

**Bankruptcy Information Sheet 6:**

**Consequences of a Sequestration Order**

This information sheet explains the consequences of a Sequestration Order having been made against a debtor.

When the Court makes a Sequestration Order it makes a debtor bankrupt. The bankrupt’s estate will be managed by a trustee who takes control of the bankrupt’s property and financial affairs and deals with creditors.

The name of the trustee may be noted on the order. If the name of the trustee is not noted on the order, the trustee will be the Official Trustee in Bankruptcy which is administered by the [Australian Financial Security Authority](https://www.afsa.gov.au/insolvency) (AFSA).

In either case a bankrupt should contact the trustee in bankruptcy as soon as possible so that the trustee can explain their role and powers and the debtor’s responsibilities as a bankrupt. The trustee will also require the debtor to complete a statement of affairs. Bankrupts are required to cooperate with the trustee in the administration of the bankrupt estate. There could be serious consequences otherwise.

In addition, the [*Bankruptcy Act 1966*](https://www.legislation.gov.au/Series/C1966A00033) imposes various obligations and restrictions on a bankrupt and it is important that all bankrupts understand how the bankruptcy affects them, their obligations and the restrictions which are imposed upon them during the bankruptcy period.

Further information about bankruptcy can be obtained from [AFSA online](https://www.afsa.gov.au/insolvency) or by phoning 1300 364 785. Other useful resources on the consequences of bankruptcy can be found online from various not for profit information services such as Justice Connect (see the fact sheet on the [consequences of bankruptcy](https://www.justiceconnect.org.au/get-help/self-representation-service/resources-and-fact-sheets/bankruptcy-factsheets)) and the NSW Financial Rights Legal Centre (see the [fact sheet on being made bankrupt](https://financialrights.org.au/factsheets/help-im-being-made-bankrupt-factsheet/)).

*Need further help?*

You can obtain advice about bankruptcy from a qualified professional. For legal advice, see a qualified lawyer or [check if you’re eligible for free legal support](https://www.fedcourt.gov.au/going-to-court/i-am-a-party/help-with-legal-problem) from one of the non for profit or pro bono providers.