Is the new *national PPS register* relevant to property Investors?

What is the PPS register*?*

You might have heard the advertising about the ***Personal Property Securities Act*** (PPS Act) and the **national register that opened on 30 January 2012**. But with a title like that it's easy to think that the Act and the register are not something that the majority of us need to worry about.

The PPS Act and register will impact on you, if you intend to:

- borrow money against an asset;
- provide goods on consignment or on credit;
- supply goods under a lease arrangement (or enter into a leasing arrangement);
- buy a business; or,
- buy personal property (excluding land),

The PPS Act introduced a new way of **recognising and enforcing security interests** in Australia.

A security interest is created when you buy personal property on hire purchase or **use personal property as security for a loan** or other type of credit transaction.

Not only does the PPS register replace the State based security registration systems but it expands the type of personal property that can be registered as a security interest. For example, if you are buying personal property like a second hand car, you can check the PPS register before purchasing it to see if there are any security interests attached to it.

In business, the register will be a way of protecting your interests in a broad range of situations. Boats, machinery, crops, shares, art, intellectual property and contract rights can all be offered as security for a loan and where this occurs, will need to be registered.

While **registration is voluntary**, it is important to understand that if a security interest is not registered and your customer goes bankrupt or insolvent, **you can no longer rely on retaining title to reclaim the goods**. If it's not on the PPS register, you may not get your property back in these circumstances. So, you need to weigh up the risks and register any relevant property *before* supplying it.

For many businesses, the first step will be to review your current situation and note your security interests and property subject to a security interest. Then, register any applicable interests and review any existing registrations for accuracy. When you discharge a debt over personal property, you may want to make sure that the register reflects this.

And of course, fees apply to registering an interest, obtaining certificates and searching the register.

You can access the PPS register at http://www.ppsr.gov.au.

Editor's tip – This may not be so relevant for property investors as the land titles system is used for land and property.

Where are You Now? ***Where would you like to be?*** *Call if you want to chat …* *Looking forward to being of Service*

Please do not hesitate to contact us if you would like to

- review & discuss your current property & tax situation … maybe the next deal or
- whether or not to sell a property, which one in the portfolio should be sold
- your asset protection strategy,
- structuring your next investment property,
- planning to legally minimise your tax position or just to
- prepare your next tax return or application to reduce your PAYG

We look forward to being of service. We also look forward to your **referrals**.

To improve our service we welcome all constructive comments on this newsletter and other materials.

Call **Shukri Barbara** at Property Tax Specialists at Shukri@propertytaxspecialists.com.au

Checklists and Templates

To make the compilation & reporting task for 2011 tax returns easier, clients of **Property Tax Specialists** received checklists and templates to facilitate the process … **saving them time and money** … the 'write' way is having clear documentation. ATO way means time/money wastage with audit investigation.

Disclaimer

The material and contents provided in this publication are informative in nature only. It is not intended to be advice and you should not act specifically on the basis of this information alone. If expert assistance is required, professional advice should be obtained. Contact your accountant or Property Tax Specialists at info@propertytaxspecialists.com.au or call 02 9411 8133

Kind Regards

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