OVERVIEW OF THE PERSONAL PROPERTY SECURITIES ACT

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Disclaimer
You should obtain your own independent advice as to the applicability of the information contained in this briefing paper for your needs.

Nothing contained in this briefing paper should be construed as advice.

What is the Personal Property Securities Act?

The PPS Act is the Commonwealth legislation that replaces more than 70 existing Commonwealth, State and Territory Acts with a single, national law. It introduces a national online register - called the Personal Property Securities Register ("PPS Register") - for the registration of all security interests (see below).

How will the PPS Act impact my business?

Failure to comply with the new PPS laws can have severe consequences, including an inability to recover goods sold (or even if leased) or recover payment through realising secured assets.

However, the PPS regime may also benefit your business by giving a better opportunity to enforce security interests and recover payments which are currently difficult and, in some cases, impossible to enforce.

What does the PPS Act apply to?

The PPS Act applies to "security interests" in "personal property".

"Personal property" is tangible and intangible property. For example, stock, raw materials, motor vehicles, boats, machinery, plant, equipment, crops, shares, intellectual property and receivables etc. Effectively everything except land.

"Security Interests" include retention of title clauses (Romalpa clauses), fixed/floating charges, chattel mortgages, hire purchase agreements, consignment agreements and certain leases of goods.

What arrangements are NOT covered by the PPS Act?

The following arrangements are expressly "carved out" of the new PPS regime:

• interests of a seller who has shipped goods under a negotiable bill of lading;
• liens arising under statute or general law (e.g. warehouseman's lien, repairer's lien and solicitor's lien);
• interests in land or payments in connection with land;
• transfer of accounts for collection purposes;
• transfer of an account or negotiable instrument to satisfy existing indebtedness;
• interests in fixtures; and
• superannuation interests.
What has changed?

The PPS Act introduces new terminology with which everyone will need to become familiar. For example:

- All personal property which is the subject of a security interest will now be known as **collateral**.
- A retention of title (Romalpa) security interest will now be known as a **Purchase Money Security Interest** ("PMSI").
- A lease of personal property for more than 1 year, or for an indefinite period of time is a **PPS Lease**. For vehicle leases to be categorised as a PPS Lease, this period is only 90 days.
- A fixed and floating charge will now be known as a **Circulating Asset** or colloquially known as a **General Security Agreement** ("GSA").

How do I make sure my security interest is valid and enforceable?

There are two main situations that can expose your business to risk. These are:

1. your customer fails to pay you for goods sold or leased (but is not insolvent or bankrupt); or

2. your customer fails to pay you for goods sold or leased, and your customer becomes bankrupt or insolvent (with other competing creditors thrown into the mix).

### 1. Customer indebtedness

In this first situation, a security interest will be enforceable against the **grantor** (e.g. customer / purchaser) when:

(a) it **attaches** to the collateral (that is, there is an underlying transaction between the parties that relates to the collateral); AND

(b) either:
   (i) the **secured party** (e.g. manufacturer / supplier) has possession or control of the collateral; or
   (ii) a security agreement covers the collateral.

### Example A

<table>
<thead>
<tr>
<th><strong>A simple example:</strong></th>
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<tbody>
<tr>
<td><strong>You sell your goods to a customer on credit terms, and claim retention of title. The goods you are selling are the collateral. You are the secured party. Your customer is the grantor. Your retention of title right is a security interest (a &quot;PMSI&quot; under the new terminology). Your customer fails or refuses to pay you for the goods. There is no wider insolvency or liquidation.</strong></td>
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<tr>
<td><strong>Your PMSI security interest will be enforceable against your customer provided that either:</strong></td>
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<tr>
<td>(a) you physically have possession of the goods (which is simply not possible in reality if the goods have been delivered to your customer); OR</td>
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<tr>
<td>(b) you have a written contract or T+Cs with your customer, which incorporates your retention of title terms and PPS clauses.</td>
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2. Customer insolvency

However, what if you want to enforce your security interest in the situation where your customer has become bankrupt or insolvent?

Firstly, you need to follow the process for "attachment" above. Secondly, when entering into the transaction, your security interest must have been "perfected".

If a security interest in collateral is **perfected**, it takes priority over another security interest that is **unperfected** or subordinate (e.g. lesser or later security). A security interest is **perfected** if:

- it has attached to collateral; and
- certain extra steps (possession or control of the collateral, or registration on the PPS Register) have been taken to protect the interest, or the interest is otherwise perfected by virtue of the PPS Act.

The secured party whose security interest has the highest priority is entitled to enforce their interest ahead of other secured parties.

Registration is the key perfection step where you give up possession of goods.

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**Example B**

To modify and extent Example A above:

You sell your goods to a customer on credit terms, and claim retention of title. The goods you are selling are the collateral. You are the secured party. Your customer is the grantor. Your retention of title right is a security interest (a "PMSI" under the new terminology). Your customer fails or refuses to pay you for the goods. Your customer goes into liquidation.

Your PMSI will be enforceable against your customer and against the other competing creditors (subject to priority rules), provided that:

(a) you have a written contract or T+Cs with your customer, which incorporate retention of title PPS clauses; AND

(b) you physically have possession of the goods (which is simply not possible in reality if the goods have been delivered to your customer); OR

(c) you have properly and accurately registered your PMSI on the PPS Register.

Again, it is important to remember that, despite having a valid and enforceable security interest, priority rules do apply to assist in "ranking" the creditors. However, PMSI rights are higher than general security interests and most other security interests.
What are the general priority rules?

The PPS Act specifically sets out certain rules to follow when "ranking" creditors and distinguishing between competing security interests.

The general rules are as follows:

- perfection of a security interest by "control" will beat any other form of perfection. Practically speaking, control is really only relevant for financial institutions (e.g. a bank has control over the funds in a customer's bank account).
- a perfected PMSI has priority over a non-PMSI (even if that non-PMSI is earlier or has been perfected). Importantly, the PMSI claimed by a seller / consignor / lessor of goods will beat a PMSI claimed by a third party.
- a perfected security interest has priority over an unperfected security interest.
- between two perfected security interests, the one which has been perfected for the longest continuous time will take priority.
- between two unperfected security interests, the first to attach will take priority.

Of course, it is very important to note that there are exceptions and modifications to these general rules, in some circumstances.

As a matter of practice, we strongly recommend that you carefully consider the priority rules (and the exceptions) as they apply to each of your particular transactions, and each of your particular circumstances. It may be the case that, for some security interests, you will want to change some of your business practices so as to take advantage of different priority rules.

When did the PPS laws start?

The PPS Act and the PPS Register commenced in Australia on 30 January 2012.

You should aim to be ready by this date.

What happens to existing security arrangements?

Subject to our comments below in relation to "retention of title", any security interests that already exist at or before 30 January 2012 are "transitional security interests".

All existing security interests that were already registered on other existing registers prior to the commencement date (e.g. ASIC charges, motor vehicle encumbrances) will, in most cases, be automatically migrated across to the PPS Register. However, businesses should still check to make sure this has occurred.

For all security interests which exist prior to the commencement date but were not at the time registrable (e.g. retention of title clauses or PPS leases, chattel mortgages, etc), there is a 2 year transitional period. During this transitional period, the existing security interests will be deemed "temporarily perfected". You will have 2 years within which to register those interests on the PPS Register (or perfect them in some other allowable way) so as to maintain the perfected security interest and your priority against other secured parties.
Example C

As an example:

On 1 December 2011, you leased an item of machinery to a customer, for a period of 5 years. The machinery you have leased is the collateral. You are the secured party. Your customer is the grantor. Your lease agreement is a PPS Lease for the purposes of the PPS Act.

On 1 December 2011, that lease is not able to registered anywhere. However, as of 30 January 2012, that lease can be registered on the PPS Register.

You have 2 years within which to upload the details of that PPS Lease onto the PPS Register.

BEWARE: Retention of title under ongoing or "rolling" T+Cs may not gain transitional protection.

If you sold goods on your T+Cs before 30 January 2012, those sales is covered by the transitional provisions. However, if you sell goods on your T+Cs after 30 January 2012, you do not get the 2 year transition period. This is because, although you may have a "rolling" or ongoing arrangement under your T+Cs, each specific sale that you make is generally considered to be its own separate contract. Therefore, each order or supply after 30 January 2012 will be deemed to be made after 30 January 2012.

Example D

As an example:

You have a longstanding, regular customer to whom you have been supplying goods. You supply the goods on your T+Cs, which includes retention of title clauses. Your customer usually places 5 different orders on you each week.

In December 2011, you updated your T+Cs to incorporate the PPS clauses, and sent a copy of your updated T+Cs to your customer. Under the updated T+Cs (which govern sales moving forward), you are the secured party. Your customer is the grantor. The goods you sell are the collateral. You are claiming a PMSI.

Your customer places its "usual" 5 orders throughout January 2012. The security you have claimed for these orders is "as is", under the "old" (current) system.

However, your customer places another order on 1 February 2012. In order to protect your ongoing PMSI in relation to all goods you supply in future, you must upload a registration to the PPS Register.

Your customer then places another order on 3 February 2012. You do not need to upload a further registration to the PPS Register for this, as you have already done so (on 1 February 2012).

What happens if the existing security arrangements will come to an end before the end of the transitional period?

If you have an existing security arrangement that will be satisfied or completed within the next two years, then you can simply proceed "as usual".
To modify and extend Example C above:

On 1 December 2010, you leased an item of machinery to a customer, for a period of 2 years. The machinery you have leased out is the collateral. You are the secured party. Your customer is the grantor. Your lease agreement is a PPS Lease for the purposes of the PPS Act.

However, the lease will end on 1 December 2012, and the machinery will be returned to you. As this falls within the transitional period, you do not need to register that PPS Lease on the PPS Register.

However, if you agree to extend or roll over the PPS Lease so that it is still running on 29 January 2014, then you must register on or prior to that date.

I supply goods under retention of title. What if my customer has on-sold the goods prior to paying me for them?

The PPS Act recognises that, in some situations, you may want to claim a security interest over the "proceeds" of the goods, in addition to the goods themselves.

"Proceeds" is defined as identifiable or traceable personal property, and includes the following:

- personal property that is derived directly or indirectly from a dealing with the original collateral;
- a right to an insurance payout or other payment as compensation for loss of, or damage to, the original collateral; and
- the right of a licensor to receive payments under a license agreement (if the collateral is intellectual property).

If your customer on-sells your goods prior to paying you for them, then you can claim an interest in the proceeds of the sale (ie, claim an interest in the money received). However, if your customer is insolvent, your priority ranking can be altered depending on "who" are the competing creditors, and "where" those proceeds have been paid. For example:

- if a bank holds a general security interest over the assets of the customer, and the proceeds have been paid into a bank account, then the bank will take priority over your claim (by virtue of "controlling" the bank account).
- however, if there is no bank involved, or if the proceeds have been paid into an account that is not controlled by the bank, then your claim to the proceeds will take priority.

What happens if I sell goods that get "mixed up" with other goods?

In your business, you may sell goods to a customer that get "mixed up" or "commingled" with other goods before you receive payment. In this situation, your goods become an unidentifiable part of a larger product or mass. It is not commercial or usually possible to separate your goods back out, and restore them to their original (unmixed) state. Common examples can include grain mixed together in a silo, dye mixed in to a tin of paint, or generic bulk bolts that are placed into a hopper.

In the past, once your goods had lost their own separate identity, your "retention of title" right was lost as well.

However, fortunately, under the PPS Act, the suppliers of "commingled goods" are afforded special protections. Provided that the business taken steps to properly "attach" and "perfect" its security interest in the original goods supplied, then the business potentially has rights to trace and receive a proportion of the sale proceeds of the "mixed up" end product of which their goods form a part.
Example F

A simple example:

You supply flour to a baker on credit terms. Another business supplies milk to that same baker. Once the flour and milk is mixed together to make cakes, it is impossible to separate the individual ingredients back out again!

However, provided that you have registered your security interest in the flour on the PPS Register, you have an interest in the whole of the cakes. You might be able to trace and receive a proportion of the proceeds of the sale of the cakes. The proportion that you would ultimately receive depends on the value / ratio of your flour when compared to the other ingredients that make up the finished products.

What happens if I sell goods that are installed into or affixed to other goods?

In contrast to "commingled goods" above, you may sell goods in your business that are installed into or affixed onto other goods. Under the PPS Act, these goods are called "accessions" - tangible items or components that retain their own separate identity notwithstanding that they have been installed or affixed onto other, larger goods.

In the past, a "retention of title" right was often lost once the goods became affixed onto other goods.

However, the PPS Act provides that a security interest claimed in a particular item can continue once that item has become an "accession" to a larger good.

Example G

Another simple example:

You supply engines and other mechanical parts within the marine industry.

A customer purchases an engine and various fittings from you on credit terms and installs it on their yacht.

You are entitled to register on the PPS Register a security interest in your products. Your security interest continues, notwithstanding that the engine and parts have been installed and forms part of the yacht. Subject to certain priority rules set out in the PPS Act, you have a right to enforce your security over the yacht, to the value of your products. So, if you are the highest priority holder (or with the consent of the higher priority holders), you can take possession and sell the yacht and recover your debt.

How do I enforce a security interest?

The PPS Act contains very specific requirements concerning "how" you go about enforcing a security interest. These requirements can include providing certain notices to interested parties, complying with timeframes and other obligations.

Where possible, in your amended documents, we have excluded many of these notice and timeframe rules.

As the PPS regime is new to Australia, we strongly recommend that you seek advice on your specific circumstances so that you are absolutely clear as to your rights and obligations prior to taking any enforcement action.
THE PERSONAL PROPERTY SECURITIES REGISTER

What is the PPS Register?

The PPS Register is a single, national online register. It will enable secured parties and potential secured parties to search for and register security interests in personal property. It will be web based and be accessible 24 hours a day, 7 days a week.

The website address is: www.ppsr.gov.au

You should enter the site and create an account.

What information will need to be entered on the PPS Register?

Registration of a security interest will be done via uploading a "financing statement".

Depending on the type of security interest being claimed, a "financing statement" would generally contain the following information:

- the secured party's details;
- the collateral details (personal property), including class and description;
- the grantor's details; and
- certain registration details (including the desired end time for the registration).

See our advice below about what information you should enter on the PPS Register to perfect your retention of title claim, now referred to as a "PMSI".

Note that the financing statement is merely a notice of the security agreement, and not the actual agreement creating the security interest. It is still essential to have written contract documentation underlying the registration.

Also, the PPS Register is not a register of ownership (like the Land Titles Register), but only a notification of security interests that may be in existence. If there is no interest given over an asset, then it will not appear on the PPS Register. If an asset is not "put up" as security, then there is no need to enter a registration.

Is it compulsory to register on the PPS Register?

No, it is not compulsory to register.

However, if you don't register your security interests, then you may find that you will not be able to enforce your rights against third parties, e.g. administrators / liquidators, and other people competing against you for a payout.

By "perfecting" your security interest (which will occur most commonly by registration on the PPS Register), your security interest will:

- have priority over an "unperfected" security interest or general security interest;
- survive the grantor's insolvency / bankruptcy (whereas an unperfected security interest will not);
- in some cases, survive the sale of the collateral (whereas an unperfected security interest will not); and
- if you elect, it may cover the proceeds of sale of the collateral ("Proceeds" is defined and discussed earlier on in this letter).
How much will it cost to register a security interest?

The fees to register each financing statement will be:

- $7.40 where the duration is 7 years or less.
- $37.00 where the duration is 25 years or less.
- $130.00 for an indefinite or undefined duration.

The fee to search the PPS Register will be $3.70.

A fee will not be charged for the registration of transitional security interests.

These fees can be paid by credit card on a "pay as you go" basis. Alternatively, if you think you will be using the PPS Register on a regular basis, then you can apply for a credit account. The Credit Application form is available at: http://www.itsa.gov.au or www.ppsr.gov.au.

When do I have to register my retention of title PMSI?

"Inventory"

If you are supplying "inventory" to your customer, then you must register your retention of title ("ROT") PMSI prior to the goods being delivered to your customer.

"Inventory" is defined as personal property in a business that:

- is held by the business for sale or lease to others;
- is held by the business to be provided to others under a contract for services;
- is held by the business as raw materials or as work in progress; or
- is held, used or consumed by the business, as materials.

Other goods

For all other goods (not being inventory), your ROT PMSI must be registered within 15 Business Days of the goods being delivered.

Practical Considerations?

To avoid any issues with timing, the most practical approach is to register your ROT PMSI upon receipt of a completed credit application from a new customer.

For existing customers, you should register your ROT PMSI prior to supplying any goods to those customers from 30 January 2012. As a result, we expect that you should be quite busy, uploading registrations for the existing customers with whom you deal on a regular basis, or to whom you are about to send goods.

What happens if I make a mistake in my registration?

The PPS Register relies on the accuracy of the information provided. If incorrect information is registered, then the registration may be ineffective. For example, if you enter the wrong serial number, get the name of the grantor wrong or fail to identify the registration as a PMSI, then you may not be able to enforce your rights. It is important to check and double check the information you intend to upload to the PPS Register.
Do I have to register a security interest for each invoice I send?

Retention of title claims are treated differently on the PPS Register, as opposed to PPS Leases or other general security interests.

If it is an ROT PMSI that you are claiming, then you only have to register once for each customer and not for every invoice you send to that customer. However, you must ensure that you have described your collateral on the PPS Register “up front” and broadly enough to cover any goods that you subsequently supply to that customer. We have provided advice below on what you will need to include in the “financing statement” to ensure that it will cover all goods supplied to a customer under an ongoing ROT PMSI arrangement.

For PPS Leases, "one-off" or distinct sales of goods and other security interests, each contractual relationship must be registered separately. For example, if you supply display stands to a customer on loan as part of the supply of goods under a ROT PMSI, then you must register the ROT PMSI for the goods plus register another PMSI for the goods being provided on loan. This will not apply unless those goods are being loaned for an indefinite period or for more than 1 year (if a vehicle, more than 90 days).

What is the "Verification Statement"?

Once you have registered a security interest on the PPS Register, you will be emailed a "Verification Statement".

The Verification Statement is essentially a certificate comprising all of the information you entered onto the PPS Register.

Under section 157 of the PPS Act, you (as secured party) are required to provide a copy of this Verification Statement to your customer/debtor/lessee (as grantor). However, commercial parties can contract out of this obligation, by specifically agreeing to do so in the contract documentation underlying the transaction.

What is the registration "Token"?

When you register a security interest on the PPS Register you will be provided with:

- a Registration Number (contained in a Verification Statement); and
- a registration "token".

These details are provided via separate emails to the Secured Party's Address for Service.

The Registration Number is publicly available information. However, the registration "token" is a private number specific to each registration (similar to a PIN or a Corporate Key). The token is needed if you want to deal with the registration, including changing or discharging the security interest. It is therefore essential that each registration token be kept securely. If someone has access to the Registration Number and token they can amend or discharge the security interest.

Do NOT send the token to your customer, debtor, consignee or lessee.
IMPOSING THE AMENDED TERMS AND CONDITIONS OF TRADE

It is essential to ensure that any T+Cs are used in your business so that they are legally enforceable. As such:

- it is necessary to establish that the T+Cs formed a part of the terms of the particular contract in respect of which the dispute has arisen.
- a customer must be made aware of the T+Cs before the contract is made. At law, once a contract has been made, a party cannot unilaterally impose further terms upon the other.
- this means that the T+Cs must be given to the customer, and the customer must have the opportunity to review the T+Cs, before entering into any contract.
- simply printing the T+Cs on the reverse of an invoice or statement (which is common) is not sufficient as these documents are post contractual documents.

We therefore recommend that the amended T+Cs be used as follows:

- A copy of the amended T+Cs should be sent to all existing and repeat customers along with a letter stating that all future trading will be subject to and on such terms. Ideally, it is desirable to have all customers return a signed copy of the T+Cs. However, this is not always practical and so, on sending out the T+Cs to customers, the covering letter should state that any further orders for goods will be subject to the new T+Cs and that the ordering of goods will be construed by your company as being an acknowledgment and acceptance of such.
- For new customers, the T+Cs should be provided at the earlier of:
  - the time that they complete a Credit Application;
  - the time they enter any contract;
  - along with any quotation issued; and
  - prior to payment for the goods or services.

Each customer must be given an opportunity read through the T+Cs. If they choose not to, that is their problem.

- Where the T+Cs used are to be printed on the reverse of any forms, reference should be made to them on the front of the form. While an invoice is a post contractual document, it is an easily accessible document, and the benefit of having the T+Cs printed on the back is that they will serve as a quick reference for the customer. However, this is optional. Do not only use your T+Cs on the back of an invoice.

You need to register on the PPS Register, the PMSI interest in your T+Cs, against each customer.
PPS REGISTER

INFORMATION REQUIRED FOR REGISTRATION OF SECURITY INTEREST

The PPS Register is found at: www.ppsr.gov.au

1. APPLICATION DETAILS
   - Is the security interest being claimed in relation to Consumer or Commercial property?
     "Consumer property" is personal property held by an individual, other than personal property held in the course or furtherance to any degree of carrying on an enterprise to which an ABN has been allocated. Therefore, if the collateral does not relate to business, it is consumer property.
   - Is the security interest a "transitional" security interest? Except for our comments above in relation to Retention of Title PMSI, a security interest will be transitional only if it existed prior to 30 January 2012.

2. SECURED PARTY
   This is you.
   In order to make a registration on the PPS Register you must first create a "secured party group". The secured party group can consist of one or many secured parties. For example, if you have a number of related entities or subsidiaries they can all be secured parties within the same secured party group.
   Once you have entered all the details for a secured party you will be given a secured party group number. When you enter this number, the PPS Register will retrieve the Secured Party details and save you from re-entering them for each registration.
   If there is more than one company within your group, and all are part of the same secured party group, make sure that all companies are aware of the address for service for the group.
3. COLLATERAL

3.1 Choose a collateral class:

You must first identify the type of collateral being secured.

For goods being supplied under your ROT PMSI, you will need to tick "Other Goods" under the "Tangible Property" heading.

For goods on hire, if the goods are vehicles then you will need to tick "Motor Vehicles" under the "Tangible Property" heading. For all other types of goods on hire, tick "Other goods" under the "Tangible Property" heading.

Then press the button labelled: "Use collateral class".

3.2 Description of collateral:

You must then provide a description of the collateral being secured.

Based on our discussions with you and our review of your website, we suggest including the following description of collateral:

(For ROT) "All goods, now and in future, supplied by the secured party to the grantor including but not limited to:"

(For Leases) "The goods supplied by the secured party to the grantor pursuant to the Lease Agreement dated..., [specifically...],"
(For Consignment Agreements) "All goods supplied to the secured party to the grantor pursuant to the Consignment Agreement/Bailment Agreement dated ...., [more specifically,...]"

(Claim for specific goods) "The following goods supplied by the secured party to the grantor...."

3.3 Duration of the Registration:

You must stipulate the duration of the registration, which also depends on whether the collateral is "commercial" or "consumer" property as designated in the very first step of the registration.

(a) Commercial property

For commercial transactions, the end time can be up to 25 years or indefinite. This will also determine the cost of the registration.

For T+Cs registrations, we suggest that you include an end date of 7 years or less. You will need to keep records and have systems in place to ensure that the registration will be re-entered and renewed prior to its expiry. Otherwise, you risk losing the security interest for goods not yet paid for, or obligations not yet satisfied at the expiry date.

For leases, the date selected must reflect the date specified in the Lease Agreement (plus any renewal terms).

(b) Consumer property

For consumer transactions, the registration can only be for 7 years or less.
3.4 Additional Details:

You must tick the appropriate boxes if they are applicable to your particular transaction:

- If your security interest is a PMSI (including ROT) or a PPS Lease, then you **MUST** tick the box that says "Purchase Money Security Interest applies". If you fail to tick this box you will not be entitled to rely on PMSI super priority at the time of enforcement.
- If the goods being supplied are inventory (as defined earlier in this letter).
- If the goods are inventory and are subject to your control.
- If your security interest is subordinate to another registration (e.g. you have entered into a priority agreement with another secured party in relation to the priority of your security interest)
- **NOTE:** the PPS Register automatically ticks the box to claim "proceeds". The description of the proceeds is set to default to "all present and after acquired property". This will give you a claim to all proceeds. If you wish to only claim specific proceeds (e.g. from the sale of the collateral), then you will need to amend this default setting. However, as a general rule, we recommend leaving the default setting "as is".

3.5 Giving of Notice Identifier

This is the reference number or text that is used to identify this registration internally in your organisation. Give it a descriptor that is meaningful for your records.
4. **GRANTOR**

This is your customer or the person / company to whom you sell or lease goods, or who you take security from.

If the customer is:

- a Company: use ACN  
- a sole trader/partnership/trust: use ABN  
- an individual that does not have an ABN:
  - First, use their name as it appears on an Australian drivers licence;  
  - If no drivers licence then use their name as it appears on proof of age card;  
  - If no proof of age card then use their name as it appears on valid passport;  
  - If no passport then use their name as it appears on Birth Certificate

You will also need their date of birth.

We recommend obtaining a photocopy of the relevant identification document to minimise the chance of error.

We have enclosed with this letter a Checklist entitled "PPS Checklist - Identification of Parties" for your convenience.

5. **REGISTRATION DETAILS**

You should carefully check the details before confirming and paying for the registration.

As mentioned above, you can set up a credit account to enable you to enter registrations without having to enter payment details each time.

Once you have paid for the registration, you will be provided with:

- a Registration Number confirming the Registration details.  
- a Verification Statement (which also includes the Registration Number) and registration "token", which are sent in separate emails to the Address for Service.

**IMPORTANT:** Keep your "token" details in a safe place. The token is a unique private number for each registration. The only way you can access the details of a registration to either amend or discharge it is by using the token number. If you lose the token number then you can apply for a new token if you have the Registration Number and Secured Party Access Code (which will be given to you when you create a Secured Party group).