

April 2021 Communique Insolvency Update

Welcome to our latest bulletin on what's happening at Helm Advisory and in the insolvency industry.

MODERNISATION OF BUSINESS REGISTERS

The Modernisation of Business Registers received Royal Assent on 22 June 2020.

The result from this legislation will be that there will be a new Commonwealth business registry and one Registrar will be appointed as opposed to the past 31 ASIC registers and Australian Business Register.

The legislation will no longer refer to the individual registers but rather all data will be referred to as 'registry information'. The Registrar will also have responsibility for the director identification number.

On 29 March 2021, Treasury released its plan for existing directors and new directors to register for their director identification number (DIN) by 30 November 2022 to prevent the appointment of fictitious directors and facilitate traceability of their profile and relationships with companies over time. Directors of indigenous corporations are allowed a further year to register for their DIN by 30 November 2023.

On 13 April 2021, the Morrison Government announced the appointment of the Commissioner of Taxation as the Commonwealth Registrar of the Australian Business Registry Services (ABRS). On average there are approximately 224,000 new company registrations each year and the new ABRS will allow business owners a single entry point through the ATO to establish their business rather than the current seven entry points.

For the 2.7m registered companies, the ABRS will allow the process of business registry engagement with the Government to be streamlined which should save companies time and money.

INDUSTRY FOCUSED FORUM NIGHT

As mentioned in our March bulletin, Helm is pleased to present an Industry Focussed Forum night titled "Are we there yet?" to be held at The Kitty Hawk from 5.30pm to 8pm on Thursday 6 May 2021.

The format of the night will be a panel of three speakers from the event management and travel industries with our own Stephen Hathway posing the questions.

The speakers for the night will be:

1. Stephen Turner who is managing director of Face 2 Face Event management and Medical meetings since 2000;
2. Peter Hosper, co-founder and CEO of the Travel Authority Group since 2004; and
3. Penny Lion, Executive General Manager, Events, Tourism Australia since 2016.

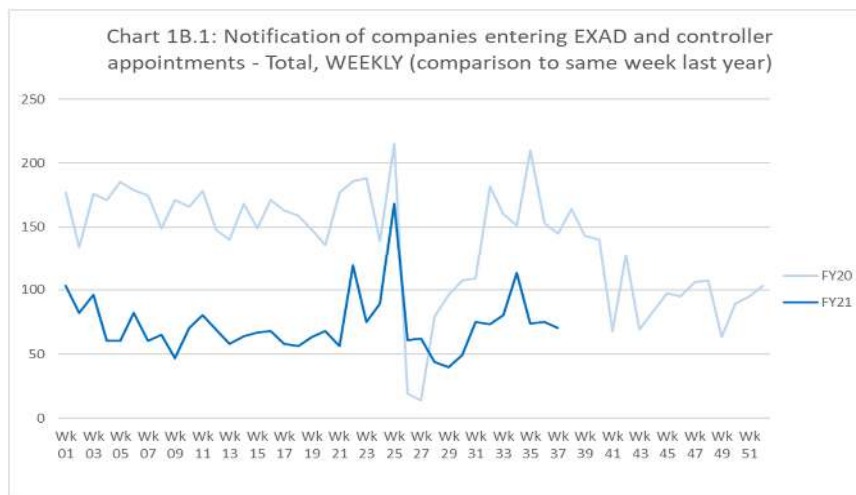
The night should provide an interesting insight into two sectors that have been decimated by COVID 19 restrictions and what the speakers have done to reinvigorate their businesses.

There will also be plenty of time to grab a drink, network and enjoy a nice meal too. Only limited seating is available for this event so please contact us quickly to avoid disappointment. Further information is provided on the attached invitation.

Should you be interested in attending the forum, please contact Kandyce on 02 9194 4023.

WHERE DID THE INSOLVENCY MATTERS GO?

ASIC has produced a chart below which compares the number of companies entering into external administration 2021 financial year as compared to the same period last financial year.



Source: ASIC

As you can see, there has been a significant drop in appointments representing at least a decrease of 50%. During FY2021, the number of Court winding ups were down to almost zero and the new restructuring regimes have proven to be unpopular as well.

We can only assume that there will be a catchup in the final quarter of the year once the ATO commences winding up action and now the Jobkeeper program is finished.

WE CAN HELP YOU NOW

If you have clients who are experiencing difficulty in paying their debts and/or need to restructure their business, please contact us on 02 9194 4000 or by mobile:

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Yuhan Tan 0430 382 682 **Bob Pfaff** 0405 506 040 **Stephen Hathway** 0413 443 224