

# Deed of full release and undertaking for PPSA registered security interests (with guidance notes)

**Description:** This is a precedent deed of release document (including guidance drafting notes) for the full release of a PPSA registered security interest over personal property

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## Deed of full release and undertaking of interests

[Refer to Author's Notes at the end of this precedent]

**Secured Party:** [insert name of Secured party]

**Grantor:** [insert name of Grantor] (Company)

**Grantor's postal address/email address** [insert address for Secured Party]

**Security Interest:** Any security interest (including *Personal Property Securities*) in respect of the Released Property

[use definition provided under *Deed* including any serially identified commercial property if applicable]

**Date:** [insert date of deed]

**Released Property:** All property which is [Security Interest defined] for the purposes of the deed

**Registration number:** [Note: this is required if the deed is registered]

**Token ID:** [Note: this is required if the deed is registered]

The Released Property is released from the Security Interest

If the Security Interest is registered on the Personal Property Securities Register under the *Personal Property Securities Act 2009* (Commonwealth), the deed specifically describes the Released Property (in which case)

- (a) register a financing change statement in respect of the release within [insert – eg 5] Business Days after the release [OPTIONAL: and
- (b) send a notice of the verification statement to the Secured Party as soon as reasonably practicable after the time of the release

Nothing in this deed [OPTIONAL: or any related deed] releases, terminates or otherwise affects any debt or obligation secured by the Security Interest to the extent that it was incurred on or before the date of this deed or arise after the date of this deed

**Executed** by the Secured Party as a deed poll and signed by [insert name of Secured Party]

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[Note: Insert an execution clause **only for the person**  
execution clause for deeds is in the case of individual  
companies the testimonium must have "and delivered

#### **Secured Party Contact Details**

Phone number:

Email address:

Reference number:

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Author's notes:

## 1 Description and use

This document is only to be used for a full release deed (**model deed**) prepared by the Australian Financial Bankers' Association (ABA) updated in October 2012. See [www.afc.asn.au/afc\\_info/publications.html](http://www.afc.asn.au/afc_info/publications.html) or [www.AFCInfoSecurities/default.aspx](http://www.AFCInfoSecurities/default.aspx). However if the provisions of the protocol provides that as a condition of the download of the deed must not represent that the deed submitted to the Register is a model deed.

The release itself is not registered or lodged for registration. The outgoing secured party setting out the details of the release and the relevant details in the release are necessary to ensure the outgoing secured party will register the release. Register discharging its security interest from the security interest on the PPSA.

Section 150(1) of the PPSA provides that a person who registers a financing change statement to amend a registered security interest and the grantor may on the face of the section 150(1) so if they have been provided with the token ID and the token ID.

The release is only applicable to a release of security interest or after the registration commencement time (30 June 2012) (those migrated from earlier registers to the PPSA).

Be aware of the short period available (within 5 business days) for the secured party to register a financing change statement to amend a registered security interest. This is discussed under the heading 'The discharge process'.

It is not applicable to:

- (1) a release of transitional security interest in a security interest or
- (2) a partial release.

## 2 The discharge process

It is envisaged that the process will be as follows:

### 2.1 Preparing the deed of release

The Information and Protocols on model security interest deed AFC updated in October 2012 provide that the deed:

- (1) if the transaction involves a settlor, the settlor prepares and provides the executed deed of settlement; or
- (2) if the transaction involves goods sold, the goods sold, otherwise agreed by the parties, it provides, instead of the release, a deed of settlement letterhead stating:
  - (a) the basis on which the assets are sold;

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- (b) when that occurs, an und  
in respect of the goods.

*Note: if the goods are released fr  
collateral, please refer to the note  
release where different requireme  
the payout statement is included*

- (3) if email is used, the email address  
PPS Register for the security inte  
(for transitional security interests  
need to advise each other of the a
- (4) if a secured party undertakes to register a  
carry that out within 10 business days of t  
specified in the release is 5 business day  
discussed under paragraph 2.4(4) below  
collateral (although you may change this  
within either of those categories); and
- (5) a secured party receiving a mode  
to the requesting party within 5 bu

**Note:** The parties are free to agree to any  
their own steps to prepare the release ac  
example one bank has refused to execute  
registration number to the grantor to unde  
not be available to the outgoing secured p  
is consumer property or serial numbered  
2.4(4) below).

## 2.2 Amending the register – applying to re

- (1) **Where the outgoing secured pa  
usual case):**

*the outgoing secured party (or its  
Register and click on the discharg  
number will be inserted into the P  
secured party's name.*

*Be aware that:*

- (a) the token ID should be tre  
and
- (b) once the financing chang  
appear on the PPS Regis  
the relevant statement ea  
outgoing secured party w  
number (which is issued i  
secured party will be una  
appear on the PPS Regis  
will enable a search to be  
the financing change stat  
Registrar for that change  
is really a back end functi  
187 which allows the Reg  
whatever form the Regist

- (2) **where the grantor makes the ap**

There is a view from an industry apply to amend the registration. given both the token ID and the

The grantor should follow the de

An additional box in the table ha registration number to be inserte undertaking to register a financin longer be responsible for the dis

This option will only be available interest being discharged does n collateral (discussed further und

### 2.3 Verification Statement

Once all details have been inserted into **financing change statement – discharge** email) to the outgoing secured party (s verification statement to the outgoing s

### 2.4 Obligation to register a financing change

(1) Except as provided under paragraph outgoing secured party to register registered financing statement w

(2) Section 150(2) allows a person t and the Registrar must register t of section 150(3) are satisfied.

(3) If the outgoing secured party:

(a) fails to register the finan agreed in the undertaking or

(b) has executed the releas obligation to register the obligation under the PPS

the grantor may give an amendr party to register a financing char amendment ends an effective re registration (Item 1 section 178). with the amendment demand, th pursue an administrative proces a right to sue for damages for ar as likely to result from failing to r

(4) The outgoing secured party has statement within 5 business day unperfected. Under section 167 collateral described in the regist

(a) used or intended to be u household purposes; or

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- (b) registered with a serial number, the time of registration and the date of registration (section 167(3)).

As soon as a security interest in collateral is discharged it will become unperfected. To end registration before the end of the time occurs by registering a financial statement.

- (5) The release has been drafted to reflect the application to the Registrar within the comments above.

### 3 Notices

- (1) **Secured party to give notice to grantor**

Once the outgoing secured party has been notified, ensure that a notice of the statement of affairs is given to the person registered as a grantor at the time of the registration event (section 157(3)).

- (2) **Notice to be in approved form**

Under section 7 of the Personal Property Security Act 2011 the approved form of notice is:

- (a) a copy of the statement in section 157(3);  
(b) a replication of the information generated by the Registrar's Verification Statement and the statement of affairs.

If the notice (whether as a copy or a replication) is given to:

- (a) an individual and is given to the individual, a copy of the verification statement must also be given to the individual's date of birth document (section 7(2)) or the date of birth (section 7(5));  
(b) a motor vehicle, it is not necessary to give references to information contained in the statement of affairs.

- (3) **Notice may not be required if grantor is not a natural person**

The outgoing secured party is not required to give notice if:

- (a) the collateral to which the security interest relates is not property; and  
(b) the person has, in writing, waived the right to receive the notice (Section 157(3)).

However for transitional security interests, the grantor has waived the right to receive the notice.

- (4) **Grantor may include additional information**

If acting for the grantor, you may want to include an undertaking in the deed of release to ensure that the grantor does not re-secure the collateral.

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*under section 157(1) even though  
documents, to waive its right to r*

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