

CHECKLIST- CLIENT RISK AREAS

Tick the box if applicable

Client: _____

POTENTIAL PERSONAL LIABILITY - COMPANY DEBTS

- ☐ **Non lodgement of BAS** - resulting in Lockdown Director Penalty Notices (DPN) in relation to PAYG.
- ☐ **Non lodgement of SGC returns** - resulting in Lockdown DPNs in relation to unpaid superannuation.
- ☐ **Div 7A loans** - these loans are repayable to the company.
- ☐ **Personal Guarantee Register not established** - should a personal guarantee register be established? Check for caveatable interests.
- ☐ **Building companies** - if Deed of Covenant has been given. establish terms. (If applicable.)

STRUCTURAL ISSUES

- ☐ **Individuals as Trustees of Trusts** - could expose the individual.
- ☐ **Both spouses acting as directors** - exposes both parties to risk.
- ☐ **Family home in the name of, or loan payments made by, the director/risk taker** – will expose personal property.
- ☐ **Inter-entity loans** - confirm if these loans are exposing group and/or individual assets.

TAX GROUPING

- ☐ **GST Grouping** - other group entities could be liable.
- ☐ **Income tax grouping** - other group entities could be liable.
- ☐ **Payroll Tax** - grouping provisions may expose asset holding or investment entities.

ESTATE PLANNING

- ☐ **Testamentary Trust not established** - no protection in the event of insolvency.

PPSR

- ☐ **Unsecured Directors' Credit Loans** – will result in loss of priority.
- ☐ **No PPS lease between Trading entity and Asset holding entity** - could expose the assets of asset holding entity.

BANKS

- ☐ **Borrowers referred to the Asset Management/Restructuring departments** - not being proactive in resolving the situation.
- ☐ **Lending Covenants** - if these exist, banks may deem non-compliance as event of default.
- ☐ **Cross Collateralisation** - banks may rely on inter entity guarantees or all monies clauses.
- ☐ **All lending with one financier** - "all eggs in one basket" if something goes wrong.

If you have ticked any of the above boxes, asset protection services are recommended.