

October Newsletter

Have you heard of the PPSA?

The PPSA is the Personal Property Security Act and it affects anyone who buys, sells, owns, lends or leases personal property. It also applies to suppliers of goods on credit and consignment of goods.

The PPSA deals with the security interests in your personal property. In other words, it is an interest the vendor takes in your personal property as security for the payments. For example if you lend money to someone to buy a car and take an interest in the car as security for the loan, you have a security interest. The most common ones would include Hire Purchase Agreements and Long term leases.

In order for the vendor to be protected, the interest needs to be registered with the Personal Property Securities Register (PPSR). If you don't register your interest, it can cost you dearly if the debtor defaults, or becomes insolvent.

To get the best protection you must have up-to-date terms and conditions, that gives you a security interest in accordance with the PPSA, and register that interest on the PPSR.

The general rule is that, first interest registered will get priority. The exception to this is the PMSI—Purchase Money Security Interest. This deals with suppliers who supply goods on credit.

Buyer Beware!

When purchasing something, be aware that there may still be a security interest registered against that asset. The asset may still be repossessed from you to pay off the debt, even though the debt belonged to the previous owner.

As a consumer you will assume full ownership of the goods despite any registered security interest when:

- Buying from dealers – as opposed to private sale
- Buying consumer goods for less than NZ\$2,000 or
- Buying from registered car dealers

However, you will not be protected from a registered security interest when you buy:

- Personal property that could have been worth more than NZ\$2,000 at some time, particularly second hand items.
- A motor vehicle privately i.e., not from a registered Motor Vehicle Trader
- Chattels that may be included in a house sale (e.g., dishwasher, air conditioner)

For further clarification on these issues, please contact our office.

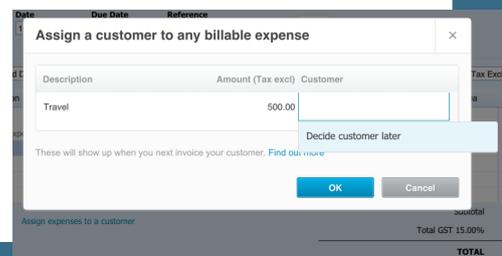
xero Update

Billable Expenses are here!

Xero has recently launched Billable Expenses.

As you are entering your bills into Xero, you can now attribute items to a customer. When you go to create a new invoice for the customer, Xero will ask you if you want to include the expenses. This is a quick and easy way to make sure customer's and being billed for goods.

Check out a short video about it [here](#).



Bright Line Test for Residential Property

Currently, the Bill for 'bright line test' for the sale of residential properties, is passing through Parliament. It will mean that all properties bought and sold within two years, will be subject to income tax, however there are some exceptions. It is expected to come into law by the end of the year and apply to all property purchased after 1 October 2015.

In the next Newsletter, we will discuss who this will apply to, and some of the exceptions.



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