

WINDING UP AN INCORPORATED ASSOCIATION

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An Incorporated Association should refer to its Rules of Incorporation in regard to the process for 'winding up' an Association.

The information below is from Consumer Affairs Victoria and more information can be found [here](#).

WHY CANCEL OR WIND UP?

An incorporated association may choose to cancel or wind up for a number of reasons, such as:

- Lack of members.
- Loss of interest.
- Fulfilment of its purposes.

Cancelling or winding up will help ensure an association's assets are distributed lawfully. Unless Consumer Affairs Victoria cancels its incorporation, an association remains legally in existence even after it stops operating.

VOLUNTARY CANCELLATION

An association can only apply for cancellation if it:

- Has gross assets of less than \$10,000.
- Has no outstanding debts or liabilities.
- Has paid all relevant fees and penalties.
- Is not involved in any legal proceedings.

An application for voluntary cancellation can be made with Consumer Affairs by:

- An incorporated association that has passed a special resolution seeking cancellation.
- A member or former member (if the association is no longer operating).
- A statutory manager appointed under the *Associations Incorporation Reform Act 2012*.
- An administrator of the association (if the association is under voluntary administration).

The association must then lodge with Consumer Affairs:

- An [Application for cancellation of incorporation \(Word, 127KB\)](#) confirming the above information.
- Any outstanding annual statements and the lodgement fee for each.
- A copy of the full set of meeting minutes (if a special resolution was passed relating to the distribution of assets).
- Proof of distribution of assets.

VOLUNTARY WINDING UP

If an association has assets of more than \$10,000, it must wind up in accordance with the *Commonwealth Corporations Act 2001*.

The members of an association can initiate the winding up. The process involves:

- Passing a special resolution to approve the association being wound up.
- Appointing a liquidator to manage the liquidation of the association's assets.
- Ceasing or selling its operations.
- Payment of its debts (if any).
- Distribution of surplus assets (if any).

An association can choose to wind up even if it has assets less than \$10,000, but it must appoint a liquidator. If it chooses to cancel its incorporation, it does not have to appoint a liquidator.

APPOINTING A LIQUIDATOR

An association must appoint a registered liquidator to manage the distribution of assets. The Australian Securities and Investments Commission (ASIC) registers liquidators. To find a liquidator, visit the [ASIC Connect website](#).

The liquidator must lodge the relevant forms with Consumer Affairs; all of these forms are available on the ASIC website.

For further information, please see Consumer Affairs Victoria's website at <https://www.consumer.vic.gov.au/> or contact them on **1300 55 81 81**.