



Bankruptcy

If you are not yet bankrupt we recommend that you learn more about all of the [options](#) available to people who are having trouble paying their debts.

If you are unable to pay your debts and cannot come to suitable repayment arrangements with your creditors, you may **voluntarily lodge a petition to become bankrupt** (called a [debtor's petition](#)) or a **creditor may take action to have you declared bankrupt** by order of the Court (called a [sequestration order](#)).

We strongly recommend that you read the [Personal insolvency information booklet](#) before you complete any of the forms for debtors. The booklet provides important information on some of the consequences of presenting these forms to us.

The consequences of bankruptcy are serious.

There will be a permanent record of your bankruptcy on the [National Personal Insolvency Index](#) (the NPII), which is an electronic register of all personal insolvency proceedings. The NPII can be accessed by any person and will include some personal information about you, including your name, date of birth and address. If you have concerns about your safety due to your personal details being on the NPII, you should read the [National Personal Insolvency Index](#) page.

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A trustee is appointed to administer the bankruptcy. The duties of a trustee are specified in legislation and trustees have to adhere to certain standards while administering your estate. In order to pay creditors, your trustee will:

- sell your assets, including those you acquire or become entitled to during your bankruptcy (although you will be able to keep certain types of assets)
- recover any income you earn over a certain limit
- investigate your financial affairs and may in certain circumstances recover property that you have transferred to someone else prior to your bankruptcy.

During and after your bankruptcy, you have certain obligations and face certain restrictions. You should read the information in the [bankruptcy overview section](#) and seek clarification from a [financial counsellor](#) or [contact us](#) if anything is unclear.

Bankruptcy topics explained in detail

- [Assets](#)
- [House properties](#)
- [Bankruptcy and assets - quick guide](#)
- [Employment, income and contributions](#)
- [Obligations when bankrupt](#)
- [Your debts and creditors](#)
- [Objections](#)
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- [Compositions](#)
- [When does bankruptcy end?](#)

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How will my creditors be affected?

Once you are bankrupt, [unsecured creditors](#) should stop contacting you seeking repayment of the debt.

[Secured creditors](#), who hold security over property, will likely be entitled to seize the property and sell it if you fall behind in payments, so they may contact you to discuss this.

See [Your debts and creditors](#).

How long will I be bankrupt?

Bankruptcy generally lasts for a period of three years but can be extended in certain circumstances. Information about the [end of bankruptcy](#) can be found here and information about [objections](#) can be found here.

Will my credit report be affected?

Yes. Commercial credit reporting agencies can keep a record of your bankruptcy on your credit report for up to 5 years, or longer in some circumstances. Any creditor wishing to obtain a copy of your credit report can request it from a credit reporting agency. Some information about [credit reports](#) can be found here.

How to proceed

- If you are applying to be made bankrupt you will need to complete and lodge a debtor's petition and a statement of affairs. Find out about the [debtor's petition](#) process.
- If you have been made bankrupt by a creditor petition (sequestration order) you must complete a statement of affairs and lodge it with us within 14 days of notification of that order. Find out about the process of how to respond when a [creditor is making you bankrupt](#).

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