

Insolvency Relief Extended until New Years!

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By Hayley Hitch, an Associate of Matthews Folbigg Lawyers in our Insolvency, Restructuring and Debt Recovery Group

The Morrison Government earlier this year introduced the *Coronavirus Economic Response Package Omnibus Act 2020* (Cth) which came into effect on 25 March 2020 to provide relief to individuals and entities under the *Corporations Act 2001* (Cth), *Bankruptcy Act 1966* (Cth) and supporting legislation. These changes were due to expire on 25 September 2020, where the legislation was expected to revert back to its former position where, for example, statutory demands and bankruptcy notices required a 21 day response period.

You may recall our earlier blog which goes into some detail about these changes, this may be viewed [here](#).

The Morrison Government has however today extended the operation of the relief provided (and described above) until **31 December 2020**. This means that:

1. Any statutory demands issued under the *Corporations Act 2001* (Cth) on or before 31 December 2020 will need to provide the debtor with a period of 6 months to respond and be for at least \$20,000;
2. Any bankruptcy notices issued under the *Bankruptcy Act 1966* (Cth) on or before 31 December 2020 will need to provide the debtor with a period of 6 months to respond and be for at least \$20,000.



The extension also includes the COVID-19 safe harbour protection for insolvent trading claims against directors.

These changes may affect how you choose to recover a debt or enforce a judgment. We are able to provide you with the advice and recommendation as to how these changes affect you and the best way to navigate through COVID-19 whilst keeping on top of your debtors ledger.

Please contact us today to find out how we can help you.

If you would like more information or advice in relation to insolvency, restructuring or debt recovery law, contact Hayley Hitch at hayleyh@matthewsfolbigg.com.au or a Principal of the Matthews Folbigg Insolvency, Restructuring & Debt Recovery Group:

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