



**Minister for Superannuation  
and Corporate Law**

**Senator the Hon Nick  
Sherry**



**Minister of Commerce**

**Hon Simon Power**

## **AUSTRALIA-NEW ZEALAND INSOLVENCY LAW PROGRAM**

CANBERRA, AUSTRALIA – Senator Nick Sherry, Australian Minister for Superannuation and Corporate Law and the Hon Simon Power, New Zealand Minister of Commerce, met today in Canberra and agreed that both countries would immediately commence work to enhance trans-Tasman cross-border insolvency arrangements.

"Given the depth and breadth of the economic relationship between Australia and New Zealand, we are committed to aligning our insolvency laws. Such an alignment is firmly in the interests of clear and streamlined cross-border insolvency proceedings and in the interest of creditors on both sides of the Tasman," said Minister Sherry.

"The current global financial crisis makes this work particularly relevant as there are likely to be more companies with interests on both sides of the Tasman under financial distress. An enhanced cross-border framework will allow insolvency processes to be dealt with more effectively, and avoid complexities and costs associated with multiple insolvency proceedings," said Mr Power.

This comprehensive examination will cover all aspects of both countries' insolvency regime, including:

- streamlining the recognition of cross-border insolvency proceedings;
- addressing the possibility of forum-shopping;
- facilitating information gathering;
- securing and realisation of property;
- dealing with attempts at corporate reorganisation;
- improving coordination between concurrent administrations;
- providing Court and administrative assistance to practitioners;
- improving dispute resolution;
- addressing any regulatory gaps; and
- improving transparency and certainty under the trans-Tasman arrangements.

This agreement follows the passage by the Rudd Government of the *Cross-Border Insolvency Act 2008* and New Zealand's earlier legislation, *Insolvency (Cross-border) Act 2006*, both of which implemented the United Nations Commission on International Trade Law's Model Law on Cross-Border Insolvency.

The Model Law provides a generic regime for trans-national insolvency cooperation without altering the respective substantive insolvency laws.

The development of cross-border insolvency arrangements has been a standing agenda item on the work programme under *The Memorandum of Understanding Between the Government of New Zealand and the Government of Australia on Coordination of Business Law*.

"It is anticipated that any possible reforms would augment the operation of the Model Law between our countries without altering the underlying operation of our respective regimes," said Mr Power.

"Last year, we signed into force a landmark agreement *on the Mutual Recognition of Securities Offerings* that has smoothed the way for businesses to raise capital and for the public to invest with greater ease in both countries. Today we've seen yet again just how our ongoing Business Law Reform program can deliver real progress," said Minister Sherry.

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