

TRYING TO GET YOUR INVOICES PAID?



Australian Government
Australian Financial
Security Authority



PPSR
Personal Property
Securities Register

If you supply goods and give your customers 30, 60 or 90 days to pay – you’re offering credit. When offering credit there’s a risk you might not get paid.

The Australian Government’s Personal Property Securities Register (PPSR) is one way to help you get your invoices paid, or your goods back, if your customer can’t pay. Your invoice or contract, along with an effective PPSR registration, can put you ahead of banks, other lenders and outstanding tax debts, if your customer goes out of business.

What is the PPSR?

The PPSR is a noticeboard of security interests in almost anything of value, except for land, buildings and fixtures.

By adding your information to the Australian Government’s PPSR, you’re declaring your interest in the goods you have supplied. This can mean you’ll have a legal right to be first in line to be paid or to get your goods back.

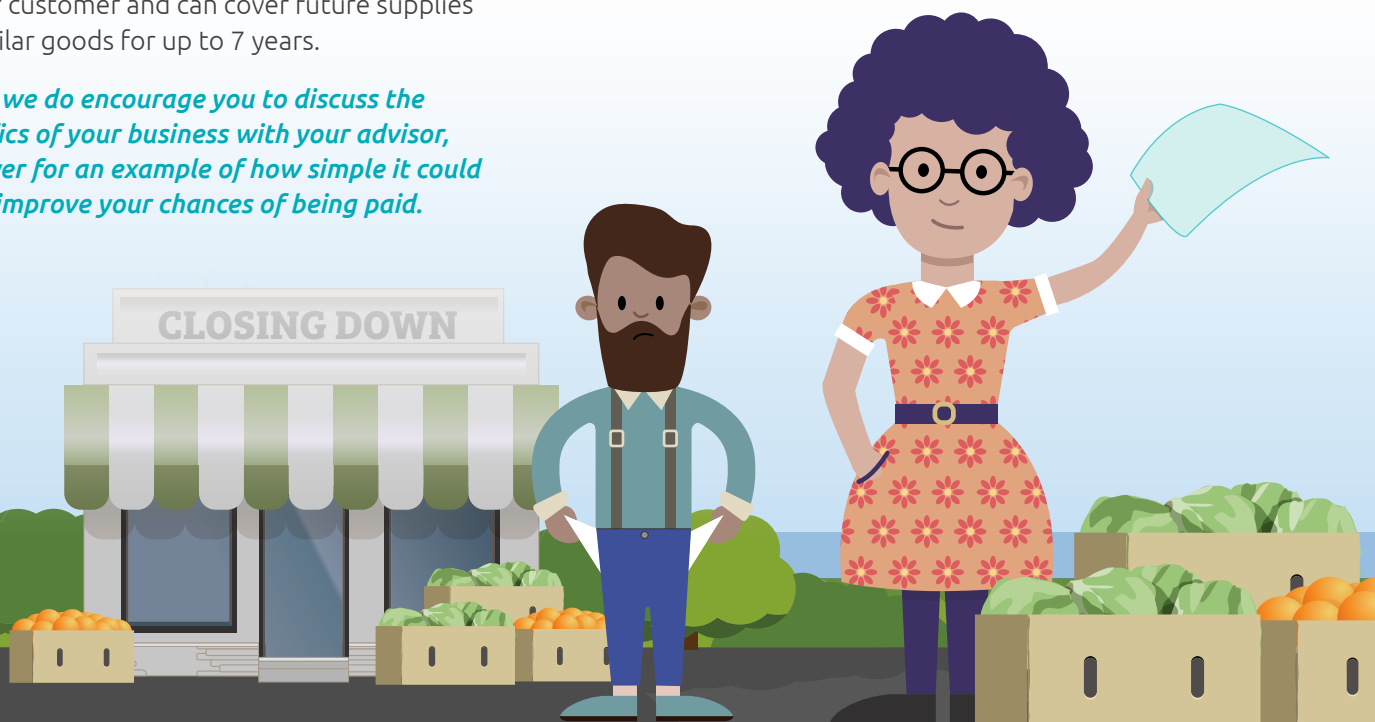
Adding your information to the PPSR costs \$6 per customer and can cover future supplies of similar goods for up to 7 years.

While we do encourage you to discuss the specifics of your business with your advisor, see over for an example of how simple it could be to improve your chances of being paid.

For more information

For more information about the PPSR, to make a registration or to complete a search visit:

ppsr.gov.au



HOW TO GET PPSR PROTECTION

1

Check your invoice or contract terms

Make sure you have an agreement in place which creates a security interest in the goods you're supplying by:

- establishing an agreement with your customer which outlines your ongoing terms of trade. This is often done by either an invoice, sales contract or credit application form.
- having evidence of the agreement, as you may need it in the future to prove your claim. This might be a signed contract or email exchange.
- making sure your agreement creates a valid security interest. This is often done by including a condition that you retain ownership in the goods until full payment is made, commonly known as a retention of title clause.

A typical retention of title clause says:

Title for goods you have supplied will remain with you as the seller until you have received full payment.

Here's an example from a High Court case involving vehicles:

Property of the vehicle(s) to which this invoice relates shall not pass to the purchaser until such time as the vehicle(s) to which this invoice relates, and all other vehicles supplied by the vendor to the purchaser, have been paid in full.

This clause gives the vendor (seller) the right to reclaim any vehicles that are not paid for. The seller's interest is a security interest.

Be aware: Just displaying your terms on the back of invoices or order forms may not be enough to create an enforceable security interest. To avoid uncertainty, get the help of a legal advisor in setting up your security agreement or contract terms.

2

Adding your information to the PPSR

Making a PPSR registration puts the world on notice you're claiming a security interest in goods you've supplied.

- A 7 year registration is only \$6 per customer.
- A registration covers any security interest you have, or will have, in the goods described in that registration.
- You should register as soon as possible – preferably when you sign up a new customer on credit terms and before your goods are delivered.
- You must use the correct customer details as incorrect details may cause your registration to be legally ineffective.
- Tick the purchase money security interest (PMSI) applies box when you first register to gain super-priority.

For information on how to register your security interests visit ppsr.gov.au/register

You will need the following information to hand:

- your details (as the secured party)
- customer name or identifier (called the grantor)
- information about the goods or assets (collateral)
- your credit card for \$6 payment.

Getting the customer identifier right is essential

Check your contract. If your customer is a company use their Australian Company Number (ACN) or if your customer is a sole trader, use the name and date of birth on their driver's licence.

For more detailed information visit ppsr.gov.au/grantors