

What is the No Asset Procedure (NAP)?

✓ What you need to know

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 a debtor's No Asset Procedure. 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.

Applying for the No Asset Procedure

Applications are made to the Official Assignee, either electronically or manually. An application and Statement of Affairs must be completed to a standard acceptable to the Official Assignee.

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). This also includes KiwiSaver and/or superannuation funds.

- Superannuation (including KiwiSaver) policy holders will only be eligible for entry into NAP if they are making contributions of less than \$15 per week (including nil current contributions) and provide a letter from their fund provider confirming that no funds are available to them under hardship.
- Failing to provide a letter from the fund provider will significantly delay the processing of your application and may result in your application not being accepted.
- not previously been admitted to the no asset procedure
- If you have been bankrupt overseas but not in New Zealand, the overseas bankruptcy **will not** exclude you from entry to the NAP.
- not previously been adjudicated bankrupt
- have total debts (excluding student loan) not less than \$NZ1,000 and not more than \$NZ40,000. (Please note that your debt level when applying for entry to the No Asset Procedure will be calculated including all unsecured and secured debt)
- complete a means test showing you have no means of repaying any amount towards your debts.

The Official Assignee can refuse entry into the NAP if:

- your creditor(s) object to entry or
- bankruptcy proceedings have been initiated and the likely outcome for the creditor would be materially better if the proceeding continued or
- you have concealed assets or
- you have committed an act that would be an offence under the Insolvency Act 2006 were you bankrupt or
- you have incurred debts knowing you had no means to pay them.

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[What are the consequences of entering an insolvency procedure?](#)

Entering into one of the insolvency procedures outlined on this website is not a decision that you should take lightly. For every decision you make there will inevitably be consequences. You need to consider what impact your decision will have.

What happens to my debts?

When a debtor enters a No Asset Procedure, their debts are frozen on the date of entry, and the debtor is released from those debts on discharge.

Responsibilities and restrictions during a No Asset Procedure

After entering the No Asset Procedure (NAP), you will be subject to certain responsibilities and restrictions.

How do I apply for a No Asset Procedure?

Debtors who would like to apply for a No Asset Procedure are required to complete and submit a Statement of Affairs and application for entry, to the Official Assignee.

How long does a No Asset Procedure last for?

A No Asset Procedure (NAP) will typically run for 12 months, however, there is provision for NAPs to be terminated sooner than this by the Official Assignee under specific circumstances.

Frequently asked questions about No Asset Procedures

The No Asset Procedure provides debtors experiencing financial difficulty with an alternative to bankruptcy.

No asset procedure lifecycle

The No Asset Procedure presents debtors experiencing financial difficulties with an alternative to the usual form of bankruptcy. This flowchart sets out how the application process works and what a debtor can expect from a No Asset Procedure.

What if my application into the No Asset Procedure is rejected?

You have the right to have the decision reviewed by the Official Assignee if you don't agree with it.