**Australian Securities & Investments Commission**

# Restructuring plan standard terms

*Corporations Act 2001, s*455B *Corporations Regulations 2001,* reg 5.3B.27

A restructuring plan made by a company is taken to include all the following terms:

1. all admissible debts and claims rank equally;
2. if the total amount paid by the company under the plan in respect of those debts or claims is insufficient to meet those debts or claims in full, those debts or claims will be paid proportionately;
3. a creditor is not entitled to receive, in respect of an admissible debt or claim, more than the amount of the debt or claim;
4. the amount of an admissible debt or claim will be ascertained as at the time immediately before the restructuring began; and
5. if a creditor is a secured creditor:
   1. if the creditor does not realise the creditor’s security interest while the plan is in force, the creditor is taken, for the purposes of working out the amount payable to the creditor under the plan, to be a creditor only to the extent (if any) by which the amount of the creditor’s admissible debt or claim exceeds the value of the creditor’s security interest; and
   2. if the creditor realises the creditor’s security interest while the plan is in force, the creditor is taken, for the purposes of working out the amount payable to the creditor under the plan, to be a creditor only to the extent of any balance due to the creditor after deducting the net amount realised.

Note: A restructuring plan is void to the extent that it is inconsistent with any of the matters set out above.