

Fact sheet: PPSR discharge

PPSR Financing Statement Discharges

Common Questions & Easy Answers

When is it time to discharge the financing statement?

When the obligation to a contract is met, i.e. you finish paying off a product.

Who is responsible for discharging the financing statement?

The 'secured party' being the company or person with whom you have signed a contract is the only one able to discharge the security.

How do I let the secured party know that they need to discharge the security?

You can make a formal request in writing under section [162a](#) of the Personal Property Securities Act 1999 giving the secured party 15 working days to discharge the security.

If I am the secured party, how do I release the security?

Simply log on to the PPSR website and under the option to Maintain Registered Financing Statement, select 'Discharge'. You will then be asked for the financing statement number and PIN. After that you will need to enter your secured party login ID and password and this will take you through to the financing statement where you will only need to push the 'Discharge' button and confirm you wish to discharge the financing statement.

How long does the security stay on the register?

When the financing statement is registered it is given a life of five years, after which time it disappears if not renewed.

Once a financing statement is discharged, it will no longer show in any search and is effectively wiped from record.

Our Advice

If you would like to discuss this further please contact us. If you wish to let a secured party know that they need to discharge a security, we can provide you with a template for formal request for PPSR discharge.

See below for relevant parts of the Personal Property Securities Act 1999.

161 Discharge of registration relating only to consumer goods

- If a registration relates exclusively to a security interest in consumer goods, the secured party must discharge the registration within 15 working days after all obligations under the security agreement creating the security interest are performed, unless the registration lapses before the expiration of that period.

162 When debtor, etc, may demand registration of financing change statement

- The debtor or any person with an interest in property that falls within the collateral description included in a registered financing statement may give a written demand to the secured party if:
 - a) all of the obligations under the security agreement to which the financing statement relates have been performed
 - b) the secured party has agreed to release part or all of the collateral described in the collateral description included in the financing statement
 - c) the collateral described in the collateral description included in the financing statement includes an item or kind of property that is not collateral under a security agreement between the secured party and the debtor
 - d) no security agreement exists between the parties
 - e) the security interest is extinguished in accordance with this Act.

163 Matters that may be required by demand

- A demand under section [162](#) may require the secured party to register, within 15 working days after the demand is given, a financing change statement:
 - a) discharging the registration in a case within paragraph (a) or paragraph (d) or paragraph (e) of section [162](#); or
 - b) amending or discharging the registration so as to reflect the terms of the agreement in a case within paragraph (b) of section [162](#); or
 - c) amending the collateral description to exclude items or kinds of property that are not collateral under a security agreement between the secured party and the debtor in a case within paragraph (c) of section [162](#).

Last reviewed on 17 June 2021

Important: Clients should not act solely on the basis of the material contained in this article. Items herein are general comments only and do not constitute nor convey advice per se. Changes in legislation may occur quickly. We therefore recommend that our formal advice be sought before acting in any of the areas. This article is issued as a helpful guide to our clients and for their private information. Therefore it should be regarded as confidential and should not be made available to any person without our prior approval.