

## What is the effect of liquidation on company officers?

### What you need to know

'Director' includes anyone holding the position of director and any person not officially appointed but who acts in that capacity. Directors remain in office after the commencement of the liquidation but their powers are limited.

Directors must cooperate with the Official Assignee to enable the affairs of the company to be fairly and equitably resolved. Directors are required to complete a Statement of Affairs form which includes:

- A brief description of the company's history
- Trading details
- Details of the cause of the company's failure
- All company assets
- All company liabilities
- All shareholder information
- Any legal claims pending by or against the company.

[Download a Statement of Affairs form.](#)

Information provided must be supported by relevant documentation (e.g. financial reports, accounting records and bank statements).

The Official Assignee has significant powers in regard to directors who must comply with requests to deliver company property held. The Official Assignee's investigation will include consideration of whether directors have any personal liability to the company and identification of any payments made by the company that may be reversed (e.g. if company assets were disposed of for less than proper value).

The Official Assignee also has significant powers in regard to other people associated with the company, including:

- Shareholders
- Promoters and people involved in the formation of the company
- Employees, past and present
- Receivers, accountants, auditors, bank officers or other people having knowledge of the affairs of the company
- Solicitors
- Other people holding company property.

### What happens if you fail to assist the Official Assignee?

Failure to assist is a serious offence and may result in prosecution. It is an offence for a director to conceal or remove property with the intention of preventing or delaying the Official Assignee from taking custody of it, or to destroy, conceal or remove records or other documents. Penalties can include fines and imprisonment.