



Australian Government

The Treasury

# Implications of the global financial crisis for insolvency policy and administration

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# Introduction

- *“When the crunch came, we discovered that national taxpayers still stand behind banks, and national insolvency regimes matter”*
  - Lord Robert Skidelsky,  
UK House of Lords  
December 2008
  - Quoted and endorsed by  
the Honourable Kevin Rudd,  
Prime Minister of Australia  
February 2009



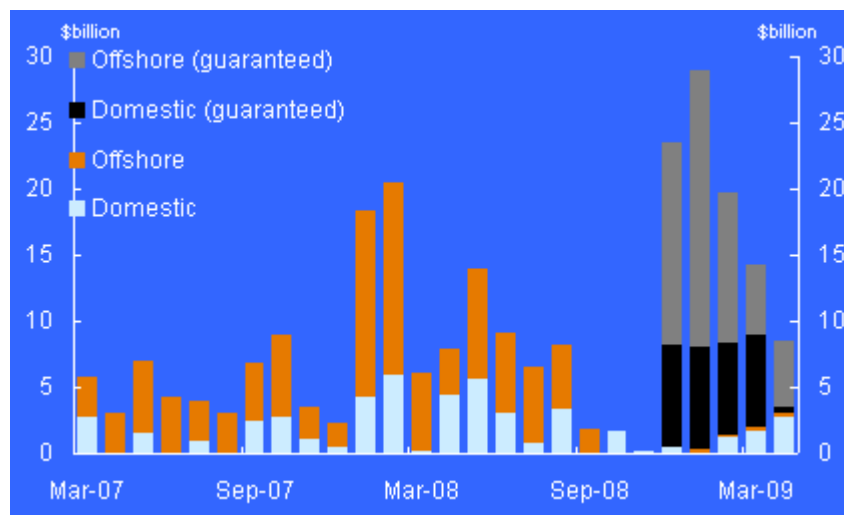
# Types of interventions

- Australian Government interventions to address the global financial crisis have included measures directed at
  - Credit risk; and
  - Insolvency management



# Credit risk

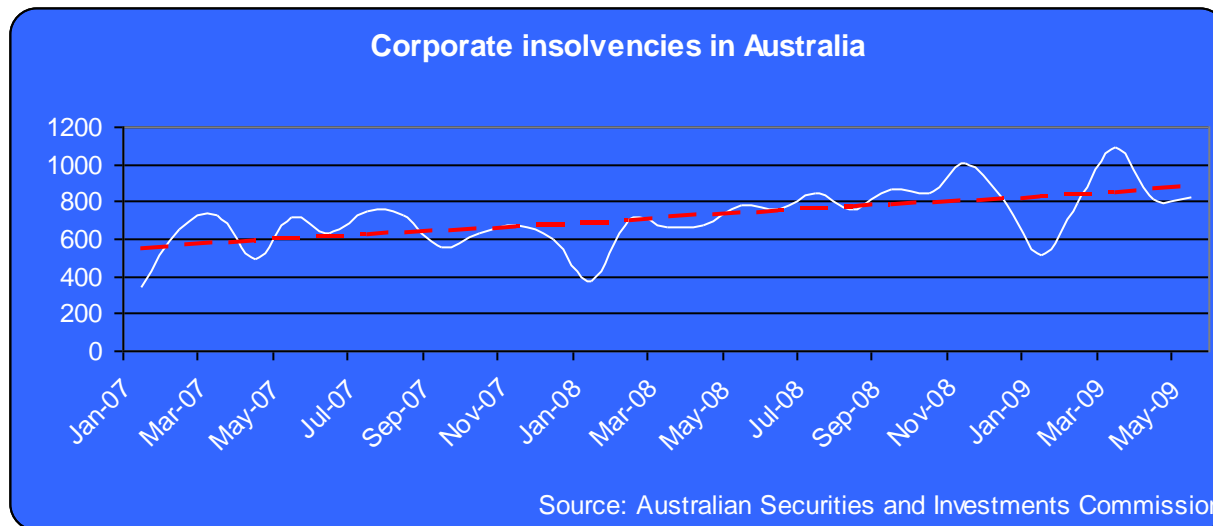
- National government guarantee
  - Banking sector



- Provision of credit through special purpose vehicles
  - Commercial property sector



# Insolvency management



- Renewed policy debates
  - Insolvent trading
  - Debtor in possession
  - Informal workouts

- Initiatives
  - Insolvency regulation
  - Cross border insolvency



# Conclusion

- Insolvency regimes matter
  - National regimes
  - Cross-border cooperation
- Crisis presented challenges and opportunities