Cheat Sheets: Liquidation Timeline

The purpose of liquidation of an insolvent company is to have an independent and suitably qualified person (the liquidator) take control of the company so that its affairs can be wound up in an orderly and fair way for the benefit of all creditors.

Step	What happens
Appointment of Liquidator	• Liquidation begins on the appointment of the Liquidator. • The most common type is a creditors' voluntary liquidation, which usually begins in one of two ways: – creditors vote for liquidation following a voluntary administration or a terminated deed of company arrangement; or – an insolvent company's shareholders resolve to liquidate the company and appoint a liquidator. • In a court liquidation, a liquidator is appointed by the court to wind up a company following an application (usually by a creditor). Others, including a director, a shareholder and ASIC, can also make a winding-up application to the court.
Initial Information	• Within 10 business days after their appointment as liquidator in a creditors' voluntary liquidation (or 20 business days for a court liquidator), the liquidator must give creditors notice of their appointment and information advising creditors of the following: – their right to request information, reports and documents – their right to direct that a meeting of creditors be held – their right to give directions to the liquidator – their right to appoint a reviewing liquidator – their right to remove and replace the liquidator

Step	What happens
	– in a creditors' voluntary liquidation, a summary of the company's affairs and a listing of the names, addresses and estimated amounts owed to the company's creditors (and identifying if any of the creditors are related entities of the company).
	• The liquidator must also send with this information an initial remuneration notice if they propose to seek fee approval during the liquidation.
Statutory Report	• The liquidator must provide a report to creditors within three (3) months after their appointment.
Other Reporting	• There is no statutory requirement for the liquidator to provide further reports to creditors. However, a liquidator will often provide further reports to creditors updating them on the conduct of the liquidation.
Creditors' Meetings	• A liquidator is not required to call a creditors' meeting unless a matter requires creditor approval. • The liquidator can call a creditors' meeting at any time and if directed to do so by the committee of inspection and/or creditors. Requests should be made in writing and creditors should provide security for the costs of calling and holding the meeting. • The liquidator is not required to comply with a direction to call a meeting given by a committee of inspection or creditors if that direction is not reasonable.