

How to transfer business ownership

Business sale transfer issues

Actions

Employees

Documentation

Sale type - **Company shares:**

- Collate existing employee agreements
- Check if any employees do not have formal employment instruments i.e. contract or letter (in this case provide contract/letter and ensure it is processed prior to completion)

Sale type - **Going concern assets:**

- Ensure purchaser has opportunity to provide employees with new letters or contracts of employment



Communication

Determine a schedule for communicating sale plans and processes to employees
Set up meetings between key employees and purchaser

Financial

Employee entitlements

Seek advice from your solicitor on what information they require regarding amounts of annual leave, sick leave, long service leave etc. accrued by each employee – provide information in timely fashion

Provide updated staff entitlements information to solicitor at completion

Customer accounts

Work with purchaser – prior to completion – to agree on plan to communicate new account details to customers



Work in progress

Work with your solicitor and broker to develop a WIP schedule to be assessed upon completion

Insurance

Ensure you have adequate business, P&E and building insurance up to completion, and for an appropriate time afterwards – ensure purchaser has relevant insurances in place before you cancel your policies

Customers

Relationships

Determine a schedule for communicating sale plans to key customers

Work with purchaser to plan a contact program of meetings and greetings with key customers



Suppliers

Relationships

Determine a schedule for communicating sale plans to key suppliers

Work with purchaser to plan a contact program of meetings and greetings with key suppliers

Supplier accounts

Work with purchaser to agree on date at which they will take responsibility for supplier accounts

Advise suppliers of completion date and end of your account obligations



Stock

Stocktake

Begin conducting pre-stocktakes once you decide to sell business

Work with purchaser to agree on time of stocktake and how it will be conducted

Seek your broker's assistance in conducting stocktake



Legal

Loans and leases on plant and equipment (P&E)

Collate all existing P&E loan and lease documentation

Pay out any outstanding loan and lease obligations prior to completion

Personal Property Securities Register (PPSR)

Check whether there are any PPSR registrations on your P&E (your solicitor can assist)

If any registrations exist, ensure they are removed prior to completion

Registrations and roadworthiness certificates

Transfer registrations and insurances on P&E to purchaser prior to completion

Check all P&E has necessary roadworthiness certificates, industry certificates etc. (if any missing ensure they are obtained well prior to completion)



Premises lease

Provide premises lease documents to purchaser

Work with purchaser and relevant solicitors/advisors to ensure lease is ready for transfer at time of completion