

Chapter 13: Client Handout

Updated: 17 September 2024

Note: This handout is only a guide. [Find the most recent indexed amounts on the AFSA website](#), as these are updated regularly.

[Interactive PDF](#)

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Information for individuals who are bankrupt

Now you are bankrupt you need to do the following:

- Lodge a **statement of affairs (SOA)** If you have been made bankrupt by the court and you have not already completed an SOA you must do this, your time until discharge does not start ticking until your SOA has been satisfactorily completed and is accepted by the Official Receiver at AFSA.
- Cooperate with your trustee in bankruptcy (the Trustee).
- Complete any paperwork required by the Trustee.
- Inform the Trustee in writing if you change your name or begin using a different name.
- Inform the Trustee in writing if you change your address or contact numbers.
- Inform the Trustee in writing if your income changes.
- Inform the Trustee in writing if you acquire money (above your declared income) or property (for example an inheritance).
- Pay your income contributions (if there are any assessed as payable).
- If you receive an insurance payout for damage to, or loss of, property that vested in the Trustee (or would have if it had not been lost/stolen/destroyed) you must give the proceeds of the claim to the Trustee.
- You may be asked to give any tax refund for the pre-bankruptcy period to your Trustee.

You also need to do the following, if requested by your Trustee:

- May have to hand in your passport (generally only if you have a Private Trustee, which if you have been made bankrupt is likely).
- Give the Trustee access to your accounts and financial records.
- Attend a meeting of creditors.

You must not:

- Travel outside Australia (or leave Australia) without the Trustee's written permission. [Further details about applying to travel overseas, and the required form, are on the AFSA website.](#)
- Borrow over \$ [\[insert the current indexed threshold amount which can be found on the AFSA website\]](#) without telling the person/company you are borrowing from that you are bankrupt (this also includes consumer leases and hire purchase contracts over this amount)
- Obtain goods and services on credit where the value is over \$ [\[insert the current indexed threshold amount which can be found on the AFSA website\]](#) without telling the person/company you are getting credit from that you are bankrupt
- Pass a cheque for over \$ [\[insert the current indexed threshold amount which can be found on the AFSA website\]](#) without telling the person/company you are making the cheque payable to that you are bankrupt.
- Offer to supply goods or services worth more than \$ [\[insert the current indexed threshold amount which can be found on the AFSA website\]](#) without telling the person/company you supplying the goods or services to that you are bankrupt.
- Carry on a business in any name except the name that appears on your bankruptcy records, unless you inform people that you deal with that you are bankrupt.
- Make misleading statements to the Trustee, leave out important details when supplying information, or otherwise mislead or deceive the Trustee.
- Commence legal proceedings except in relation to personal injury (if you are served with court documents inform the Trustee).
- Destroy property or financial records.
- Try to sell, give away or otherwise deal with property that has vested in the Trustee – this includes a home which you are paying off (unless it is protected property).
- Run away or conceal your whereabouts.

Some problems which may arise while you are bankrupt:

- You cannot afford your income contributions because of genuine hardship (medical expenses for example).
- Your accounts have been frozen by the Trustee.
- You are having income deducted or other action taken against you because of unpaid contributions.
- You cannot get permission to travel.
- You believe that money or property that the trustee is taking/demanding should be protected in bankruptcy.
- You want to claim on an insurance policy (or have received a payout) and you are not sure whether the proceeds of the claim should go to the Trustee or are protected.
- You are struggling to pay secured debts (such as your home or car loan).

- You are being chased for debts that you thought were, or should have been, included in the bankruptcy.
- You have received money or property and are trying to annul the bankruptcy, but you are in dispute with the Trustee about the amount required.
- The Trustee is objecting to your discharge.

If you encounter these or any other difficulties, you may be able to get some advice or assistance from the following services:

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 - [insert others including your own service if applicable]
- For access to information, advice and referrals to financial counselling in any state of Australia call the [National Debt Helpline](#) 1800 007 007.
- The [Australian Financial Security Authority](#) on 1300 364 785.

If you have relatives or associates who are affected by your bankruptcy (for example because you own property jointly with them, or you have transferred money or property to them in the past) they will need to get their own independent legal advice.