

When does bankruptcy end?

✓ What you need to know

Bankruptcy ends by discharge or annulment.

A bankrupt is automatically discharged from bankruptcy three (3) years after filing a statement of affairs. A bankrupt will not be automatically discharged if:

- No Statement of affairs has been filed or
- The Official Assignee or a creditor has objected and the objection has not been withdrawn or
- You have been directed to be publicly examined and have not done so or
- You are undischarged from an earlier bankruptcy.

After you have been discharged from bankruptcy, your details will still remain on our public register for a further four (4) years.

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What does discharge from bankruptcy mean?

Discharge from bankruptcy frees you from the conditions imposed by bankruptcy and, except for certain exemptions, releases you from all of the debts you owed at the date the bankruptcy order was made.

The Court has the power to reverse a discharge under certain circumstances.

When am I discharged?

A bankrupt is automatically discharged from bankruptcy three (3) years after filing a statement of affairs. A bankrupt will not be automatically discharged if:

- No Statement of affairs has been filed or
- The Official Assignee or a creditor has objected and the objection has not been withdrawn or
- You have been directed to be publicly examined and have not done so or
- You are undischarged from an earlier bankruptcy.

What happens to my debts?

Discharge from bankruptcy releases you from all provable debts which existed at the date of bankruptcy. These debts no longer exist and you cannot be pursued by creditors for payment.

If a creditor seeks to recover money for a debt included in your bankruptcy contact the Insolvency and Trustee Service.

Bankruptcy does not cover all debts. You remain personally responsible for:

- Fines
- Reparation ordered by a Court
- Maintenance and child support
- Debts incurred after date of bankruptcy.

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What happens to my assets?

Any assets claimed or held by the Official Assignee during your bankruptcy remain under the control of the Official Assignee after discharge.

Is my employment restricted?

The Court may prohibit you from doing any or all of the following things without the Court's permission after discharge either for a specified time, or permanently:

- Being in business (self employed), or in control of a business
- Being a company director or
- Being employed by a relative or entity controlled by a relative.

Where the court has not imposed conditions you are not limited in what you can do.

Do I still have to deal with the Official Assignee?

Following discharge you must continue to assist the Official Assignee with matters relating to your bankruptcy.

Will my credit rating be affected?

Your credit history will be affected for up to seven (7) years which is how long credit agencies keep records of your bankruptcy. A record of your entry to bankruptcy will remain on the Insolvency and Trustee Service website for four (4) years after discharge. If you have entered bankruptcy two or more times or have entered a No Asset Procedure then bankruptcy, a record of your entry to each of these insolvency procedures will remain on the Insolvency and Trustee Service website indefinitely.

Credit agencies operate internationally and can be accessed in New Zealand and overseas.

Can I apply for early discharge?

You can, at any time during the three (3) years, apply for an early discharge. To apply you must:

- File an application in the High Court
- Give reasons supporting your application in an affidavit

- Advise the Official Assignee of the hearing date, time and location at least 15 days prior to the hearing (to enable them to provide a report and attend the hearing)
- Forward a copy of your application to the Official Assignee and each creditor who has filed a proof of debt
- Advertise your application in the local newspaper at least 21 days prior to the hearing date.

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Who can object?

The Official Assignee or any of your creditors can object to your early discharge.

How can I prove I have been discharged?

If you would like a copy of a certificate verifying your discharge, contact any office of the Insolvency and Trustee Service or call us on 0508 467 658.

The status of your bankruptcy will be listed on the Insolvency and Trustee Service website for four (4) years after your discharge.

What is an annulment?

An annulment is effectively the cancellation of a bankruptcy. A bankruptcy can be annulled or cancelled by the Official Assignee or the Court. It may be ordered that the annulment take effect as if the bankruptcy never occurred or it may take effect at a specified date after adjudication.

An annulment can be granted by the Official Assignee or the Court where:

- You should not have been adjudicated bankrupt; or
- You have fully paid or satisfied all your debts and the Assignee's fees and costs; or
- There has been a substantial change in your financial circumstances since the date of adjudication; or
- The Court has approved a composition.

After an annulment has been granted, all of your assets that have not been dealt with by the Official Assignee are returned to you and you become responsible for the payment of all your debts.

When can I apply?

An annulment application can be applied for at any time during bankruptcy.

How do I apply for an annulment?

A bankruptcy can be annulled or cancelled by the Official Assignee or the Court depending on whether you or a creditor made you bankrupt and which Insolvency Act you were made bankrupt under. The Official Assignee can only annul bankruptcies under the Insolvency Act 2006 where a debtor made themselves bankrupt. The Court can annul bankruptcies regardless of how the debtor was made bankrupt or what Act the bankruptcy occurred under.

If you are unsure under which Act you were adjudicated bankrupt refer to your original letter of adjudication or call our [Business Service Centre](#).

If you were adjudicated bankrupt under the Insolvency Act 1967 an application for annulment must be made to the [High Court](#). You should seek independent legal advice and assistance to prepare the necessary documentation. Contact the High Court in your area for more information.

If you were adjudicated bankrupt under the Insolvency Act 2006 on your own application, that is, you applied to make yourself bankrupt, an application for annulment can be made directly to the Official Assignee. To apply for an annulment send a request in writing to the Official Assignee outlining under what grounds and section of the Act you are making an annulment application and include any supporting evidence required.

If you were adjudicated bankrupt under the Insolvency Act 2006 on the application of one or more of your creditors, an application for annulment must be made to the High Court. You should seek independent legal advice and assistance to prepare the necessary documentation. Contact the High Court in your area for more information.

What is a composition?

A composition is an agreement reached with your creditors to repay all or part of your debts. Your creditors must agree to the composition at a meeting of creditors and then this must be formally approved by the High Court. Upon confirmation by the Court the bankruptcy is annulled.

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Will the Official Assignee advertise my annulment?

The Official Assignee will advertise your annulment in the New Zealand Gazette as soon as practicable. Your annulment will also be published on the Public Register.

[How can I get my bankruptcy annulled?](#)

Under certain circumstances, a bankruptcy can be cancelled. Depending on the way that you have been made bankrupt, you will need to either make an application to the High Court or to the Official Assignee.