

Insolvency Law & Practice

Wednesday 3 March 2021

Webinar duration: 4.00pm – 5.00pm

Presenter

Geoffrey McDonald
Barrister at Law

9 Windeyer Chambers

(<http://www.9windeyer.com.au/barristers/geoffrey-mcdonald/>)

zoom

The Presenter's background

Insolvency Accountant

1982 at Peter Rodgers and Associates (Love & Rodgers, Hall Chadwick)

1983 worked with Rod Sutherland and Rick Jirsch (Jirsch Sutherland)

1987 became a partner, the youngest ever of an accounting firm, on my 23rd birthday

1988 became a registered liquidator, then also registered as an auditor, tax agent and then
Trustee in bankruptcy

I was a leader in the uptake of the new law in 1993; Voluntary Administrations

What will come of VAs with the new law on Restructuring Plans and SBRPs?

As Albert Einstein once said;

“the fate of the old one, recognises the culture of the young”

The Presenter's background

I went to the Bar in the late 1990s.

I was told that I was the first person to be granted a Practicing certificate as a barrister whilst also practicing as an accountant.

I soon became National Chairman of Hall Chadwick.

From those beginnings, many insolvency firms have grown or many have employed staff who have had the experience of working with me; SV partners, Mackay Goodwin, BPS Recovery, Chifley Advisory, Aston Chace Group, Westburn Advisory, OBP, Jones Partners, TPH Insolvency, Rodgers Reidy, Cor Cordis, Farnsworth Carson or the staff have become partners of other firms; Deloittes, Ernst & Young & Worrells.

What I do have are a very particular set of skills which I have acquired over a long career, "Like the Godfather of insolvency".

Web site: [Geoffrey McDonald — 9 Windeyer Chambers](#)

Past papers: [List.docx \(google.com\)](#)

Family business: <http://www.helpingclients.com.au/geoffrey.php>

Due to the relatively short duration of this Webinar, you will find that the presentation will bring issues to your attention, rather than answer all the questions and the PowerPoint paper will be a helpful resource for future guidance (soon to be posted on the 9 Windeyer Website).

Please ask questions throughout, the Webinar, using the Zoom facility.

Endorsement;

“Thank you for another generous invitation to attend your complimentary seminar. Unfortunately I will not be attending this one, nor any others. I retired as a solicitor at the end of 2018 after 50 years plus. ...

Your invitations and seminars always brought back memories of our many years of friendship and the characters we shared in our lives. Thank you for those.”

Outline of Insolvency Law & Practice Webinar

(1 hour on Tuesday 2 March 2021)

1. Out with the new and in with the old laws; or not?
2. Small Business Restructuring Practitioners and their Plans
3. Recent Superior Court cases
4. Creditor defeating transactions (briefly)

Outline of Insolvency Law & Practice Webinar

(1 hour on Wednesday 3 March 2021)

1. Phoenix Companies
2. Creditor defeating transactions; Director's liability and Solicitor's liability
3. Proposed changes in law and practice
4. Developments with ASIC, AFSA and ARITA and the Courts

1. Phoenix Companies

ASIC; [Illegal phoenix activity](#) | [ASIC - Australian Securities and Investments Commission](#)

What is illegal phoenix activity?

This illegal practice usually happens when company directors transfer the assets of an existing company to a new company without paying true or market value, leaving debts with the old company. Once the assets have been transferred, the old company is placed in liquidation.

When the liquidator is appointed, there are no assets to sell so creditors cannot be paid.

Difference between illegal phoenix activity and a legal phoenix company

When a company restructure involves transferring assets to a new company, acting responsibly could mean having the assets independently valued to determine their true market value

1. Phoenix Companies

New Zealand Companies Act

S386B Definitions for purpose of phoenix company provisions

(1)

In [sections 386A to 386F](#),—

director of a failed company means a person who was a director of a failed company at any time in the period of 12 months before the commencement of its liquidation, and **director of the failed company** has a corresponding meaning

failed company means a company that was placed in liquidation at a time when it was unable to pay its due debts

phoenix company means, in relation to a failed company, a company that, at any time before, or within 5 years after, the commencement of the liquidation of the failed company, is known by a name that is also—

- (a) a pre-liquidation name of the failed company; or
- (b) a similar name

1. Phoenix Companies

Treasury Laws Amendment

(Combating Illegal Phoenixing) Act 2020

Summary

- introduce new criminal offences and civil penalty provisions for company officers that fail to prevent the company from making creditor-defeating dispositions and other persons that facilitate a company making a creditor-defeating disposition;
- allow liquidators to apply for a court order in relation to a voidable creditor-defeating disposition;

1. Phoenix Companies

- enable the Australian Securities and Investments Commission to make orders to recover, for the benefit of a company's creditors, company property disposed of or benefits received under a voidable creditor-defeating disposition;
- prevent directors from improperly backdating resignations or ceasing to be a director when this would leave a company with no directors;

1. Phoenix Companies

Backdating Director's Resignations

From 18 February 2021 the effectiveness of a director's resignation will be dependent on when he/she lodges the resignation form with ASIC. If it is lodged over 28 days after the resignation, then the date of lodgement is the date of resignation.

Any resignation of a director of a company does not take effect if, on the date of that resignation, the company does not otherwise have at least one other director. Furthermore, any resolution purporting to remove a director, in circumstances where there is no other director available, will be void (section 203CA).

Guide; [Resigning or removing a company director | ASIC - Australian Securities and Investments Commission](#)

1. Phoenix Companies

ID Numbers

Treasury Laws Amendment (Registries Modernisation and Other Measures) Act 2020

Schedule 2—Director identification numbers

The Director Identification Number (DIN) regime has now been approved by parliament in Australia. All directors of companies registered under the Corporations Act will need to obtain a unique identifier. All directors will be required to confirm their identity before receiving a DIN, and there will be civil and criminal penalties for system misuse.

1. Phoenix Companies

ID Numbers

As part of the 2020 Budget Digital Business Plan, the government announced funding to enable the full implementation of the Modernising Business Registers (MBR) program.

<https://www.abr.gov.au/> (“Australian Business Register”)

The MBR Program will be administered over the next four years. While there is no action required yet, we will regularly update you on our journey and communicate widely when action is required. (Last modified 19 Oct 2020)

As at 23 November 2020, the Application Day is presently unspecified; however, unless an earlier date is fixed by Proclamation, the new DIN regime will commence on 22 June 2022.

2. Creditor Defeating Transaction

“enable the Australian Securities and Investments Commission to make orders to recover, for the benefit of a company's creditors, company property disposed of or benefits received under a voidable creditor-defeating disposition”

2. Creditor Defeating Transaction

588FGAA (3)

ASIC may, on request under subsection (2) or on its own initiative, make one or more of the following orders in writing given to the person:

(a) an order directing the person to transfer to the company property that was the subject of the disposition;

(b) an order requiring the person to pay to the company an amount that, in ASIC's opinion, fairly represents some or all of the benefits that the person has received (directly or indirectly) because of the disposition;

(c) an order requiring the person to transfer to the company property that, in ASIC's opinion, fairly represents the application of proceeds of property that was the subject of the disposition.

2. Creditor Defeating Transaction

CORPORATIONS ACT 2001 - SECT 588FGAC

A person must not engage in conduct if the conduct contravenes an order under subsection 588FGAA(3).

CORPORATIONS ACT 2001 - SECT 588FGAD

(2) If a court convicts a person of an offence based on section 588FGAC ..., the court may (in addition to imposing a penalty on the person for the offence) order the person to pay the company an amount not exceeding the amount involved in the contravention.

2. Creditor Defeating Transaction

CORPORATIONS ACT 2001 - SECT 588FGAD

(1) An amount payable by a person to a company under an order made under paragraph 588FGAA(3)(b) is recoverable by the company as a debt by action against the person in a court of competent jurisdiction.

2. Creditor Defeating Transaction

BANKRUPTCY ACT 1966 - SECT 139ZQ

**(1) If a person has received any money or property as a result of a transaction that is void against the trustee of a bankrupt under Division 3, the Official Receiver:
... may require the person, by written notice given to the person, to pay to the trustee an amount equal to whichever of the following is applicable:
... the money or the value of the property received.**

2. Creditor Defeating Transaction

BANKRUPTCY ACT 1966 - SECT 139ZR

(1) If a notice under section 139ZQ is given to a person in respect of any property:

(a) the property is charged with the liability of the person to make payments to the trustee as required by the notice...

(2) Subject to subsection (3), a charge under subsection (1) has priority over any existing or subsequent mortgage, lien, charge or other encumbrance over the property in favour of an associated entity of the bankrupt, and has that priority despite any other law of the Commonwealth or any law of a State or Territory.

2. Creditor Defeating Transactions

Corporations Act; Section 588FDB “Creditor-defeating disposition”

(1) A disposition of property of a company is a creditor-defeating disposition if:

(a) the consideration payable to the company for the disposition was less than the lesser of the following at the time the relevant agreement ... was made ... :

(i) the market value of the property;

(ii) the best price that was reasonably obtainable for the property, having regard to the circumstances existing at that time; and ...

(b) the disposition has the effect of:

(i) preventing the property from becoming available for the benefit of the company's creditors in the winding-up of the company; or

(ii) hindering, or significantly delaying, the process of making the property available for the benefit of the company's creditors in the winding-up of the company.

2. Creditor Defeating Transactions

McDonald and Anor v Hanselmann

Matter No 3480/97 [1998] NSWSC 171 (28 April 1998)

“It seems to me that in the instant case one can take neither the going concern value nor the auction value as being the true value.

*The authorities show that where one has such a situation even if there are no other potential buyers, the value of the property is the amount which the only purchaser would be prepared to pay for it rather than to lose the property; see eg *Mordecai v Mordecai* (1988) 12 NSWLR 58, 70.*

It can be seen from the calculations, and indeed, from the evidence of the valuers, that the fixing of the value of the property is not a matter of precise scientific calculation. This being so, I would think that had the difference between what was paid and the value of the property been less than 15% of the value of the property, I would have been justified in holding that there was not such a magnitude of discrepancy in value as would make the transaction uncommercial.”

2. Creditor Defeating Transactions

Corporations Act; 588GAC

“Procuring creditor-defeating disposition”

(1) A person must not engage in conduct of procuring, inciting, inducing or encouraging the making by a company of a disposition of property that results in the company making the disposition of the property ..., if:

...
(iii) less than 12 months after the disposition, the start of an external administration (as defined in Schedule 2) of the company occurs as a direct or indirect result of the disposition;

Note 1: Failure to comply with this subsection is an offence: see subsection 1311(1).

3. Proposed changes in law and practice

[Increasing the Statutory Demand Threshold | Treasury.gov.au](#)

Increasing the Statutory Demand Threshold

“Until 2010, there was alignment between the threshold for issuing a corporate statutory demand on a company and the threshold for initiating bankruptcy proceedings against an individual debtor through issuing a bankruptcy notice. In 2010, the threshold for issuing a bankruptcy notice was raised from \$2,000 to \$5,000. This threshold was increased again, to \$10,000, on 1 January 2021.”

“Out with the new and in with the old laws; or not?”

For the period from 24 March 2020, to 31 December 2020,
the insolvency laws were changed to;

- Increase the current minimum threshold for creditors issuing a statutory demand on a company under the Corporations Act 2001 from \$2,000 to \$20,000.
 - Extend the statutory timeframe for a company to respond to a statutory demand from 21 days to six months.
 - Increase the threshold for the minimum amount of debt required for a creditor to initiate bankruptcy proceedings from its current level of \$5,000 to \$20,000 (BNs changed to \$10,000).
 - Increase the time a debtor has to respond to a bankruptcy notice from 21 days to six months.
 - Relieve directors of their duty to prevent insolvent trading with respect to any debts incurred in the ordinary course of the company's business (but not waive any related criminal provisions which involve intent, such as dishonesty or fraud).
- Corporations Amendment (Corporate Insolvency Reforms) Act 2020*

3. Proposed changes in law and practice

“12 Month Bankruptcy”

On 30 November 2017, pursuant to a report of the Senate Standing Committee for Selection of Bills, the Senate referred the provisions of the Bankruptcy Amendment (Enterprise Incentives) Bill 2017 (BAEI bill) to the Senate Legal and Constitutional Affairs Legislation Committee (the committee). On 7 December 2017, the provisions of the Bankruptcy Amendment (Debt Agreement Reform) Bill 2018 (BADAR bill) were referred to the committee through a similar means.

The purpose of the Bill is reduce the default period of bankruptcy from three years to one year, including measures to extend the income contribution obligations of discharged bankrupts for a minimum period of two years following discharge or, if extended due to non-compliance, for five to eight years.

3. Proposed changes in law and practice

Consultation - Personal Insolvency Discussion Paper

On 13 January 2021, the Assistant Minister to the Attorney-General, Senator the Hon. Amanda Stoker, announced that the Australian Government is seeking stakeholder submissions on possible changes to the bankruptcy system to inform the Government's ongoing response to coronavirus (COVID-19).

Proposed items that are being considered include:

1. **Reducing the default period of bankruptcy from the current 3 years to 1 year.**
2. A review of the debt agreement process and criteria for access.
3. A review of the personal insolvency agreement process and criteria for access.
4. A review of the offence provisions.

3. Proposed changes in law and practice

Consultation - Licensing Debt Management Firms

On 25 September, 2020, the Treasurer announced a suite of reforms to Australia's consumer credit laws to facilitate more timely access to credit for small businesses and consumers, whilst retaining and strengthening several consumer protections.

An element of the reforms is protecting consumers from the often predatory practices of debt management firms will be a requirement to hold an Australian Credit License when they are paid to represent consumers on matters related to credit activities.

A person carries out a debt management service if the person provides 'debt management assistance' to a consumer or provides '**credit reporting assistance**' to a consumer

3. Proposed changes in law and practice

Force majeure and frustration: an overview of the case law

CLQ Vol34 No4 Dec 2020-Feb 2021: CLA

The expression 'force majeure' is not a defined expression or term of art in Australian or English law and it is rare for the expression to appear otherwise than as a heading to a clause. There is no doctrine of force majeure corresponding to French law.

The expression is conventionally used to identify a clause in a contract which provides relief either by way of suspension or on occasions cancellation of obligations following the occurrence of one or more of a catalogue of events specified in the clause which prevent, delay or hinder performance.

4. Developments with ASIC, AFSA, ARITA and the Courts

Federal Court of Australia Practice

[Bankruptcy Information Sheet 1: Presenting a creditor's petition \(fedcourt.gov.au\)](https://www.fedcourt.gov.au/insolvency/bankruptcy-information-sheet-1-presenting-a-creditors-petition)

[Bankruptcy Information Sheet 2: Creditor's petition checklist \(fedcourt.gov.au\)](https://www.fedcourt.gov.au/insolvency/bankruptcy-information-sheet-2-creditors-petition-checklist)

[Bankruptcy Information Sheet 3: Opposing a creditor's petition \(fedcourt.gov.au\)](https://www.fedcourt.gov.au/insolvency/bankruptcy-information-sheet-3-opposing-a-creditors-petition)

[Bankruptcy Information Sheet 4: Setting aside a bankruptcy notice \(fedcourt.gov.au\)](https://www.fedcourt.gov.au/insolvency/bankruptcy-information-sheet-4-setting-aside-a-bankruptcy-notice)

[Bankruptcy Information Sheet 5: Substituted service applications \(fedcourt.gov.au\)](https://www.fedcourt.gov.au/insolvency/bankruptcy-information-sheet-5-substituted-service-applications)

Updated January 2021

[Corporations Information Sheet 1: Winding up proceedings based on an unsatisfied Statutory Demand \(fedcourt.gov.au\)](https://www.fedcourt.gov.au/insolvency/corporations-information-sheet-1-winding-up-proceedings-based-on-an-unsatisfied-statutory-demand)

[Corporations Information Sheet 2: Winding up checklist \(fedcourt.gov.au\)](https://www.fedcourt.gov.au/insolvency/corporations-information-sheet-2-winding-up-checklist)

4. Developments with ASIC, AFSA, ARITA and the Courts

FCA REGISTRARS' CORPORATIONS MATTERS - STANDARD ORDERS

Winding-up based on presumed insolvency

Winding-up on other grounds

Dismissal

Substituting Plaintiff

Adjournment/Notification

Extension of Time

Administrator Appointed as Liquidator

Reinstatement

Affidavit in Support of Adjournment

Filing of Evidence

4. Developments with ASIC, AFSA, ARITA and the Courts

Simplified Liquidation Process

Guide; [Simplified liquidation](#) | [ASIC - Australian Securities and Investments Commission](#)

Where a liquidator has been appointed pursuant to a creditor's voluntary liquidation and they consider on reasonable grounds that the company meets the eligibility criteria, the liquidator may choose to adopt the small business liquidation process rather than the standard creditor's voluntary liquidation process.

- the liquidator is not required to submit a section 533 report to ASIC on potential misconduct unless there are reasonable grounds that misconduct has occurred.
- the liquidator is not required (entitled) to hold formal creditor's meetings and can instead distribute information to creditors, and proposals for voting, electronically.
- the unfair preference voidable transaction provisions are restricted to prevent the liquidator pursuing claims against unrelated entities (< 3 Months, > \$30,000).

4. Developments with ASIC, AFSA, ARITA and the Courts

Simplified Liquidation Process

In order for a company to be eligible for the simplified liquidation it must satisfy a number of requirements under the legislation including:

- The company must already be in liquidation pursuant to a creditor's voluntary liquidation.
- The company must have liabilities less than \$1 million.
- The company must have its tax lodgements up to date (returns, notices, statements and applications as required by taxation laws).
- Creditors may also request in writing that the liquidator not follow the simplified liquidation process within 20 days* of the event triggering the simplified liquidation process, and the liquidator must cease the simplified liquidation process if the eligibility criteria are no longer met.

4. Developments with ASIC, AFSA, ARITA and the Courts

[Guide; Restructuring and the restructuring plan | ASIC - Australian Securities and Investments Commission](#)

Total Number of Appointments in Australia in two (2) months to 28 February 2021;

THREE (3)

[Published Notices – ASIC](#)

**Compare; 27 Personal Insolvency Agreements in Dec 2020 Quarter
3641 Debt Agreements in Sept 2017 Quarter**

4. Developments with ASIC, AFSA, ARITA and the Courts

[Guide; Restructuring and the restructuring plan | ASIC - Australian Securities and Investments Commission](#)

“Before appointing a restructuring practitioner, directors should consider whether, at the time a restructuring plan is to be proposed to creditors, the company will have (or substantially complied with the requirement to have):

- paid the entitlements of employees that are due and payable**
- given returns, notices, statements, applications or other documents as required by taxation laws (within the meaning of the *Income Tax Assessment Act 1997*).” (*Comment; does not include superannuation*)**

4. Developments with ASIC, AFSA, ARITA and the Courts

[Guide; Restructuring and the restructuring plan | ASIC - Australian Securities and Investments Commission](#)

“The role of the restructuring practitioner is to:

- provide advice to the company about the restructuring**
- assist the company prepare a restructuring plan**
- make a declaration to creditors about the restructuring plan proposed by the company..”**

The restructuring practitioner acts as the company's agent.

4. Developments with ASIC, AFSA, ARITA and the Courts

[Guide; Restructuring and the restructuring plan | ASIC - Australian Securities and Investments Commission](#)

“Every public document and every negotiable instrument must set out the phrase (“restructuring practitioner appointed”) after the company’s name where it first appears. Not doing so, is an offence of strict liability.”

“Once the creditors accept the restructuring plan, there is no statutory requirement to add additional words after the company name in any document. Once the creditors accept the restructuring plan, there is no statutory requirement to add additional words after the company name in any document.”

4. Developments with ASIC, AFSA, ARITA and the Courts

Restructuring Proposal Statement – Approved Form

Corporations Act 2001, Section 455B, Corporations Regulations 2001, Reg 5.3B.16(2)(a) and Reg 5.3B.65

Mandatory Information

1. Company property to be dealt with under the Plan
2. How company property is to be dealt with under the Plan
3. If asset sales are included in 2. above, then;
 - a. How the assets will be valued
 - b. The method of sale and any proposed marketing plan
 - c. Who will undertake the sale process
 - d. If the sale is to a related party – the relationship

4. Developments with ASIC, AFSA, ARITA and the Courts

ARITA 3 March 2021

The reforms providing temporary relief for companies seeking a restructuring practitioner include some specific obligations on Registered Liquidators, even where they are not formally involved with a company.

Any Registered Liquidator **MUST** give ASIC notice in writing within 5 business days if they form a suspicion that there are reasonable grounds to believe that a company which is subject to the relief is:

- not insolvent, or likely to come insolvent, before the declaration expires, and/or
- would not meet the eligibility criteria for restructuring in relation to the company if a restructuring practitioner were appointed on the day on which notice of the declaration was published, or on any day afterwards on which the declaration has not expired.

4. Developments with ASIC, AFSA, ARITA and the Courts

Inspector-General Practice Direction 1

IGPD 1 – Independence of personal insolvency practitioners

Last updated: January 2021

4.3 However, third party referrals may compromise the independence of personal insolvency practitioners whenever there is an express arrangement or implicit expectation that:

- payment will be provided
- services will be procured^{[15](#)}
- actions will/will not occur^{[16](#)}

^{[15](#)} For example, engaging the solicitor acting for a petitioning creditor to pursue legal action to recover property.

^{[16](#)} For example, selling assets or pursuing voidable transactions.

4. Developments with ASIC, AFSA, ARITA and the Courts

Guide issued June 2020 re PPS

[Practical tips for insolvency professionals.pdf \(ppsr.gov.au\)](https://www.ppsr.gov.au/practical-tips-for-insolvency-professionals.pdf)

4. Developments with ASIC, AFSA, ARITA and the Courts

“ASIC is conducting a surveillance campaign to ensure office holders are aware of their duties and responsibilities in accordance with the Corporations Act 2001 ("the Act"). As such, ASIC would like to schedule a consultation with the director to discuss the financials of ... ("the Company") and their duties and responsibilities as an office holder of the Company in accordance with the Act. A representative from the Australian Taxation Office will also attend the meeting.”

Email from ... of ASIC of Friday, 26 February 2021 12:27 PM

4. Developments with ASIC, AFSA, ARITA and the Courts

AFSA warns people to steer clear of dodgy insolvency advisors

20 November 2020

The Australian Financial Security Authority (AFSA) is today launching a campaign to raise awareness of dodgy insolvency advisors who exploit people when they seek help to manage debt.

Tell-tale signs that an insolvency advisor shouldn't be trusted include:

- promising a payment to get out you out of bankruptcy within a few months
- recommending you include false, exaggerated or fake debts in a bankruptcy application
- offering to organise your affairs so your property will be protected if you go bankrupt
- advising that bankruptcy or a debt agreement will not affect your credit rating.

4. Developments with ASIC, AFSA, ARITA and the Courts

ASIC Corporate Insolvency Update - Issue 18

Issue 18, December 2020

The [Abandoned Company Liquidator Panel](#) (currently comprising 35 members) was established after publication of a grant opportunity under the Assetless Administration Fund (AAF). The selection criteria related specifically to ASIC exercising its power under section 489EA of the *Corporations Act 2001* to appoint a liquidator to an abandoned company for the purpose of facilitating employee access to the Fair Entitlements Guarantee (FEG) for payment of outstanding entitlements. The current panel cannot be used to fund the appointment of a liquidator to an abandoned company for any other purpose.

4. Developments with ASIC, AFSA, ARITA and the Courts

ASIC Corporate Insolvency Update - Issue 15

Issue 15, April 2020

We found that creditors were exercising their rights to change the appointee for a variety of reasons – however, these reasons rarely included allegations of misconduct. Instead, creditors indicated they had exercised their rights because they preferred to:

- deal with a registered liquidator they had previously dealt with
- use their existing panel of liquidators
- appoint someone who was not chosen by the directors.

Other reasons for replacement included the registered liquidator moving to a different firm, retiring or ceasing to practice.

4. Developments with ASIC, AFSA, ARITA and the Courts

ARITA Technical Paper

General law independence standards of Australian liquidators and administrators

Mark Wellard, Legal Director, 18 October 2017

“If one were to reduce the judgment of O’Callaghan J in Ten Network to one key statement of principle, it might be the proposition that as a potential administrator, you can ‘pre-plan’ a process, but you cannot ‘pre-pack’ an outcome”.

March 2021

The UK Government has introduced draft regulations which implement a mandatory requirement for the independent scrutiny of pre-pack administration sales where connected parties are involved in the purchase.

4. Developments with ASIC, AFSA, ARITA and the Courts

Indexed amounts in bankruptcy law—updated 28 January 2021

Vehicles: You can keep cars or motorbikes you use mainly for transport worth up to this amount.

If you haven't paid off the vehicle, the amount that counts towards the limit is its value minus what you still owe.

\$8,100

(revised from \$8,000
Sept 2020)

s116(2)(ca)
R6.03B (3) & (4)

4. Developments with ASIC, AFSA, ARITA and the Courts

Indexed amounts in bankruptcy law—updated 28 January 2021

Above this limit, you must disclose that you're bankrupt or in a debt agreement before you can: <ul style="list-style-type: none">•buy goods or services on credit, by hire purchase or by cheque•lease, hire or promise to pay for goods or services•promise to supply goods or services in return for payment.	\$5,934	s269(1)(a), (aa), (ab), (ac), (ad) s304A(1)(j)
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4. Developments with ASIC, AFSA, ARITA and the Courts

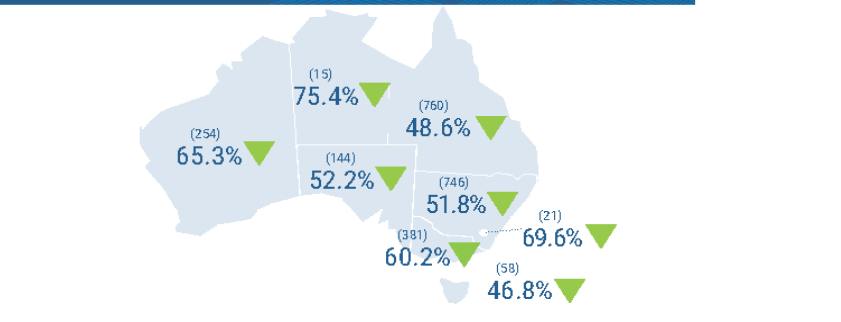
Indexed amounts in bankruptcy law—updated 28 January 2021

Actual Income Threshold Amount (AITA) Over this amount, half of any income you get goes towards repaying creditors. The applicable threshold depends on how many dependants you have.	(all amounts after tax)	s139K
Number of dependants	Income	
0	\$59,031.70	
1	\$69,657.41	
2	\$74,970.26	

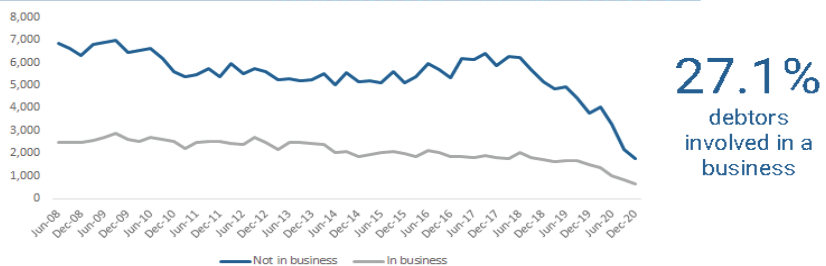
Statistics for October to December 2020



State and territory level



Business related



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