

Mr. Bill James
Superintendent of Bankruptcy

**Re: Proposed changes to Directive 1R3, Counselling in Insolvency Matters
Consultation on Draft Directive No. 1R4**

Please consider these comments on the proposed changes to Directive 1R3, these comments being intended to further enhance compliance with the objective of the counselling process and facilitate efficient management of that process.

I consent to the disclosure of this submission in whole. My identification and personal identifiers need not be removed prior to publication. No portion of this submission is required to be kept confidential.

I agree with the reasoning found in “*Background regarding OSB’s proposed amendments to Directive 1R3*” that neither “Referral Arrangers” nor “Third Party Debt Advisors” should be permitted to conduct the counselling sessions required in the BIA. I do suggest that the definition of “Referral Arranger” be altered slightly to state that included are those persons who enter into arrangements with “*one or more*” LITs.

Designation

One of the primary purposes of the proposed Directive is to sever the financial relationship of a referral source from the Debtor. If the LIT is to conduct the counselling sessions, then there is no risk at the counselling session of an improper relationship between the Debtor and a Referral Arranger or a Third Party Debt Advisor. It should therefore be unnecessary to require the pre-counselling designation of any counsellor who is also an LIT. Schedule I should be amended accordingly.

In the alternative, the designation options in Schedule I should enable the LIT to select “*Myself, the LIT, or any other LIT*”. Such a designation would enhance both the scheduling and delivery of counselling. Debtors relocate, requiring counselling by others. Occasionally, debtors attend unexpectedly at a LIT’s authorized office and counselling should be able to be conducted by whatever LIT may then be present. This simple and reasonable change would forego the need to complete and file an amended Schedule 1, which requires both pdf and XML filing, and reduce the paperwork burden.

Education Requirement

I disagree with the need for existing Qualified Insolvency Counsellors to meet the education requirements of pp 13 as a prerequisite to registration by an LIT under paragraph 12 and I recommend they be grandfathered.

The education requirements particularly require either two relevant post-secondary courses or the completion of the Insolvency Administration Course available from CAIRP.

As an example, in my practice I hired and trained an individual to perform insolvency administration. I supervised that individual’s delivery of required BIA counselling and that individual is now licenced as a Qualified Insolvency Counsellor. Although this individual is no longer employed by me, does not have two relevant post-secondary courses and has not taken the Insolvency Administration Course, that QIC continues to provide BIA counselling on my estates. From responses by debtors, the counselling provided is of a first-rate quality. It would be both unfair and unfortunate if a good, experienced, independent counsellor was not permitted to be grandfathered as a registered insolvency counselor because they fail to meet new educational requirements. Potentially, the draft Directive would exclude from counselling many excellent QICs.

I recommend paragraph 36(1) be rephrased to state “... *the applicant LIT may request, in lieu of paragraphs 13(a) and (b), to have equivalent relevant experience ...*”. This will also require changes to paragraph 16, to enable the corporate registration of the insolvency counsellor.

Sincerely,

Ken Rowan, CPA, CA, LIT

KEN ROWAN & ASSOCIATES INC.

Per: Ken Rowan, CPA, CA, CIRP

Licensed Insolvency Trustee

Offices in Vancouver, Burnaby, and South Surrey

T 604-531-4186 F 1-877-531-8096

DebtsGO.com

Please treat this message as confidential.