

# An introduction to PPS Leases under the *Personal Property Securities Act 2009 (Cth)*

March 2014

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# Agenda

PPS Leases  
defined

PPS Leases as  
PMSIs

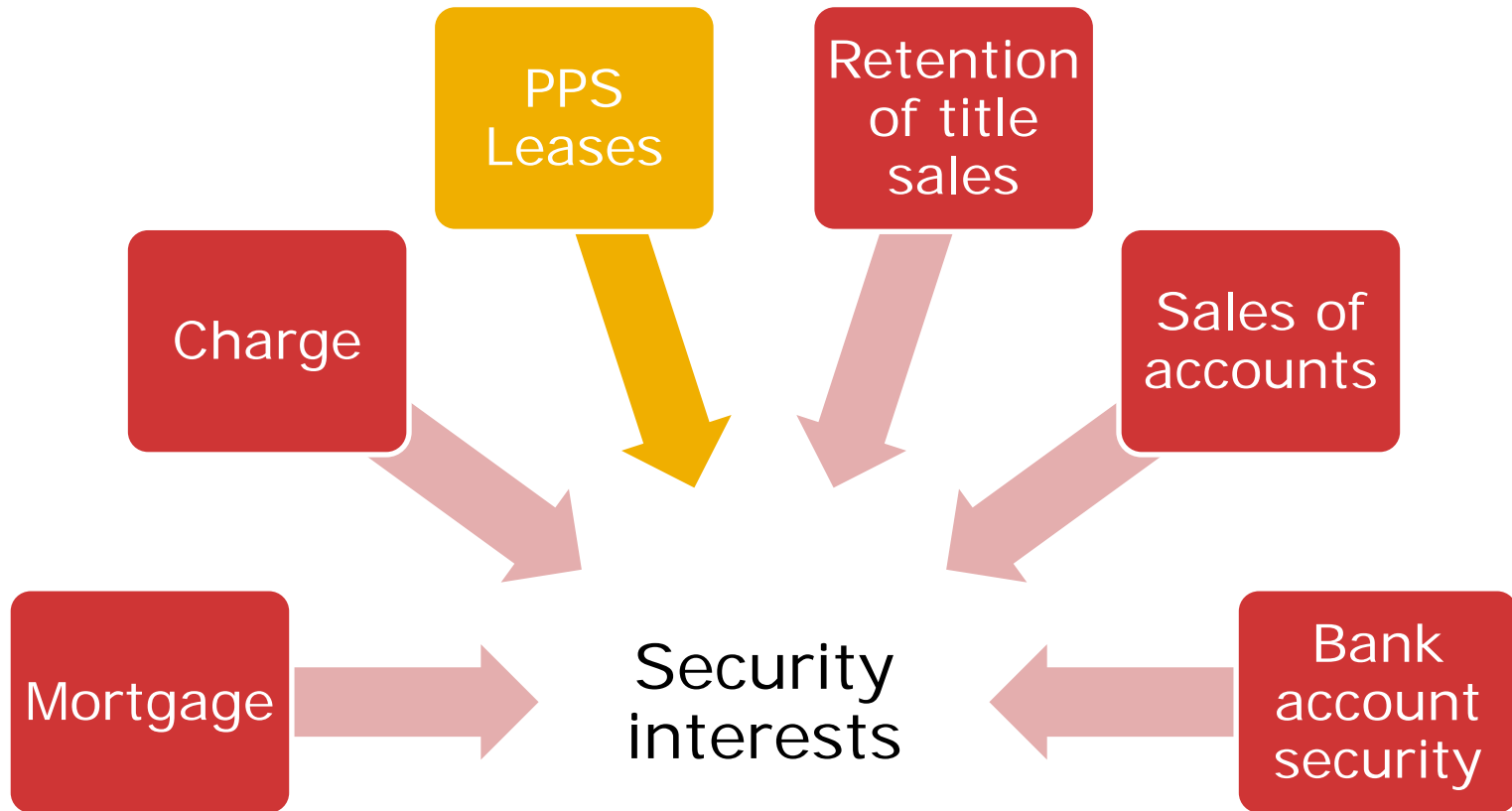
Registering PPS  
Leases

The danger of  
unregistered PPS  
Leases

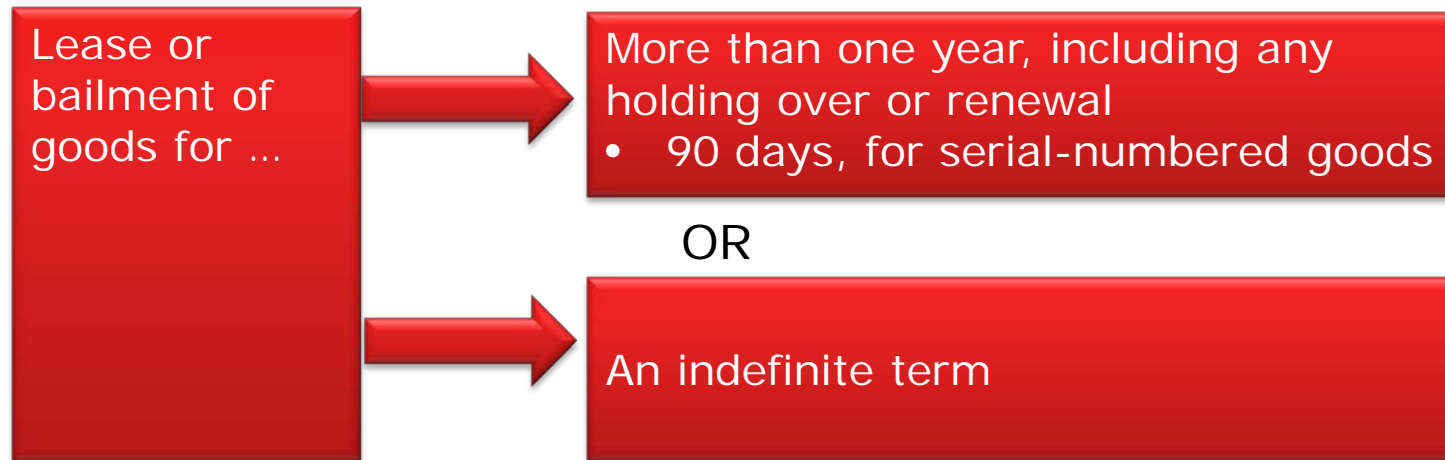
PPS Leases v  
conventional  
security

Questions

# Security interests



# PPS leases defined



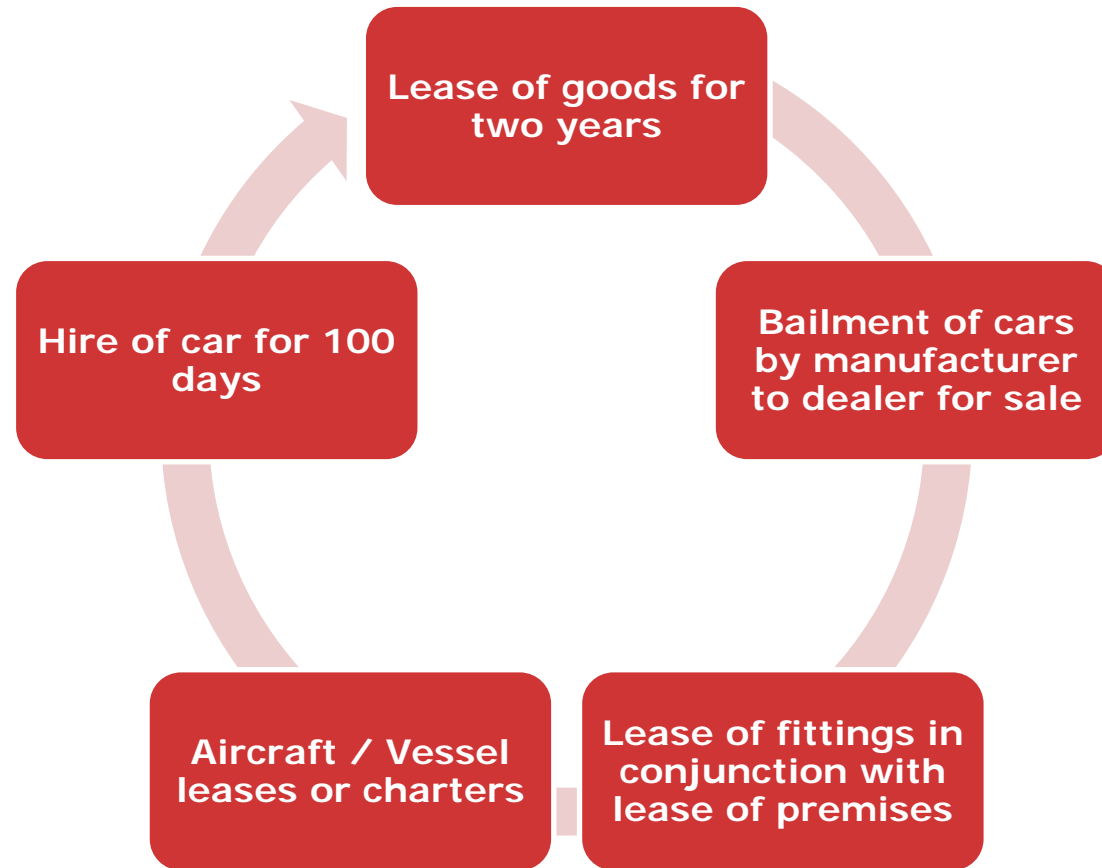
BUT ONLY IF

Lessor/bailor is "regularly engaged in the business of leasing/bailing goods"

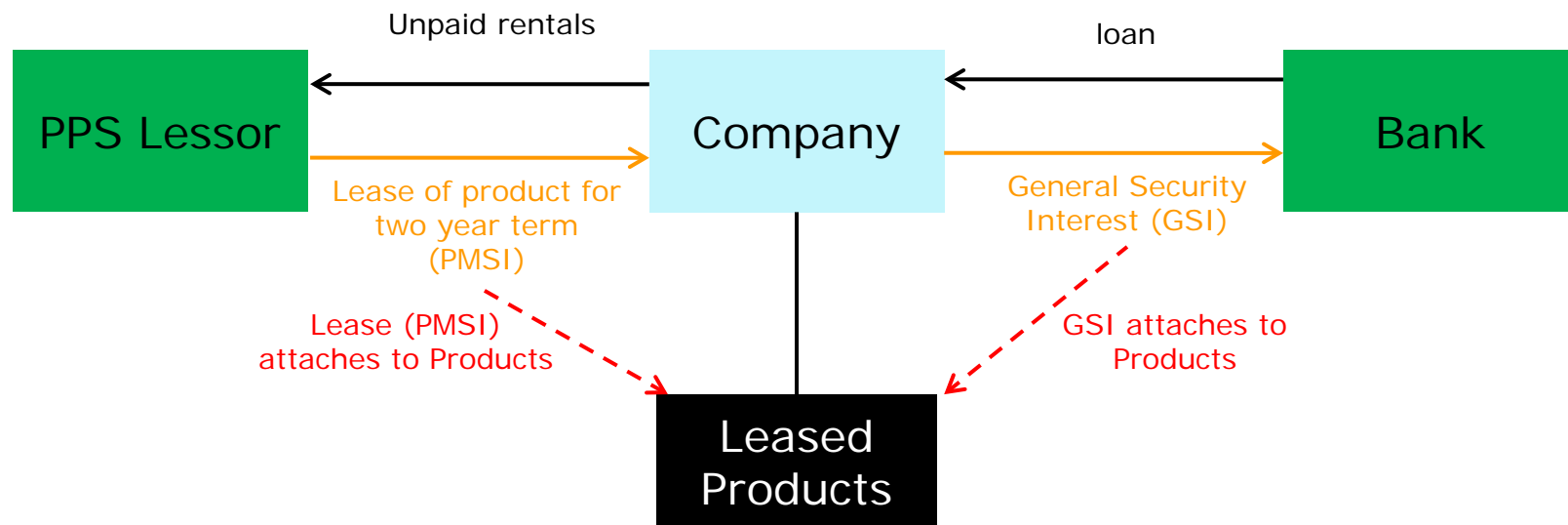
AND

Lessee/bailee provides value for the bailment

# PPS Lease examples



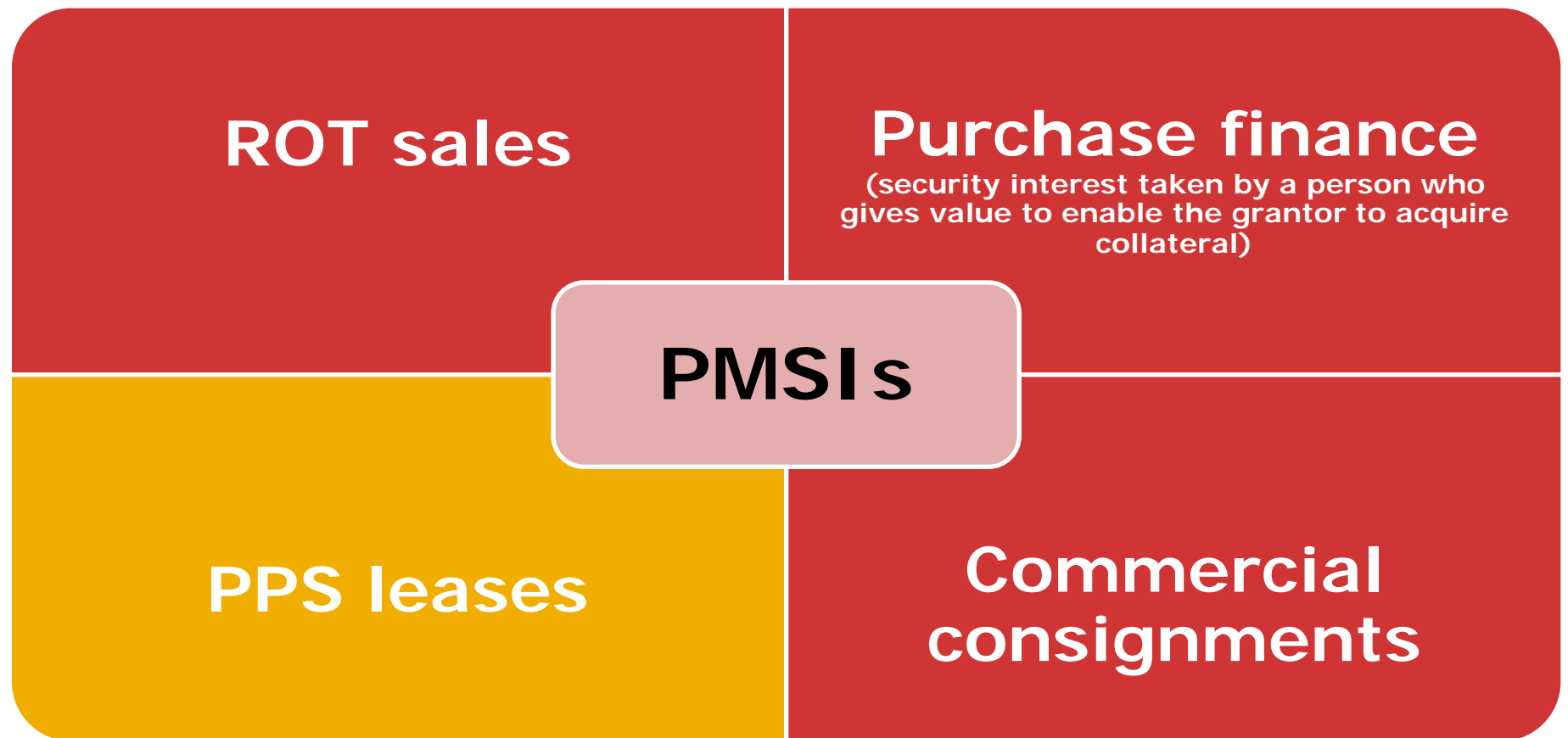
# PPS Leases as purchase money security interests ("PMSIs")



ROT = retention of title sale  
PMSI = purchase money security interest

----- Red = priority contest

# Four types of PMSIs



# Registering PPS Leases

23/03/2012

## Registration Number Search Certificate

This is a registration number search certificate for a grantor search

This Search certificate is provided under section 174 of the *Personal Property Securities Act 2009*

Search certificate number: 3910552207330004  
Search number: 391055220733

This search certificate reflects the data contained in the PPS Register at 23/03/2012 15:38:27 (Canberra Time)

### Search Criteria Details

Grantor type: Organisation  
ACN: [REDACTED] PRODUCTS PTY. LTD. (Verified by ASIC Register)  
Registration state: Current  
PMSI: Registrations that are either a PMSI or not a PMSI  
Transitional: Not Transitional  
Transitional - non migrated  
Transitional - migrated  
Registration Kind: All registration kinds

### Registration Details

Registration number: 201112212327757 Change number: 6623033  
Registration kind: Security interest  
Registration start time: 30/01/2012 00:00:00 (Canberra Time)  
Registration end time: 29/01/2019 23:59:59 (Canberra Time)  
Registration last changed: 30/01/2012 00:00:00 (Canberra Time)  
Subordinate registration: Not stated Transitional: Yes  
Registration State: Current

### Grantor Details

Organisation identifier: [REDACTED] Organisation identifier type: ACN  
Organisation name: [REDACTED]

### Collateral Details

Collateral type: Commercial property  
Collateral class: Other goods  
Description: Office Machines and Equipment  
Proceeds: Yes - All present and after acquired property.  
Inventory: No  
Purchase Money Security: No  
Interest: [REDACTED]



# Key classes of collateral for registration

## Tangible property



Motor vehicles



Watercraft



Aircraft



Agriculture



Other goods

## General property

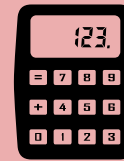


All present and after-acquired property ("Allpap")



All present and after-acquired property except ("Allpap<sub>e</sub>")

## Intangible property



Accounts



General intangibles

## Financial property

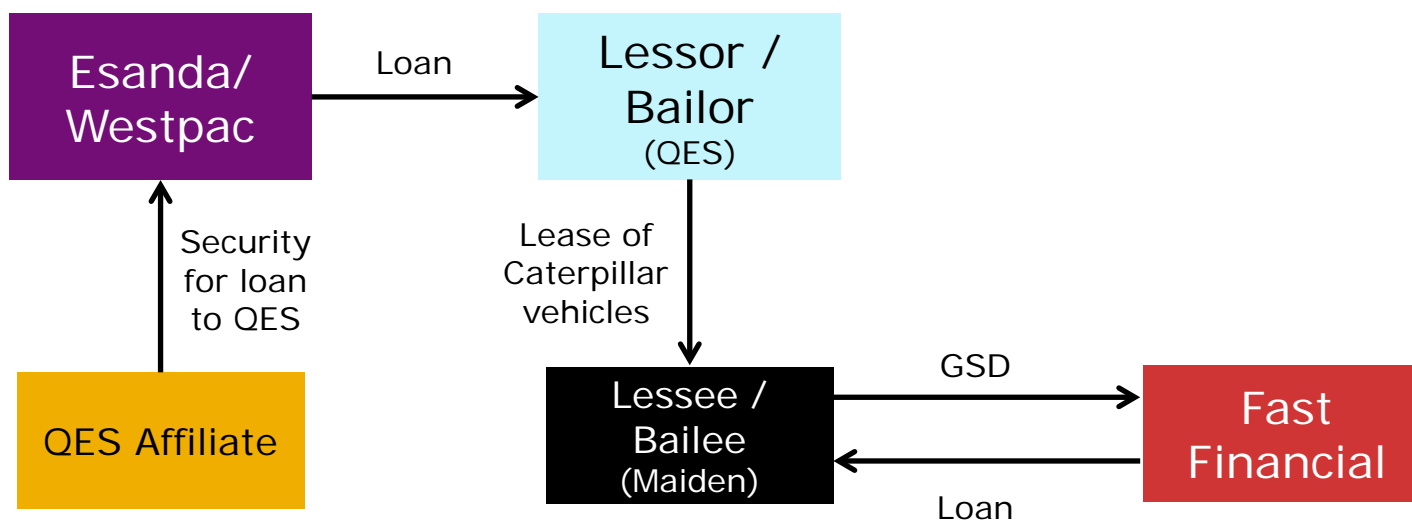


Investment instruments (eg shares)

Intermediated securities (eg ASX-listed shares)

# The danger of unregistered leases

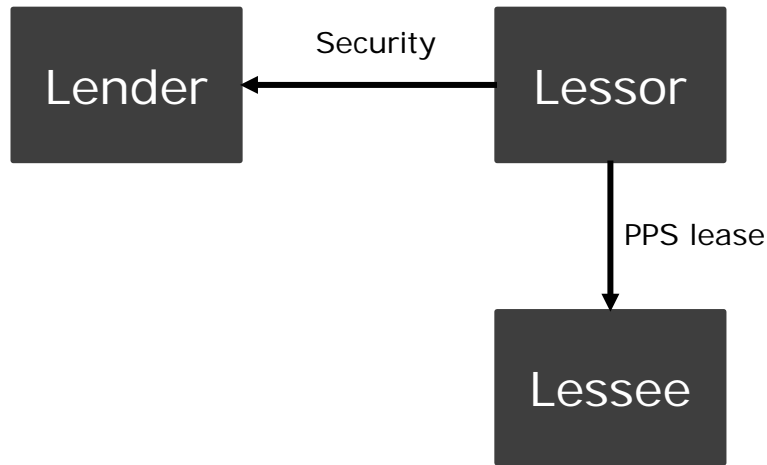
*In re Maiden Civil (P&E) Pty Ltd [2013] NSWSC 852*



GSD = general security deed

# Unresolved conceptual issues

## Leasing structures



Does the Lender retain security over the asset, or does it instead only get security over the Lessor's rights under the PPS lease (as proceeds)?

If the Lender does retain security over the asset, does it need to re-register against the Lessee?

The answer may turn in part on whether the PPS lease constitutes a "transfer" of the asset to the Lessee, at least for PPSA purposes.

*This presentation material is intended to provide a summary of the subject matter covered for training purposes only. It does not purport to be comprehensive or to render legal advice. No reader should act on the basis of any matter contained in this presentation without first obtaining specific professional advice. 228783207*

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