

An introduction to the PPSR - PPS-01

The Personal Property Securities Act 1999 (PPSA) provides for:

- the creation and enforceability of security interests in personal property (i.e. those interests created or provided for by a transaction that secures payment of money or performance of an obligation)
- the determination of priority between security interests in the same personal property
- the determination of priority between a security interest and another type of interest (for example, the interest of a buyer of goods) in the same personal property.

The PPSA established the Personal Property Securities Register (PPSR) which is operated by the Ministry of Economic Development. The PPSR is where people and businesses can register their security interests in personal property. For example, when a bank lends money to someone to buy a used car the bank can record its security interest in the car by registering in the PPSR.

The PPSR replaced a number of existing registers including the Chattels Register, Motor Vehicle Securities Register and the Register of Company Charges.

The Personal Property Security Register (at www.ppsr.govt.nz) is a form of an electronic noticeboard which records specific details of security interests held in respect of personal property. Information about a security interest registered in the PPSR is referred to as a financing statement.

[Top](#)

Personal Property

Personal Property is given a wide definition by the PPSA. With a few exceptions it covers any property someone can own, other than land.

When personal property is offered as security in a lending or leasing transaction the PPSA refers to it as collateral.

Usually there are two distinct parties involved in the creation of a security interest; the secured party (lender, grantee or lessor) and the debtor (borrower, grantor or lessee).

The PPSA and PPS Regulations 2001 describe what information a secured party needs to enter in a financing statement in the PPSR in relation to each security interest. Registrations will be acknowledged by a form of receipt called a verification statement. These contain information supplied in the financing statement and a debtor PIN which is used to access the debtor change demand feature on the website.

This information is intended as a guide only - it is not intended as a comprehensive or complete source of information relating to the PPSA & the PPSR nor is it intended as legal advice. For more detailed information, please refer to the legislation or seek legal advice.