



## Glossary

### Our words and their meanings

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#### A

##### Attachment

A security interest 'attaches' when the secured party has given value (e.g. advances money) and the debtor acquires an interest in the collateral. The debtor must sign or agree to a written security agreement in respect of that collateral. Attachment is not sufficient to protect the interest of the creditor - to do this, the security interest must also be 'perfected'.

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#### C

##### Change Demand

A financing change statement that is entered in the PPSR by or on behalf of a debtor or interested party under section 165 of the Personal Property Securities Act 1999 where the secured party has not made a requested change to a financing statement.

##### Change Demand PIN

The personal identification number assigned to a change demand once it is registered.

##### Collateral

Collateral is the personal property that is subject to a security interest. It is one of four key elements required to register a financing statement on the Personal Property Securities Register (PPSR).

Each item of collateral may be described by one or more collateral type. There are 13 different collateral types set out in the Personal Property Securities Regulations 2001. These are:

1. goods: motor vehicles
2. goods: aircraft
3. goods: livestock (e.g. cows, sheep, ostriches)
4. goods: crops (e.g. grape production, pip fruit, wheat production)
5. goods: other
6. documents of title (e.g. bills of lading, warehouse receipts)

7. chattel paper (e.g. hire purchase agreements)
8. investment securities (e.g. options, shares)
9. negotiable instruments (e.g. promissory notes, letters of credit)
10. money (e.g. a bank deposit of \$NZ8 million lodged with a bank, Japanese yen, New Zealand dollars)
11. intangibles (e.g. accounts receivable, copyright, patents, trade marks)
12. all present and after-acquired property
13. all present and after-acquired property, except...

## **Creditor**

A person or organisation to whom a debt is owed. In the PPSA and PPSR they are referred to as a secured party.

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## **D**

### **Debtor**

A person or organisation that owes money or performance of an obligation.

### **Debtor Change Demand**

Also referred to as simply 'Change Demand'. A financing change statement that is entered in the PPSR by or on behalf of a debtor or interested party under section 165 of the Personal Property Securities Act 1999 where the secured party has not made a requested change to a financing statement.

### **Debtor PIN**

The personal identification number that a debtor or interested party is required to enter before lodging a change demand on the PPSR.

### **Discharge**

A release of obligations. In terms of the PPSR, financing statements should be discharged when the debtor has paid all money owing or has performed all obligations.

## **E**

### **Existing registers**

The registers repealed by the PPSA were:

- The Chattels Register at the High Court
- The Motor Vehicle Securities Register
- The register of Company charges at the Companies Office and
- The register of Industrial and Provident Society charges at the Companies Office.

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## **F**

### **Financing Change Statement**

The information required to be registered to make an amendment to any information in a financing statement registered in the PPSR. This can be used to renew, discharge, or subordinate a financing statement, or amend information in the financing statement itself.

## **Financing Statement**

The information required to register notice of a security interest on the PPSR. A financing statement includes the following information: debtor details, collateral details, secured party group details, the expiry date and whether it relates to a prior security interest. The maximum term of registration will be five (5) years and can be renewed at any time before the expiry of that term.

## **Financing Statement PIN**

A unique access code assigned to a financing statement. The financing statement PIN is displayed on screen once a financing statement has been registered. It can (subject to user preference) be emailed in a separate email to the registering party and the secured party. A secured party needs this, as well as its secured party group ID and password, to register a financing change statement.

## **Financing Statement Number**

The unique identifier assigned to a financing statement when it has been saved into the pending database. It is used to recall the pending financing statement so that you can complete the registration process. Once the financing statement is registered, this will be the financing statement registration number.

## **Financing Statement Registration Number**

The unique identifier assigned to a financing statement on its registration. This number can be used to search for that financing statement while in existence and after it has been discharged. The financing statement registration number (together with the financing statement PIN, the secured party group ID and password) is required to register a financing change statement. It is also required (together with the debtor PIN) to lodge a financing statement change demand. The financing statement registration number is contained in the verification statement.

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**O**

## **Operating system**

An operating system (sometimes abbreviated as "OS") is the software that manages your computer system e.g. Windows, Mac etc.

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**P**

## **Perfection**

A status of a security interest under the PPSA where the security interest has attached and the secured party has either registered a financing statement on the PPSR or has possession of the collateral.

## **Person Acting on Behalf of Secured Party**

Person nominated by or on behalf of a secured party to receive all email or other correspondence relating to a financing statement, including the verification statement. This may be either an individual's name or their job title, e.g. Credit Manager. This person must nominate an email address and fax number and contact address.

## **Person Acting on Behalf of a Debtor Organisation**

Person nominated by or on behalf of a debtor organisation. This may be either an individual's name or their job title, e.g. The Manager. A contact address must be provided for this person.

## **PPSA**

Personal Property Securities Act 1999.

## **PPSR**

Personal Property Securities Register.

## **Personal Property**

With a few exceptions personal property includes any property someone can own other than land and ships over 24 metres in length. Examples of personal property include motor vehicles, money, goods, livestock, investment securities and documents of title. Personal property is also known as collateral.

## **Priority Date**

The date on which a financing statement is registered in respect of certain collateral and from which a secured party will be able to claim priority over subsequently registered security interests in the same collateral.

## **Purchase money security interest (PMSI)**

A PMSI provides a 'super priority' in a security interest. PMSIs are the most common exception to the section 66 main priority rule.

A PMSI may exist if a seller provides their goods on credit on the basis that they retain the title of the goods until they have been paid or if a lender has provided finance for a specific purchase.

### **Examples**

- A hire purchase agreement relating to the purchase of a television.
- A loan by a bank for the purchase of a car where the car is used as security for the loan and the proceeds are applied to its purchase.

[Read more about the priority rules and PMSIs](#)

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## **Q**

## **R**

### **Registering Party**

A registered user of the PPSR who submits a financing statement or financing change statement for registration on behalf of a secured party.

### **Registrar**

The Registrar of Personal Property Securities appointed under the PPSA.

### **Re-instatement**

“Re-instatement” will appear in the history of a financing statement where the Registrar has restored a registration under S169A of the PPSA 1999. Under this section the Registrar may restore a financing statement to the register if, due to an error made by the Registrar, it has been incorrectly discharged or removed.

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## S

### **Secured Party**

A person or organisation that holds a security interest for their own, or another's, benefit. For example the person or organisation generally lending the money and holding the security interest. The secured party must specify certain contact details (an email address and fax number as well as a contact address).

Where the secured party is an organisation, they must nominate a person to act on their behalf and they will also need to supply contact details (an email address and fax number as well as a contact address).

### **Secured Party Group**

A secured party group consists of one or more secured parties.

### **Security Agreement**

An agreement which creates or provides for a security interest in personal property.

### **Security Interest**

An interest created by a transaction that, in substance, secures payment or performance of an obligation. Refer to section 17 of the Personal Property Securities Act 1999.

## SPG

Secured Party Group. A secured party group consists of one or more secured parties.

## T

### **Transitional Period**

A six-month period from the date the PPSA came into effect on 1 May 2002 during which time all registered prior security interests and section 196 security interests needed to be registered in the PPSR in order to retain their existing priority date after the transitional period ended.

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## U

### **User ID**

The nine-digit number that people accessing the PPSR need, along with their password, to log on to the website. This is not the same as the Secured Party Group ID and Password.

When you get a User ID you also have the opportunity to establish a direct debit facility to pay any fees. Alternatively you can pay by credit card (Visa, MasterCard, American Express or Diners).

## V

### Verification Statement

The information that is sent to the registering party and all members of the secured part group (or person(s) acting their behalf) confirming the registration of a financing statement or financing change statement. The verification statement also contains the financing statement registration number and the debtor PIN.

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## W

### Web services

Web applications that interact with other web applications for the purpose of sending and receiving information in a common format.

### Wild card

The wild card (\*) can be used when conducting a debtor person or debtor organisation search in the PPSR. It can be useful if you are uncertain about the exact spelling of a debtor name and can be used to replace certain letters in the name.

### Working day

#### [Section 16 Personal Property Securities Act 1999]

Working day means a day of the week other than—

- (a) Saturday, Sunday, Good Friday, Easter Monday, Anzac Day, the Sovereign's birthday, Labour Day, and Waitangi Day; and
- (b) A day in the period commencing on 25 December in any year and,—
  - (i) Except in sections 165, 168, and 178, ending with 2 January in the following year; and
  - (ii) In sections 165, 168, and 178, ending with 15 January in the following year.

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## X

### XML

Short for Extensible Mark-up Language, it allows information to be exchanged between computers in an understandable format. It allows for considerable freedom in creating the structure of the message.

## Y | Z