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Background

- This guide has been created for professional users who are responsible for updating their client's details on the Companies Office registers
- The process will be supported by guidance from the Companies Office to make it as
 accessible as possible and has been designed in recognition that some directors
 may be unable to access professional advice or may want to do it themselves
- We encourage directors to seek professional advice from their lawyer and/or accountant
- You may be contacted by these DIY directors who wish to gain executive authority
- All resources and forms are available on business.govt.nz and links are in this document
- This document will be updated to ensure it's up to date and valuable for you





Key features

- The COVID-19 Business Debt Hibernation regime will enable companies and other business entities affected by the pandemic to place existing debts into hibernation for up to 7 months
- A business may enter into BDH if:
 - ✓ as at 31 December 2019, it was able to pay its debts
 - ✓ at least 80 per cent of the directors (or equivalent) agree that it may do so
 - ✓ the entity has, or in the next 6 months is likely to have, significant liquidity problems
 - ✓ the liquidity problems are, or will be, a result of the effects of COVID-19 on the entity, its debtors, or its creditors and
 - ✓ it is more likely than not that the entity will be able to pay its due debts on and after 30 September 2021
- There are legal obligations that the business needs to meet under the Companies Act 1993 Schedule 13 COVID-19 business debt hibernation to enter and to stay in BDH (see next slide)
- A business can enter into BDH only once and no later then 24 December 2020





Process

Registrar	Business entity	Creditors				
Step 1: Entry Notice						
	Determine if business meets the threshold: - able to pay its debts as at 31 Dec 2019 - min 80% of directors agree and are acting in good faith - directors in favour sign a certificate (cls 5)					
Business enters into 1 month protection period when <u>BDH Entry Notice</u> is delivered to the Registrar (cls 6)	Send entry notice	Copy of the notice is sent to creditors along with signed certificates, and other information required under (cls 7)				
Step 2: Arrangement with creditors						
	Prepare and send proposed arrangement and vote request to creditors (cls 9 and 10)	Companies Office has prepared a template that businesses can consider using to send to creditors: Creditor Proposal Pro-Forma and Letter to Creditors Template				
	Receive and count votes and prepare required certificates (cls 24, 26)	Creditors vote				
Step 3: Creditor Decision Notice						
BDH Creditor Decision Notice Approved BDH is extended by further 6 months BDH Creditor Decision Notice Not Approved BDH ends	Notify the result of the vote (cls 28)	Copies of the certificates are sent to creditors (cls 24, 26, 27)				





Useful Links

Notices:

Business Debt Hibernation Entry Notice [PDF]

<u>Business Debt Hibernation Decision Notice – Approved [PDF]</u>

<u>Business Debt Hibernation Decision Notice – Not Approved [PDF]</u>

Business Debt Hibernation Cancellation Notice [TO COME]

Helpful Guidance on the Creditor Proposal:

<u>Creditor Proposal Pro-Forma and Letter to Creditors Template</u> [PDF]





BUSINESS DEBT HIBERNATION ENTRY NOTICE

Companies Act 1993 Schedule 13 COVID-19 business debt hibernation clause 6(2)

BUSINESS DETAILS

Name: Test Limited Number: 000000

NZBN: 000000000000

Business address: 162 Victoria Street West, Auc 'ar 19020 Registered address (if any): 162 Victoria Street Wing and No. 1000

DECLARATION

As a director (or equivalent), or person acting on behalf of the business entity, who is authorised to deliver this notice to the Registrar, I declare that the board (or equivalent) of the business entity has agreed to enter into Business Debt Hibernation under clause 5 of Schedule 13 of the Companies Act 1993.

Name: Joe Blogs Position: Director

Business Debt Hibernation entry date: 31 September 2020

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CONTACT DETAILS

Email address: joeblogs@email.com

Telephone number: 000 0000 000

Postal address: Private Bag 92061, Victoria Street West, Auckland 1142





BUSINESS DEBT HIBERNATION CREDITOR DECISION NOTICE APPROVED

Companies Act 1993 Schedule 13 COVID-19 business debt hibernation clause 27(1)(b)

BUSINESS DETAILS

Name: Test Limited Number: 000000

NZBN: 000000000000

Business address: 162 Victoria Street Wer Nuc 'ai 1010 Registered address (if any): 162 Victoria Street Vista in 2010

DECLARATION

As a director (or equivalent), or person acting on behalf of the entity, who is authorised to deliver this notice to the Registrar, I declare that the arrangement was approved by the majority in number and value of creditors.

Name: Joe Blogs Position: Director

Date of creditors' decision: 10 October 2020

The six months protection period starts on this date.

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CONTACT DETAILS

Email address: joeblogs@email.com

Telephone number: 000 0000 000

Postal address: Private Bag 92061, Victoria Street West, Auckland 1142





BUSINESS DEBT HIBERNATION CREDITOR DECISION NOTICE NOT APPROVED

Companies Act 1993 Schedule 13 COVID-19 business debt hibernation clause 27(1)(b)

BUSINESS DETAILS

Name: Test Limited Number: 000000

NZBN: 000000000000

DECLARATION

As a director (or equivalent), or person acting on behalf of the entity, who is authorised to deliver this notice to the Registrar, I declare that the arrangement was not approved by the majority in number and value of creditors.

Name: Joe Blogs Position: Director

Date of creditors' decision: 10 October 2020

This notice ends the Business Debt Hibernation of the business entity.

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CONTACT DETAILS

Email address: joeblogs@email.com

Telephone number: 000 0000 000

Postal address: Private Bag 92061, Victoria Street West, Auckland 1142





BDH lifecycle

1 month protection period:

- Entity enters into BDH the day they submit the BDH Entry Notice
- They then have 1 month to submit the BDH Creditor Decision Notice indicating if the agreement between them and the creditors has been approved
- BDH is cancelled when we receive
 BDH Creditor Decision Not
 Approved Notice

6 month protection period

- Entity extends their BDH by further 6 months from the day creditors approve the agreement
- This date is provided by the entity in the BDH Creditor Decision – Approved Notice
- BDH either expires after 6 months or it ends earlier if the entity submits BDH Cancellation Notice or the entity goes into insolvency

The High Court has the power to extend or cancel BDH





BDH for different entity types

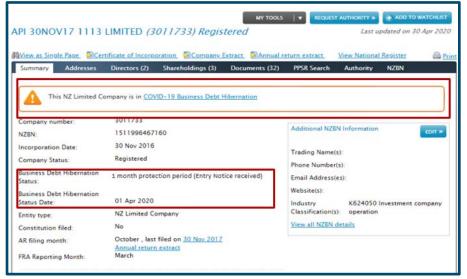
Register	Entity types	Customer entry point	BDH Public Visualisation
Companies	- Companies (NZ and overseas)	Companies Office PDF form	Day 1: Banner message, BDH notices in the documents tab, BDH status Soon after: NZBN Register and API, and watchlists
Business Registers	 Incorporated Societies Charitable Trusts Limited Partnerships (NZ and overseas) 	Companies Office PDF form	Day 1: Banner message, BDH notices in the documents tab, BDH status Soon after: NZBN Register and API, and watchlists
Other registers	 Friendly Societies Industrial & Provident Societies Special Bodies 	Companies Office PDF form	BDH notices in the documents tab
NZBN Register	 Unincorporated Trusts Unincorporated Partnerships Public Sector Entities 	Companies Office PDF form	Day 1: Banner message, BDH status, BDH notices in the documents tab – internal only Soon after: NZBN Register and API, and watchlists
Unregistered entities	Maori entitiesOthers e.g. unregistered unincorporated entities	Companies Office PDF form	Key details published on the Companies Office website: including BDH status and notices



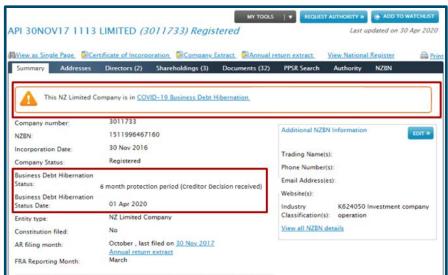


Companies Register

1 month protection period



6 month protection period



Documents tab

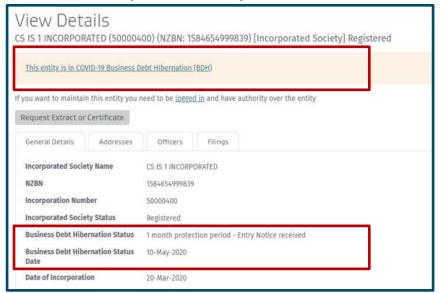




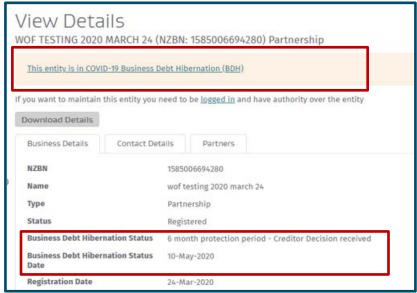


Business Registers

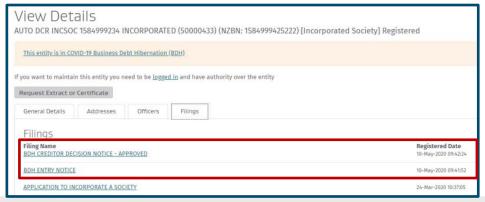
1 month protection period



6 month protection period



Documents tab







Other Registers

Address Details

Registered Office

16 Jumbo Way Auckland

Contact Details

Details of contacts have not been provided. This information is optional.

Documents Registered

Date	Barcode	Description
11-MAY-2020 18:58:26	10063265440	BDH Cancellation Notice
11-MAY-2020 18:57:40	10063265439	BDH Creditor Decision Notice - Declined
11-MAY-2020 18:46:58	10063265428	BDH Creditor Decision Notice - Approved
11-MAY-2020 18:44:55	10063265417	BDH Entry Notice
27-MAR-2017 16:11:38	10060299219	Registration of a Friendly Society

Printed: Wednesday, 13th May 2020 10:28:16 NZST

- Friendly Societies
- Industrial & Provident Societies
- Special Bodies





Companies Office website (unregistered entities)

Business name	Business address	BDH status	BDH entry date	Notices delivered to the Registrar
ANOTHER TEST BUSINESS ENTITY NAME	987 Any address, Any City, New Zealand	6 month protection period - Creditor Decision received	12/12/2020	BDH Entry Notice [PDF, 104 KB] BDH Creditor Decision Notice [PDF, 104 KB]
TEST BUSINESS ENTITY NAME	123 Any address, Any City, New Zealand	1 month protection period - Entry Notice received	12/12/2020	BDH Entry Notice [PDF, 104 KB]



