

PHILIPPINES PERSONAL PROPERTY SECURITY REGISTRY (PPSR) FREQUENTLY ASKED QUESTIONS

1. What is the Personal Property Security Act (PPSA)?

Republic Act. No. 11057 or the Personal Property Security Act (PPSA Law), signed on 17 August 2018, provides for new means and requirements for creating, perfecting, and registering security over personal property in the Philippines.

2. What is the benefit of the new law?

PPSA aims to promote economic activity by increasing access to least cost credit, particularly for micro, small, and medium enterprises (MSMEs), by establishing a unified and modern legal framework for securing obligations with personal property.

Further, PPSA aims to strengthen the secured transactions legal framework in the Philippines, which shall provide for the creation, perfection, determination of priority, establishment of a centralized notice registry, and enforcement of security interests in personal property and for other purposes.

3. What is a security interest?

A property right in collateral that secures payment or other performance of an obligation of the Grantor to the Secured Creditor.

4. Why do I need to register my security interest?

You register a notice on the “Registry” to show that you have rights over property which secure debt or obligation that someone owes you.

5. What can be used as collateral?

Any tangible or intangible personal property, except interests in aircraft (subject to Civil Aviation Authority Act of 2008) and interest in ships (subject to Ship Mortgage Decree of 1978)

6. What is the role of the Land Registration Authority in the PPSA Law?

Under the new law, the LRA shall establish and maintain a “Registry” that enables the registration and the searching of notices on security interests over personal property. The Registry shall provide electronic means for registration and searching of notices.

7. How is the registration under PD 1529 different from the new law?

Under PD 1529, the registration is jurisdictional or the registration takes place at the

place where the property is located/situated or ordinarily kept, which is no longer the case under the new law considering that the registration shall now be centralized and registered under the Registry. In addition, registration can be done by the stakeholders themselves, without any intervention by the LRA. The notice shall be available 24/7 online and may be viewed by the public, provided they have a corresponding user account and fees have been paid.

8. What happens to the existing chattel mortgage registration with the Registry of Deeds? Do I register again under the new law?

The Property Security Act repealed the Chattel Mortgage Law. All active chattel mortgages need to be re-registered in the Personal Property Security Registry.

9. How much is the registration fee under the new law?

The fees for registering a notice and for requesting a certified search report shall be set by regulations issued by the DOF for the recovery of reasonable costs of establishing and operating the registry.

10. What is the process to register in the "Registry"?

In order to create a notice, one must have an account in the Registry. Once an account is created, you may access the registry for creation of notices, for searching and for requesting certified true copies of notices.

11. What is/will be the proof of registration under this new law?

Once the Initial notice registration number has been generated (after payment has been made) and the notice is discoverable on the record of the registry that is proof that the notice has been registered.

12. Can I go to the RD (Registry of Deeds) to request for proof of registration?

There will be no RD intervention. All transactions will be done through the online registry.

13. Who can search the registry?

Anyone who registers and has an account in the registry can conduct a search in the Personal Property Security Registry.

14. Is there a fee for creating an account in the Personal Property Security Registry?

Making an account in the registry is free of charge.

15. What is a notice?

A notice is a statement of information that is registered in the Registry relating to a security interest or lien.

16. What are the required details to file an Initial Notice?

The required fields to be filled out are the Grantor information, Secured Creditor information, Collateral type and description, and transaction information such as loan amount, and Term end date.

17. What happens if information about the Grantor, Secured Creditor, or the collateral changes after the original registration?

You may file an amendment notice to an Initial Notice previously submitted. The following changes may be made:

1. Add or remove one or more Grantors
2. Edit details of Grantors
3. Add/remove one or more Borrower
4. Edit details of Borrower
5. Add/remove one or more collateral
6. Edit collateral details
7. Replace one or more Secured Creditors
8. Edit any creditor details
9. Edit loan amount

18. How do I track my notices?

A notice registration number will be generated once the initial, amendment, or termination notice has been paid. All these paid notices that you created shall be viewable in your My Notices.

19. Can I extend the term end date of my notice?

You may extend the term end date of the Initial Notice by filing an amendment notice. It must be registered within six (6) months before the term end date.

20. Can LRA file a notice? Can LRA amend or terminate my notices?

The LRA users or registry sub-users can only make an amendment or termination through an administrative or court order.

21. What is a termination notice?

A termination notice, once filed, will end the effectiveness of a notice.

22. What happens if my notice has been terminated in the PPSR?

The notice is terminated from the date and time when the information in the notice is no longer accessible to searchers of the public registry record.