

## SETTING ASIDE A STATUTORY DEMAND – NOT ONE DAY LATE

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One effective way to demand a debt owed by a company is to issue a statutory demand.

If the company fails to properly respond to the statutory demand within 21 days after service, the company will be deemed to be insolvent and the Court has the power to wind the company up.

The recent case of Challenge Homes Loans v Etienne Lawyers is an important reminder to debtors wishing to set aside statutory demands. In that case the company filed its application to set aside its statutory demand one day late.

The Court confirmed that a debtor company wishing to set aside a statutory demand must lodge the appropriate documentation strictly within 21 days of receiving the demand. A delay of even one day means that the debtor cannot set aside the statutory demand.

If you need to set aside a statutory demand, it is crucial to remember that time is of the essence in lodging and serving the relevant documents. The 21 day period must be strictly adhered to. The consequences of a failure to comply with the demand may ultimately result in your company being wound up.

This is general information only, and does not constitute specific legal advice. If you would like further information in relation to this matter or other legal matters please contact our office at [reception@hhg.com.au](mailto:reception@hhg.com.au).

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