SLATER BYRNE
RECOVERIES

STATUTORY DEMANDS

WHEN AND HOW TO ISSUE

WHAT IS A STAT DEMAND?

A Stat Demand is a legal demand made by a creditor to a company requiring the debtor company to pay a debt within 21 days from its receipt of the demand.

THINGS TO REMEMBER

1. **The debt must be due and payable.** If you have 30-day payment terms, that 30-day term must have expired before a Stat Demand can be issued.
2. **The debtor must not have disputed the amount.** You cannot issue a Stat Demand if the debtor disputes the debt. We must be informed if any dispute has ever been raised.
3. **The amount of the debt must be more than $2,000** ($4,000 starting 1 July). If the amount is less than the statutory minimum, you cannot issue a Stat Demand.
4. **The Stat Demand must be in writing and drafted and served by a solicitor.** Because the Stat Demand is a legal document, it must be in the proper form. A solicitor must also verify the information contained in the Stat Demand.
5. **Service of the Demand must be done by post to the registered office address of the company.** The Stat Demand does not need to be served in person. In conjunction with service by post to the registered address, Slater Byrne continues to contact the debtor over the 21-day period and will email them a copy of the Stat Demand to ensure they have received it.
6. **The Stat Demand always demands the debtor company pay within the 21-day timeframe.** The Stat Demand must specify the date within which the debtor must pay. The date is also important because, failure of the debtor to pay by the indicated date will give the creditor the cause of action to seek a court order to wind up their company.

1300 794 290
info@slaterbyrne.com.au
https://www.slaterbyrne.com.au/