

Insolvency Service



# **When will my Bankruptcy End?**

**Information on discharge from bankruptcy**

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## **What is “discharge from bankruptcy”?**

It is an event that takes away the restrictions of bankruptcy and releases you from most of the debts you owed at the date the bankruptcy order was made.

You will normally get your discharge automatically, even if no payments have been made to your creditors, you are still making contributions under an income payments order/agreement or some of your assets have not yet been sold.

The Official Receiver can apply to court for a bankruptcy restrictions order, which will mean that you continue to be subject to restrictions after discharge for the period stated in that order. This will not affect the discharge of your debts. (A separate leaflet on bankruptcy restrictions orders is available from the Insolvency Service or from our website at [www.insolvencyservice.detini.gov.uk](http://www.insolvencyservice.detini.gov.uk)).

## **When will I be discharged?**

Usually after **12 months**, on the first anniversary of the bankruptcy order, but there are different dates which might apply to you.

If the Official Receiver has concluded his enquiries into your affairs he may file a notice of early discharge in court. You will be discharged on the date this notice is filed in court. A copy of the notice will be sent to you so that you will know when you are discharged. For more information on early discharge see below.

If you **do not co-operate** with the Official Receiver or the trustee, then the Court may be asked to stop your discharge from taking place. An example would be if you refused to provide information to the Official Receiver or the trustee.

## **If you were made bankrupt before 27 March 2006**

If this is your first bankruptcy, you will be discharged automatically on 27 March 2007 except that, if you expect your discharge date to be before 27 March 2007, you will be discharged on that earlier date. If this is not the first time you have been made bankrupt (unless the previous bankruptcy has been annulled) and your first bankruptcy happened during the 15 years before the current bankruptcy you will be discharged automatically on 27 March 2011. Or you may ask the Court for a discharge 5 years after the date of the bankruptcy order if this is earlier. If your discharge has been suspended (stopped) before 27 March 2006, you should contact the Official Receiver for information about how and when you may be discharged from bankruptcy.

## **How do I get my discharge?**

If you are discharged automatically, you do not have to do anything to get your discharge. If you wish, you can obtain a certificate of discharge. A certificate is not necessary in most cases, but if you need one you should write to the High Court. Do **not** write sooner than 2 weeks before your discharge date. Give your name, address and court number (to be taken from the latest correspondence about your bankruptcy). The court may check with the Official Receiver that you are entitled to an automatic discharge. You should receive a certificate confirming your discharge within about 4 weeks.

### **There is a £75 fee payable to the court for issuing a certificate of discharge.**

If you write to the Official Receiver, he will provide a letter, at no charge, confirming your date of discharge. You can also ask for the Official Receiver to advertise your discharge, but you will have to pay the costs of this before it is done.

**You will not get your discharge automatically if your discharge period has been suspended**, for example because you have failed to co-operate with the Official Receiver or trustee.

## **Early Discharge**

There is no automatic right to receive early discharge from bankruptcy. The Official Receiver will review your file three months after the report to your creditors has been issued. This report is issued within eight weeks of the bankruptcy order. If the Official Receiver considers that there are no, further, matters in your bankruptcy which require investigation he will begin the early discharge process.

If you do not co-operate with the Official Receiver and answer letters as quickly and fully as possible you are unlikely to obtain an early discharge.

If the Official Receiver decides that early discharge is appropriate he will write to all your creditors and your trustee (if an insolvency practitioner has been appointed) telling them he intends to file notice of early discharge. Your creditors have 28 days in which to lodge any objection to your early discharge. If any objections are received the process will be suspended while the Official Receiver considers if any objections received are valid. An objection which causes the Official Receiver to carry out further investigation of your affairs will stop the early discharge process.

Only if no objections are received, or once any objections have been resolved, will the Official Receiver send notice of early discharge to the court. You will be sent a copy of the notice stamped by the court notifying you of your date of discharge.

The process of early discharge is unlikely to be completed less than six months from the date of the bankruptcy order.

### **What is the effect of the discharge?**

**Your debts** - it is on discharge that you will be released (freed) from most debts that you incurred before the bankruptcy order.

The debts you are **not freed** from include:

- any money owed under family court proceedings for example, for maintenance or CSA payments or arising from any personal injury claims against you, unless the court directs otherwise.
- any court fines or debts arising from fraud or certain other crimes.
- debts you incur after the bankruptcy order.
- since 13 April 2005, all outstanding student loans. If you were made bankrupt before 13 April 2005 you may still have to repay your student loan. Clarification should be requested from the Official Receiver.

**Your mortgage payments** - please note that secured creditors (lenders who hold security such as a mortgage for the money owed) still have the right to enforce or recover their security if payments are not met.

**Your assets** - any assets that the Official Receiver or the trustee held or claimed during your bankruptcy remain under the control of the Official Receiver or the trustee. **They are not returned to you on discharge.** It may be some time after your discharge before all your assets are dealt with. If your home has not been dealt with in a certain period, usually 3 years from the date of the bankruptcy order, your interest in it may be returned to you. (There is a separate leaflet on what will happen to your home, which explains this more fully, available from the Insolvency Service or from our website at [www.insolvencyservice.detini.gov.uk](http://www.insolvencyservice.detini.gov.uk).)

If you are making payments under an income payments order or agreement you must continue to make these payments even after the date of your discharge.

Please note that, when your trustee makes a payment to your creditors, he may place an advertisement about your bankruptcy in a newspaper asking creditors to submit their claims. If it takes your trustee a long time to deal with an asset, this advertisement may appear several years after the bankruptcy order.

**Your business** - after discharge you can carry on a business without the restrictions that applied during your bankruptcy. You can act as a director of a limited company or be involved in its management (unless you are subject to a separate disqualification order/undertaking or bankruptcy restrictions order/undertaking).

You will be able to obtain credit without having to mention your bankruptcy (unless you are specifically asked to do so or you are subject to a bankruptcy

restrictions order/undertaking) but you will want to ensure that you can repay it.

**Your obligation to co-operate with the Official Receiver and trustee** - you must continue to assist the Official Receiver and the trustee, for example by providing any information requested, even after your discharge. If you do not, you could be liable to contempt of court.

### **The following paragraphs explain what will happen to public records of your bankruptcy**

**Insolvency Register** - the Insolvency Register is maintained by the Bankruptcy and Chancery Office at the High Court and contains records of all insolvencies in Northern Ireland for the last ten years.

**Land Registry/Registry of Deeds** - bankruptcy petitions and orders are registered at the Registry of Deeds against your name and may be recorded against documents of title in the Land Registry. If your petition is dismissed or you are discharged from bankruptcy you can vacate your registration in the Registry of Deeds by completing Form 11 (for the petition) or form 13 (for the order) of the Registration of Deeds Regulations (Northern Ireland) 1997 and lodging at the Registry of Deeds. There will be a charge of £4.

If notice of the presentation of the petition or the bankruptcy order has been given to the Land Registry the Order of Annulment should include provision permitting cancellation of any entry in the Land Registry or notice of the petition or any bankruptcy inhibition against your title as the registered owner of the land. You should take a copy of the Order to the Land Registry to have the cancellation made.

**Credit reference agencies** - the Official Receiver does not send any form of notice to credit reference agencies. The agencies pick up information from other sources such as the Insolvency Register, advertisements of bankruptcies in newspapers, "The Belfast Gazette" and the "Belfast Telegraph", and the Enforcement of Judgements Office.

### **What is "annulment of bankruptcy"?**

This is a procedure by which the Court cancels the bankruptcy order it has made. This can happen if it turns out that your bankruptcy order should not have been made or if all your debts and fees and expenses of the bankruptcy have been paid in full; or if your creditors accept proposals for settlement under a voluntary arrangement.

### **How do I get more information?**

This leaflet is for general guidance only. If you have any queries about the progress of your case, please contact the Official Receiver's office (or the insolvency practitioner if one has been appointed) where your case is being dealt with. The Insolvency Service and its Official Receiver cannot provide

legal or financial advice. You should seek this from an authorised insolvency practitioner, a solicitor, a qualified accountant, or a reputable financial adviser or advice centre.

To obtain further copies of this leaflet please contact the Insolvency Service at:

Fermanagh House,  
Ormeau Avenue,  
Belfast, BT2 8NJ.  
Tel: 028 9025 1441  
Fax: 028 9054 8555  
E-mail: [insolvency@detini.gov.uk](mailto:insolvency@detini.gov.uk)

Further information about bankruptcy is available in the following Insolvency Service publications:

**Guide To Bankruptcy**  
**What will happen to my home?**  
**Bankruptcy Restrictions Orders**

You can also obtain further copies of this publication from our website:  
[www.insolvencyservice.detini.gov.uk](http://www.insolvencyservice.detini.gov.uk)

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