



LICENCED INSOLEVENCY TRUSTEE

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November 6, 2017

Via email: ic.osbregulatoryaffairs-affairesreglementairesbsf.ic@canada.ca
Office of the Superintendent of Bankruptcy
4th Floor - 155 Queen Street
Ottawa, ON K1A 0H5

Dear Sirs;

Re: Proposed changes to Directive No. 1R3, *Counselling in Insolvency Matters*

Thank you for inviting stakeholders to make submissions on the above draft directive and the changes being proposed by the Office of the Superintendent of Bankruptcy.

The writer has been an LIT since 1995.

Our firm is both a consumer and a corporate practice. We refer some counselling out to third parties but most of our counselling is done in house.

We understand the need for the insolvency industry to regulate on referral arrangements that LITs may have with various credit counsellors/debt advisors. We applaud the efforts of the OSB in addressing the issues.

In this regard, we fully support the efforts of the OSB and support the changes to the Counselling Directive being proposed by them. We hope that CAIRP endorses the changes as well. We feel that these unregulated practices and firms have misinformed the public on their debt relief options and the process.

We do have some suggested changes. We would like to see that the professional development requirement be a CAIRP function that would be completed at the CAIRP continuing education sessions that are held in May, or the CAIRP annual conference. We do not wish the is component of the education requirement to be a watered-down version or internal training that these parties may provide. Clearly, their understanding of insolvency issues as a whole is lacking and to endorse anything other than a CAIRP sanctioned event would, in our view, defeat the purpose of the proposed changes.

We support the 50 counselling sessions requirement. We always felt that the previous requirement of 100 hours was too onerous. However, we would also support a 20 hour requirement for any newly licensed LIT.

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The knowledge of the BIA counselling curriculum is only a small aspect of any insolvency administration. To be an effective counsellor, the counsellor also needs to demonstrate a complete knowledge of the insolvency system as a whole. Our suggestion is that the third party counsellors also be required to take the insolvency administrators course offered by CAIRP.

We support that the counselling must be held in an authorized office. We believe that this will make the process more transparent. We would also like to see that no third party is present in the counselling session who may have been the Third Party Debt Advisor or the Referral Arranger. This will reduce any opportunity for the debtor to be induced into a product they don't need and will also support unrestricted dialogue between the debtor and the LIT.

There is also no reason to segregate between for profit and not for profit firms. That would be prejudicial. We understand that there may be fallout with certain credit counselling agencies. But so be it. In order for the process to be transparent, we would not support any reduction of the proposed changes based on whether or not you make a profit or pretend that you don't.

There is no transparency in either case. Credit counsellors/debt advisors have been constantly attacking LITs for years with misinformation about insolvency on their websites, have more dollars to spend on advertising, have no restrictions on advertising and have no formal or minimal accreditation or training and clearly are not licensed by any authoritative body.

We would fully support an OSB ban on all third-party counsellors. This would level the playing field for consumers when choosing an LIT and would be a good step to avoid referral practices both to and from debt advisors/credit counsellors. As well, we believe this would curtail the practices that have previously been identified by the OSB.

Yours very truly,

Boale, Wood & Company Ltd.



Per: David S. Wood, CIRP