



**Australian Government**

**Insolvency and Trustee Service Australia**

## **Official Receiver's Practice Statement**

### **Completion of a debt agreement**

*Issue date July 2008*

If you have any comments, suggestions or queries on a matter referred to in this Practice Statement, please contact us at any time by [email](#) or by mail addressed to:

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## **1. PURPOSE**

1.1 To provide guidance on when the Official Receiver is satisfied that a debt agreement is completed by the debtor and will record completion on the National Personal Insolvency Index (NPII).

## **2. BACKGROUND**

2.1 A debt agreement is completed when the debtor has made all payments and completed all obligations under the debt agreement.

2.2. Completion of a debt agreement may occur before the final dividend and payment of fees.

2.3. For debt agreements resulting from proposals lodged from 1 July 2007 the debtors must complete their debt agreements to achieve a release from the provable debts of creditors bound by the agreement.

## **3. PRACTICE**

3.1 The administrator must notify the Official Receiver on the [approved form](#) within five working days of the debtor completing all payments and obligations under the debt agreement.

3.2. Completion of a debt agreement is only recorded on the NPII when the Official Receiver is satisfied with the evidence of completion.

3.3. The administrator must provide the Official Receiver with a statement of receipts and payments showing the total amount paid by the debtor, any sale of assets, total payments for fees and expenses, and total dividends to creditors.

3.4. The statement of receipts and payments is checked against the original or varied agreement to determine that the debtor has paid all amounts due under the agreement or all assets offered have been sold and accounted for or has otherwise completed all obligations under the agreement.

3.5. If the amount received in the accounts of the administrator is less than the amount payable under the agreement or varied agreement completion cannot be recorded on the NPII.

3.6. When completion is verified it is recorded on the NPII and the debtor and creditors notified of completion of the debt agreement.

3.7. If the agreement is self administered, the statement of receipts and payments is compared to the original or varied agreement in all cases and the debtor must provide a statement showing amounts paid to each creditor.

3.8. If a debt agreement has been terminated but there is an informal arrangement with the debtor to continue making the payments, the debt agreement cannot be recorded as completed because the agreement was terminated. The NPII will reflect that the agreement was terminated.

3.9. Compliance telephone calls may be made to creditors to check whether creditors have received dividends where -

- there are doubts about whether creditors have received their dividends;
- the agreement is self administered;
- the administrator is not registered.

## **4. REFERENCES**

Bankruptcy Act 1966 s185N