7 Benefits of Small Business Restructuring

> *"The benefit of a Small Business Restructuring Plan is that it forces you to think into the future; it really clears your head when you think about what you have to do. I had to tell the ATO what my business plan was. It's also enabled me to focus on growing my business."*
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> **Peter Rechniewski, small business owner and small business restructuring success story**

When used correctly, Small Business Restructuring (SBR) Plans should act like a pressure release valve for businesses that have been largely impacted by factors outside of the directors' control. It can also help correct a business's footing after being blindsided by some financial shock, such as significant bad debt, trading restriction or supply chain disruption.

"In light of the recent issuing by the ATO of around 50,000 Director Penalty Notices (DPNs), my colleagues and I have had enquiries from a number of advisers about SBRs – but there's still some confusion about the advantages of going down this path. Which is why it's vital to understand how an SBR plan can help," says Andrew Spring, Jirsch Sutherland Partner and SBR Practitioner.

"Anyone considering a payment plan with the ATO should also be considering whether a SBR Plan would be more appropriate to protect the long term interests of the business and its stakeholders."

key benefits of SBR Plans:

- **Early intervention:** at the first sign of financial distress, it enables a business to go to creditors and ask for help.
- **Simplicity:** SBRPs are simplified, shorter and less regulated
- **Debtor-in-possession:** directors stay in control of their business during the process
- **Creditor moratorium:** prohibits creditors, including the ATO, from taking action to recover money or property
- **Protection:** directors are protected from being liable for insolvent trading and from personally repaying the entire company tax debt
- **Lower costs:** the process is designed to reduce access costs for small business
- **Specialist practitioners:** a qualified Small Business Restructure Practitioner manages the process, ensuring compliance and helping protect directors.

Jirsch Sutherland has 15 Small Business Restructuring Practitioners around the country. We understand the SBR process and work closely with accountants, directors and other advisers to develop viable solutions. We give obligation-free consultations. **Call** 1300 547 724 **or email enquiries@jirschsutherland.com.au.**