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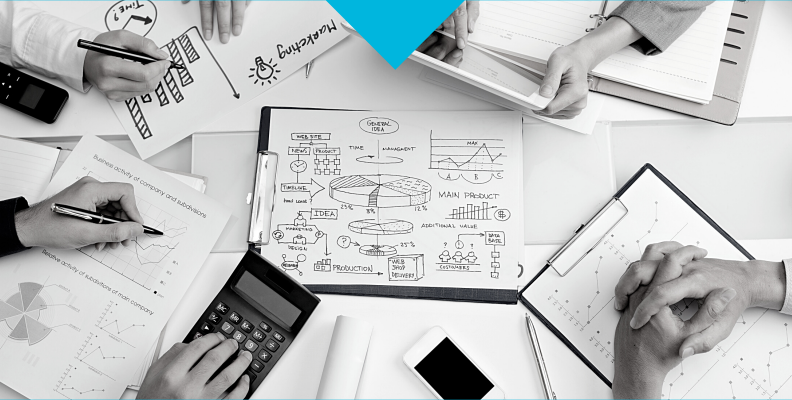
THE VOLUNTARY ADMINISTRATION REGIME

One of the most common forms of external administrations for companies is the voluntary administration regime, or VA.

VA is a process where an independent person is appointed under Part 5.3A of the *Corporations Act 2001* (Cth) to take control of a financially distressed company to consider restructuring options; during this time, a statutory moratorium operates to provide the company with breathing space to consider its options.

13%

OF INSOLVENT COMPANIES OPT FOR VA



37%

WITHIN 2 YEARS

78%

WITHIN 5 YEARS

OF COMPANIES ARE DEREGISTERED AFTER ENTERING INTO VA



>50%

OF COMPANIES UNDER EXTERNAL ADMINISTRATION HAVE INCIDENCES OF DIRECTOR MISCONDUCT



<5%

OF INSOLVENT COMPANIES USE VA TO SUCCESSFULLY RESTRUCTURE

Figures released by the Australian Securities and Investments Commission in mid-2020 show significant reductions in the number of external administrations: voluntary administrations were down 13% in April and 39% in May.

These figures are expected to increase after the COVID-19 recovery period.