

HERBERT SMITH FREEHILLS' SUBMISSION ON MAJOR INSOLVENCY LAW REFORMS

30 May 2016 | Australia
Legal Briefings - By **Paul Apáthy**

On 29 April 2016, the Australian Federal Government announced three major insolvency law reform proposals in its Improving Bankruptcy and Insolvency Laws Proposal Paper (**Proposal**).

Click on the download link above to access the Herbert Smith Freehills submission in response to the Proposal.

In our submission, we:

- set out why we support Model B, with modifications, over Model A, for the introduction of the insolvent trading safe harbour proposal, together with our recommendations on specific queries raised in the Proposal;
- provide our recommendations for the way forward with implementing the proposal to limit the enforceability of *ipso facto* clauses (drawing from the significant experience of our lawyers, including a number who have practiced in other jurisdictions, including the UK and US); and
- expand on seven reforms that are urgently needed to enhance the Australian creditors' scheme of arrangement framework, which were not included in the reform proposals contained in the Proposal.

This article is one of a [series](#) that Herbert Smith Freehills is publishing on the Government's insolvency and bankruptcy law reform proposals.

KEY CONTACTS

If you have any questions, or would like to know how this might affect your business, phone, or email these key contacts.



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