mark.</p>	S13 PPSA	No
... for duration periods of a registration?	<p>Consumer or serial numbered property – up to 7 years maximum.</p> <p>Other property – up to 7 years or up to 25 years or no stated end time.</p>	<p>There are three timing periods available when registering:</p> <ul style="list-style-type: none"> • up to 7 years (\$6.00) • up to 25 years (\$25.00) • an indefinite period (\$115.00). <p>Note: Consumer and serial numbered property has a maximum registration period of up to 7 years.</p>	S153, Item 5 PPSA	No
... for sending the verification statement to the grantor?	Requirement for secured party to give notice to the grantor that a registration has been made.	<p>A secured party must provide a copy of the verification statement to the grantor as soon as reasonably practicable after registration.</p> <p>Note: A secured party doesn't need to send a verification statement if no grantor details are recorded in the registration or if the grantor agrees in writing not to receive one about a registration that involves commercial property.</p>	S157(1) PPSA	No

TIP

What are the PPSR time limits ... to extend a registration?

Registrations can only be extended before they expire so closely monitor the end date to ensure continuous protection (and maintain your priority positioning).

This guide provides general information – it does not constitute and is not intended to be legal advice. For advice on how the law applies to your specific circumstances you should consult your legal advisor.