



Innovation, Science and  
Economic Development Canada  
Office of the Superintendent  
of Bankruptcy Canada

Innovation, Sciences et  
Développement économique Canada  
Bureau du surintendant  
des faillites Canada

Office of the  
Superintendent of Bankruptcy  
**ANNUAL REPORT**

2022-23



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# MESSAGE FROM THE SUPERINTENDENT



I am pleased to share the Office of the Superintendent of Bankruptcy (OSB) 2022–23 Annual Report. This annual report summarizes the OSB's achievements against its [2022–23 Business Plan](#) priorities and highlights its continued progress toward improving and modernizing the insolvency system on behalf of Canadians.

During the past year, the OSB continued to fulfill its mandate and advance its priorities, while ensuring a well-functioning insolvency system that supports business, investor and consumer confidence in the Canadian marketplace. The OSB made progress toward recommending amendments to directives, forms and regulations under the *Bankruptcy and Insolvency Act* (BIA) and the *Companies' Creditors Arrangement Act* (CCAA). Informed by stakeholder consultation, this work seeks to modernize the regulatory framework and reduce unnecessary burden on those it regulates. In 2022–23, the OSB also launched its new Debtor Compliance Management System with Artificial Intelligence (AI) capabilities, continued to prioritize compliance promotion, strengthened its Licensed Insolvency Trustee (LIT) Compliance Program, advanced Information Technology (IT) modernization initiatives and provided Canadians in financial distress with relevant, accurate and timely information and tools by updating and promoting the OSB's online [Debt Solutions Portal](#).

Given the speculation in recent years regarding a potential, sudden increase in insolvency filings following the notable

decrease in filing volumes observed during the COVID-19 pandemic, the OSB continued to monitor all aspects of the insolvency system to ensure it remains well positioned to handle any significant fluctuations in insolvency filings.

The COVID-19 pandemic and the ongoing economic recovery have been difficult for many Canadians, including LITs. We would like to thank LITs for their continued dedication to high quality service and professionalism, particularly during this challenging period, which is crucial to maintaining the integrity of the profession. The OSB appreciates the Canadian Association of Insolvency and Restructuring Professionals (CAIRP) for its collaboration and valuable input, and we look forward to continuing to work with them and other key stakeholders for the benefit of Canadians in the year ahead.

In addition to excellent collaboration with CAIRP, the OSB continued to engage with international counterparts as a member of the Executive Committee for the International Association of Insolvency Regulators as well as with federal and provincial partners and stakeholders.

During the fall of 2022, the OSB transitioned to a hybrid workplace model which combines the flexibility of working from home with the advantages provided by having employees together in the workplace. The OSB continued to focus on organizational excellence by enhancing recruitment, talent management and operational training practices while maintaining a respectful, healthy, diverse and inclusive workplace for its employees.

As always, I am thankful for the exceptional dedication, professionalism and support of OSB employees in the successful delivery of these priorities and the fulfillment of our organization's mandate and I look forward to working with them, and with all stakeholders, in the ongoing delivery of meaningful results for the benefit of Canadians.

**Elisabeth Lang**  
**Superintendent of Bankruptcy**

# 2022-23 HIGHLIGHTS

The OSB contributes to an efficient marketplace by maintaining the integrity of the Canadian insolvency system, thereby strengthening confidence in the Canadian economy. Its operational activities are essential in the delivery of its mandate and are key to achieving results for the benefit of the insolvency system. Here are some highlights.



## Regulatory Policy and Public Affairs

The OSB:

- Published new position papers on:
  - [Treatment of Various Government Payments in Bankruptcy](#), to assist staff, LITs and other stakeholders in determining the status and treatment of government payments to debtors by describing the approach taken regarding various government payments in bankruptcy;
  - [Climate Action Incentive Payments](#), to provide guidance on the treatment of these payments in insolvency;
  - [LITs Promoting and Facilitating Loans to Debtors](#), to promote compliance by denouncing the practice of encouraging loans for individual, consumer debtors shortly before, during, or immediately following an insolvency;
  - [Treatment of the Quebec One-Time Amount to Mitigate the Increase in the Cost of Living Under the BIA](#), to provide guidance on the treatment of these payments in insolvency; and
  - [One-time Grant for Guaranteed Income Supplement](#), to provide guidance on the treatment of these payments in insolvency.
- Completed consultation with stakeholders for:
  - [Regulatory Modernization of the BIA Under Bill S-6](#), seeking comments and suggestions from stakeholders to determine the method(s) by which the notice of an ordinary bankruptcy should be published.



## Licensing

The OSB:

**GRANTED**  
**16**

new trustee licences as part of the [Oral Boards of Examination](#), down from an average of approximately 29 granted annually since 2019-20;

**RENEWED LICENCES FOR**  
**1 176**

insolvency professionals (corporate and individual), resulting in a reduction in the number of LITs of approximately 2% from 2021-22; and

**ADMINISTERED**  
**1 334**

licensing service requests from LITs, representing an increase of approximately 3% over 2021-22.



## Licensed Insolvency Trustee Compliance

The OSB:

### CONDUCTED

**143**

LIT Office Visits to validate compliance with insolvency legislation, which is approximately 2% fewer than 2021-22;

### INITIATED

**149**

compliance actions of varying types to address non-compliance by **28** LITs, which reflects a jump of approximately 52% over 2021-22;

### PUT

[conservatory measures](#) in place to seize and protect approximately

**465**

estates, or about 38% more than 2021-22, which held approximately

**\$887,749**

in trust; and

### INITIATED

**3**

new Professional Conduct Investigations, 2 more than in 2021-22, continued **5** others, the same volume as in 2021-22, and initiated the cancellation of **1** trustee licence, 2 fewer than in 2021-22, pursuant to paragraph 13.2(5) of the BIA.



## Debtor Compliance

The OSB:

### UNDERTOOK

**451**

examinations of debtors with regard to their conduct, the causes of their insolvency, the disposition of their property and any other relevant subjects, as appropriate, representing about 19% fewer than 2021-22; and

### CARRIED OUT

**305**

court interventions to remedy non-compliant behaviour by debtors, representing almost 39% more than 2021-22.



## Criminal Investigations

The OSB:

### ISSUED

**53**

new Superintendent Investigation Orders for criminal investigation, representing an increase of about 23% over 2021-22;

### LAI D CHARGES IN

**19**

cases, representing an increase of approximately 27% over 2021-22; and

### CARRIED OVER

**112**

investigations into 2023-24; and an additional

**38**

cases are ongoing with the Public Prosecution Service of Canada.



## Statutory Complaints

The OSB:

### RECEIVED

**948**

complaints, an increase of about 7% over 2021-22, and representing 0.86% of insolvencies filed in 2022-23:

- Acknowledged **97%** of complaints within 5 days; and
- Responded to **82%** of complaints within 30 days.

### OBSERVED

the following percentages for complaints against stakeholders:

- **42%** against LITs;
- **21%** against creditors;
- **20%** against debtors; and
- **17%** regarding other stakeholders and legislation.



## Consumer Protection and Insolvency Information

The OSB:

### ACCEPTED

**110 667**

insolvency filings, representing an increase of almost 20% over 2021-22;

### RECORDED

**48**

filings under the CCAA, compared to the average filing volume of 35 annually since 2012-13;

### RESPONDED TO

**15 367**

enquiries about the insolvency system:

- Handled **94%** of enquiries within 5 days;



### PUBLISHED

monthly, quarterly, and annual [insolvency statistics](#) on its website;



### COMPLETED

**90**

external requests for insolvency data; and



### MONITORED

its website traffic, including the views of its three most visited web pages:

1. [Home Page](#) (**134 085**);
2. [Insolvency Counselling Program](#) (**96 755**); and
3. [You Owe Money – Considering bankruptcy](#) (**79 292**).

# BUSINESS PRIORITIES

The OSB's business priorities are aligned with its strategic objectives of engagement, compliance and organizational excellence and support its efforts toward modernizing Canada's insolvency system and contributing to the efficiency of the Canadian marketplace. Undertaken as short-term or multi-year projects, OSB's business priorities are planned and implemented to enhance program delivery and results. Below is a summary of its 2022-23 accomplishments.

## Strategic Objectives



### Engagement

Increasing engagement with stakeholders, including meaningful consultations, will help the OSB pull the right players together in order to achieve significant results for the benefit of Canadians.



### Compliance

The OSB has an important compliance mandate that it must fulfill effectively. To ensure compliance from all those it regulates, the OSB will use its full range of compliance and enforcement tools in a meaningful and effective manner.



### Organizational Excellence

Organizational excellence involves establishing an evidence-based approach to decision-making, as well as recruiting, training and retaining a qualified workforce that is healthy, respectful and high performing.









# REGULATORY MODERNIZATION



## Directives, Forms and Regulations

Success Measures	Key Achievements in 2022-23
<p><input type="checkbox"/> Implement changes to directives and forms in accordance with short-, medium-, and long-term priorities</p> <p>Completed   Deferred   <b>Ongoing</b></p>	<p>The OSB:</p> <ul style="list-style-type: none"> <li>• Concluded a <a href="#">public consultation</a> on the modernization of forms under the BIA;</li> <li>• Drafted revised forms, business rules and code and an updated BIA Forms Directive, for publication in 2023–24, based on stakeholders' feedback; and</li> <li>• Established a working group with CAIRP, creditor and debtor representatives to recommend improvements to the Surplus Income Directive.</li> </ul>
<p><input type="checkbox"/> Undertake the process to recommend changes to regulations under the BIA and the CCAA</p> <p>Completed   Deferred   <b>Ongoing</b></p>	<p>The OSB:</p> <ul style="list-style-type: none"> <li>• Engaged with key stakeholders on proposed amendments to regulations under the BIA and CCAA; and</li> <li>• Commenced work on a regulatory proposal for amendments of select BIA regulations including consultations with the Treasury Board Secretariat.</li> </ul>

# Licensing

Success Measures	Key Achievements in 2022-23
<p>  Explore licensing options (bifurcated licence process) and make appropriate changes to Oral Board processes  <b>Completed</b>   Deferred   Ongoing         </p>	<p>The OSB:</p> <ul style="list-style-type: none"> <li>• <a href="#">Implemented licensing options</a> allowing candidates the choice of obtaining a limited licence (consumer or commercial) at the 2022 Oral Boards of Examinations; and</li> <li>• Provided updates on the <a href="#">licensing options pilot project</a> and <a href="#">guidance to candidates</a>.</li> </ul>
<p>  Work with CAIRP to review data and assess whether there are any barriers to entry  <b>Completed</b>   Deferred   Ongoing         </p>	<p>The OSB:</p> <ul style="list-style-type: none"> <li>• In collaboration with CAIRP, reviewed and analyzed data relating to diversity and inclusion among LITs and LIT feeder groups; and</li> <li>• Worked with CAIRP to include questions about barriers facing equity-deserving groups and self-identification in the survey of candidates in the <a href="#">Chartered Insolvency and Restructuring Professional Qualification Program</a>.</li> </ul>
<p>  Implement a <a href="#">Trustee Annual Report (TAR)</a>  <b>Completed</b>   Deferred   Ongoing         </p>	<p>The OSB:</p> <ul style="list-style-type: none"> <li>• Consulted with CAIRP on proposed TAR content and integration into the OSB Licence Administration Application (OLAA); and</li> <li>• Implemented the <a href="#">TAR</a> in February 2023.</li> </ul>
<p>  Update physical office requirements for LITs  <b>Completed</b>   Deferred   Ongoing         </p>	<p>The OSB:</p> <ul style="list-style-type: none"> <li>• Published a response concerning the public consultation on <a href="#">Modernizing Physical Office Requirements for LITs</a>; and</li> <li>• Issued guidance regarding <a href="#">Requirements for Extending or Transferring a LIT Licence</a>.</li> </ul>

# COMPLIANCE PROMOTION AND ENFORCEMENT



## Strengthening the OSB’s Compliance Framework

Success Measures	Key Achievements in 2022-23
<input type="checkbox"/> Publish its Compliance Framework, as sections are updated, in support of compliance promotion Completed   Deferred   <b>Ongoing</b>	The OSB: <ul style="list-style-type: none"> <li>Identified sections of the Compliance Framework for revision with a view to publishing externally once the LIT Compliance and Complaints sections are updated to mirror the Debtor Compliance updates.</li> </ul>
<input type="checkbox"/> Continue to enhance its Quality Assurance (QA) activities to ensure that established standards, policies and procedures are adhered to Completed   Deferred   <b>Ongoing</b>	The OSB: <ul style="list-style-type: none"> <li>Completed enhancements to the national QA Program, which included a QA review of the Enquiries, Complaints and Debtor Compliance programs as well as the LIT Compliance program, soon after the end of the fiscal year; and</li> <li>Undertook work to implement recommendations to ensure that established standards, policies and procedures are adhered to.</li> </ul>

## Strengthening the OSB's Compliance Framework (continued)

Success Measures	Key Achievements in 2022-23
<p><input type="checkbox"/> Explore compliance enforcement options for the most serious insolvency offences in Canada</p> <p>Completed   Deferred   <b>Ongoing</b></p>	<p>The OSB:</p> <ul style="list-style-type: none"> <li>● Reviewed, analyzed and implemented options for increasing enforcement capacity including establishing strategic partnerships with regulatory and enforcement bodies across the country;</li> <li>● Updated the national Memorandum of Understanding with the Royal Canadian Mounted Police;</li> <li>● Engaged with other enforcement regulators to leverage their experiences in enhancing investigative capacity; and</li> <li>● Reviewed and assessed enforcement case management software options in preparation for future implementation.</li> </ul>
<p><input type="checkbox"/> Continue to engage with federal and provincial stakeholders on a variety of issues including the debt advisory marketplace</p> <p>Completed   Deferred   <b>Ongoing</b></p>	<p>The OSB:</p> <ul style="list-style-type: none"> <li>● Continued to engage with federal and provincial stakeholders on a variety of topics as well as addressing issues related to the debt advisory marketplace by: <ul style="list-style-type: none"> <li>○ Completing an assessment of related LIT Office Visit findings;</li> <li>○ Initiating enforcement actions as appropriate;</li> <li>○ Updating processes, including those which enhance the effectiveness in the handling of complaints and escalated enquiries; and</li> <li>○ Establishing the necessary governance structures to ensure a comprehensive approach to debt advisory marketplace issues.</li> </ul> </li> </ul>

# IT MODERNIZATION



## Technology and Infrastructure Enhancements

Success Measures	Key Achievements in 2022-23
<p><input type="checkbox"/> Implement a new, highly integrated and updated Estate Administration system to manage insolvency estates</p> <p>Completed   Deferred   <b>Ongoing</b></p>	<p>The OSB:</p> <ul style="list-style-type: none"> <li>Finalized many features in the development of the new Estate Administration system, including the integration between the new system and OSB's E-Filing system. Implementation of the final system will carry over into 2023-24.</li> </ul>
<p><input checked="" type="checkbox"/> Launch the new Debtor Compliance Management System incorporating its Debtor Compliance Risk Model with AI capability</p> <p><b>Completed</b>   Deferred   Ongoing</p>	<p>The OSB:</p> <ul style="list-style-type: none"> <li>Implemented the new Debtor Compliance Management System and incorporated its Debtor Compliance Risk Model with AI capabilities;</li> <li>Provided system and updated process training to employees working in Debtor Compliance across Canada; and</li> <li>Identified enhancements to Debtor Compliance Management System based on user feedback.</li> </ul>

# ONGOING ACTIVITIES

## Diversity and Inclusion in the Licensed Insolvency Trustee Profession

The OSB, in collaboration with CAIRP, will continue to review and analyze data relating to diversity and inclusion among LITs and LIT feeder groups, seek ways to address any barriers to entry into the profession and will continue outreach and promotional efforts aimed at increasing awareness of the insolvency profession.

In 2022-23, the OSB worked with CAIRP to gather demographic/representativeness data from [Chartered Insolvency and Restructuring Professional Qualification Program](#) candidates including questions about whether they faced barriers based on their identity.

The Superintendent also assumed the role of Chair of the International Association of Insolvency Regulators Diversity and Inclusion Community of Practice which continues to promote diversity in the insolvency profession across all member countries.

## Financial Risks and Trends Analysis

The OSB will continue to explore effective methods of identifying emerging financial risks and trends that could have impacts on the Canadian insolvency system, to conduct periodic environmental scans and to share data, as appropriate, to support informed decision-making and investigations.

In 2022-23, the OSB convened three Financial Risks and Trends Analysis Committee meetings with the purpose of sharing information and best practices on a variety of topics of interest among federal financial

regulators, including discussions about members' programs and priorities, trends in criminal investigations and enforcement as well as cryptocurrency.

The OSB also engages regularly with domestic and international counterparts on areas of common focus including IT modernization, AI and the debt advisory marketplace.

## Finding the Right Debt Solution

In its efforts to increase awareness of the range of debt solutions available to help Canadians evaluate their level of financial risk, the OSB will continue to collaborate with federal partners and stakeholders to promote its [Debt Solutions Portal](#) and ensure useful tools and reliable information are available.

In 2022-23, the OSB:

- Updated the [Debt Solutions Portal](#) content in consultation with CAIRP by adding a new [Comparative Table of Debt Solutions](#).
- Continued promotion of the [Debt Solutions Portal](#) in partnership with CAIRP and the Financial Consumer Agency of Canada, including developing content for Financial Literacy Month 2022;
- Published a [joint consumer alert](#) with CAIRP to warn Canadians about unregulated debt advisors and to provide advice on how to deal with their debt; and
- Developed marketing products, including a video, audio news release and articles to promote LITs and the [Debt Solutions Portal](#) and warn Canadians of the pitfalls of the debt advisory marketplace.

## Operational Learning

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The OSB will continue to invest in its Operational Learning Program, to enable a qualified and knowledgeable workforce in support of organizational excellence.

In 2022–23, the OSB:

- Developed new online modules and other resources to meet priority training needs for its Operations employees, including 8 new eLearning courses, job aids, an internal video channel and microlearning modules;
- Delivered practical learning workshops and coordinated presentations from external stakeholders to enhance employee knowledge and skills; and
- Analyzed feedback from current learning activities to guide continuous improvement of the training program.

## Registrars Conference

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The OSB will continue to convene a conference for Registrars on a more regular basis, providing participants with an opportunity to discuss insolvency topics of national interest and share best practices.

In 2022–23, the OSB:

- Designed, planned and hosted a conference for Registrars, which was attended by more than 50 participants who provided positive feedback on the format and content of the conference;
- Published the “[What We Heard](#)” summary report of the conference discussions; and
- Started designing and planning the 2023–24 Registrars Conference.

# LOOKING AHEAD

Building on what was accomplished in 2022-23, the OSB continues to work diligently to fulfill its mandate and deliver on its priorities. The OSB's [2023-24 Business Plan](#) focuses on advancing changes to modernize its regulatory framework, enhancing its compliance activities and improving its performance with concrete results to effectively protect the integrity of the insolvency system for the benefit of Canadians.