



What's the PPSR all about?

Many business owners have still never used or even encountered the Personal Property Securities Register (PPSR). So what is the PPSR all about and can it be of any use to your business?

The PPSR was established by the New Zealand Government as a single online register for all the security interests (claims against personal property other than land) that lenders or businesses need to record.

Let's translate that into some everyday examples:

You want to buy a second-hand van for your business, but the last thing you need is for a finance company to repossess the van because the seller still owes money on the vehicle.

That could be a costly experience. However, a quick TXTB4UBUY text message to the PPSR (or an online search on the [PPSR website](#)) before you sign a cheque can tell you if any business or person has registered a claim (security interest) in the van.

A customer wants to buy from you, but you have some doubts about the customers' creditworthiness.

To help you assess the level of risk involved you can check on the PPSR to see if other businesses have security interests registered against the customer's assets.

A customer with cash flow difficulties asks you for a payment extension or a loan, offering a vehicle or other goods such as machinery as collateral (security) for the loan.

You can search the PPSR to see whether the customer has already offered the same collateral to other lenders.

You require a customer to sign a lease, hire purchase or trade agreement that includes a retention of title (Romalpa) clause.

As these documents may create a security interest, registering the security interest on the PPSR can give you a better chance of recovering the debt if the customer defaults. Registering your security interest as soon as possible is important as this can give you priority over creditors who have not registered their security interest in the same property, or have registered later than you.

Now imagine you are a debtor. You can also search the PPSR to check who has registered a security interest in any of your personal property.

Any registrations on the PPSR may affect the debtor's credit rating or ability to raise funds, so you will want to check that the details are accurate. For example, if you have paid off the debt owing on the car you purchased, has the creditor (called the secured party) properly discharged (removed) the security interest from the register within the required 15 working days?

Using the PPSR

If you can relate to any of these examples then registering on the PPSR as a User makes good sense. Try browsing the [PPSR website](#) first for the helpful articles and animated demonstrations that guide you through the various services.

Registration takes just a few minutes: click on the **Get User ID** tab at the top right and enter your details. Your User ID and password will now give you quick access to the site. Using the PPSR soon becomes routine.

If you intend to use the PPSR to register financing statements as a creditor or lender then you must register as a Secured Party Group (SPG). This will give you a central identity within the PPSR and will allow you to view and update all your transactions. [Find out more.](#)

You'll be asked during the registration process to decide how you will pay for PPSR services (direct debit or credit card). The charges are very reasonable: for example only NZ\$3.07 to register a security interest or just NZ\$1.02 (per search) to search the register at www.ppsr.govt.nz or to use the TXTB4UBUY service (the fee is charged to your mobile phone). If you're going to use the register frequently, setting up a direct debit

facility rather than paying by credit card can be convenient—it's your choice.

Please note | It is recommended that you ask a lawyer or other professional to review your security agreements (such as terms of trade agreements, lease agreements or hire purchase agreements) to make sure they are suitable. The information in this article is of a general nature and is to be used as a guide only. Always get expert advice before you make important business decisions.