Insolvency

Insolvency is when a company or person can't pay debts when they are due.

There are several options available to an insolvent company or person:

- the most common corporate insolvency procedures for an **insolvent company** are liquidation, small business restructuring, voluntary administration and receivership (see Closing a small business for more information)
- the available personal insolvency procedures for an **insolvent person** are bankruptcy and personal insolvency agreements.

ASIC regulates companies, it does not manage personal insolvency procedures. For more information about bankruptcy and personal insolvency agreements, visit the Australian Financial Security Authority website.

More insolvency information

Insolvency notices

If you are owed money by an insolvent company or you are a creditor, search insolvency notices on our Published notices website to find out if an external administrator has been appointed over a company.

Serving Court applications on ASIC

If you are considering making an application to court about an external administration you should read this page about how to serve ASIC and when ASIC responds.

Requesting eligible applicant authorisation

Our information sheet explains:

- who can be an eligible applicant
- how to become an eligible applicant, and
- the matters and principles ASIC considers when deciding whether to grant a request for eligible applicant authorisation.

Insolvency reforms for small business

Insolvency reforms for small business came into effect on 1 January 2021. These reforms followed the temporary measures introduced in March 2020 in response to the COVID-19 pandemic. These measures only apply to eligible incorporated small businesses with liabilities of less than $1 million.

The reforms include a new:

- debt-restructuring process for incorporated small businesses
- simplified liquidation process for incorporated small businesses
- 'class' of registered liquidator.

Corporate insolvency trends in Australia

See insolvency statistics for more information.

Not sure what that insolvency term means?

See Information Sheet 41 (INFO 41) *Insolvency: A glossary of terms*.

Explore **Insolvency**

Insolvency for creditors

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Insolvency for directors

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Insolvency for employees

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Insolvency for investors and shareholders

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Insolvency for liquidators



More insolvency information



Resources and news

