

Notifying of company solvency (485)

As part of the annual review process, companies need to pass a resolution regarding the solvency of their business. This usually occurs within two months following the annual review date.

The outcome of the solvency resolution can be:

- **Positive**—the directors of a company believe that the company will be able to pay it's debts as they're due.
- **Negative**— the directors of a company believe that the company won't be able to pay it's debts as they're due.
- **No resolution passed**—The directors have not passed a resolution within two months of the review date.

Depending on the outcome, you might need to lodge a **form 485 - Statement in relation to company solvency** for the company.

If the resolution is...	
Positive	You don't need to lodge a form, but you should keep a copy of the resolution for your records.
Negative	Lodge a form 485 - Statement in relation to company solvency within 7 days of the date of resolution.
No resolution passed	Lodge a form 485 - Statement in relation to company solvency within the 7 days <i>after</i> the end of the 2-month period following the review date. For example, if the review date is 12 March 2019 and the directors have not passed a resolution as of 12 May 2019 (i.e. two months after the review date), the company has until 19 May 2019 to lodge this form.

To notify of solvency status

If you want to make a change to a form you've already prepared, you have to prepare a new form.

1. Select your client from the client sidebar.
2. Click **Corporate admin** on the top menu bar and click **Company forms** on the top-right of the page.
3. In the list of **Company forms** list, click **Prepare form** to the right of the appropriate form.
4. Select the solvency status:

Solvency status	
Negative solvency resolution passed	The directors of the company have passed a solvency resolution under section 347A that, in their opinion, there are reasonable grounds to believe that the company <u>WILL NOT</u> be able to pay its debts as and when they become due and payable.
Solvency resolution not passed	The directors of the company have not passed a solvency resolution under section 347A within the statutory two-month period after the review date.

5. Enter the **Date of resolution** where the negative solvency resolution was passed or, the **Company review date** if the solvency resolution was not passed.
6. Under **Signatory details**, enter the details of the meeting held for the change and select the signatories.

You can select multiple signatories.

7. Click **Create forms**.
8. Click the ellipsis button for the form you created and choose **Send for signing via portal**. The **Create task** page appears.
9. Complete the details on the page.

When you select the client, you can see the documents that will be sent as part of the change you've made. Use the **Signature required** option to indicate if any documents need signing.

10. Click **Create task** for the selected client.