

RESPONSIBLE REGISTRATION MANAGEMENT



Australian Government
Australian Financial
Security Authority



PPSR
Personal Property
Securities Register

When should I discharge my PPSR registration?

If you are a business or individual who has registered a security interest on the PPSR it is important that you remember to:

- regularly monitor and review your registrations to ensure that they still need to be on the PPSR; and
- take steps to promptly discharge any registrations which are no longer required – usually within 5 business days of the debt or loan it secures being repaid.

Example *Zahra's car*

Zahra is looking to purchase a new car from a motor vehicle dealership, and trade in her current car. She has been on a waiting list for months and has finally been notified that the new car is available to be purchased.

Before finalising the transaction, the car dealership performs a search of the PPSR against the serial number of Zahra's old car, only to notice a registration in favour of Bank ABC. Zahra knows that this registration relates to an old loan, which was paid out in full earlier in the year. She contacts Bank ABC and asks them to discharge the registration. Bank ABC advises Zahra that they will look into it internally.

Zahra follows up Bank ABC over the next few weeks and eventually issues an amendment demand to Bank ABC. Bank ABC then register a financing change statement to discharge the registration from the PPSR. However, by this time, the car dealership has already sold the vehicle to the next person on the waiting list.

What is the problem?

Through the dispute resolution process, we regularly see registrations over personal property being left on the PPSR after the loan or obligation which they secure has been repaid.

This can cause serious problems for parties who own that property or purchasers who want to buy it.

For example, if you have registered against a motor vehicle and the owner wants to sell it, a purchaser is likely to refuse to buy it until your registration is removed. It may also stop the owner using that property as security for a loan or other transaction.

In most cases, this is accidental, as the secured party has forgotten to end the registration. However, we do investigate allegations of misuse, such as where secured parties intentionally leave registrations on the PPSR without a valid reason for doing so. This example is not only against the law but it could expose you and your business to a civil penalty under the *Personal Property Securities Act 2009* (Cth).

Whether accidental or deliberate, failure to discharge the registration in a timely manner means that the affected party needs to spend unnecessary time and money disputing the continued PPSR registration by issuing an amendment demand and then potentially escalating this issue to AFSA or the Courts for a resolution. All this takes up excess time and public resources.



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Keeping your PPSR registrations up to date

As a secured party, it is your responsibility to ensure that your PPSR registrations remain up-to-date and that you discharge them promptly when required.

If you have a registration on the PPSR, you'll need to discharge that registration within 5 business days of the underlying security interest ending (unless that period is extended by a court). A failure to do so may result in civil penalty. In simple terms, this means that if you no longer have a security interest over property – for example because the debt it secured has been repaid – then you need to discharge that registration. If you don't do this you are breaking the law and could even be penalised.

The PPSR website ppsr.gov.au comes with a number of features aimed at assisting secured parties in maintaining their registrations and, in doing so, reducing unnecessary “clutter” on the PPSR caused by registrations which do not relate to a security interest. These include features which allow secured parties to view and manage an SPG's registrations online or [generate a report](#) of all current registrations. We also publish [useful fact sheets](#) on our website which can step you through the process for discharging a registration.



Best practice checklist

As a secured party with registrations on the PPSR:

- I have reviewed my registrations within the past 3 months.
- My address for service is up-to-date and regularly monitored.
- I know when I should be discharging a registration from the PPSR.
- I am discharging obsolete registrations within 5 business days, without being asked to do so.
- I have my SPG access code and tokens for my registrations stored so I can easily discharge a registration when needed.
- All of my current registrations relate to a valid security interest.



If you are unable to check any one of these boxes, you should speak to your lawyers or advisors to put in place new PPSR policies and procedures (or review and update your existing policies and procedures) to help manage your registrations and ensure that they remain effective.

Doing this will help us maintain an up-to-date and effective register and allow us to focus our energy and resources on delivering a better experience and service while keeping registration fees low.