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**IMPORTANT ******ITSA NAME CHANGE* ***** IMPORTANT**

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As many of you are aware in early 2012 the ***Insolvency and Trustee Service Australia (ITSA)*** opened up the **Personal Property Security Register** colloquially known as the **PPSR** which deals with a wide variety of securities of assets on behalf of both owners and lenders. The creation of the **PPSR** was quite a significant task which had by that time been almost three years in the making.

Prior to the establishment of the **PPSR**, ***ITSA*** primarily had two functions; firstly to provide a personal insolvency service to a large number of individuals who for a variety of reasons did not fall under the control of a Private Trustee, and secondly the provision of a Regulatory function to the Bankruptcy industry as a whole. Separately, in the aftermath of the Senate Insolvency Inquiry further thought was also given to the possibility of a single body to oversee and regulate all insolvency practitioners and it was possibly mooted that ***ITSA*** could be a candidate for that function given its proven track record in regulating Registered Trustees.

However on 8 August 2013 ***ITSA*** announced that from 15 August 2013 it would rebrand as the ***Australian Financial Service Authority*** or ***AFSA*** for short. In essence its functions are not expected to change at this time and whilst there will be a new web address, www.afsa.gov.au, the old www.itsa.gov.au and www.ppsr.gov.au would continue to operate.

***ITSA*** has for some time been reducing its involvement with the administration of bankrupt estates with more and more being passed to Private Trustees, including the transfer of matters that are known to be non-funding (or in the vernacular "a dead duck"). Additionally the provision of advice to individuals has been restricted to predominantly a web based solution supplemented with some telephone assistance, ***ITSA*** having closed its shop fronts in early 2011. Further, in the changes made on 11 August 2010 to the **Bankruptcy Act** the base amount on which a person could be made bankrupt was increased from $2,000 to $5,000 which also reduced the level of activity within the industry.

So what may be gleaned from this?

Some potential key pointers: -

- ***AFSA*** will potentially have less and less to do with the actual administration of estates
- Financial advice relating to bankruptcy and its alternatives will increasingly fall on financial counsellors and the Private Trustees
- People using the ***AFSA*** to act as Trustee may well find themselves dealing with someone completely different, and
- Ultimately further changes to both the operation and activities of ***AFSA*** and possibly the **Bankruptcy Act** itself.

Fundamentally it means that advisors will need to exercise due vigilance in the advice they give to their clients and the possible ramifications that may follow.