

# LegalTalk Alert

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PRICEWATERHOUSECOOPERS 



Corporate and Commercial Alert

## Federal Parliament passes Personal Property Securities legislation

On 26 November 2009, the Personal Property Securities Bill (2009) and the Personal Property Securities (Consequential Amendments) Bill 2009 passed through both Houses of Federal Parliament. To date NSW, Queensland, Victoria and South Australia have passed legislation referring legislative power over personal property securities (PPS) to the Commonwealth. The new PPS laws are expected to apply from May 2011.

Readers may recall that these PPS reforms will harmonise existing PPS laws (currently residing in over 70 pieces of state and federal legislation and over 40 related registers) into one Commonwealth Act and a single national online PPS Register. The new legislation will cover the registration of security interests, and determination of priority disputes between security interests, in almost all types of property other than land.

The web-based user interface for the PPS Register will undergo user and stability testing in December 2009. PPS Regulations relating to the PPS Register are expected to be published in early 2010.

The IT aspects of the transition to the online register will be significant, particularly the accurate migration of data from existing registers (e.g. company charges on the ASIC companies register,

motor vehicle encumbrances on the NSW REVS register) to the new PPS Register.

Businesses will need to consider how the PPS reforms will affect their company, including:

- whether they can now secure arrangements which they could not secure previously (for example, the supply of goods on a retention of title basis)
- whether standard commercial documentation will need to be re-written
- whether their procedures and systems require change (for example, when to register a security interest in property)
- how the new PPS priority and enforcement procedures work.

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