

WILL THE PERSONAL PROPERTY SECURITIES LEGISLATION AFFECT YOU?

The Personal Property Securities Act 2009 (“PPSA”) will make comprehensive changes to the registration of security interests in personal property. The Act will commence prior to 1 February 2012. Many businesses will not be aware that this legislation will change the notion of ownership to assets. If you are unaware of how this legislation will affect you, your assets and security may be at risk.

Do you:

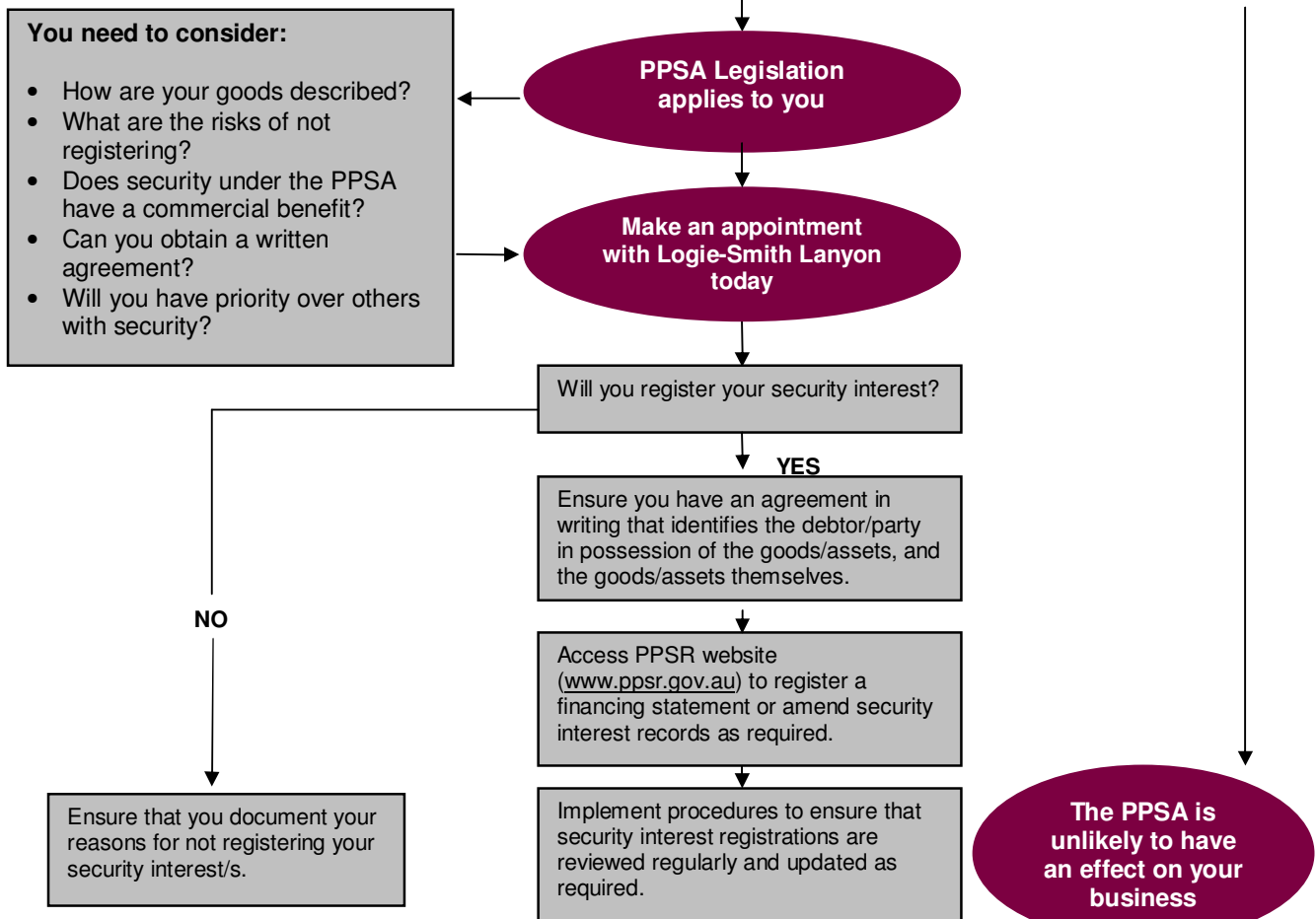
- Buy or sell goods on credit?
- Provide or receive credit facilities in any form, including to related parties?
- Make or receive loans or advances or funds to anyone, including related parties?
- Have goods or assets located at other people’s premises?
- Rent, lease or hire goods or assets to others?
- Supply goods whilst retaining title until paid (ROT)?
- License others to use any of your products, trademarks or intellectual property?
- Plan to enter into and pay a deposit for a conditional sale or purchase contract?
- Intend to grant or take security over someone’s assets?
- Have the benefit of guarantees given to you which contain a “charging” clause?
- Have assets or funds held on trust by others?

YES NO

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If you answered **YES** to any of the above

If you answered **NO** to all of the above



WARNING! THINGS TO WATCH OUT FOR

As a result of the PPSA, businesses should **exercise caution** and **contact Logie-Smith Lanyon** if they find themselves:

- dealing with suppliers, financiers, banks or lessors seeking to enter into new (or amend existing) security agreements; or
- considering the purchase of a business or goods; or
- considering the supply of goods, particularly on consignment or ROT basis.

Take care when reviewing any new or amended agreement to ensure that additional security is not required.

A Vendor may not disclose security interests in respect of the goods or property being purchased. Purchasers should check the security register in respect of the Vendor or risk inheriting a liability of the Vendor.

You should regularly monitor security interests registered over your business and/or assets to ensure that only valid security interests are being registered.

When investing, or borrowing to invest, make sure you are aware of your rights.

NEED HELP? CONTACT US

Our PPSA team can assist you with all your PPSA queries -

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