SMART INSOLVENCY SOLUTIONS

ATO AS A MAJOR CREDITOR

The tph Difference

Where the ATO is a major creditor, and in some instances the only creditor, **tph** treat it as the primary beneficiary of any financial outcome that occurs whilst we are Liquidators. We provide the appropriate information to the ATO and if we think there is a legal action that, if funded, could result in a payment back to ATO, then we advise the ATO and ask if they wish to fund the action.

The ATO has a formal procedure to complete and a formal process they adopt when a request for funds is lodged. We note it can be a very costly exercise for a Liquidator to complete the request for funding process so **tph** rarely do so for unfunded matters.

We always invite the ATO to consider funding any legal actions, however they will not do so unless their expensive application procedure is followed. Thus we have found it problematic to get ATO to fund actions.

Common Alternative Approaches adopted by Insolvency Firms

The ATO rarely funds Liquidator recovery actions unless it is of adequate size, is a legally sound action and they are to be the significant beneficiary.

For that reason, most practitioners do not have many examples that would meet the criteria.

The ATO is also subject to political influence (such as COVID-19 crisis) and their approach can change depending on what they are told should be in the public interest.

The **tph** Smart Solution

Navigating a liquidation when the ATO is a major creditor and the primary beneficiary is bound by formal procedures. Although directors may view this process as weighted against them, it is important to understand that liquidators operate under the guidelines, **tph** presents a clear, open, and transparent pathway so that directors are informed working to achieve the best outcomes for all parties.

tphadvisory.com.au

SYDNEY
Suite 5
82 – 86 Pacific Highway
St Leonards NSW 2065

ERINA
Suite 3
167 The Entrance Rd
Erina NSW 2250