Turnbull Hill Lawyers

# Outline of the Debt Enforcement Process

*At any stage of this Debt Enforcement Process, arrangements can be made between the creditor and debtor for payment/ settlement of the debt

**Letter of Demand**
Letter sent to the debtor demanding payment of debt otherwise legal proceedings will commence

**Statement of Claim**
Filed with the Court to commence legal proceedings and served on debtor

**No Defence Filed by Debtor**
Wait 28 days from service of statement of claim

**Defence Filed by Debtor**
Prepare evidence to prove debt owed / dispute defence and proceed to hearing

**Enter Judgment**

Enforcement where creditor entitled to proceeds of successful enforcement action

**Individual Judgment debt over $10,000**
Enforcement where the creditor shares proceeds of enforcement action with other creditors

**Bankruptcy Notice**
(Where debtor is an individual) Notice filed with the Australian Financial Security Authority and served on debtor

**Creditor's Petition**
Application to the Federal Court to bankrupt the debtor

**Sequestration Order**
Debtor made bankrupt and trustee appointed to administer assets of debtor for distribution to unpaid creditors

**Corporate Judgment Debt over $4,000**
Enforcement where the creditor shares proceeds of enforcement action with other creditors

**Statutory Demand**
(Where debtor is a company) Demand for payment served on debtor company deemed insolvent where non-compliance with demand

**Winding Up**
Application made to Federal or Supreme Court

**Winding Up Order**
Appointment of liquidator to administer and sell assets of debtor company then distributes proceeds to unpaid creditors

**Writ for Levy of Property**
Court order where sheriff seizes goods from debtor and sells the goods at auction for payment of judgement

**Writ on Land**
Writ registered on title to debtor's land and land can be sold if value of debtor's goods unable to satisfy judgement

**Garnishee**
Court order requiring payment by debtor's employer, bank or contract principal direct to creditor

**Garnishee Summons**
Where garnishee order not complied with, garnishee becomes liable for part or all of the debt

**Examination Notice**
Requires debtor to produce details of debtor's assets, liabilities and income

**Examination Order**
Where debtor does not provide financial details, debtor is required to attend Court to produce documents and be publicly examinedunder oath

**Warrant**
Order for the arrest of debtor where the debtor fails to attend examination