



6 November 2014

Jason Hewings
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Dear Jason

Official Information Act request

I refer to your emailed Official Information Act request dated 9 October 2014, which I set out below together with our response to your questions.

1. *Since 2009 have there been any cases of the Insolvency and Trustee Services seizing property and assets located abroad from those New Zealanders who went bankrupt. Of special interest is those New Zealanders who went bankrupt for the sole purpose of wiping their outstanding student loan obligations to the Inland Revenue Department.*

The Insolvency and Trustee Service ("ITS") has not seized any physical assets or property situated abroad in respect of New Zealand bankrupts since 2009. However, in the same period ITS has collected regular contributions from some New Zealand bankrupts living abroad toward their indebtedness. The ITS does not collect specific data on the number of bankrupts living abroad who have made contributions and unfortunately this information cannot be identified without substantial collation.

2. *Please provide the number of cases where the IRD was the sole debtor in bankruptcy cases where overseas assets and properties were seized and in which country the assets were seized. I am interested to see how this has changed over the last five years.*

In the period 1 January 2009 to 30 October 2014 there were 403 bankruptcies where Inland Revenue was the only creditor in the bankruptcy, included in this number were 55 bankruptcies where the only debt owed to Inland Revenue was student loan debt. None of these bankrupts have had any overseas assets or properties seized by the ITS.

3. *Could you also provide the legal mechanism or process for other sovereign governments to cooperate with the relevant New Zealand ministries involved in recouping this student debt? I.e. How does the relevant government ministry go about getting a bankrupt debtor to pay their debts when bankrupt in New Zealand but living abroad?*

If a bankrupt who resides overseas has indicated that they have assets overseas the ITS will try to work with the debtor to realise those assets. If the debtor won't comply the ITS could potentially use the provisions of the Model Law on Cross-Border Insolvency adopted by the United Nations Commission on International Trade Law on 30 May 1997 and make formal application to the courts in the country where

the assets are located for assistance in realising the assets. However, the asset would have to be of significant value to justify the cost involved in making such an application. If an application were made it would need to be made in accordance with the provisions of the applicable laws of that other country and in accordance with the provisions of the New Zealand Insolvency (Cross Border) Act 2006.

Yours sincerely,



Robyn Cox
National Manager, Insolvency and Trustee Service