

PPSR Fast Fact Sheet



Enable. Manage. Deliver.

In October 2011, REVS ceases in all states and is replaced with PPSR. If you only read one thing about the PPS Act.....make sure THIS IS IT!

- The laws in relation to Personal Property Securities are all new (PPS Act).
- Unlike REVS, the PPS Register will include a range of property, not just motor vehicles (livestock, crops, intangible items such as licences and company charges).
- Retention of Title changes and a security interest is required to be registered in order for it to be effective.
 - Dealers need to pay close attention to the PPS Act requirements relating to Retention of Title to ensure their Retention of Title clauses are enforceable when PPSR comes into effect in October 2011. A Retention of Title clause (sometimes also referred to as a "Romalpa" clause) is currently used by dealers to retain ownership of or title to vehicles until the buyer makes the final payment.
 - Retention of Title clauses are currently recognised at law and do not require registration on REVS to be effective. However, that position will change under the PPS Act.
 - Dealers will need to register a security interest on the PPS Register to ensure that the clause is enforceable.
- Anyone can register an interest in personal property (certain rules apply).
- Dealers need to check their Retention of Title clauses and be prepared to register security interests to protect themselves.
- Searching the PPS Register with a VIN will also return stolen and write off info from NEVDIS.
- Dealers should search the register when purchasing vehicles to ensure that the vehicle is free of any interest.
- Dealers should search the register when selling a vehicle to ensure that they are doing so free of any interest.
- Private individuals purchasing a vehicle from dealers usually take the vehicle free of any interest. If an interest was registered against the vehicle, the proceeds of the sale become the property of the interest holder.
- New terminology applies:
 - **Security Interest** - is created through a transaction that secures the payment or performance of an obligation over personal property.
 - **Grantor** - is a person or organisation who owns or has an interest in the property to which a security interest is attached.
 - **Secured Party** - is a company, individual or other entity that has a security interest in a grantor's collateral. This can include individuals or organisations who are involved in finance leases, chattel mortgages, Retention of Title arrangements and other financial arrangements.
 - **Perfection** - is a legal term used to describe a completed or "perfected" security interest. A Perfected Security Interest has priority over a non Perfected Security Interest.
 - **Priority** - Priority is the order in which Secured Parties have claim over collateral. It is conceivable that collateral may have multiple security interests registered against it and the order of Priority determines which secured party has the claim over the collateral.
 - **Collateral Classes** - The PPS Act divides personal property into a number of classes. Personal property can only fall into one class. The Act specifies rules that apply to how collateral should be described. If collateral is not described according to these rules, the registration will be invalid. Motor Vehicles have their own class and are identified using the VIN.

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