



Insolvency Practice Rules (Corporations) Amendment (Restricting Related Creditor Voting Rights) Rules 2018

I, Stuart Robert, Assistant Treasurer, make the following rules.

Dated 30 November 2018

Stuart Robert
Assistant Treasurer

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1 Name

This instrument is the *Insolvency Practice Rules (Corporations) Amendment (Restricting Related Creditor Voting Rights) Rules 2018*.

2 Commencement

- (1) Each provision of this instrument specified in column 1 of the table commences, or is taken to have commenced, in accordance with column 2 of the table. Any other statement in column 2 has effect according to its terms.

Commencement information		
Column 1	Column 2	Column 3
Provisions	Commencement	Date/Details
1. The whole of this instrument	The day after this instrument is registered.	7 December 2018

Note: This table relates only to the provisions of this instrument as originally made. It will not be amended to deal with any later amendments of this instrument.

- (2) Any information in column 3 of the table is not part of this instrument. Information may be inserted in this column, or information in it may be edited, in any published version of this instrument.

3 Authority

This instrument is made under the *Corporations Act 2001*.

4 Schedules

Each instrument that is specified in a Schedule to this instrument is amended or repealed as set out in the applicable items in the Schedule concerned, and any other item in a Schedule to this instrument has effect according to its terms.

Schedule 1—Amendments

Insolvency Practice Rules (Corporations) 2016

1 After subsection 75-95(1)

Insert:

(1A) If:

- (a) a resolution is proposed at a meeting of creditors of a company; and
- (b) a debt claimed by a creditor of the company is owed to the creditor as assignee;

the external administrator of the company must ask the creditor to give evidence in writing in relation to the debt and the consideration given for the assignment of the debt.

2 Subsection 75-95(2)

After “subsection (1)”, insert “or (1A)”.

3 At the end of section 75-110

Add:

- (7) For the purposes of determining whether a resolution is passed at a meeting of creditors of a company, the value of a creditor of the company who:
- (a) is a related creditor (within the meaning of subsection 75-41(4) of the Insolvency Practice Schedule (Corporations)), for the purposes of the vote, in relation to the company; and
 - (b) has been assigned a debt; and
 - (c) is present at the meeting personally, by telephone, by proxy or attorney; and
 - (d) is voting on the resolution;
- is to be worked out by taking the value of the assigned debt to be equal to the value of the consideration that the related creditor gave for the assignment of the debt.

4 At the end of the instrument

Add:

Part 5—Transitional matters

Division 110—Transitional matters relating to the Insolvency Practice Rules (Corporations) Amendment (Restricting Related Creditor Voting Rights) Rules 2018

110-1 Meeting procedures in relation to creditors who have been assigned debts

The amendments of sections 75-95 and 75-110 made by Schedule 1 to the *Insolvency Practice Rules (Corporations) Amendment (Restricting Related*

Creditor Voting Rights) Rules 2018 apply in relation to meetings convened on or after the commencement of that Schedule.