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## ARTICLES

### **Unperfected PPSA Security Interests in Insolvency Part II: The Policy Objectives of the Vesting Provisions – Adam Waldman**

This is the second of two articles which critically examine the “vesting provisions” in relation to the *Personal Property Securities Act 2009* (Cth) (PPSA). These are s 267 of the PPSA, which provides that a security interest “vests in the grantor” if it is unperfected at the time of one of several specified events indicating the grantor’s insolvency, and s 588FL of the *Corporations Act 2001* (Cth), which provides that a security interest “vests in the company” if it is perfected by registration and no other means, the grantor is a company, and the registration time is outside of one of several specified time periods. This article focuses on the policy objectives of these provisions. Part I considers their main policy objective of continuing previous statutory provisions, and argues that the underlying policies of those provisions are not achieved by the vesting provisions. The following Parts consider several other possible policy objectives, and conclude that only the prevention of fraud is capable of explaining the provisions. Considered alongside the first article, this article ultimately concludes that none of the underlying policy objectives of the vesting provisions justify the costs inherent to them. As such, it argues that they should both be deleted. .... 211

### **Securitisation by Australian ADIs during the COVID-19 Pandemic – Tony Ciro and Bülelnd Terzioglu**

The article undertakes empirical content analysis of the holdings of asset-backed debt securities disclosed and reported by authorised deposit-taking institutions (ADIs) both listed and unlisted on the Australian Securities Exchange (ASX). The debt securities markets in Australia are dominated by the big four banks that have issued tens of billions of dollars in asset-backed securities over residential mortgages. Our study not only confirms this finding but also reveals that securitisation of business and corporate loans, consumer loans, covered bonds, repurchase agreements and other structured financial products play an important role in sourcing finance and repackaging credit risk within corporate Australia. The evidence further suggests that securitisation markets continue to evolve within Australia and have become more mature, sophisticated and resilient since the onset of the Global Financial Crisis (GFC). This resilience has been demonstrated during the recent COVID-19 pandemic where financial markets were able to weather the storm of the global health crisis much more successfully than had previously been the case with the GFC. .... 231

INSOLVENCY LAW AND MANAGEMENT – *Editors: Lindsay Powers and Gerard Breen*

**Navigating Personal Liability for Debts Incurred in Administrations –**  
*Lindsay Powers* ..... 247

HONG KONG AND CHINA – *Editor: Professor Chao Xi*

**Navigating the 2023 Chinese Company Law Amendments and Their Impact on**  
**Insolvency – Casey Watters and Zheng Tang** ..... 251

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**VOLUME 34 – 2024**

Table of Authors..... 257  
Table of Cases..... 259  
Index ..... 267