



2017–18 ASIC business plan summary by sector Insolvency practitioners

Key projects	Project status	Focus
Stakeholder engagement		
Communicating with industry and individual firms to reinforce and articulate standards and expectations	Ongoing	<ul style="list-style-type: none"> ◆ Regular engagement with registered liquidators through updates and ad-hoc bulletins, regular quarterly email newsletters, meetings with individual firms and presentations ◆ Regular communication, such as: <ul style="list-style-type: none"> – Annual report on supervision of registered liquidators – Annual report on insolvency statistics – Industry report on deeds of company arrangement – Industry report on registered liquidator compliance with statutory lodgements obligations and publication of notices requirements – Monthly insolvency statistics ◆ Engaging with stakeholders, including meeting with individual firms and industry bodies, such as: <ul style="list-style-type: none"> – Australian Restructuring, Insolvency and Turnaround Association (ARITA) – Chartered Accountants ANZ – CPA Australia – Australian Financial Security Authority (AFSA) – Other Government agencies such as the Australian Taxation Office and Department of Employment and Fair Work Ombudsman ◆ Participating in, and contributing to, the Phoenix Taskforce and the Serious Financial Crime Taskforce.
Education		
Improving industry best practice	Ongoing	Encouraging ARITA to enhance its Code of Professional Practice, including independence, remuneration disclosure, documenting external administration, minimum standard of investigations, and turnaround and reconstruction services.
Guidance		
Information for registered liquidators and other stakeholders	Continuing project from 2016–17	<p>We will:</p> <ul style="list-style-type: none"> ◆ Work closely with industry to further develop ASIC guidance and lift standards of conduct ◆ Implement the <i>Insolvency Law Reform Act 2016</i> (ILRA). We will consult on a legislative instrument dealing with registered liquidators insurance requirements ◆ Revise and reissue Regulatory Guide 16 <i>External administrators – Reporting and lodging</i>



- ◆ Deliver a revised online form EX01 external administrators report to ASIC to facilitate improved liquidator statutory reporting including the requirements introduced by the ILRA
- ◆ Deliver an enhanced ASIC Form 507 *Reports as to Affairs (RATA)* to provide better information to external administrators and improve reporting to creditors
- ◆ Revise and reissue Regulatory Guide 217 *Duty to prevent insolvent trading: Guide for directors* to incorporate the new safe harbour reform.

Surveillance

Registered liquidators' independence and remuneration	Continuing project from 2016–17	Registered liquidators' independence (including referral relationships with pre-insolvency advisors) and remuneration (including adequacy of disclosure and reasonableness) with a view to improving industry best practice.
High-risk registered liquidators	Ongoing	Risk-based reviews to detect misconduct resulting from conflicts of interest, incompetence and improper gain with a view to removing high risk registered liquidators from the industry.
Compliance with statutory lodgments obligations and publication of notices requirements	Ongoing	Finalising and reporting on our review of registered liquidator outstanding statutory lodgments and publication of notices (including insolvency and external administration related notices) on the ASIC published notices website.
Lodgment of annual statements	Ongoing	Reviewing annual statements from registered liquidators to detect non-compliance with the requirements to maintain registration, including identification of potential competence concerns.
Transactional reviews	Ongoing	Undertaking reviews identified through referrals and responding to identified concerns, including: <ul style="list-style-type: none"> ◆ Inappropriate relationships between registered liquidators and pre-insolvency advisers ◆ Inadequate declarations of relevant relationships and indemnities ◆ Inadequate remuneration disclosure.

Enforcement

Investigating and taking administrative, civil, criminal or other action	Ongoing	Investigating and taking action, where appropriate, using ASIC's new ILRA powers, in relation to misconduct identified through surveillances and in response to reports of misconduct, on matters such as: <ul style="list-style-type: none"> ◆ Registered liquidators' relationships with pre-insolvency advisers ◆ Declarations of relevant relationships and indemnities ◆ Registered liquidators who may be higher risk as a result of undertaking a high volume of appointments ◆ Inadequate remuneration disclosure.
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Policy advice



Supporting the development and implementation of Government law reforms and initiatives

Ongoing

We will work closely with Treasury and industry/professional bodies regarding:

- ◆ Government's exposure draft legislation on the safe harbour and *ipso facto* reforms, released on 28 March 2017, that aims to facilitate corporate restructure
- ◆ Legislative reforms to address illegal phoenix activity (see: Illegal Phoenixing summary business plan for more information).
