



## Corporate Insolvency Threshold

The following information outlines both the monetary thresholds and time limits that apply in relevant insolvency practices.

### Meeting Periods

Holding First VA meeting:  
within **8 business days** of appointment

Convening period to call Second VA meeting:  
**20 business days** from date of appointment  
Extension to convening period:

Extension to convening period  
If the day after the administration begins is in December or is less than 25 business days before Good Friday, **25 business days** beginning on that day or if not the next business day.

Holding Second VA meeting:  
Within **5 business days** before or after the end of the convening period

Holding initial Creditors Voluntary Liquidation meeting within **11 days** after appointment allowing for **7 days** notice

Holding other Liquidation meetings:  
At any time during appointment with **10 days** notice

Final Meetings in Voluntary Liquidations:  
At end of appointment with **1 month**

### Priority Employee Entitlement Thresholds

Non-excluded employee:  
**No Limit.** Non-excluded employees (not related to the directors) can receive their full entitlements.

Excluded Employees:  
Excluded employees will only receive **\$2,000** in relation to Wages and **\$1,500** in relation to Leave Entitlements in priority to non-employee creditors.

They will not receive a priority dividend for other entitlements.

### General Dividends

Notice to be given to creditors to lodge Proofs of Debt at least **21 days** before Declaration

Minimum time after Declaration before payment of Dividend:  
**No time Limit.** The dividend may be paid immediately after the end of the lodgement period.

Minimum Dividend:  
Liquidators are not required to pay a dividend under **\$25.00** to any creditor.

### Statutory Demands

Minimum amount for the issuance of a Statutory notice: **\$2,000**

Time period for compliance  
The debtor has **21 days** to pay the debt or be deemed insolvent

### Insolvency Related Offences

Non-Disclosure or Misrepresentation  
section 590(1) - \$10,000 or 2 years or both.  
Knowingly Receiving property of company  
section 590(5) - \$5,000 or 1 year or both  
Frauds by Officers of company  
section 596 - \$10,000 or 2 years or both  
Falsification of company books and records  
section 1307 - \$10,000 or 2 years or both  
Providing False or Misleading statement  
section 1308 - \$20,000 or 5 years or both

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