FINANCIAL DISCLOSURE

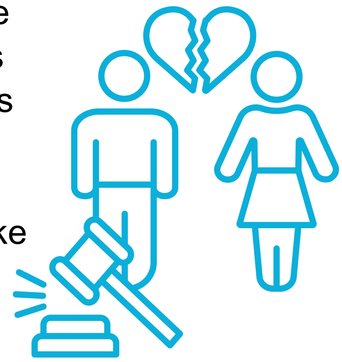
What is it and why is it important?

THE FAMILY LAWYER

What is Full and Frank Financial Disclosure?

Full and Frank Financial Disclosure is the term given to describe the exchanging of relevant financial information between parties when they are making decisions about how to divide their assets and liabilities resulting from a relationship.

The law requires this because the Court and parties cannot make decisions unless both parties know the full financial picture.



Why do I have to do it?

The legislation is very clear that all parties are required to provide all information and documents relevant to the party's financial circumstances as they relate to the issues between the parties.

- **Family Law Act 1975 (Cth) –** section 71B (for married couples) and section 90RI (for de facto relationships) impose a duty of disclosure.
- **Federal Circuit and Family Court of Australia (Family Law) Rules 2021**, rules 6.01 to 6.06 set out the ongoing duty to disclose financial documents and require each party to file an undertaking confirming compliance.

Disclosure is used to:

- To identify the "asset pool" and "financial resources"
- To ensure a fair and informed settlement
- To avoid delays, extra costs, and disputes

What does this mean?

You must provide accurate details and documents about your:

- income and expenses
- property (houses, cars, valuables)
- financial resources (such as interests in businesses, trusts or inheritances)
- superannuation entitlements
- debts and liabilities
- assets or income held overseas

This duty begins before court proceedings start and continues until the case is finalised.

What happens if you do not disclose?

Failing to provide disclosure can lead to serious consequences, including:

- the Court drawing adverse findings against you
- orders being set aside
- financial agreements being overturned
- fines, costs orders, or even imprisonment for contempt

How do I comply with financial disclosure?

When requested to do so, you must provide copies of documents that show your financial position. Usually a lawyer will send you a letter asking for specific documents. These may include:

- bank statements
- tax returns and pay slips
- superannuation statements
- company or trust financials
- valuations of property or businesses

The best way to comply is to provide these documents promptly and in full. If you do not have copies, you can request them from your bank, superannuation fund, accountant, or financial adviser.

You also have a continuing duty to update the other party and the Court if your financial circumstances change, for example, if you receive a new income stream, acquire an asset, or take on a liability.

Being transparent from the start saves time, reduces legal costs, and helps you reach a fair resolution.

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