



23 April 2011

## **Australian Institute of Credit Management Submission re the Business Names Registration Bill 2011 - Exposure Draft**

This submission has been prepared by the Australian Institute of Credit Management (AICM) following consultation with members and the wider credit industry.

AICM welcomes and supports the Business Names Registration Bill 2011 Exposure Draft (BNR 2011).

AICM believes that BNR 2011 will significantly contribute to the achievement of several key outcomes for both the commercial and consumer credit industry.

The passing of the proposed legislation will contribute to the assessment of a customer's creditworthiness as there will be clarity as to the precise name of the customer. This will be beneficial to both the credit provider and the customer.

The BNR 2011 will serve to minimise confusion as to name of a business.

The BNR 2011 will enhance and support the application of the *Personal Property Securities Act 2009* (Cth) where precise business names are a critical first step in preparing to lodge a financing statement on the Personal Property Securities Register.

In addition this bill will facilitate business name registration for business operators and result in cost savings.

Another potential outcome could be the detection of 'phoenix operations' as, for inextricable reasons, phoenix operations are often established with similar names to their predecessor entity.

In conclusion AICM believes that this reform is an integral component of the micro reforms which encourage and support Australian business. AICM would seek that this proposed legislation be dealt with expeditiously.

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