

28 June 2021

**UNION STANDARD INTERNATIONAL GROUP PTY LTD (IN LIQUIDATION)  
ACN 117 658 349**

**FREQUENTLY ASKED QUESTIONS – UPDATED ON 28 JUNE 2021**

Dear USG Client,

I refer to our previous Frequently Asked Questions documents dated 13 July 2020, 24 July 2020, 21 August 2020, 1 September 2020, 22 January 2021 and 24 May 2021 and provide an updated FAQs. This should be read together with our previous FAQs.

This FAQ is also available to view on the BRI Ferrier website: <https://briferrier.com.au/about-us/current-matters/union-standard-international-group-pty-ltd>.

**1. What is happening regarding the Liquidators' application to the Federal Court of Australia?**

We have recently submitted an application to the Federal Court of Australia, seeking directions on various matters, including how we should:

- deal with the different pools of funds available to the Company;
- determine the entitlements of different classes of clients to those funds;
- how costs are to be applied to the funds; and
- setting an order of priority for the distribution of the available funds in due course.

A directions hearing was held on 24 June 2021. At this hearing, Justice Jagot made various interim Orders, including:

- setting the timetable for application;
- approving the appointment of representative client creditors;
- approving costs to be paid from available funds; and
- setting a new approval regime for costs moving forward.

The final hearing date has been set for 28 and 29 October 2021.

The orders and the Interlocutory Process have been made available on our website.

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## 2. What do the Interim Orders mean?

The interim Orders made deal with how the application will be proceed and the protocols for access to the available funds.

Firstly, an order was made that two representative creditors be appointed as “contradictors” for these proceedings. Their role is to represent the major client (creditor) classes, being Trading clients and Investors clients. The contradictors, through their lawyers, are to present an informed argument to the Court on behalf of their respective creditor classes. The contradictors appointed are members of the Committee of Inspection and are well informed on the liquidation. They have retained independent lawyers who have specialist knowledge in these insolvency and financial services areas, the costs for which will be met from the available Trust funds.

Secondly, the Court also made orders approving the use of the Trust funds to pay certain costs that have already been incurred, and those to be incurred relating to the proceedings. The Court further imposed a new approval regime to give creditors comfort as to the use of the available assets. That regime requires costs to be approved by the Committee of Inspection or failing which, the Court, before payment can be made.

## 3. When will I receive further updates from BRI Ferrier?

The most recent report issued to all creditors was the Statutory Report to Creditors on 3 December 2020, and a copy can be found here: <https://briferrier.com.au/about-us/current-matters/union-standard-international-group-pty-ltd>. Since that date, we have issued regular reports to the Committee of Inspection (“COI”) and held meetings with the COI to discuss these reports. These reports are confidential for the COI members.

The COI was appointed by the creditors at the creditors meeting on 16 October 2020. No new members are currently being admitted to the COI. The Corporations Act 2001 requires a resolution to be passed at a meeting of creditors, and we do not consider it practical to convene a meeting for the sole purpose of appointing new members to the COI.

We will continue to provide updated on the matter via our website and request creditors with additional queries to email [usg@brifnsw.com.au](mailto:usg@brifnsw.com.au).

## 4. What else have the Liquidators been doing?

The Liquidators have been focused on asset recoveries which will increase the pool of funds available to creditors. These have included the following:

- ▶ We have recently lodged the Company Tax Return with the Australian Taxation Office (“ATO”) to recover tax instalments paid for the year ended 30 June 2020. We are in the process of completing an analysis of the available financial records and client data, with the objective to restate the reported historical financial position. Thereafter, amended Company tax returns could be filed to recover taxes paid in error over several years. The outcome of this recovery will not be known for some months.
- ▶ We have recently entered into an arbitration process with one of the offshore Money Processors and are hopeful of a successful recovery from this party.

- ▶ We are also exploring a possible recovery in respect of settlement monies paid out to former clients of Maxi EFX Global AU Pty Ltd (trading as EuropeFX), the Company's former Client Authorised Representative. We are currently collating information in this respect.
- ▶ As previously advised, we engaged a private investigator to assist in locating key individuals/parties located offshore, in particular Myanmar. These investigations are ongoing, having been hampered by the political unrest in Myanmar and the COVID-19 pandemic.

## 5. What is the Company status?

The Company ceased trading upon appointment of the Voluntary Administrators on 8 July 2020.

The Company's AFSL was suspended and then cancelled by ASIC during 2020.

Clients have lodged many millions in claims during the Liquidation, and there are insufficient funds currently available to discharge those claims in full.

Clients are unable to withdrawal their funds at this time.

## 6. Do I need to complete a proof of debt form?

Until all amounts owed to you are paid, you are considered a creditor of the Company and are encouraged to complete and return to this office a proof of debt form, a copy of which is available to download from the BRI Ferrier website.

This document represents a formal declaration by you as to the funds owed to you by the Company as at the Administrators' appointment on 8 July 2020. If your closed contracts (crystallised position) shows there is a balance owed to you, you should submit your claim in respect of this balance, excluding any credits as it cannot be "cashed out".

We also recommend that you provide supporting documents with your claim, such as banking deposits or screenshots of your MT4 account(s).

Completion of the Proof of Debt Form does not automatically provide you with an entitlement to receive a refund. As mentioned above, we will need to confirm the balance of client liabilities before any refunds or withdrawals can be considered.

## 7. How you can help.

If you have any information that you believe may assist in our investigations, please send details to [usg@brifnsw.com.au](mailto:usg@brifnsw.com.au).

*The above list should not be considered exhaustive and will be updated periodically as the matter develops.*