



**ASIC**  
Australian Securities &  
Investments Commission

## Directors: Obligations to external administrators

This information sheet (INFO 53) provides general information for company officers about their obligations when a company is insolvent.

It covers:

- [your obligations](#)
- [substantial penalties that may apply](#)
- [key sections of the Corporations Act](#)

### Your obligations

To avoid penalties, company officers must assist the external administrator or receiver.

Company officers and other people with relevant books and records have a responsibility to the company, creditors and community – and cannot obstruct duly appointed external administrators or receivers in the performance of their duties.

If an [external administrator](#) or [receiver](#) has been appointed over a company, or assets of a company, with which you are associated, the Corporations Act 2001 (Corporations Act) requires:

- certain company officers (such as directors) to provide the external administrator or receiver with:
  - a [Report on Company Activities and Property](#) (ROCAP). Where external administrators or receivers have the company's books and records, company officers may ask the external administrator or receiver to allow them access to records to complete and provide a ROCAP
  - books, records, information and assistance
- other persons who have any books, records and/or assets of the company to disclose their existence and, where requested, provide them to the external administrator.

### Substantial penalties may apply

Where a company officer fails to comply with their responsibilities, the external administrator or receiver may refer the matter to us. Referrals have frequently resulted in ASIC taking court action to assist the orderly realisation of assets or to force directors to provide ROCAPs and/or books and records. Failure to provide a ROCAP or disclose and deliver books and records are a serious breach of the Corporations Act.

Penalties imposed by the court may include fines of over \$10,000 or imprisonment for breach of certain obligations by an officer.

If an officer fails to comply with court orders to fulfil their responsibilities within the required time, they may commit a continuing offence and be liable to further prosecution. A continuing offence can attract an additional daily fine until the obligation is complied with.

## Key sections of the Corporations Act

Relevant sections of the Corporations Act for a company in [external administration](#) or whose assets are under the control of a receiver are listed below. For full details of your responsibilities see the Corporations Act. You may want to seek your own legal advice on how to comply with these and your other legal obligations.

**section 83** – Officers and other persons in default

**section 429** – Officers to report to controller about corporation's affairs

**section 430** – Controller may require reports

**section 431** – Controller may inspect books

**section 438B** – Directors to help administrator

**section 438C** – Administrator's rights to company's booksMore

**section 475** – Report as to company's affairs to be submitted to liquidator

**section 530A** – Officers to help liquidator

**section 530B** – Liquidator's rights to company's books

**section 590** – Offences by officers of certain companies

**section 1314** – Continuing offences

**Schedule 3** – Penalties

## More information

› [Insolvency for liquidators](#)

› [Contact ASIC](#)

## Important notice

Please note that this information sheet is a summary giving you basic information about a particular topic. It does not cover the whole of the relevant law regarding that topic, and it is not a substitute for professional advice.

You should also note that because this information sheet avoids legal language wherever possible, it might include some generalisations about the application of the law. Some provisions of the law referred to have exceptions or important qualifications. In most cases your particular circumstances must be taken into account when determining how the law applies to you.

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