

## Frequently asked questions about No Asset Procedures

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## What is a No Asset Procedure?

A debtor who is unable to pay their debts may have an alternative to bankruptcy through the No Asset Procedure (NAP). Unlike bankruptcy, the NAP lasts one (1) year. The period of a NAP can be extended by up to 25 working days by the Official Assignee if a creditor objects to presence in a NAP. The Official Assignee will write to the debtor to confirm if the period of their NAP is to be extended. The Official Assignee will also contact the debtor to confirm the outcome of the objection process.

Creditors cannot pursue you for debts included in the NAP. A record of a debtor's entry to a NAP will remain on the Insolvency and Trustee Service website for four (4) years after discharge.

## Who is eligible to apply?

To qualify for entry you must:

- have no realisable assets (realisable assets exclude cash up to \$NZ1,000, a motor vehicle up to \$NZ5,000, tools of trade, and personal and household effects)
- not previously been admitted to the no asset procedure
- not previously been adjudicated bankrupt
- have total debts (including contingent debts but excluding student loan) not less than \$NZ1,000 and not more than \$NZ40,000
- complete a means test showing you have no means of repaying any amount towards your debts.

Contingent debts are also provable or included for the purposes of determining your eligibility for entry to a No Asset Procedure. Contingent debts are debts that are not immediately payable but which become payable on occurrence of an event such as default. For example, a

guarantor becomes liable for his guarantee only if the debt that is guaranteed does not get paid by the debtor. The guaranteed debt is provable or included in your bankruptcy. If you have provided a guarantee to a creditor on another person's behalf before the date of your entry to NAP, then it is included as a debt for the purposes for determining your eligibility for entry to the NAP.

If you have been bankrupt overseas but not in New Zealand, the overseas bankruptcy **will not** exclude you from entry to the NAP.

## How will I be able to apply for a No Asset Procedure?

A debtor will be able to apply for entry into a No Asset Procedure online [here](#). Note | You need to be a registered user to use this service | [Learn more](#).

## What does it cost to apply for a No Asset Procedure?

There is no cost to apply for a No Asset Procedure

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## How do I apply for a No Asset Procedure from overseas

The process to apply for a No Asset Procedure (NAP) does not vary depending on your location. Therefore if you are currently living overseas and wish to apply for a NAP the standard process applies.

To read more about how to apply refer to [How do I apply for a No Asset Procedure?](#)

All outstanding debts (except those specifically excluded under the Act) should be included in an application for a NAP however only debts incurred in New Zealand are extinguished upon your discharge. The Act does not prevent overseas Creditors from seeking to enforce their overseas debt in the future.

For more information on excluded debts please refer to [What happens to my debts?](#)

## Secured creditors in a No Asset Procedure

The rights of secured creditors are not affected by a No Asset Procedure. A debtor should contact the secured creditor(s) to arrange for repayments to continue to avoid repossession of these items.

## What if I don't know the total amount of my debts?

It is really important that you know what the total amount of your debt is at the time you make a No Asset Procedure application. You must take steps to find out who your creditors are and how much you owe. To find this type of information, look through all your bills, invoices, statements etc and get a recent copy of your credit file from Veda Advantage (formerly Baycorp). If the total amount of your secured, unsecured and contingent debt exceeds \$NZ40,000 you will not be eligible for a No Asset Procedure.

## What if I get a windfall?

A windfall is an 'unexpected gain' (e.g. winning a prize or receiving an inheritance). If you get a windfall during the period of your NAP, you must inform the Official Assignee. It is an offence not to do so and may have serious consequences. The Official Assignee may take steps to bring your NAP to an end and may seek an Order to safeguard all or any of a windfall for the benefit of your creditors.

## Will there be a public register of No Asset Procedure debtors?

Yes. This register will be maintained by the Official Assignee as part of the current insolvency register and will be available FREE of charge on this website. A debtor's name will be removed from the register four (4) years after they are discharged from a No Asset Procedure.

## Can I change from my current bankruptcy to a No Asset Procedure?

No. A debtor cannot enter the No Asset Procedure if they are, or have been, bankrupt.

## **Can an application be lodged for an insolvency procedure using a Power of Attorney?**

The Official Assignee will not accept applications for Bankruptcy, a No Asset Procedure or a Summary Instalment order by an individual holding a Power of Attorney over the applicant unless the authority expressly includes the power to file for an insolvency procedure. You should seek independent legal advice if you are unsure whether the Power of Attorney you hold includes this authority.

Applications can be completed by the individual holding the Power of Attorney but must be signed by the applicant themselves.