

RUSSELL CORPORATE ADVISORY NEWSLETTER

Safe Harbour Provisions

Further to ClubsNSW webinar commentary today regarding the new COVID-19 related safe harbour provisions of the Corporations Act, please be aware **that protection is not automatic**. Clubs are still required to devise a plan and assess whether any current solvency issues can be overcome. It is essential that Clubs consider their longer-term plan for overcoming any short-term cash flow problem.

Directors will not satisfy the requirements for potential protection under the recently introduced provisions of the Corporations Act unless they comply with the following:

- the Club has a restructuring plan;
- directors are aware of and monitoring the strategy;
- the books and records of the Company are kept up to date;
- tax lodgements are up to date (even if you cannot pay the debt);
- payments to employees including superannuation are up to date (subject to Jobkeeper and stand down of employment arrangements);

Please note that a deferral of your ATO payments including BAS and PAYG is possible but is not automatic. You will need to contact the ATO to organise the deferral and obtain a payment plan.

Please see Australian Restructuring Insolvency and Turnaround Association (ARITA) fact sheets further down the page on our website that you may find helpful.

To keep up to date with our advice follow the attached link to our website.

<http://www.russellcorporate.com.au/COVID-19updates>

If you have any questions please do not hesitate to contact one of our team members on 02 9957 6700 or info@russellcorporate.com.au.