



ASIC

Australian Securities & Investments Commission

Guide to practice capacities

You should read this document together with Regulatory Guide 258 *Registered liquidators: Registration, disciplinary actions and insurance requirements* (RG 258), particularly RG 258.26–RG 258.27.

This document contains guidance about the type of information ASIC believes a committee may request in considering whether you have the capacity to perform satisfactorily the functions and duties of a registered liquidator.

You are not required to provide documentation evidencing capacity as part of your application form for registration as a liquidator. However, if you are an employee, you will need to provide with your application a letter from your employer including information about arrangements between you and your employer to satisfy the committee that:

- these arrangements will enable you to have independence in the manner in which you work; and
- you will have access to and control over staff and other resources to adequately and properly perform your duties and discharge your functions as a registered liquidator.

Area of capacity	Relevant considerations
Human resources	The number and the level of insolvency staff in your practice and their corporate insolvency experience and the number of corporate insolvency appointments being administered.
Technological resources	The practice's technological resources, including the software systems used to manage workflows and record the conduct of corporate insolvency appointments.
Processes for monitoring and assessing the adequacy of human and technological resources	How your practice monitors and assesses whether it has adequate human and technological resources on an ongoing basis.
Systems and processes for staff supervision and training	How staff are supervised on a day-to-day basis and how your practice ensures that staff are adequately trained.
Systems and processes for conducting external administrations	The systems and processes, including operational procedures, manuals and checklists, in use by your practice, and how these are maintained and kept current.
Procedures for recording and handling complaints	How complaints are recorded and handled by your practice.

Area of capacity	Relevant considerations
Systems for managing risks	<p>The processes in place for:</p> <ul style="list-style-type: none">• monitoring and minimising your exposure to personal liability;• monitoring and minimising the potential for conflicts of interest or breaches of other legal obligations; and• ensuring business continuity in the event of technological failure or other business interruption. <p>The processes your practice has in place to manage each of these risks and any others that apply.</p> <p>Note: You may need to address this in the context of both the risks for the practice and the risks relating to the entities that are in external administration.</p>
Other considerations	<p>Whether you intend to accept corporate insolvency appointments outside the state or territory where you practise and, if so:</p> <ul style="list-style-type: none">• arrangements you have in place for accessing appropriately qualified insolvency staff as and when required for those interstate appointments; and• how you ensure that the work is undertaken without unreasonably increasing the overall costs of the administration. <p>The extent to which (if at all) you will rely on insolvency staff and/or resources from another firm in the day-to-day conduct of your corporate insolvency appointments.</p>