



GE Capital

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**Personal Property Securities Branch**  
**Attorney-General's Department**  
3-5 National Circuit  
BARTON ACT 2600

**Submission on the draft Cost Recovery Impact Statement (CRIS):**

The team at GE Capital would like to thank you for the opportunity to make a submission in relation to the draft CRIS. We have listed our feedback and recommendations in our submission below:

(1) The current understanding is that all existing Fixed Charges on ASIC's Register of Company Charges will be migrating across to the PPSR as Fixed and Floating Charges (All Present and After Acquired Property). Our understanding is that unique identifiers like VIN No, Manufacturer Number associated with the Fixed Charge will not migrate across to PPSR.

As a result, GE Capital is considering amending these migrated registrations post go live in May-11 such that the registration reflects the correct collateral class under PPSA and where applicable include details such as serial no, collateral description etc.

The draft CRIS proposes a fee of \$3.70 for amending a financing statement, where change of details does not impact on end date. The amendment that GE Capital is considering (detailed in previous paragraph) has to be done to correct the limitations in the migration strategy.

Our recommendation is that any amendments to migrated registrations that are required as a result of limitations in the PPSR design or the migration strategy should be at no cost to the user.

(2) We seek clarification on what is considered a minor amendment to a financing statement.

- Is a change to collateral class considered a minor amendment?
- Is the carving out of goods from a financing statement for collateral class "All Present and After Acquired Property" considered a minor amendment (effectively changing the collateral class to All Present and After Acquired Property **Except**?)

(3) Section 6 – Summary of Charging Arrangements – Ref no. 8.1 & 8.2

A Secured Party Group (SPG) structure cannot be amended once created. The only option is to create a new SPG structure and transfer existing registrations from the first SPG to the newly created one. This is a limitation of the PPSR design.

Our recommendation is that no fee should be charged in respect of activity listed under 8.1 and 8.2 because of the limitation in the amendment of SPGs.

(4) Section 6 – Summary of Charging Arrangements – Ref no. 8.1 – Issue copy of a verification statement (excluding SPG change in address) including certificate of registration

Please clarify whether the “issue copy” of a verification statement is in fact a reference to “re-issue copy” of a verification statement.

(5) The legal advice that we are receiving is that once PPSA becomes effective, multiple registrations will be required for the same security agreement in many instances. This is mainly because of certain grantor types, unique nature of contract documentation and certain finance product types. As a result, we expect that the predicted volumes for registrations and searches on which the Cost Recovery Impact Statement is based might be significantly understated (5.4.1).

We request you to review and revise the predicted volumes in the light of this information.

Please feel free to contact me if you wish to discuss any of the points raised in our submission. We look forward to having the opportunity to review the revised CRIS before it is finalised.

Kind regards,

**Prajakti Khursale**

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GE Capital Australia

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