



ASIC
Australian Securities &
Investments Commission

REPORT 658

ASIC regulation of registered liquidators: July 2018 to June 2019

April 2020

About this report

This report is for registered liquidators and other interested stakeholders.

It summarises the work undertaken and outcomes achieved by ASIC in supervising registered liquidators in the period from 1 July 2018 to 30 June 2019 (reporting period).

About ASIC regulatory documents

In administering legislation, ASIC issues the following types of regulatory documents.

Consultation papers: seek feedback from stakeholders on matters ASIC is considering, such as proposed relief or proposed regulatory guidance.

Regulatory guides: give guidance to regulated entities by:

- explaining when and how ASIC will exercise specific powers under legislation (primarily the Corporations Act)
- explaining how ASIC interprets the law
- describing the principles underlying ASIC's approach
- giving practical guidance (e.g. describing the steps of a process such as applying for a licence or giving practical examples of how regulated entities may decide to meet their obligations).

Information sheets: provide concise guidance on a specific process or compliance issue or an overview of detailed guidance.

Reports: describe ASIC compliance or relief activity or the results of a research project.

Previous reports

Report number	Report date	Reporting period
REP 610	February 2019	January 2017 to June 2018
REP 532	June 2017	January to December 2016
REP 479	June 2016	January to December 2015
REP 430	April 2015	January to December 2014
REP 389	April 2014	January to December 2013
REP 342	May 2013	January to December 2012
REP 287	May 2012	January to December 2011

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Overview

- 1 ASIC registers and is responsible for supervising registered liquidators who accept formal appointments as external administrators (including controller appointments) of companies in Australia.
- 2 We supervise registered liquidator compliance with the *Corporations Act 2001* (Corporations Act), the Corporations Regulations 2001 (Corporations Regulations) and the Insolvency Practice Rules (Corporations) 2016 (Practice Rules). We also consider whether the registered liquidator conduct meets generally accepted professional standards, practices and principles, including codes of conduct or statements of best practice of relevant professional and industry bodies.
- 3 This report summarises the outcomes of our activities for the period 1 July 2018 to 30 June 2019 (reporting period). It focuses on:
 - (a) our guidance, education, stakeholder engagement and policy advice work for registered liquidators (see Section A); and
 - (b) our work in supervising registered liquidators through our assessment of reports of misconduct, and through our surveillance and enforcement activities (see Section B).
- 4 Section C outlines the important work we do with registered liquidators who wind up or restructure insolvent companies. We assist liquidators in this work, through our liquidator assistance program and the Assetless Administration Fund (AA Fund), by helping them to obtain records or funding their preliminary investigations to enable them to report to ASIC. These reports from registered liquidators support our own investigations and, when appropriate, ASIC action, including litigation against directors and others.
- 5 As part of our work, we consider the demographic and geographic information about registered liquidators. Understanding the factors affecting the industry helps us to develop strategies for working with and supervising registered liquidators. We have set out the industry profile in Section D.

ASIC's strategic priorities

- 6 Our vision is for a fair, strong and efficient financial system for all Australians. To realise our vision, we will use all our regulatory tools to:
 - (a) change behaviours to drive good consumer and investor outcomes;
 - (b) act against misconduct to maintain trust and integrity in the financial system;

- (c) promote strong and innovative development of the financial system; and
- (d) help Australians to be in control of their financial lives.
- 7 Each year we issue our corporate plan that sets out our strategic priorities for a four-year period. In September 2018, we released [ASIC's corporate plan 2018–22, Focus 2018–19](#). Supporting ASIC's corporate plan are individual sector business plans, including the [2018–19 insolvency practitioners business plan](#) (PDF 121 KB) (sector business plan).
- 8 This report describes how we addressed the priorities identified in both ASIC's corporate plan and the sector business plan.
- 9 An area of our focus is to promote creditors' confidence in the proper administration of insolvent companies and in our supervision of registered liquidators. Creditors are entitled to expect a liquidator to wind up an insolvent company in a fair and orderly way so they receive the maximum possible return of their money, recognising that the liquidator is entitled to reasonable remuneration and reimbursement of costs incurred.
- 10 To this end, registered liquidators must be competent and efficient. They must bring an independent mind to their task. They cannot use the creditors' funds entrusted to them to improperly advance their own interests.

Key terms used in this report

- 11 This report uses terms that have special meaning and are important for understanding the context of the statistics: see Table 1. For a full list of terms used in this report, see the 'Key terms' at the end of the report.

Table 1: Meaning of key terms used in this report

Term	Meaning in this report
Court enforceable undertaking	Undertakings under s93AA of the <i>Australian Securities and Investments Commission Act 2001</i> (ASIC Act)
Enforcement action	Criminal, civil or administrative action against a registered liquidator (e.g. through an application to court or a referral to a committee convened under s40-50 of Sch 2 to the Corporations Act (Sch 2)), or when the parties reach a negotiated outcome (e.g. when we accept a court enforceable undertaking)
External administration	The corporate insolvency that the external administrator administers—including liquidation, controller appointments, voluntary administration or a deed of company arrangement
External administrator	A liquidator, a controller, a voluntary administrator or an administrator of a deed of company arrangement
Formal investigation	A formal investigation under s13(3) of the ASIC Act

Term	Meaning in this report
Negotiated resolution	Negotiated alternatives to other enforcement remedies when these can achieve an effective regulatory outcome, such as an improved compliance program or a better (e.g. quicker) outcome: see Information Sheet 151 <i>ASIC's approach to enforcement</i> (INFO 151)
Practice review	A review of a registered liquidator's whole practice, including systems and procedures, and a detailed review of multiple external administration appointments. The aim is to assess whether the registered liquidator is adequately and properly performing their duties and generally complying with the law
Reporting period	The 12 months between 1 July 2018 and 30 June 2019: see paragraphs 12–14 for more information
Surveillance	Transaction reviews, practice reviews and industry-wide compliance projects
Transaction review	A review of the conduct of a registered liquidator in relation to a specific transaction or external administration

Reporting period

- 12 Before January 2017, the reporting periods of our registered liquidator reports covered calendar years (e.g. January to December 2016).
- 13 To align the report with the financial year reporting period of ASIC's annual report, in our previous report, [Report 610](#) *ASIC regulation of registered liquidators: January 2017 to June 2018* (REP 610), we set the reporting period as 18 months—from 1 January 2017 to 30 June 2018.
- 14 The reporting period of this report is for the period from 1 July 2018 to 30 June 2019 (reporting period)—that is, the 2018–19 financial year.

Key activities, issues and outcomes

- 15 We aim to achieve the priorities of ASIC's corporate plan and the sector business plan through a combination of:
- (a) guidance;
 - (b) education;
 - (c) stakeholder engagement;
 - (d) policy advice;
 - (e) surveillance; and
 - (f) enforcement action.

- 16 In the reporting period, we continued our focus on the following areas of greatest threat of harm:
- (a) *Competence*: This includes issues such as practice capacity, timeliness, adequacy of investigations, statutory reporting, poor asset realisation, and failing to maintain proper books and records.
 - (b) *Independence*: A registered liquidator must be independent and also be seen, or perceived, to be independent. Our focus included disclosure by registered liquidators of relevant relationships and indemnities, as required by the Corporations Act.
 - (c) *Improper gain*: This includes, but is not limited to, excessive remuneration, drawing remuneration before obtaining appropriate approval, and entering into inappropriate transactions with related parties.
- 17 A significant portion of our supervision activities result in educational outcomes for market participants. This is consistent with our objective to communicate to the market our expectations for insolvency practitioners on specific issues or behaviours. Our supervision and intervention often provide the catalyst for registered liquidators to change their behaviour and internal systems. However, we use enforcement action when warranted and when other action cannot achieve the required outcome.

Overview of key outcomes

Guidance, education, stakeholder engagement and policy advice outcomes

- 18 In the reporting period, we:
- (a) updated our [Regulatory Guide 174](#) *Relief for externally administered companies and registered schemes being wound up* (RG 174) with minor amendments (see paragraph 25);
 - (b) updated [Information Sheet 80](#) *How to interpret ASIC insolvency statistics* (INFO 80) to incorporate the publication of a new series of insolvency statistics;
 - (c) updated [Form 507](#) *Report on company activities and property* (previously known as *Report as to affairs*);
 - (d) authored four articles and co-authored one article for the *Australian Restructuring Insolvency & Turnaround Association Journal*, which is published by the Australian Restructuring Insolvency and Turnaround Association (ARITA);
 - (e) published four issues of our quarterly e-newsletter, [ASIC corporate insolvency update](#);

- (f) sent 26 separate group emails to all registered liquidators on various topics, including on industry funding for ASIC, the new regulatory portal, funds handling and the AA Fund;
- (g) released a podcast on ways to improve creditor communication;
- (h) conducted a survey of all registered liquidators on risk management practices relating to the control of funds and bank accounts for external administrations;
- (i) engaged with registered liquidators and other stakeholders through a range of liaison meetings; and
- (j) provided policy advice and feedback to government on proposed reforms to combat illegal phoenix activity and on related party voting.

Supervision of registered liquidators

19 In the reporting period, we:

- (a) commenced three formal investigations or enforcement actions concerning registered liquidator conduct (see Table 3 in Section B);
- (b) initiated 55 transaction reviews;
- (c) completed 45 transaction reviews;
- (d) completed 17 reviews of registered liquidators' declarations of relevant relationships and indemnities, and eight reviews of remuneration reports issued to creditors by registered liquidators;
- (e) issued one direction notice to a registered liquidator under s40-15 of Sch 2 to remedy a failure to lodge documents, or give information or documents required to be lodged with ASIC; and
- (f) reviewed 502 annual liquidator returns to monitor compliance with continuing professional education requirements and to assess whether registered liquidators were maintaining relevant experience through undertaking external administration appointments.

20 Table 2 summarises our outcomes in supervising registered liquidators for the reporting period in each area of greatest threat or harm.

Table 2: Key supervisory outcomes for the reporting period by area of greatest threat of harm

Competence	We negotiated one court enforceable undertaking from a Brisbane-based registered liquidator, Peter Dinoris, where he agreed to undertake a quality-control peer-review program.
Independence	<p>We completed 17 reviews of registered liquidators' declarations of relevant relationships and indemnities as part of our surveillance work.</p> <p>The Supreme Court of South Australia ordered an inquiry into aspects of the conduct of an Adelaide-based registered liquidator, Peter Macks.</p>

Improper gain

We completed eight reviews of registered liquidators' remuneration reports to creditors as part of our surveillance work.

The disciplinary committee cancelled the registration of a Brisbane-based liquidator, David Leigh, and imposed a condition on all other registered liquidators that they must not allow Mr Leigh to carry out any functions or duties, or exercise any of the powers, of a registered liquidator on their behalf for eight years. Mr Leigh was also sentenced to seven years imprisonment following criminal proceedings relating to fraud.

We commenced one further formal investigation action in addition to our action against Mr Leigh.

ASIC's work with registered liquidators

- 21 In the reporting period, we:
- (a) received 1,351 (compared with 1,358 for the 2017–18 financial year) requests under the liquidator assistance program, achieving compliance by 477 (593 for the 2017–18 financial year) individuals with their obligations to assist the external administrator and prosecuting 351 (382 for the 2017–18 financial year) individuals for 705 (734 for the 2017–18 financial year) strict liability offences—resulting in \$1.43 million in fines and costs; and
 - (b) received 724 (compared with 784 for the 2017–18 financial year) applications for the AA Fund, approving 296 (213 for the 2017–18 financial year) applications and paying \$3.65 million to registered liquidators.
- 22 In the reporting period, we:
- (a) ordered the winding up of 15 (compared with 14 for the 2017–18 financial year) abandoned companies where we identified 56 (33 for the 2017–18 financial year) employees owed an estimated \$710,404 (\$744,771 in the 2017–18 financial year) in unpaid entitlements—paying registered liquidators a total of \$180,000 (\$120,000 in the 2017–18 financial year) from the AA Fund to carry out this work;
 - (b) received 16 (compared with 23 for the 2017–18 financial year) eligible applicant requests from receivers and managers and other parties for authorisation to seek a summons from the court to conduct public examinations of relevant parties about the examinable affairs of the company;
 - (c) assessed 188 (101 for the 2017–18 financial year) court applications, mostly relating to matters in Pts 5.3A–5.9 of the Corporations Act, which were either served on ASIC or which came to our attention because of their public nature or profile; and
 - (d) assessed one (one for the 2017–18 financial year) application from a registered liquidator for an extension of time to adjudicate on a proof of debt.

A Guidance, education, stakeholder engagement and policy advice

Key points

During the reporting period, we:

- reviewed and updated some of our guidance (see paragraphs 23–31);
- provided education to industry (see paragraphs 32–40);
- engaged with industry and stakeholders (see paragraphs 41–51); and
- provided policy advice (see paragraphs 52–55).

Guidance

Regulatory guides

- 23 Regulatory guides assist registered liquidators and other stakeholders by explaining when and how we exercise specific powers under legislation (primarily, the Corporations Act), how we interpret the law and the principles underlying our approach.
- 24 Regulatory guides also give practical guidance—for example, describing the steps of a process (such as applying for registration), or giving practical examples of how regulated entities may decide to meet their obligations.
- 25 In December 2018, we updated our guidance on financial reporting relief for externally administered companies and registered schemes being wound up: see [RG 174](#). RG 174 was updated with minor amendments to ensure consistency with, and clarity in applying, the policy following the commencement of the *Insolvency Law Reform Act 2016* (Insolvency Law Reform Act). In addition to these minor amendments, we provided additional guidance on limited ‘catch-up’ reporting relief that may be relevant to certain companies that:
- (a) will soon cease to be under external administration; and
 - (b) may still have deferred financial reporting obligations from before or during the external administration.

Information sheets

- 26 Information sheets provide guidance to registered liquidators on a specific process or compliance issue or an overview of detailed guidance.

- 27 In November 2018, we reissued [INFO 80](#) to incorporate the publication of a new series of insolvency statistics, titled *Series 2A Detail of insolvency appointments* (Series 2A).
- 28 Series 2A provides more detailed information on each appointment—for example, the name of the company in external administration, the Australian Company Number (ACN), the external administrator’s appointment date, the industry type, the state of incorporation, the type of appointment, and the document number and form type (notifying ASIC of the external administration appointment).

ASIC forms

- 29 We released the revised [Form 507](#) in November 2018 (with a three-month transitional period), replacing the *Report as to affairs*. The primary aim of the revised form is to assist liquidators to obtain more useful information relevant to:
- (a) their investigations; and
 - (b) asset recoveries and reporting to creditors.
- 30 Additional aims of the revised Form 507 include reducing the cost of external administrations by:
- (a) reducing the time spent by registered liquidators dealing with multiple forms and letters to gather the necessary information from directors about an external administration; and
 - (b) reducing requests by liquidators under ASIC’s liquidator assistance program.
- 31 We revised Form 507 following the insolvency law reforms and extensive consultation, which included seeking feedback from industry stakeholders and implementing form design based on behavioural research.

Education

- 32 Our direct activities (practice reviews, transaction reviews and other industry-wide compliance projects) are a means of communicating to registered liquidators, industry and other stakeholders our expectations on a range of issues.
- 33 We also educate the market by writing articles for industry publications. During the reporting period, we authored four articles and co-authored one article, which appeared in ARITA’s quarterly journal, *Australian Restructuring Insolvency & Turnaround Association Journal*, as follows:
- (a) ‘ASIC update: Liquidator registration and powers of attorney’ (vol. 30, issue 3);
 - (b) ‘ASIC update: Importance of independence’ (vol. 30, issue 4);

- (c) ‘ASIC update: Handling other people’s money’ (vol. 31, issue 1);
- (d) ‘ASIC update: Banking Royal Commission and the importance of culture’ (vol. 31, issue 2); and
- (e) ‘Featured article: Government funding for registered liquidators’ (vol. 31, issue 2).

Corporate insolvency update

- 34 During the reporting period, we published four issues (issues 8 to 11) of our quarterly e-newsletter, [ASIC corporate insolvency update](#), to raise awareness about specific and/or technical issues in conducting external administrations. Any person with an interest in corporate insolvency can subscribe to this publication.
- 35 Topics covered included independence, remuneration, the AA Fund, ASIC’s liquidator assistance program, and the revised [Form 507](#).

Broadcast email service

- 36 We maintain a database of contact email addresses for all registered liquidators, which allows ASIC to communicate easily with them. We sent 26 separate group emails to all registered liquidators on various topics of interest throughout the reporting period. Of particular focus was the industry funding model and the new regulatory portal (eight emails), funds handling (six emails) and the AA Fund (three emails).

Podcast

- 37 During the reporting period, we released a podcast, [Episode 42 Registered liquidators and creditors](#), to raise registered liquidator awareness of the benefits of communication based on behavioural research to improve creditor communication and help creditors navigate the complexities of an external administration.

Survey

- 38 In June 2019, we conducted a survey of all registered liquidators on the risk management practices they employ for the control of funds and bank accounts for external administrations. The objective of the survey was twofold:
- (a) first, to raise registered liquidator awareness of the risk management processes they have in place; and
 - (b) second, to better inform ASIC of the funds management risks and practices undertaken by registered liquidators.
- 39 Of the registered liquidators who were sent the survey, 55.4% participated.

- 40 The survey identified a high level of fraud awareness. We encouraged registered liquidators to:
- (a) engage with their software providers and consider how they can enhance their fraud detection capabilities; and
 - (b) maintain training and engagement with the issues around risks to external administration funds.

Stakeholder engagement

- 41 We engage with registered liquidators and other stakeholders through:
- (a) regional liaison meetings;
 - (b) liaison meetings with, and/or presentations to, professional bodies—including ARITA, Chartered Accountants Australia and New Zealand (CA ANZ), CPA Australia, and the Law Council of Australia;
 - (c) liaison with government and statutory bodies (including the Australian Financial Security Authority (AFSA) that administers the *Bankruptcy Act 1966* and regulates registered trustees in bankruptcy);
 - (d) joint liaison meetings with AFSA and ARITA; and
 - (e) meetings with firms, industry associations and discussion groups.

Regional liaison meetings

- 42 We hold meetings twice a year with registered liquidators and other insolvency industry stakeholders in the capital city of each state and territory. The meetings provide an opportunity to communicate our priorities and our regulatory action. They also provide a forum to obtain feedback from the marketplace on current and emerging issues.
- 43 We held these meetings in October 2018 and April 2019.

Liaison with professional bodies

- 44 ARITA is the main body representing registered liquidators. CA ANZ and CPA Australia are the main professional accounting bodies, whose members form a significant part of ARITA membership. We regularly meet, and otherwise liaise with, ARITA and the accounting bodies to discuss current market issues, law reform and other regulatory developments. These liaison meetings are important in promoting an understanding of each other's views on a range of issues and influencing action.
- 45 We regularly present at conferences and discussion groups held by professional bodies, wider industry groups (e.g. the Australian Institute of Credit Management) and other interest groups.

46 We also attend monthly meetings of the insolvency law and reconstruction committee of the Law Council of Australia.

Liaison with government and statutory bodies

47 We regularly meet with Treasury, AFSA, the Australian Taxation Office (ATO) and the Attorney-General's Department (formerly the Department of Jobs and Small Business) in respect of the Fair Entitlements Guarantee (FEG) scheme to discuss law reform, regulatory action and emerging issues relating to the efficient operation of the insolvency industry. We assist, and receive assistance from, these agencies. Our liaison includes engagement through both the Phoenix Taskforce (created 17 November 2014) and the Serious Financial Crime Taskforce (created 1 July 2015).

48 We also liaise with other statutory bodies, such as the Insolvency Service in the United Kingdom and the International Association of Insolvency Regulators, so that each of the regulators better understands the regulatory developments in our respective jurisdictions.

Joint liaison meetings with AFSA and ARITA

49 We hold joint liaison meetings twice a year with AFSA and ARITA to consider common issues and harms affecting the corporate and personal insolvency regimes.

50 We share a commitment to disrupting unregulated pre-insolvency advisers and combating illegal phoenix activity.

Firm liaison meetings

51 We also meet directly with firms, industry associations, such as the Association of Independent Insolvency Practitioners (AIIP), and other industry discussion groups, to understand current market issues and to communicate our expectations on specific and general issues on corporate insolvency.

Policy advice

Proposed phoenix law reform and amendment to related party voting

52 On 12 September 2017, the Australian Government announced proposed reforms aimed at deterring and penalising illegal phoenix activity. Treasury released [exposure draft legislation to combat illegal phoenix activity](#) for consultation on 15 August 2018. Submissions closed on 27 September 2018.

- 53 On 2 October 2018, ASIC made a [public submission](#) (PDF 133 KB) on:
- (a) the Treasury Laws Amendment (Combating Illegal Phoenixing) Bill 2018; and
 - (b) the Insolvency Practice Rules (Corporations) Amendment (Restricting Related Creditor Voting Rights) Rules 2018 on the proposed changes to related party voting.
- 54 On 7 December 2018, the Insolvency Practice Rules (Corporations) Amendment (Restricting Related Creditor Voting Rights) Rules 2018 came into effect, limiting related party creditor voting rights in respect of debts assigned to them to the value of the consideration given for the assignment of the debt.
- 55 The Treasury Laws Amendment (Combating Illegal Phoenixing) Bill 2019 was introduced on 13 February 2019, but lapsed on the dissolution of the 45th Parliament. The Bill was introduced to the 46th Parliament on 4 July 2019. The parliament subsequently passed the Bill on 5 February 2020 and then the Bill received royal assent on 17 February 2020.

B Supervision of registered liquidators

Key points

This section details the work we undertook, and the outcomes we achieved, in supervising registered liquidators during the reporting period. Our work focused on the following areas:

- inquiries and reports of alleged misconduct (see paragraphs 56–64);
- formal investigations and enforcement action (see paragraphs 65–84);
- surveillance (see paragraphs 85–107); and
- targeting illegal phoenix activity (see paragraphs 108–113).

Inquiries and reports of alleged misconduct

- 56 Reports of alleged misconduct arising from external administrations conducted by registered liquidators were 3% of the total reports ASIC received during the reporting period: see [ASIC annual report 2018–19](#), p. 238.
- 57 The classification of reports of alleged misconduct directly attributable to registered liquidators cannot be compared with what was published for the 2017–18 financial year due to ASIC moving to a new platform for processing reports of misconduct that allows for more detailed reporting of the issues being raised. In our previous reports, we had classified the alleged misconduct into one of the following three categories:
- (a) *Conduct-related matters*—where the information provided to ASIC suggested a serious breach of the Corporations Act, which could be seen as deliberate.
 - (b) *Procedural matters*—although serious, the information provided to ASIC suggested the misconduct may have been inadvertent.
 - (c) *Educational matters*—these matters involved circumstances where the outcome or resolution of the inquiry or allegation of misconduct was educating the person (usually a creditor) about the applicable law or practice, or providing information about the normal practice of the insolvency process.
- 58 The new comprehensive reporting platform allows multiple issues arising from the same matter to be recorded individually. We will consider publishing this data in the future after we have collected data for subsequent years.
- 59 Inquiries made to ASIC, and reports of alleged misconduct involving registered liquidators, totalled 313 during the reporting period (compared with

284 in the 2017–18 financial year). This represents an overall increase of 10% in reports of alleged misconduct compared with the 2017–18 financial year.

60 Since we started reporting in 2011, there has been a decline in total inquiries and reports of alleged misconduct relating to registered liquidators. There are a number of possible reasons for this decline, including changes in registered liquidator behaviour due to ASIC’s increased supervisory activity, a reduction in the number of external administration appointments, improved communication with creditors by registered liquidators, and more timely communication facilitated by law reform.

Outcomes of inquiries and reports

61 The outcome of the inquiries and reports of alleged misconduct showed that:

- (a) in 40 matters (13%), legitimate conduct concerns existed and the matter was referred internally for further review—primarily to our Insolvency Practitioners team, or to another team within ASIC to support an existing surveillance or enforcement action;
- (b) in 261 matters (83%), there was either insufficient evidence of an offence or the registered liquidator did not breach the Corporations Act (generally, we helped resolve the inquiry and did not pursue the matter further); and
- (c) in nine matters (3%), we took no action for reasons including that the matter did not advance or support an existing investigation or regulatory action.

62 There were three matters (1%) that remained open at the end of the reporting period.

63 Figure 1 summarises the outcomes of the 313 inquiries and reports of alleged misconduct by registered liquidators. It compares these outcomes against previous reporting periods of January to June 2017 and the 2017–18 financial year.

64 The Insolvency Practitioners team individually assesses matters referred to it internally. When the team determines that a matter does not warrant a referral for a formal investigation, the issue of a show-cause notice or some other negotiated resolution (see paragraphs 74–75), we record the information obtained as part of our profiling of registered liquidators.

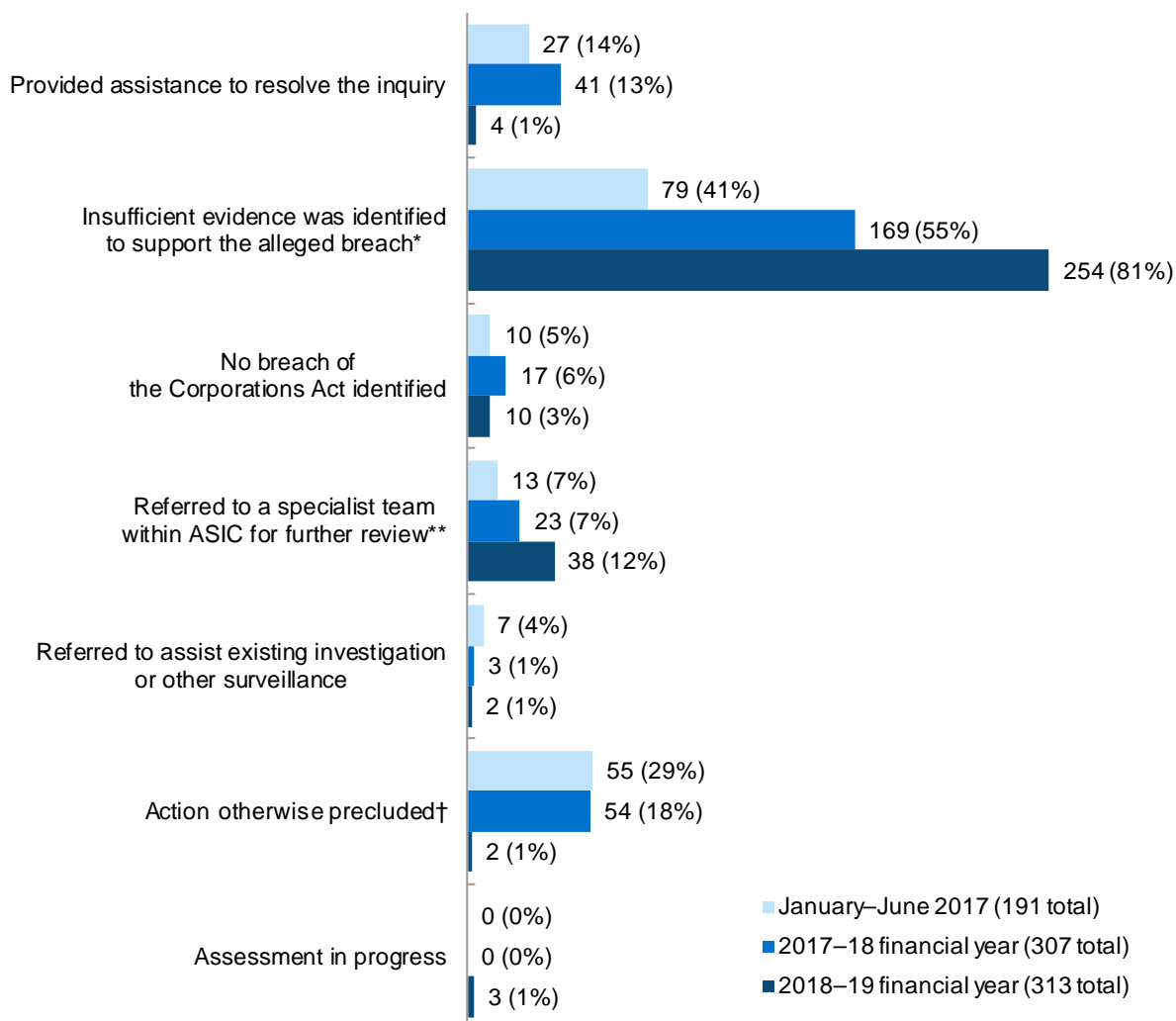
Formal investigations and enforcement action

65 Table 3 shows the number of registered liquidators subject to either a formal investigation or an enforcement action during the reporting period compared with the 2017–18 financial year and the period January to June 2017. Figure 2 shows the outcomes of these formal investigations or enforcement actions for

the reporting period—compared with the 2017–18 financial year and the period January to June 2017.

66 As discussed below (see paragraphs 67–84), there are a number of possible outcomes in our regulatory toolkit. Table 4 provides further details on the specific outcomes for formal investigations or enforcement actions during the reporting period.

Figure 1: Outcomes of inquiries and reports of alleged misconduct (1 January 2017 to 30 June 2019)



* Before closing a matter on the basis that there is insufficient evidence to support an allegation, we make relevant inquiries. This normally includes speaking to the person to obtain further information (including documents), reviewing lodgements with ASIC and speaking to the registered liquidator.

** The Misconduct and Breach Reporting team referred to the Insolvency Practitioners team 38 matters in the 2018–19 financial year.

† ‘Action otherwise precluded’ is a result of the matter already being subject to investigation or some other regulatory action that has been assessed and does not assist the existing action.

Note: See Table 15 in Appendix 2 for the data shown in this figure (accessible version).

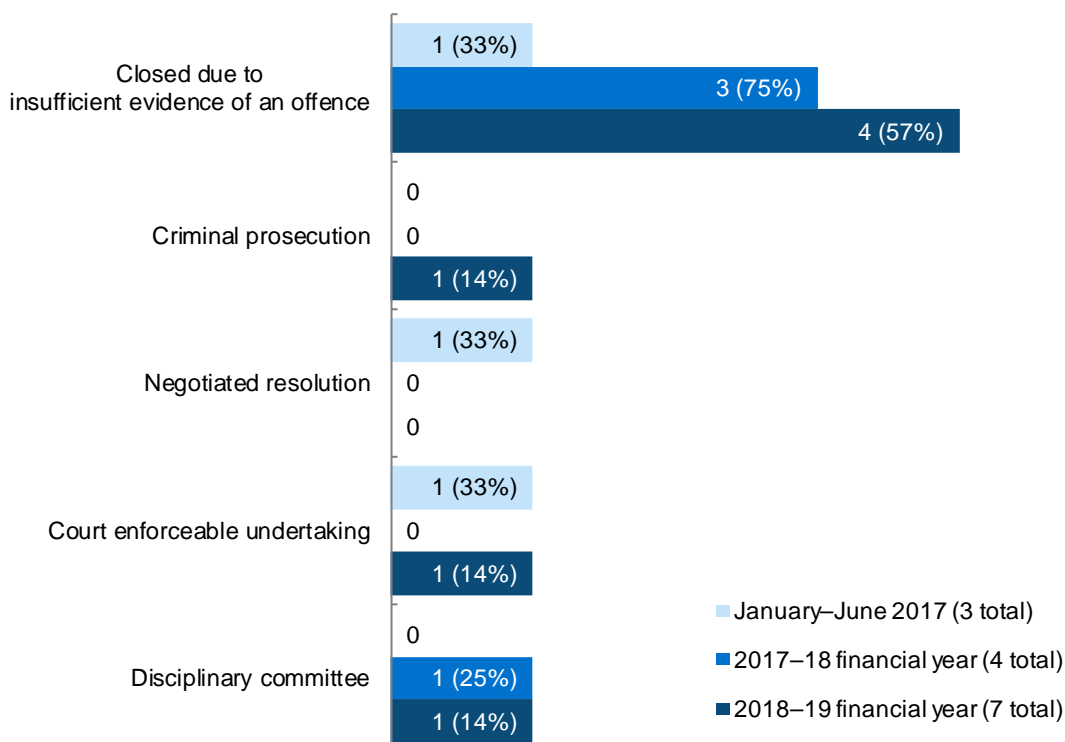
Table 3: Registered liquidators subject to formal investigations or enforcement actions (1 January 2017 to 30 June 2019)

Status of matter	January–June 2017	2017–18	2018–19
Open matters at start of reporting period	17	12	10
Formal investigations or enforcement actions commenced during reporting period	2	2	3
Formal investigations or enforcement actions finalised during reporting period	(7)	(4)	(7)
Open matters at end of reporting period	12	10	6

Note 1: The three matters referred for formal investigation or enforcement action in the reporting period arose from sources other than reviews.

Note 2: The seven matters finalised during the reporting period related to six registered liquidators where two of those matters (criminal prosecution and a show-cause notice) were in respect of David Leigh and one matter (show-cause notice) related to Peter Dinoris where it resulted in ASIC accepting a court enforceable undertaking.

Note 3: The six matters open at the end of the reporting period included three matters referred to the disciplinary committee but not determined during the reporting period and two matters before the courts.

Figure 2: Outcomes of formal investigations and enforcement actions (1 January 2017 to 30 June 2019)

Note: See Table 16 in Appendix 2 for the data shown in this figure (accessible version).

Table 4: Outcomes of formal investigations or enforcement actions (1 July 2018 to 30 June 2019)

Registered liquidator	Firm	Outcome	Media release
David Leigh	PPB Advisory	Cancellation of registration	Media Release (19-044MR) <i>Disciplinary committee cancels liquidator David Leigh's registration (27 February 2019)</i>
David Leigh	PPB Advisory	Criminal prosecution	Media Release (19-104MR) <i>Former liquidator David Leigh sentenced to seven years imprisonment for fraud (3 May 2019)</i>
Peter Dinoris	Artemis Insolvency	Court enforceable undertaking	Media Release (18-249MR) <i>ASIC accepts court enforceable undertaking from Brisbane liquidator (29 August 2018)</i>

Negotiated resolutions

- 67 We negotiate alternatives to other enforcement remedies with registered liquidators when we determine that we could effect a change in future behaviour and achieve an effective regulatory outcome, such as an improved compliance program or a better (e.g. quicker) outcome: see [INFO 151](#).
- 68 We did not accept any negotiated resolutions during the reporting period.

Court enforceable undertakings

- 69 Enforceable undertakings are undertakings given and accepted by ASIC that are enforceable in a court. We will use a court enforceable undertaking if we consider that it provides a more effective regulatory outcome than non-negotiated, administrative or civil sanctions: see [Regulatory Guide 100 Enforceable undertakings](#) (RG 100).
- 70 During the reporting period, we negotiated a court enforceable undertaking with one registered liquidator, Peter Dinoris, after he was issued with a show-cause notice.

Court proceedings

- 71 On 22 February 2019, the Supreme Court of South Australia ordered there be an inquiry under s536(1) of the Corporations Act into aspects of the conduct of Peter Macks. Our original application, filed in 2015, was adjourned pending the outcome of an appeal in another matter. Mr Macks filed an application for a permanent stay of our substantive application, which was dismissed by the Supreme Court of South Australia.
- 72 In December 2016, ASIC filed an application for a court inquiry concerning the performance of the registered liquidators, Andrew Wily and David Hurst, in 12 external administrations. On 9 May 2019, the Supreme Court of New South Wales delivered judgment, dismissing ASIC's application with costs:

see [Media Release \(19-110MR\)](#) *Supreme Court decision into Sydney liquidators* (10 May 2019).

Notification by industry body of possible grounds for disciplinary action

73 During the reporting period, we received one notification of possible grounds for disciplinary action against a registered liquidator from a prescribed industry body under s40-100 of Sch 2. The notification, received in June 2019, was still under consideration at the end of the reporting period.

Show-cause notice

74 ASIC has the power to issue registered liquidators with a show-cause notice. This notice requires liquidators to explain why they believe they should continue to be registered in circumstances when we have concerns about their conduct or whether they are a fit and proper person to remain registered.

75 During the reporting period, we issued show-cause notices to four registered liquidators. We were not satisfied with the responses of all four liquidators and referred them to a disciplinary committee: see paragraph 78.

Disciplinary committee

76 Legislative amendments contained in the Insolvency Law Reform Act that took effect on 1 March 2017 introduced a new disciplinary committee, as defined in Sch 2, to hear registered liquidator conduct matters. The disciplinary committee replaced the liquidator-related functions of the former Companies Auditors and Liquidators Disciplinary Board (CALDB).

77 Each disciplinary committee consists of an ASIC staff member as Chair, a registered liquidator chosen by ARITA, and a person appointed by the Minister. ASIC's Chief Legal Office provides administrative and secretariat services to the disciplinary committee.

78 As noted in paragraph 75, during the reporting period, we issued four show-cause notices to registered liquidators. After receiving their responses, we referred all four registered liquidators to the disciplinary committee to consider whether their registration should continue.

79 During the reporting period, the disciplinary committee determined that the registration of David Leigh be cancelled and imposed a condition on all other registered liquidators prohibiting them from allowing Mr Leigh to carry out any of the functions or duties, or exercise any of the powers, of a registered liquidator on their behalf (whether as employee, agent, consultant or otherwise) for a period of eight years commencing 22 February 2019.

Directions to comply

- 80 ASIC has the power to issue a liquidator with a direction to remedy a failure to lodge documents, or give information or documents that are otherwise required to be lodged with ASIC.
- 81 During the reporting period, we used this regulatory tool once (compared with 12 times in the 2017–18 financial year), resulting in compliance with the direction given.
- 82 The Insolvency Practice Rules (Corporations) exclude these directions to comply from being recorded on the Register of Liquidators.

Voluntary suspension

- 83 On 18 December 2018, ASIC suspended the registration of Amanda Young as a registered liquidator indefinitely after an application from Ms Young. ASIC has separately commenced an investigation into Ms Young’s former external administrations: see [Media Release \(18-388MR\) ASIC suspends registration of Sydney liquidator Amanda Young](#) (19 December 2018).
- 84 Three registered liquidators who were resident overseas during the reporting period requested the voluntary suspension of their registration for a defined time, with one of those registered liquidators subsequently requesting a voluntary cancellation of their registration.

Surveillance

- 85 We undertake surveillances of registered liquidators either by:
- (a) reviewing a specific transaction or external administration (transaction review); or
 - (b) undertaking a targeted review of a registered liquidator’s practice (practice review).
- 86 Our surveillances allow us to objectively assess whether a registered liquidator:
- (a) adequately and properly performs their duties and functions;
 - (b) complies with the Corporations Act, the Corporations Regulations and the Practice Rules; and
 - (c) meets generally accepted professional standards.
- 87 This, in turn, allows us to assess whether a registered liquidator remains a fit and proper person to be registered.

- 88 Following a surveillance, we assess whether we should refer the matter to our dedicated enforcement teams for a formal investigation or whether we should take other disciplinary action (e.g. issue a show-cause notice or negotiate a court enforceable undertaking). The issues we consider in our assessment are:
- (a) the extent of any harm or loss;
 - (b) the benefits of pursuing the misconduct, relative to the expense;
 - (c) the impact of other issues, including the type and seriousness of the misconduct and the evidence available; and
 - (d) the availability of alternative courses of action.
- 89 The specific factors we consider vary according to the circumstances of the case. [INFO 151](#) provides further guidance on the issues we consider when determining what action, if any, we may take.

Practice reviews

- 90 During the reporting period, we initiated one practice review in New South Wales.

Transaction reviews

- 91 During the reporting period, we initiated 55 transaction reviews: see Table 5. Our review may be prompted by third parties bringing an issue to our attention or from our own intelligence gathering.
- 92 When undertaking a transaction review, we examine the whole of the transaction in question to ensure that the registered liquidator has adequately and properly performed their duties and functions—in compliance with the Corporations Act, the Corporations Regulations and the Practice Rules, and the professional standards relevant to that transaction.

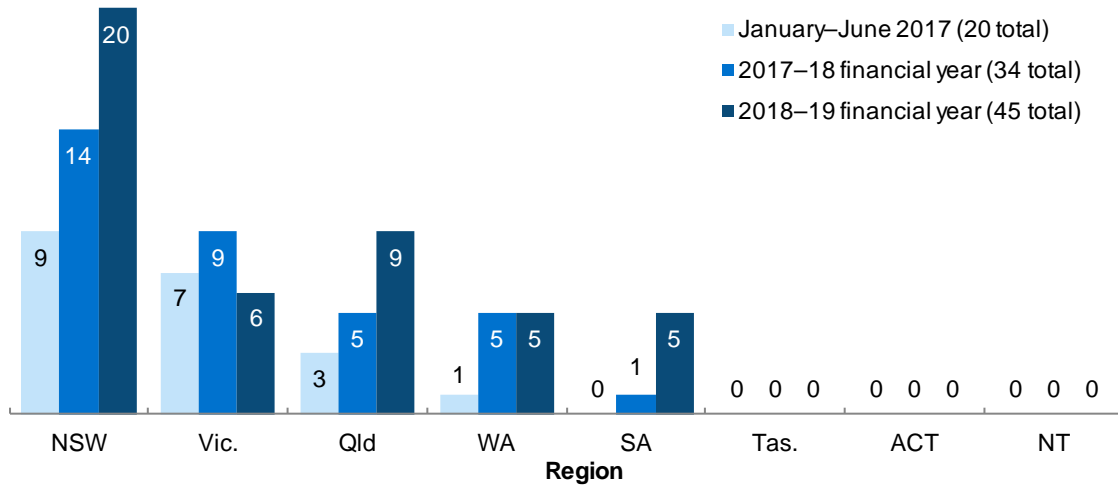
Table 5: Transaction reviews (1 January 2017 to 30 June 2019)

Review status	January–June 2017	2017–18	2018–19
Reviews open at start of reporting period	18	19	27
Reviews commenced during reporting period	21	42	55
Reviews finalised during reporting period	(20)	(34)	(45)
Reviews open at end of reporting period	19	27	37

Note: The Misconduct and Breach Reporting team referred 38 matters to the Insolvency Practitioners team during the reporting period. Of these 38 matters, 24 matters were accepted for further review.

93 Figure 3 sets out an analysis of transaction reviews by region. In deciding on a transaction review, we consider the nature of the allegation and the availability of evidence.

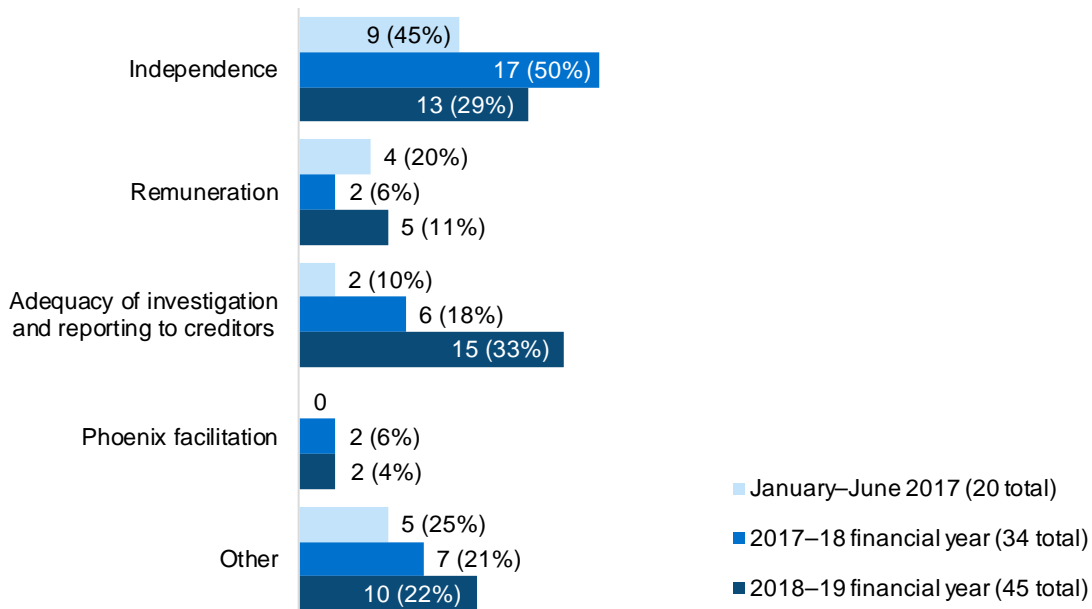
Figure 3: Finalised transaction reviews by region (1 January 2017 to 30 June 2019)



Note: See Table 17 in Appendix 2 for the data shown in this figure (accessible version).

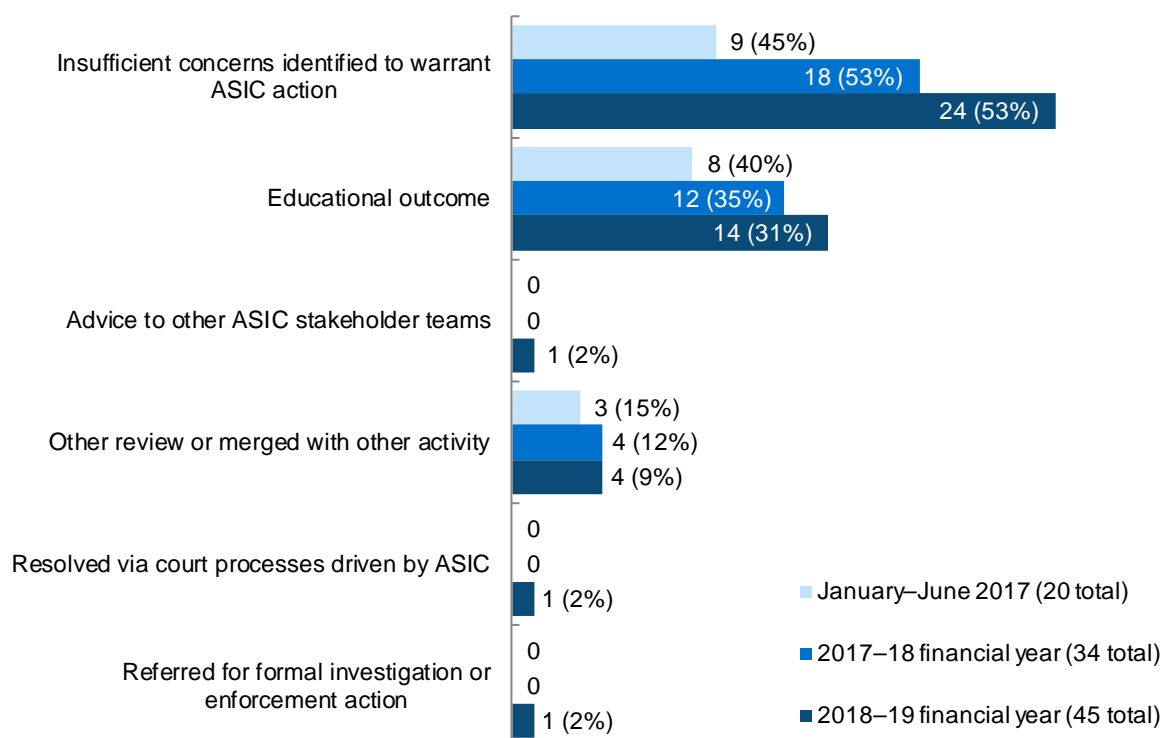
94 Figure 4 summarises the nature of the concerns identified in the 45 transaction reviews finalised during the reporting period, and Figure 5 summarises the outcomes of those reviews.

Figure 4: Areas of concern in finalised transaction reviews (1 January 2017 to 30 June 2019)



Note 1: The area of concern identified is only the primary concern. Our review may include multiple areas of concern.

Note 2: See Table 18 in Appendix 2 for the data shown in this figure (accessible version).

Figure 5: Outcomes of finalised transaction reviews (1 January 2017 to 30 June 2019)

Note: See Table 19 in Appendix 2 for the data shown in this figure (accessible version).

Industry-wide compliance projects

Declarations of relevant relationships and declarations of indemnities

- 95 In the reporting period, we reviewed a total of 17 declarations (compared with 30 in the period from 1 January 2017 to 30 June 2018) as part of existing surveillance and other project work. Of these declarations, we assessed 10 (59%) as adequate and seven (41%) as inadequate, compared with 33% adequate and 67% inadequate in the period from 1 January 2017 to 30 June 2018.
- 96 When we found deficient declarations, we sought further information from the registered liquidator, which resulted in the liquidator issuing replacement declarations and/or improving processes.
- 97 During the reporting period, we identified that in 101 external administrations, 52 registered liquidators did not lodge [Form 531 Copy of declaration of relevant relationships and/or declaration of indemnities](#).
- 98 We contacted the relevant registered liquidators requesting lodgement of the declarations or an explanation of why the required form had not been lodged, which resulted in the registered liquidators lodging the outstanding form and improving their systems and processes.

99 We continue to monitor the adequacy of disclosure made in declarations and lodgement compliance given that independence remains a key concern for ASIC.

Remuneration

100 During the reporting period, we reviewed a total of eight remuneration reports (compared with 17 in the period from 1 January 2017 to 30 June 2018). Of these remuneration reports, six (75%) were assessed as adequate and two (25%) were inadequate, compared with 76% adequate and 24% inadequate in the period from 1 January 2017 to 30 June 2018.

101 When we found deficient remuneration reports, we sought further information from the registered liquidator, which resulted in greater awareness of their reporting requirements and/or the liquidator improving their processes.

102 We continued our analysis work commenced in the 2017–18 financial year on lodgements of [Form 5022](#) *Outcome of proposal to creditors or contributories*. The work has improved compliance by liquidators, provided better guidance on best practice, and identified areas where liquidators may have been at risk of invalidly taking remuneration, such that these risks could be mitigated.

[Form 908](#) Annual liquidator return

103 During the reporting period, we reviewed 502 annual liquidator returns that registered liquidators lodged with ASIC. We identified no issues of concern in 391 (78%) of these annual returns.

104 We identified that in 22% of the annual returns reviewed that the registered liquidator:

- (a) had no or few formal insolvency appointments during the period of the return; or
- (b) was spending a minimal amount of time on insolvency-related matters.

105 We contacted these registered liquidators to clarify the information provided and worked with them to address any concerns.

Meetings of creditors

106 During the reporting period, we carried out a pilot project to better understand the conduct and practices of registered liquidators with respect to creditor meetings and accounting to creditors, including assessing the quality of the meeting materials provided to creditors by attending randomly selected creditor meetings. We attended 10 meetings of creditors as observers in this project and provided feedback to the registered liquidators.

107 We may also decide to attend a meeting when we have pre-existing concerns about the company's conduct, the independence or the conduct of the

practitioner arising from transaction reviews, or we otherwise consider it to be in the public interest that ASIC attends. Our decision to attend may result from our own inquiries or when a third party has raised concerns with us. During the reporting period, we attended an additional 15 meetings of creditors as observers when we either had concerns or considered it to be in the public interest.

Targeting illegal phoenix activity

- 108 Disrupting and combating illegal phoenix activity is a key priority for ASIC, both through:
- (a) our participation in the Phoenix Taskforce and the Serious Financial Crime Taskforce; and
 - (b) ensuring that registered liquidators adequately and properly perform their duties and functions.
- 109 Registered liquidators who facilitate illegal phoenix activity, either intentionally or through a failure to discharge their duty to investigate, undermine trust and the efficient working of the market.
- 110 The primary regulatory tools we use to mitigate the harm resulting from this threat are:
- (a) reviewing registered liquidator declarations of relevant relationships and indemnities to identify deficient declarations, and act when we suspect there are inappropriate relationships between registered liquidators and advisers who refer work to them (see paragraphs 95–99);
 - (b) attending creditor meetings when we have concerns about the independence of the registered liquidator (see paragraphs 106–107);
 - (c) undertaking surveillances (transaction reviews) to ensure that registered liquidators are carrying out adequate investigations when we have concerns about phoenix activity (see paragraphs 91–94);
 - (d) appointing a reviewing liquidator to investigate and report on suspected illegal phoenix activity, including the conduct of the appointed external administrator (see paragraphs 111–113); and
 - (e) enforcing the law against registered liquidators when we identify misconduct or a failure to adequately carry out their duties (see paragraphs 65–82).

Reviewing liquidators

- 111 The Insolvency Law Reform Act empowered ASIC to appoint a reviewing liquidator to review matters relating to an external administration.

- 112 We finalised the process of establishing a reviewing liquidator panel, which consists of 15 members. The details of the [reviewing liquidator panel members](#) are available on our website.
- 113 During the reporting period, we appointed two reviewing liquidators to review certain matters relating to the external administrations of eight companies administered by two external administrators. While the external administrator(s) conduct, together with other areas requiring investigation, is subject to the reviewing liquidator's inquires, the appointment is not an indication that the external administrator has failed in their duties. The reviewing liquidator's role is to inquire, investigate and report their findings, objectively and independently.

C ASIC's work with registered liquidators

Key points

In addition to our stakeholder engagement activities (see paragraphs 41–51), we engage with registered liquidators and other stakeholders in a range of areas. During the reporting period, our work with registered liquidators covered the following areas:

- combating illegal phoenix activity (see paragraphs 114–116);
- the liquidator assistance program (see paragraphs 117–120);
- the AA Fund (see paragraphs 121–132);
- winding up abandoned companies (see paragraphs 133–138);
- eligible applicant applications (see paragraphs 139–141);
- court applications (see paragraphs 142–143);
- other applications (see paragraphs 144–145); and
- court intervention or acting as *amicus curiae* or 'friend of the court' (see paragraphs 146–148).

Combating illegal phoenix activity

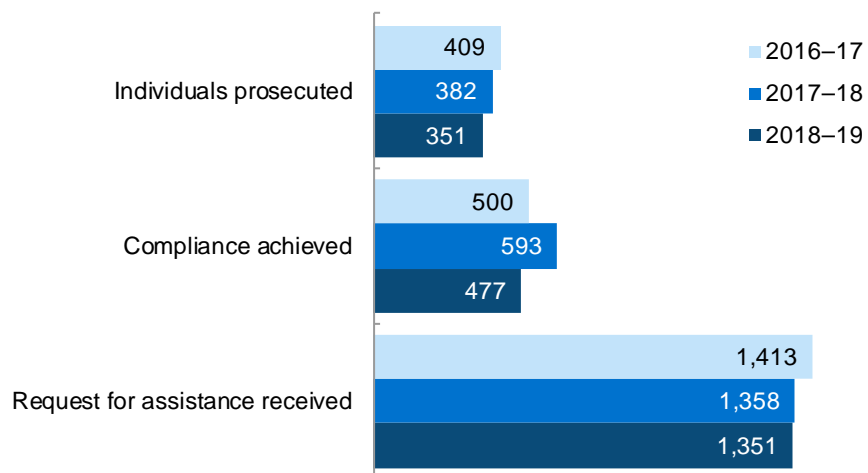
- 114 Directors who engage in illegal phoenix activity intentionally and dishonestly deny unsecured creditors (e.g. employees, subcontractors and suppliers) fair access to their entitlement to the company's assets. We worked with registered liquidators and used our regulatory tools to combat illegal phoenix activity in the reporting period through:
- (a) helping liquidators to obtain company records through the liquidator assistance program (see paragraphs 117–120); and
 - (b) funding liquidators through the AA Fund to investigate and report on failed companies with few or no assets where illegal phoenix activity is suspected (see paragraphs 121–131).
- 115 We recognise that illegal phoenix activity undermines confidence in the financial system and adversely affects assets available to registered liquidators to perform their duties and functions and pay dividends to creditors. This issue is discussed at our liaison meetings with AFSA and ARITA.
- 116 On 16 July 2018, ASIC joined with the Minister for Revenue and Financial Services, the Hon. Kelly O'Dwyer MP, and the ATO to launch the Phoenix Hotline, to assist with the reporting of illegal phoenix behaviour to enable the appropriate authorities to pursue those engaging in such behaviour.

Note: See the Hon. Kelly O'Dwyer MP, Minister for Revenue and Financial Services, [New Phoenix Hotline to protect Australian workers and small businesses](#), media release, 16 July 2018.

Liquidator assistance program

- 117 We assist registered liquidators, through our liquidator assistance program, to ensure that company officers comply with their obligations to prepare a report on a company's affairs for the liquidator, provide books and records, and generally assist liquidators.
- 118 In the reporting period, we received 1,351 requests for help from external administrators, compared with 1,358 requests in the 2017–18 financial year. Following our intervention, 477 (593 in the 2017–18 financial year) individuals then complied with their obligations to assist the external administrator.
- 119 In the reporting period, we prosecuted 351 individuals for 705 strict liability offences (i.e. failing to assist the liquidator), resulting in \$1.43 million in fines and costs. This compared with prosecutions of 382 individuals for 734 strict liability offences, which resulted in \$1.4 million in fines and costs, in the 2017–18 financial year: see Figure 6.
- 120 We did not pursue further action against individuals when they could not be located or there was insufficient evidence to prosecute a strict liability offence.

Figure 6: Liquidator assistance program statistics for the 2016–17 to 2018–19 financial years



Note 1: ASIC reports publicly on the liquidator assistance program on a financial year basis.

Note 2: See Table 20 in Appendix 2 for the data shown in this figure (accessible version).

Allocation of funding from the AA Fund

- 121 We administer the AA Fund, which the Australian Government established in 2005.
- 122 The AA Fund has a focus on curbing illegal phoenix activity. Liquidators can apply for grants for:
- (a) financing preliminary investigations and reports by registered liquidators into the failure of companies with few or no assets, and when it appears to us that enforcement action may result from the liquidator's investigation and report; and
 - (b) funding liquidator actions to recover assets for the benefit of creditors when illegal phoenix activity is suspected.
- 123 We also utilise the AA Fund to:
- (a) appoint liquidators to abandoned companies when there are employees who could access the FEG scheme and fund the liquidator a set amount to cover the basic cost to wind up the company; and
 - (b) appoint and fund reviewing liquidators (see paragraphs 111–113).
- 124 In ASIC's [Annual report 2017–18](#), we reported an amount of \$3.58 million paid from the AA Fund in the 2017–18 financial year. In the 2018–19 financial year, we paid or allocated an amount of \$3.65 million.
- 125 On 11 December 2018, Assistant Treasurer, the Hon. Stuart Robert MP, announced additional funding of \$8.7 million over four years starting from 2018–19 for the AA Fund, with a particular focus on curbing illegal phoenix activity.
- Note: See the Hon. Stuart Robert MP, Assistant Treasurer, [Morrison Government combating illegal phoenix activity](#), media release, 11 December 2018.
- 126 During June and July 2019, we held AA Fund workshops nationally for registered liquidators, to inform them about available funding and how to maximise their prospects of receiving funding while achieving the objectives of the AA Fund.
- 127 There are three types of funding applications a registered liquidator can make to the AA Fund:
- (a) a 'director banning' application, using [Form EX02 Assetless administration funding request \(s206F—Director banning\)](#);
 - (b) an 'other' application, using [Form EX03 Assetless administration funding request \(matters other than s206F—Director banning\)](#); or
 - (c) a 'liquidator action' application, lodging the application by email to rg109@asic.gov.au.

128 Table 6 shows the number of applications received and the outcome of those applications.

Table 6: Applications to the AA Fund in the 2016–17 to 2018–19 financial years

Application status	2016–17	2017–18	2018–19
Form EX02—Applications received	562	587	582
Form EX02—Applications approved	195	170	226
Form EX02—Applications rejected	377	372	343
Form EX03—Applications received	178	197	141
Form EX03—Applications approved	56	43	69
Form EX03—Applications rejected	132	109	75
Liquidator action—Applications received	1	0	1
Liquidator action—Applications approved	0	0	1
Liquidator action—Applications rejected	1	0	0

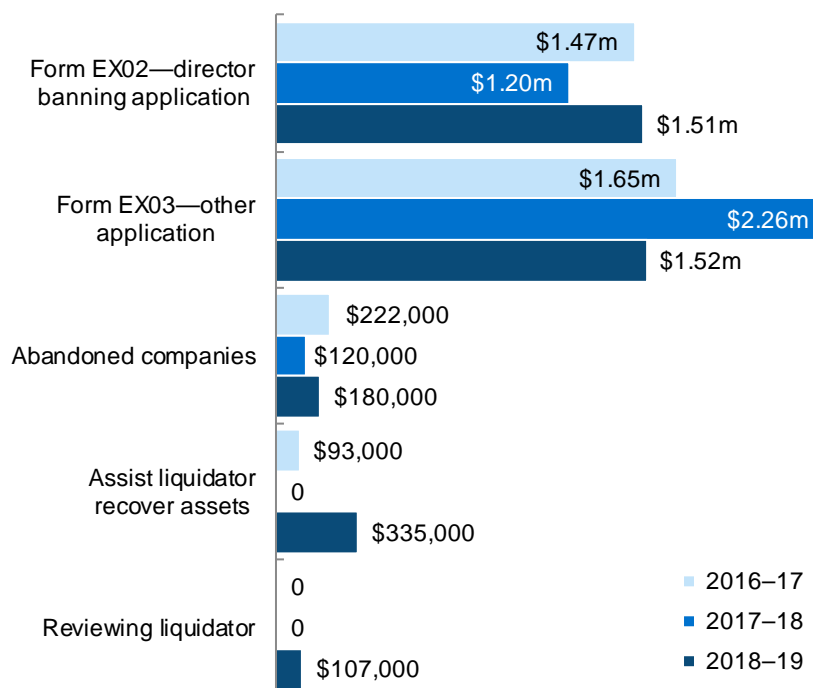
Note: The combined number of applications approved and rejected does not match the number of applications received because some applications were received in the previous year or were still under consideration at the end of the financial year.

129 Before 31 December 2017, we provided details of the AA Fund recipients and amounts approved on our website. Since 31 December 2017, we have provided the details of the AA Fund recipients and amounts approved on the Australian Government website—[GrantConnect](#)—in accordance with the Commonwealth Grants Rules and Guidelines 2017.

130 We continue to monitor the rejection rate of applications received from registered liquidators, with the aim of improving these applications and the AA Fund’s operation. We also continue to review internal processes to improve the efficiency of processing applications.

131 Figure 7 shows how the AA Fund has been used during the reporting period, compared with the previous two financial years.

132 In June 2019, we announced that the funding cap for a ‘director banning’ application will be increased to \$10,500 plus GST for funding agreements issued on or after 1 July 2019. The funding cap before 1 July 2019 was \$7,500 plus GST.

Figure 7: Allocation of funding from AA Fund (2016–17 to 2018–19)

Note 1: Funds allocated, or paid, in administering abandoned companies is part of the funding we provide to the liquidators of companies we wind up using ASIC's administrative power under s489EA of the Corporations Act: see paragraphs 133–138.

Note 2: The figures for the Form EX02—director banning application 2017–18 period were incorrect in REP 610. The figures have been amended.

Note 3: See Table 21 in Appendix 2 for the data shown in this figure (accessible version).

Administrative power to wind up a company

- 133 The Fair Entitlements Guarantee (FEG) scheme is a legislative safety net funded by the Australian Government. It is designed to help employees who are owed unpaid entitlements because of their employer company's liquidation or the company director's bankruptcy.
- 134 However, some employees owed entitlements cannot access the FEG scheme because the company's directors either cannot discharge their duties or have abandoned their insolvent companies without putting them into liquidation.
- 135 When an employee, or other interested stakeholder, lodges a report of misconduct relating to the abandonment of the company, we may appoint a liquidator from the Abandoned Company Liquidator Panel and grant them up to \$12,000 plus GST (previously \$8,000 plus GST) from the AA Fund.
- 136 The liquidator is required to wind up the company's affairs, distribute its property and help employees access unpaid employee entitlements under the *Fair Entitlements Guarantee Act 2012*. The appointment of a liquidator also facilitates a full and proper investigation into the reasons why the company

failed and allows recovery of any voidable or unreasonable director-related transactions.

- 137 During the reporting period, we ordered the winding up of 15 abandoned companies. We identified that there were, in aggregate, 56 employees owed an estimated \$710,404 in unpaid entitlements: see Table 7.

Table 7: Companies wound up by ASIC (1 January 2017 to 30 June 2019)

Statistics	January–June 2017	2017–18	2018–19
Companies wound up	5	14	15
Employees affected	13	33	56
Estimated unpaid entitlements	\$201,646	\$744,771	\$710,404

- 138 The details of the liquidators on the [Abandoned Company Liquidator Panel](#) are available on our website.

Eligible applicant applications

- 139 We received 16 ‘eligible applicant’ authorisation applications during the reporting period (compared with 23 for the 2017–18 financial year) from receivers and managers, and from other parties.
- 140 During the reporting period, we authorised 12 eligible applicant requests, two applications were withdrawn, one application was received from a liquidator and did not require a decision, and one application could not be considered because the relevant company was not in external administration. Six eligible applicant requests were ongoing at the end of the reporting period.
- 141 If we grant authorisation, the applicant can seek a summons from the court to conduct a public examination of relevant persons about the examinable affairs of the company. In turn, this helps the receivers and managers to recover assets and report fully to ASIC. We can then determine whether we need to conduct our own investigations and take enforcement action.

Court applications

- 142 The Insolvency Practitioners team assessed 188 court applications during the reporting period (compared with 101 for the 2017–18 financial year). Most related to matters in Pts 5.3A–5.9 of the Corporations Act, many of which must be served on ASIC under the various court rules. If we receive sufficient notice of the application, our Insolvency Practitioners team considers each one.

- 143 Our Insolvency Practitioners team also considers any other court applications not served on ASIC but which come to our attention as a result of their public profile or nature. These applications require specialist insolvency knowledge to properly understand and assess the implications of the application.

Other applications

- 144 During the reporting period, our Insolvency Practitioners team assessed one application from a registered liquidator for an extension of time to adjudicate a proof of debt.
- 145 These applications provide liquidators with additional time to appropriately consider a creditor's proof of debt for the purposes of paying a return to creditors.

Court intervention and *amicus curiae*

- 146 If the circumstances warrant, ASIC has the power to intervene in any proceeding relating to a matter arising under s1330 of the Corporations Act, or we may seek leave to appear as *amicus curiae* in proceedings when we consider that hearing from ASIC would assist the court.
- 147 On 12 June 2019, the Federal Court ordered the remuneration of liquidators John Sheahan and Ian Lock be fixed at \$3.9 million, compared with the \$5.8 million they sought. They were required to repay the difference plus interest and pay ASIC's costs as agreed between the parties without any right of indemnity from the external administrations in the matter *Lock, in the matter of Cedenco JV Australia Pty Ltd (in liq) (No 3)* [2019] FCA 879.
- 148 In August 2015, ASIC intervened in this matter following concerns about the level of remuneration sought, the volume of work undertaken and the hourly rates charged: see [Media Release \(19-140MR\)](#) *Federal Court fixes liquidators' remuneration for winding up three Adelaide companies and orders them to repay \$1.9m plus interest and ASIC's costs* (17 June 2019).

D Industry profile

Key points

This section sets out key statistics about registered liquidators, the registration of liquidators, and companies in external administration.

Registered liquidators

- 149 Applications to be registered as a liquidator are assessed and determined by an independent committee convened under s20-30 of Sch 2. Each committee consists of an ASIC staff member as Chair, a registered liquidator chosen by ARITA, and a person appointed by the Minister. Administrative and secretariat services are provided to the Liquidator Registration Committee by ASIC's Chief Legal Office.
- 150 During the reporting period, we convened 12 committees to consider applications received. This regime provides for a process by which a person applying to gain registration as a liquidator must provide a detailed application and referee reports, and may be required to attend an interview: see Table 8.

Table 8: Registered liquidator applications (1 July 2017 to 30 June 2019)

Registered liquidator application status	January–June 2017	2017–18	2018–19
Applications			
Applications received	2	16	12
Applications carried over from prior year	0	2	1
Less: applications carried forward	(2)	(1)	(1)
Committees convened	0	17	12
Committees			
Committees convened	0	17	12
Committee decisions pending from prior year	0	0	2
Less: decisions pending	0	(2)	(2)
Committee decisions	0	15	12

Registered liquidator application status	January–June 2017	2017–18	2018–19
Outcomes			
Applications declined by committee	0	5	2
Applications approved by committee	0	10	10
Total	0	15	12

Note 1: The number of committees convened excludes committees convened to vary the condition of existing registrations.

Note 2: The number of successful applicants includes registrations subject to conditions and excludes any applications successful on appeal at the Administrative Appeals Tribunal (AAT).

Note 3: Of the 10 applications approved in the 2017–18 financial year, seven applicants were registered on the Register of Liquidators in the same financial year and three applicants were registered in the subsequent financial year.

Note 4: Of the 10 applications approved in the 2018–19 financial year, nine successful applicants were registered on the Register of Liquidators and one applicant was registered in the subsequent financial year. See Table 9.

151 Twelve people were registered during the reporting period. The average age of registrants was 39 years old. As at 30 June 2019, there were 651 registered liquidators in Australia (of which 378 were also official liquidators): see Table 9 and Table 11.

152 During the reporting period, one applicant filed an application with the AAT seeking a review of the committee's decision to not register the applicant as a liquidator. After the reporting period, the AAT made a decision to grant the applicant a registration subject to conditions.

Table 9: Number of registered liquidators (1 January 2017 to 30 June 2019)

Liquidator status	January–June 2017	2017–18	2018–19
Registered at start of reporting period	710	711	663
Registered during reporting period	27	7	12
Cancelled during reporting period	(26)	(55)	(24)
Registered at end of reporting period	711	663	651
Suspended at end of reporting period	1	1	5
Condition on registration not to take new appointments at end of reporting period	5	10	5
Registered and capable of taking appointments at end of reporting period	705	652	641

153 As at 30 June 2019:

- the registration of five registered liquidators was voluntarily suspended; and
- five registered liquidators, who had not previously renewed their registration, were subject to a condition prohibiting them from accepting new insolvency appointments.

- 154 During the reporting period, ASIC cancelled the registration of 24 registered liquidators: see Table 9 and Table 10. The registrations were cancelled for the following reasons:
- (a) five registered liquidators did not renew their registration, of which:
 - (i) three finalised all of their existing external administration appointments; and
 - (ii) two transferred all of their remaining external administration appointments before 30 June 2019;
 - (b) 16 registered liquidators requested voluntary cancellation;
 - (c) two registered liquidators passed away during the reporting period; and
 - (d) one was due to disciplinary action.

Table 10: Profile of registered liquidators cancelled during the reporting period (2018–19)

Liquidator profile	Voluntary cancellation	Non-renewal
Number of registered liquidators	16	5
Average age at date of cancellation or non-renewal	63.1	66.0
Number with no external administrations in the preceding 12 months	3	0
Number with no new external administrations in the preceding 12 months	15	3

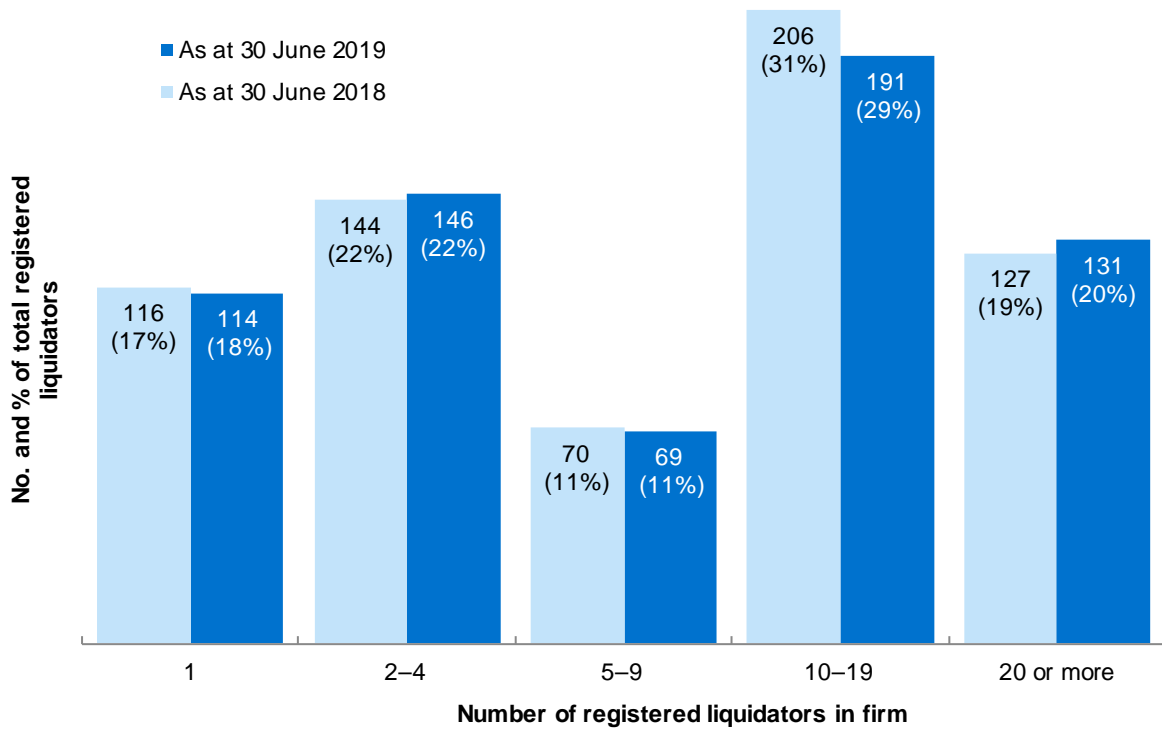
Table 11: Number of official liquidators (1 January 2017 to 30 June 2019)

Liquidator status	January–June 2017	2017–18	2018–19
Registered at start of reporting period	638	620	445
Registered during reporting period	2	0	0
Cancelled during reporting period	(20)	(175)	(67)
Registered at end of reporting period	620	445	378

Note: Previously, only official liquidators could conduct court-appointed windings-up. All official liquidators are registered liquidators, but a registered liquidator may not be an official liquidator. From 1 March 2017, the Insolvency Law Reform Act removed the 'official liquidator' designation. Each 'official liquidator' designation ceases after their last court appointment entered into before 1 March 2017 is finalised

- 155 As Figure 8 shows, 49% of registered liquidators operate in a firm of 10 or more practitioners.
- 156 The number of registered liquidators operating in a firm of 20 or more practitioners increased, and the number of registered liquidators in firms of 10–19 practitioners decreased. We note that the majority of the movement was due to the merger of two firms.

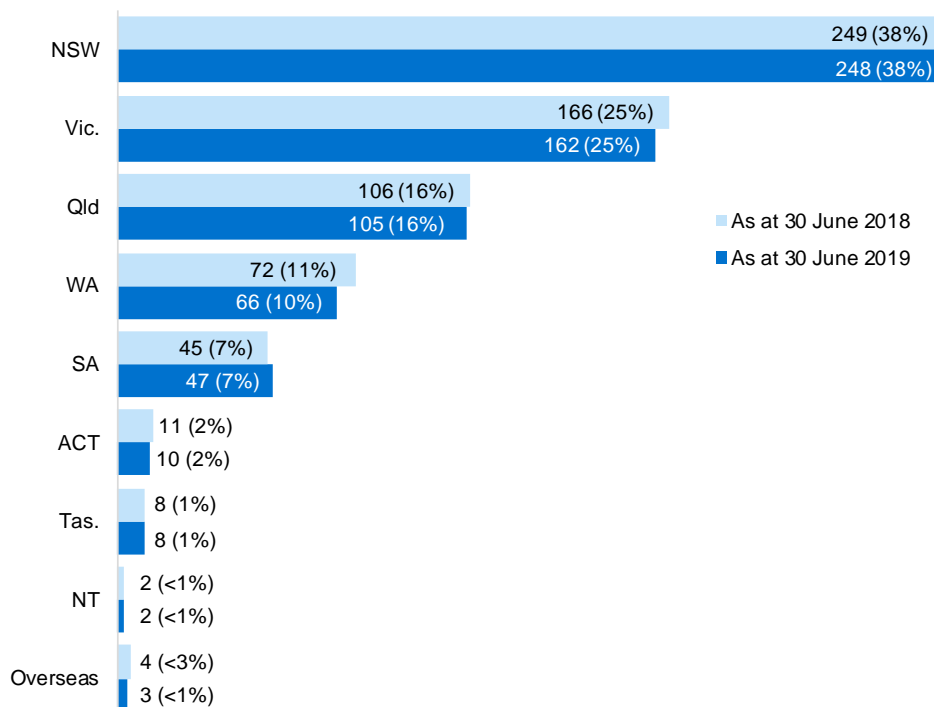
Figure 8: Number of registered liquidators by firm size (as at 30 June 2018 and 30 June 2019)



Note: See Table 22 in Appendix 2 for the data shown in this figure (accessible version).

157 As Figure 9 shows, 79% of registered liquidators operate predominantly in the eastern states of New South Wales (38%), Victoria (25%) and Queensland (16%).

Figure 9: Number of registered liquidators by region (as at 30 June 2018 and 30 June 2019)



Note: See Table 23 in Appendix 2 for the data shown in this figure (accessible version).

158 As at 30 June 2019, there were 57 female registered liquidators (8.8%) in Australia—two more than at 30 June 2018—located in the following states:

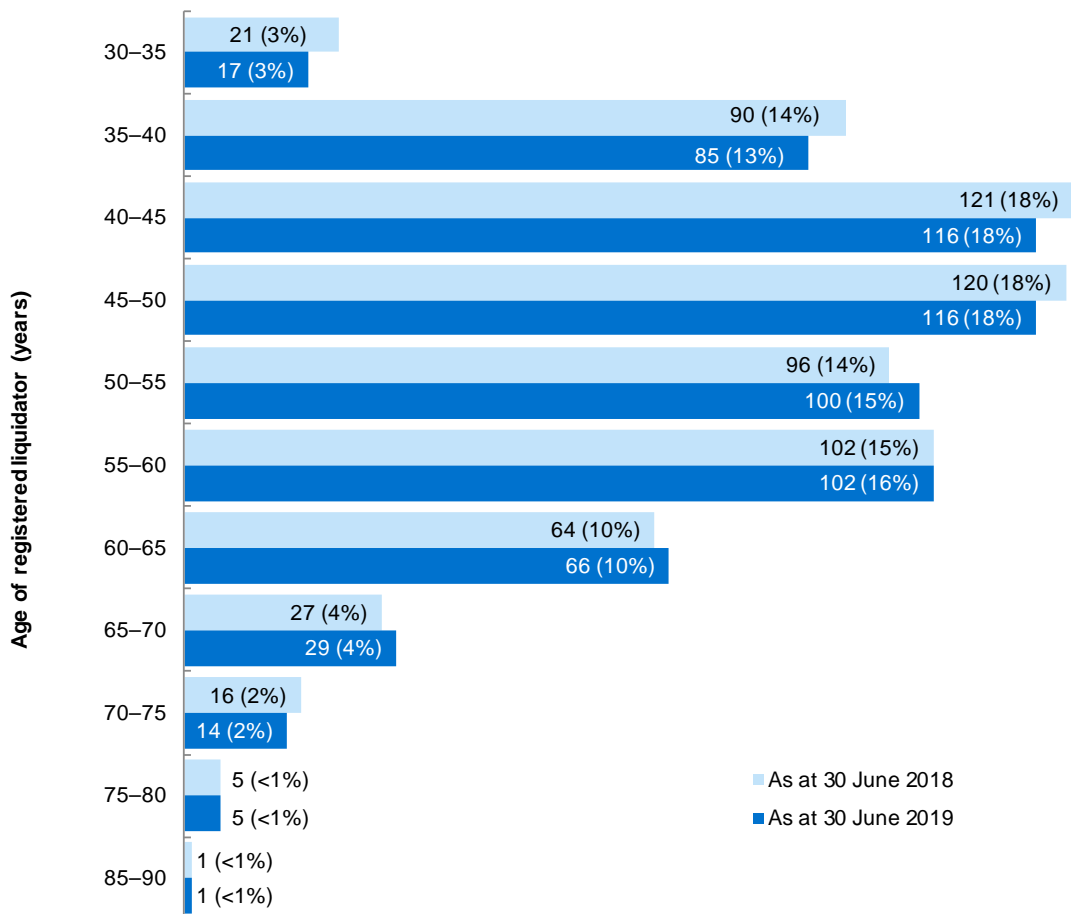
- (a) New South Wales (19);
- (b) Victoria (17);
- (c) Queensland (15);
- (d) Western Australia (four); and
- (e) Tasmania (one).

Note: One female registered liquidator is currently resident overseas.

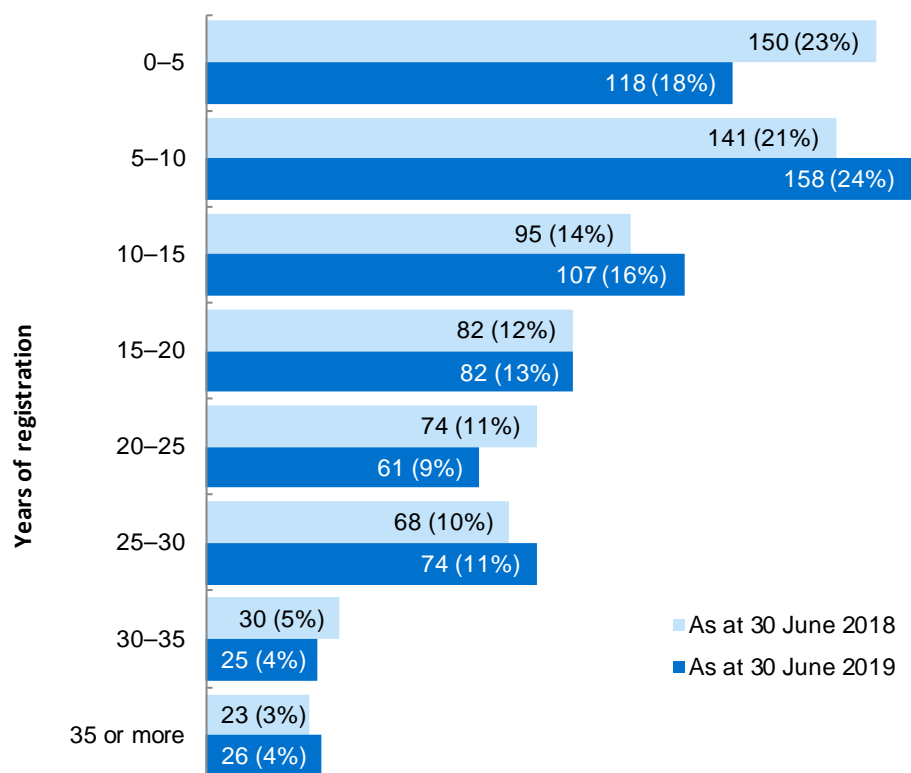
159 As at 30 June 2019, the average age of registered liquidators was 50.6 years: see Figure 10.

160 Figure 11 shows the number of years that liquidators have been registered.

Figure 10: Age of registered liquidators (as at 30 June 2018 and 30 June 2019)



Note: See Table 24 in Appendix 2 for the data shown in this figure (accessible version).

Figure 11: Years of liquidator registration (as at 30 June 2018 and 30 June 2019)

Note: See Table 25 in Appendix 2 for the data shown in this figure (accessible version).

Profile of companies in external administration

- 161 Most external administration appointments involve small-to-medium proprietary limited companies. Table 12 summarises key data for the reporting period.
- 162 External administrators prepare reports as a product of their investigations into a company's failure. Besides assisting creditors, these reports allow ASIC to produce a statistical profile on corporate insolvency in Australia.

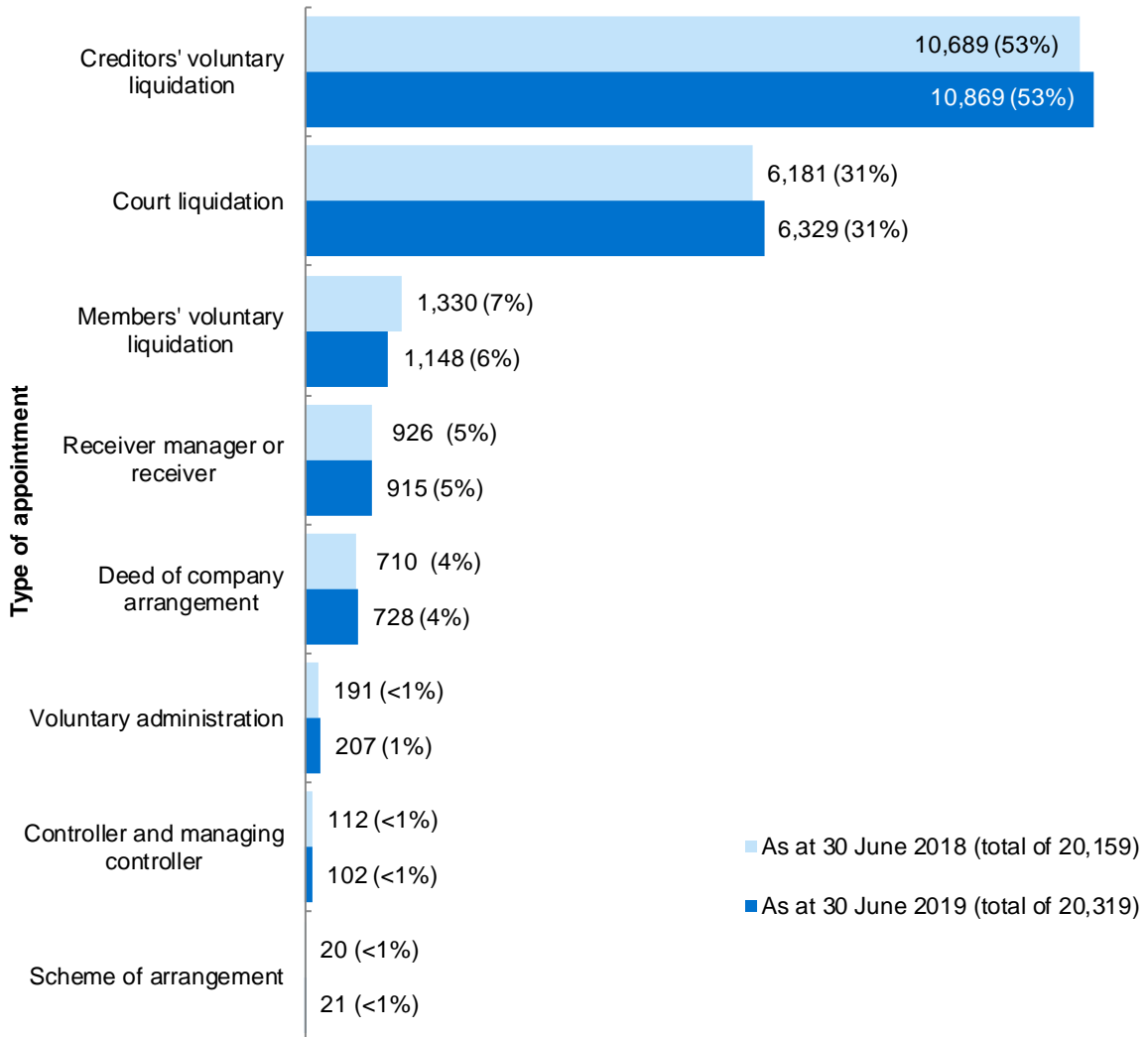
Table 12: Profile of companies in external administration during the reporting period (2018–19)

Description	Percentage of companies
Less than 20 full-time equivalent employees	76%
Assets of \$100,000 or less	85%
Liabilities of \$250,000 or less	38%
Asset deficiency of \$500,000 or less	62%
Dividends to unsecured creditors of less than 11 cents in the dollar	96%

Note: Table 12 aligns with the information published in [Report 645](#) *Insolvency statistics: External administrators' report (July 2018 to June 2019)* (REP 645).

163 As at 30 June 2019, there were a total of 20,319 companies subject to external administration (including controller appointments): see Figure 12.

Figure 12: Appointments by type (as at 30 June 2018 and 30 June 2019)



Note 1: 'Court liquidation' includes 25 provisional liquidations; 'receiver manager or receiver' includes 180 receiverships; and 'controller and managing controller' contains 29 managing controllerships.

Note 2: See Table 26 in Appendix 2 for the data shown in this figure (accessible version).

Appendix 1: Regulatory guides and information sheets

Regulatory guides and information sheets that apply

164 The following regulatory guides (see Table 13) and information sheets (see Table 14) apply to registered liquidators.

Table 13: Regulatory guides

Number	Title
RG 16	<i>External administrators: Reporting and lodging</i>
RG 81	<i>Destruction of books</i>
RG 82	<i>External administration: Deeds of company arrangement involving a creditors' trust</i>
RG 109	<i>Assetless Administration Fund: Funding criteria and guidelines</i>
RG 174	<i>Relief for externally administered companies and registered schemes being wound up</i>
RG 217	<i>Duty to prevent insolvent trading: Guide for directors</i>
RG 242	<i>ASIC's power to wind up abandoned companies</i>
RG 258	<i>Registered liquidators: Registration, disciplinary actions and insurance requirements</i>

Table 14: Information sheets

Number	Title
INFO 29	<i>External administration, controller appointments and schemes of arrangement: Most commonly lodged forms</i>
INFO 39	<i>Insolvency information for directors, employees, creditors and shareholders</i>
INFO 41	<i>Insolvency: A glossary of terms</i>
INFO 42	<i>Insolvency: A guide for directors</i>
INFO 43	<i>Insolvency: A guide for shareholders</i>
INFO 45	<i>Liquidation: A guide for creditors</i>
INFO 46	<i>Liquidation: A guide for employees</i>

Number	Title
INFO 53	<i>Providing assistance to external administrators: Books, records and ROCAP</i> Note: 'ROCAP' means a report on company activities and property, which replaced the report as to affairs (RATA) on 1 November 2018.
INFO 54	<i>Receivership: A guide for creditors</i>
INFO 55	<i>Receivership: A guide for employees</i>
INFO 74	<i>Voluntary administration: A guide for creditors</i>
INFO 75	<i>Voluntary administration: A guide for employees</i>
INFO 78	<i>Winding up a solvent company</i>
INFO 80	<i>How to interpret ASIC insolvency statistics</i>
INFO 84	<i>Independence of external administrators: A guide for creditors</i>
INFO 85	<i>Approving fees: A guide for creditors</i>
INFO 151	<i>ASIC's approach to enforcement</i>
INFO 160	<i>Disputes about employee entitlements</i>

Appendix 2: Accessible versions of figures

165 This appendix is for people with visual or other impairments. It provides the underlying data for each of the figures presented in this report.

Table 15: Outcomes of inquiries and reports of alleged misconduct (1 January 2017 to 30 June 2019)

Outcome of inquiry or report of alleged misconduct	January–June 2017	2017–18	2018–19
Provided assistance to resolve the inquiry	27 (14%)	41 (13%)	4 (1%)
Insufficient evidence was identified to support the alleged breach	79 (41%)	169 (55%)	254 (81%)
<p>Note: Before closing a matter on this basis, we make relevant inquiries. This normally includes speaking to the person to obtain further information (including documents), reviewing lodgements with ASIC and speaking to the registered liquidator.</p>			
No breach of the Corporations Act identified	10 (5%)	17 (6%)	10 (3%)
Referred to a specialist team within ASIC for further review	13 (7%)	23 (7%)	38 (12%)
<p>Note: The Misconduct and Breach Reporting team referred to the Insolvency Practitioners team 38 matters in the 2018–19 financial year.</p>			
Referred to assist existing investigation or other surveillance	7 (4%)	3 (1%)	2 (1%)
Action otherwise precluded	55 (29%)	54 (18%)	2 (1%)
<p>Note: This is a result of the matter already being subject to investigation or some other regulatory action that has been assessed and does not assist the existing action.</p>			
Assessment in progress	0 (0%)	0 (0%)	3 (1%)
Total processed	191 (100%)	307 (100%)	313 (100%)

Note: This is the data contained in Figure 1.

Table 16: Outcomes of formal investigations and enforcement actions (1 January 2017 to 30 June 2019)

Outcome of formal investigation or enforcement action	January–June 2017	2017–18	2018–19
Closed due to insufficient evidence of an offence	1 (33%)	3 (75%)	4 (57%)
Criminal prosecution	0	0	1 (14%)
Negotiated resolution	1 (33%)	0	0
Court enforceable undertaking	1 (33%)	0	1 (14%)

Outcome of formal investigation or enforcement action	January–June 2017	2017–18	2018–19
Disciplinary committee	0	1 (25%)	1 (14%)
Total number of investigations or actions	3 (100%)	4 (100%)	7 (100%)

Note: This is the data contained in Figure 2.

Table 17: Finalised transaction reviews by region (1 January 2017 to 30 June 2019)

Region	January–June 2017	2017–18	2018–19
New South Wales	9	14	20
Victoria	7	9	6
Queensland	3	5	9
Western Australia	1	5	5
South Australia	0	1	5
Tasmania	0	0	0
Australian Capital Territory	0	0	0
Northern Territory	0	0	0
Total finalised transaction reviews	20	34	45

Note: This is the data contained in Figure 3.

Table 18: Areas of concern in finalised transaction reviews (1 January 2017 to 30 June 2019)

Area of concern in finalised transaction review	January–June 2017	2017–18	2018–19
Independence	9 (45%)	17 (50%)	13 (29%)
Remuneration	4 (20%)	2 (6%)	5 (11%)
Adequacy of investigation and reporting to creditors	2 (10%)	6 (18%)	15 (33%)
Phoenix facilitation	0	2 (6%)	2 (4%)
Other	5 (25%)	7 (21%)	10 (22%)
Total finalised reviews	20 (100%)	34 (100%)	45 (100%)

Note: This is the data contained in Figure 4.

Table 19: Outcomes of finalised transaction reviews (1 January 2017 to 30 June 2019)

Outcome of finalised transaction review	January–June 2017	2017–18	2018–19
Insufficient concerns identified to warrant ASIC action	9 (45%)	18 (53%)	24 (53%)
Educational outcome	8 (40%)	12 (35%)	14 (31%)
Advice to other ASIC stakeholder teams	0	0	1 (2%)

Outcome of finalised transaction review	January–June 2017	2017–18	2018–19
Other review or merged with other activity	3 (15%)	4 (12%)	4 (9%)
Resolved by court processes driven by ASIC	0	0	1 (2%)
Referred for formal investigation or enforcement action	0	0	1 (2%)
Total finalised transaction reviews	20 (100%)	34 (100%)	45 (100%)

Note: This is the data contained in Figure 5.

Table 20: Liquidator assistance program statistics for the 2016–17 to 2018–19 financial years

Program statistic	2016–17	2017–18	2018–19
Individuals prosecuted	409	382	351
Compliance achieved	500	593	477
Request for assistance received	1,413	1,358	1,351

Note: This is the data contained in Figure 6.

Table 21: Allocation of funding from AA Fund (2016–17 to 2018–19)

Category	2016–17	2017–18	2018–19
Form EX02—Director banning application	\$1.47m	\$1.20m	\$1.51m
Form EX03—Other application	\$1.65m	\$2.26m	\$1.52m
Abandoned companies	\$222,000	\$120,000	\$180,000
Assist liquidator to recover assets	\$93,000	0	\$335,000
Reviewing liquidator	0	0	\$107,000

Note 1: The figures for the Form EX02—director banning application 2017–18 period were incorrect in REP 610. The figures have been amended.

Note 2: This is the data contained in Figure 7.

Table 22: Number of registered liquidators by firm size (as at 30 June 2018 and 30 June 2019)

Number of registered liquidators in firm	As at 30 June 2018	As at 30 June 2019
1	116 (17%)	114 (18%)
2–4	144 (22%)	146 (22%)
5–9	70 (11%)	69 (11%)
10–19	206 (31%)	191 (29%)
20 or more	127 (19%)	131 (20%)

Note: This is the data contained in Figure 8.

Table 23: Number of registered liquidators by region (as at 30 June 2018 and 30 June 2019)

Region	As at 30 June 2018	As at 30 June 2019
New South Wales	249 (38%)	248 (38%)
Victoria	166 (25%)	162 (25%)
Queensland	106 (16%)	105 (16%)
Western Australia	72 (11%)	66 (10%)
South Australia	45 (7%)	47 (7%)
Australian Capital Territory	11 (2%)	10 (2%)
Tasmania	8 (1%)	8 (1%)
Northern Territory	2 (less than 1%)	2 (less than 1%)
Overseas	4 (less than 1%)	3 (less than 1%)

Note: This is the data contained in Figure 9.

Table 24: Age of registered liquidators (as at 30 June 2018 and 30 June 2019)

Age of registered liquidator (years)	As at 30 June 2018	As at 30 June 2019
30–35	21 (3%)	17 (3%)
35–40	90 (14%)	85 (13%)
40–45	121 (18%)	116 (18%)
45–50	120 (18%)	116 (18%)
50–55	96 (14%)	100 (15%)
55–60	102 (15%)	102 (16%)
60–65	64 (10%)	66 (10%)
65–70	27 (4%)	29 (4%)
70–75	16 (2%)	14 (2%)
75–80	5 (less than 1%)	5 (less than 1%)
85–90	1 (less than 1%)	1 (less than 1%)

Note: This is the data contained in Figure 10.

Table 25: Years of liquidator registration (as at 30 June 2018 and 30 June 2019)

Years of registration	As at 30 June 2018	As at 30 June 2019
0–5	150 (23%)	118 (18%)
5–10	141 (21%)	158 (24%)
10–15	95 (14%)	107 (16%)
15–20	82 (12%)	82 (13%)
20–25	74 (11%)	61 (9%)
25–30	68 (10%)	74 (11%)
30–35	30 (5%)	25 (4%)
36 or more	23 (3%)	26 (4%)

Note: This is the data contained in Figure 11.

Table 26: Appointments by type (as at 30 June 2018 and 30 June 2019)

Type of appointment	As at 30 June 2018	As at 30 June 2019
Creditors' voluntary liquidation	10,689 (53%)	10,869 (53%)
Court liquidation	6,181 (31%)	6,329 (31%)
Members' voluntary liquidation	1,330 (7%)	1,148 (6%)
Receiver manager or receiver	926 (5%)	915 (5%)
Deed of company arrangement	710 (4%)	728 (4%)
Voluntary administration	191 (less than 1%)	207 (1%)
Controller and managing controller	112 (less than 1%)	102 (less than 1%)
Scheme of arrangement	20 (less than 1%)	21 (less than 1%)
Total appointments	20,159 (100%)	20,319 (100%)

Note 1: 'Court liquidation' includes 25 provisional liquidations; 'receiver manager or receiver' includes 180 receiverships; and 'controller and managing controller' contains 29 managing controllerships.

Note 2: This is the data contained in Figure 12.

Key terms

Term	Meaning in this document
AA Fund	Assetless Administration Fund
AAT	Administrative Appeals Tribunal
AFSA	Australian Financial Security Authority
<i>amicus curiae</i>	Friend of the court
ARITA	Australian Restructuring Insolvency and Turnaround Association
ASIC	Australian Securities and Investments Commission
ASIC Act	<i>Australian Securities and Investments Commission Act 2001</i>
ATO	Australian Taxation Office
CA ANZ	Chartered Accountants Australia and New Zealand
committee	A committee convened under s20-10, 20-45, 40-45 or 40-75 of Sch 2
controller	Has the meaning given in s9 of the Corporations Act
Corporations Act	<i>Corporations Act 2001</i> , including regulations made for the purposes of that Act
Corporations Regulations	Corporations Regulations 2001
court enforceable undertaking	Undertakings under s93AA of the ASIC Act
declaration of indemnities	Has the meaning given in s9 of the Corporations Act
declaration of relevant relationships	Has the meaning given in s60 of the Corporations Act
deed administrator	An administrator of a deed of company arrangement
direction to remedy lodgement	An ASIC-issued direction to comply under s40-5 of Sch 2
disciplinary committee	A committee convened under s40-45 of Sch 2 to hear registered liquidator conduct matters

Term	Meaning in this document
enforcement action	Criminal, civil or administrative action against a registered liquidator (e.g. through a referral to a committee under s40-50 of Sch 2), or when the parties reach a negotiated outcome (e.g. when ASIC accepts a court enforceable undertaking)
external administration	The corporate insolvency that the external administrator has been appointed to administer—including liquidation, controller appointments, voluntary administration or a deed of company arrangement
external administrator	A liquidator, a controller, a voluntary administrator or an administrator of a deed of company arrangement
FEG	Fair Entitlements Guarantee
Form EX02 (for example)	An ASIC form (in this example numbered EX02)
formal investigation	A formal investigation under s13(3) of the ASIC Act
GST	Goods and services tax
INFO 151 (for example)	An ASIC information sheet (in this example numbered 151)
Insolvency Law Reform Act	<i>Insolvency Law Reform Act 2016</i> and related legislation
insolvency practitioner	A generic term to describe registered liquidators generally, regardless of whether they have been appointed to one or more specific external administrations
liquidator	An insolvency practitioner appointed under Ch 5 of the Corporations Act to wind up the affairs and distribute the property of a body corporate
negotiated resolution	Negotiated alternatives to other enforcement remedies when these can achieve an effective regulatory outcome, such as an improved compliance program or a better (e.g. quicker) outcome: see INFO 151
official liquidator	A person registered by ASIC under s1283 of the Corporations Act before 1 March 2017 Note: From 1 March 2017, the Insolvency Law Reform Act removed the 'official liquidator' designation.
practice review	A review of a registered liquidator's whole practice, including systems and procedures, and a detailed review of multiple external administration appointments. The aim is to assess whether the registered liquidator is adequately and properly performing their duties and generally complying with the law
Practice Rules	Insolvency Practice Rules (Corporations) 2016

Term	Meaning in this document
receiver	An insolvency practitioner appointed under an instrument or by the court to take control of some or all of the property of a body corporate
registered liquidator	A person registered by ASIC under s20-30 of Sch 2 Note: Before the introduction of amendments in the Insolvency Law Reform Act on 1 March 2017, registered liquidators were registered under s1282(2) of the Corporations Act.
registration committee	A committee convened to consider an individual's application to be registered as a liquidator
remuneration	Remuneration paid to the external administrator for services rendered in conducting an external administration
remuneration report	A report prepared in accordance with rules 70-45 and 70-50 of the Practice Rules Note: Before the introduction of amendments in the Insolvency Law Reform Act on 1 September 2017, remuneration reports were prepared in accordance with s449E(5)–(7), 473(11)–(12) or 499(6)–(7) of the Corporations Act.
REP 610 (for example)	An ASIC report (in this example numbered 610)
reporting period	The 12 months between 1 July 2018 and 30 June 2019: see paragraphs 12–14 for more information
RG 258 (for example)	An ASIC regulatory guide (in this example numbered 258)
s9 (for example)	A section of the Corporations Act (in this example numbered 9)
Sch 2	Schedule 2 to the Corporations Act, titled Insolvency Practice Schedule (Corporations)
show-cause notice	A notice issued by ASIC under s40-40 of Sch 2
surveillance	Transaction reviews, practice reviews and industry-wide compliance projects
transaction review	A review of the conduct of a registered liquidator in relation to a specific transaction or external administration
voluntary administrator	An administrator of a company but not a deed of company arrangement

Related information

Headnotes

alleged misconduct, compliance projects, education, enforcement outcomes, engaging with industry and stakeholders, external administration, guidance, insolvency practitioners, policy advice, registered liquidators, surveillance

Regulatory guides

[RG 100](#) *Enforceable undertakings*

See also Table 13 in Appendix 1 of this report.

Legislation

ASIC Act, s13(3), 93AA

Bankruptcy Act 1966

Corporations Act, Pts 5.3A–5.9, s206F, 489EA, 536, 1330; Sch 2, Div 40, s20-30, 40-15, 40-50, 40-100

Corporations Regulations

Fair Entitlements Guarantee Act 1912

Insolvency Law Reform Act

Insolvency Practice Rules (Corporations) Amendment (Restricting Related Creditor Voting Rights) Rules 2018

Practice Rules

Treasury Laws Amendment (Combating Illegal Phoenixing) Bill 2019

Cases

Lock, in the matter of Cedenco JV Australia Pty Ltd (in liq) (No 3)
[2019] FCA 879

Reports

See p. 2 of this report.

Media releases

[18-249MR](#) *ASIC accepts court enforceable undertaking from Brisbane liquidator* (29 August 2018)

[18-388MR](#) *ASIC suspends registration of Sydney liquidator Amanda Young* (19 December 2018)

[19-044MR](#) *Disciplinary committee cancels liquidator David Leigh's registration* (27 February 2019)

[19-104MR](#) *Former liquidator David Leigh sentenced to seven years imprisonment for fraud* (3 May 2019)

[19-110MR](#) *Supreme Court decision into Sydney liquidators* (10 May 2019)

[19-140MR](#) *Federal Court fixes liquidators' remuneration for winding up three Adelaide companies and orders them to repay \$1.9m plus interest and ASIC's costs* (17 June 2019)

Forms

[Form 507](#) *Report on company activities and property*

[Form 531](#) *Copy of declaration of relevant relationships and/or declaration of indemnities*

[Form 908](#) *Annual liquidator return*

[Form 5022](#) *Outcome of proposal to creditors or contributories*

[Form EX02](#) *Assetless administration funding request (s206F—Director banning)*

[Form EX03](#) *Assetless administration funding request (matters other than s206F—Director banning)*

Information sheets

See Table 14 in Appendix 1 of this report.

Other ASIC documents and articles

[ASIC annual report 2017–18](#)

[ASIC annual report 2018–19](#)

[ASIC corporate insolvency update](#) (issues 8–11)

[ASIC's corporate plan 2018–22, Focus 2018–19](#)

ASIC, 'ASIC update: Liquidator registration and powers of attorney', article, *Australian Restructuring Insolvency & Turnaround Journal* (vol. 30, issue 3)

ASIC, 'ASIC update: Importance of independence', article, *Australian Restructuring Insolvency & Turnaround Journal* (vol. 30, issue 4)

ASIC, 'ASIC update: Handling other people's money', article, *Australian Restructuring Insolvency & Turnaround Journal* (vol. 31, issue 1)

ASIC, 'ASIC update: Banking Royal Commission and the importance of culture', article, *Australian Restructuring Insolvency & Turnaround Journal* (vol. 31, issue 2)

ASIC, 'Featured article: Government funding for registered liquidators', article, *Australian Restructuring Insolvency & Turnaround Journal* (vol. 31, issue 2), co-authored by Mr Steven Atkins of the ATO and Mr Henry Carr of the Attorney-General's Department (formerly the Department of Jobs and Small Business)

[Episode 42](#) *Registered liquidators and creditors*, podcast (19 September 2018)

Non-ASIC documents

Hon. Kelly O'Dwyer MP, Minister for Revenue and Financial Services, [New Phoenix Hotline to protect Australian workers and small businesses](#), media release, 16 July 2018

Hon. Stuart Robert MP, Assistant Treasurer, [Morrison Government combating illegal phoenix activity](#), media release, 11 December 2018

Treasury, [Exposure draft legislation to combat illegal phoenix activity](#)