



PERSONAL INSOLVENCY AGREEMENT (PART X)

Statement of Affairs

Controlling Trustee Authority (under Section 188)

Proposal Checklist

NOTICE TO DEBTORS CONTEMPLATING A PERSONAL INSOLVENCY AGREEMENT ("PIA")

Entering into a Personal Insolvency Agreement is an important decision. Once the PIA is accepted by creditors it becomes binding agreement between you and your creditors. You may wish to seek professional advice in formulating and drafting a proposal.

In addition to any advice you obtain, you must read and understand certain information about Personal Insolvency Agreements and its alternatives which is prescribed by legislation. The Prescribed Information booklet is available from any ITSA office or can be downloaded from our website at www.itsa.gov.au. General information about Personal Insolvency Agreements is available on the website.

Further information and instructions for completing the form to proceed with a Personal Insolvency Agreement are contained overleaf. If you do not understand a particular question or require further information about Personal Insolvency Agreements or other alternatives please contact ITSA.

The completed forms can be lodged in person or by mail to the ITSA office in your capital city.

ITSA can provide you with information on Personal Insolvency Agreements.

Call 1300 364 785 OR VISIT www.itsa.gov.au

ITSA cannot give you advice on whether a Personal Insolvency Agreement is suitable for your individual circumstances.

If you **do not speak English**, an Interpreting Service is available for the cost of a local call from anywhere in Australia - phone 131 450

Important Information and Instructions

Documents required

1. You need to complete 4 documents to proceed with a PIA:
 - a. Controlling Trustee Authority, Form 13
 - b. Statement of Affairs, Form 3 (Parts A, B, C, D & E)
 - c. PIA Proposal Checklist
 - d. Proposed Personal Insolvency Agreement (*attach to these forms*)

If you are presenting a **joint proposal** with one or more individuals then please ensure that you tick the box at Question 1 of PIA Checklist. Each individual under the proposal must fill out a **separate set of forms** and they need to be lodged together.

Completing the documents

2. Use a **black or blue pen** to complete the form.
3. **All questions must be answered** if they do not apply to you, you should indicate this by writing 'N/A' (Not applicable)
4. Your proposed PIA must be filed by the Controlling Trustee **within 2 working days of signing the documents**.
5. Providing **false and / or misleading information** in a material particular is an offence under the Bankruptcy Act 1966 and **penalties** apply on conviction.
6. If there is not enough space for you to answer a question either:
 - a. Copy the page, provide further details and attach it to this document; or
 - b. Provide any additional information on the "Notes" page of the Statement of Affairs.
7. A proposal is not valid unless it addresses certain matters. To assist you in making a proposal to your creditors the PIA checklist can be used a guide for the information that must be included in your proposal.

How the information is used

9. **The information that you provide** on these forms is collected under, and for the purposes of the Bankruptcy Act 1966 and will be used as follows:
 - a. A copy of these forms will be provided to the trustee, who will use the information to administer your PIA.
 - b. Your Proposal will be provided to your creditors
 - c. The information you provide (except Part A of the Statement of Affairs which records certain personal details) is available for public inspection
 - d. The information may also be used for the purpose of investigating offences committed under the Bankruptcy Act or other legislation.
10. Some of the information will be recorded on the **National Personal Insolvency Index** ("NPII") which is available as a perpetual **public record**. It records personal information including the type of administration, your name (including previous names and aliases), your address, date of birth, occupation, and if operating a business, the

business name and address. **Credit rating organisations** have access to the NPII therefore presenting a Personal Insolvency Agreement may affect your ability to obtain credit.

Related Creditors

11. If any of your creditors are related to you, the relationship must be disclosed at Questions 38 & 40 of the Statement of Affairs. Related creditors include:
 - i. your relatives, which include:
 - a. *your spouse (includes de facto spouse),*
 - b. *your or your spouse's parent/s and lineal ancestor/s and their respective spouses,*
 - c. *your or your spouse's children or lineal descendants and their respective spouses,*
 - d. *your or your spouse's brother or sister and their respective spouses,*
 - e. *your or your spouse's uncle, aunt, nephew or niece and their respective spouses,*
 - ii. a member of a partnership in which you or any of your relatives are a member.
Example: *You owe \$1,000 to your accountant. Your brother is a business partner of your accountant in a car dealership business. Then your accountant is a related creditor.*
 - iii. a beneficiary or a trustee of a trust that is connected to you or your relatives (*A trust is connected to you if any of your relatives is either a trustee or a beneficiary of that trust*)
Example: *You owe \$1,000 to ABC Family Trust. Your son is a beneficiary of the trust. This would make the trustee of ABC Family Trust a related creditor, even though you may not be a beneficiary or trustee of this trust.*
 - iv. a director of a company that is connected to you or your relatives (*A company is connected to you if any of your relatives are directors of that company*)
Example: *You owe \$1,000 to your financial consultant, Mr Joe Bloggs who is a director of XYZ Pty Ltd. Your nephew also happens to be a director of the same company. This makes Mr Joe Bloggs a related creditor even though he is not your relative.*
 - v. a company in which any of your relatives is a director
Example: *You owe ABC Pty Ltd \$1,000. Your father in law is a director of this company. This would make ABC Pty Ltd a related creditor.*
 - vi. a company that is related to the company above (*Company A is related to another Company B if it is owned by Company B, or owns Company B, or both Company A and Company B are owned by a common Company C*)
Example: *You owe ABC Pty Ltd \$1,000. Your father in law is a director of DEF Pty Ltd which owns ABC Pty Ltd. This would make ABC Pty Ltd a related creditor.*