

## Short Minutes Transcript: PPSR – The High Cost of Small Mistakes

The 2017 Supreme Court decision *In the Matter of One Steel Manufacturing* highlights how costly a simple mistake can be.

Alleasing Pty Ltd leased valuable mining equipment to One Steel Manufacturing. Alleasing registered its security interest on the Personal Properties Security Register, but mistakenly entered One Steel's ABN rather than its ACN in the financing statement. The staff member who registered the security interest was not aware of the difference between the treatment of an ABN and an ACN, nor of the legal requirement to use an ACN during the PPSA registration process.

When One Steel's administrators were appointed, it was argued that the failure to use the ACN was a defect in registration and that Alleasing's interest in the goods would pass to One Steel's administrators.

In the judgement his Honour found that under the PPSA, there was a distinction between the use of an ABN and an ACN identifier. His Honour found the defect to be seriously misleading, because the omission of the ACN meant that searchers using the ACN would not discover the registration.

This is a reminder that strict compliance with the requirements of the PPSA is critical when registering security interests. Have an appropriate system in place to ensure that security interests are properly registered, and are on time.

Solicitors should:

- Ensure that care is taken when registering security interests, to ensure that all prescribed information is provided, and is in accordance with the strict application of the PPSA
- Double check the entry of data on the register, and
- Make sure that staff are educated in and appreciate the importance of strict compliance

I'm Kerrie Lalich

A link to the case can be found below:

- [\*In the matter of OneSteel Manufacturing Pty Limited \(administrators appointed\) \[2017\] NSWSC 21 \(31 January 2017\)\*](#)