



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  
**BUSINESS PLAN** |||||  
2024-25



Canada

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# MESSAGE FROM THE SUPERINTENDENT



I am pleased to share the 2024-25 Office of the Superintendent of Bankruptcy (OSB) Business Plan that builds on last year's priorities and OSB's strategic objectives: engagement, compliance and organizational excellence.

With these objectives in mind, the OSB will fulfill its mandate and advance its priorities to ensure a well-functioning insolvency system that supports business, investor and consumer confidence in the Canadian marketplace. This year, the OSB will continue to implement changes to its regulatory framework, seeking to modernize and reduce unnecessary administrative burden on those it regulates. It will develop cybersecurity guidelines for the Licensed Insolvency Trustee (LIT) community to ensure a baseline of protection in relation to growing cyber threats and will review its handling of Licensing Service requests with a view to making improvements. Also in 2024-25, the OSB will continue to focus on strengthening its risk-based approach to LIT oversight, implement a modernized approach to monitoring national and multijurisdictional insolvency firms and launch a series of compliance promotion, compliance monitoring and enforcement activities to protect the integrity of the Canadian bankruptcy and insolvency system, particularly in relation to the threats posed by the debt advisory marketplace. The OSB will also carry on with its information technology (IT) renewal initiative to modernize systems and maximize efficiency in support of monitoring and compliance activities and to respond to stakeholders' needs.

The OSB will continue to regularly monitor all aspects of the insolvency system to ensure it remains aware of financial risks and trends and is well positioned to handle any significant increases in insolvency filings. Mindful of the financial challenges faced by many Canadians, the OSB will also continue collaborating with partners and promoting its Debt Solutions Portal to help support those experiencing serious financial difficulties find the right debt solution for their needs.

The OSB will continue its work to address any unintended consequences for equity deserving groups and will keep encouraging stakeholders to report anonymized diversity data given the importance of this information.

The OSB will keep promoting and supporting increased diversity and inclusion within the insolvency profession through ongoing program enhancements, outreach and awareness activities.

The OSB remains committed to organizational excellence which includes enhancing diversity, equity and inclusion within its own workforce, attracting and retaining top talent and investing in training to ensure its employees can deliver meaningful results for Canadians.

I would like to recognize all OSB employees for their contribution to OSB's success

in delivering its priorities and fulfilling its mandate by exceeding expectations in spite of ongoing challenges and transitions. I am exceedingly proud of the impressive results we, together with the Canadian Association of Insolvency and Restructuring Professionals (CAIRP) and all our key stakeholders, have achieved on behalf of Canadians and I am

excited about the future as we continue to modernize and strive for excellence in maintaining Canada's world class insolvency system.

**Elisabeth Lang**

Superintendent of Bankruptcy

# THE OFFICE OF THE SUPERINTENDENT OF BANKRUPTCY

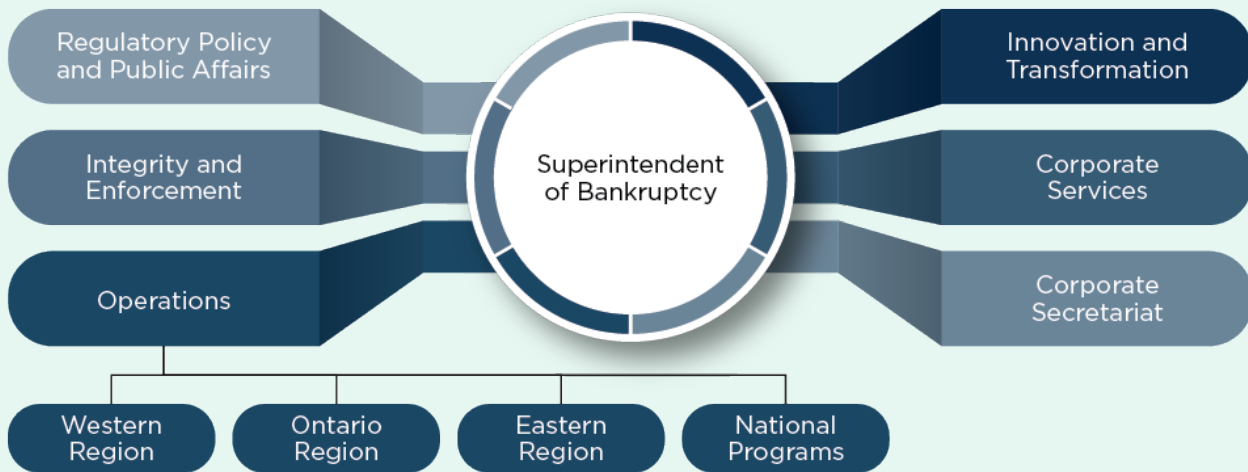
## WHO WE ARE

The OSB contributes to an efficient marketplace by maintaining the integrity of the Canadian insolvency system, thereby strengthening confidence in the Canadian economy.

Operating as a vote netted revenue organization within Innovation, Science and Economic Development (ISED) Canada, the OSB recovers its costs from the insolvency system and is led by the Superintendent of Bankruptcy, a Governor in Council appointee, with independent statutory and quasi-judicial authorities.

To deliver its mandate, the OSB carries out its operations with approximately 370 employees across Canada.

### OSB Directorates



**370**  
Planned FTEs<sup>1</sup> for 2024-25



Budget Authority:  
**\$51** million

<sup>1</sup> Full-time equivalent employees

## WHAT WE DO

The OSB is responsible for overseeing all aspects of the *Bankruptcy and Insolvency Act* (BIA), as well as certain aspects of the *Companies' Creditors Arrangement Act* (CCAA). It licenses and regulates the insolvency profession, ensures an efficient and effective regulatory framework, supervises stakeholder compliance and maintains public records and statistics.

As a part of the Small Business, Tourism and Marketplace Services Sector of ISED, the OSB works collaboratively with colleagues across the department to achieve results for Canadians.

OSB employees are instrumental to the success of the organization. Together, they form a strong foundation for the delivery of national programs. The majority of OSB's employees work in front line operations and make significant contributions to OSB's mandate by carrying out a wide range of day-to-day oversight and compliance activities. These activities include

compliance promotion and monitoring as well as responding to public enquiries and investigating statutory complaints. OSB employees also contribute to the mandate by:

- Developing policies, guidance and training;
- Conducting research and analysis;
- Providing support for business applications;
- Developing information products;
- Delivering LIT licensing services; and
- Ensuring that cases of non-compliance and insolvency offences are thoroughly investigated and addressed with enforcement consequences, as appropriate.

In addition, internal services' employees enable program delivery by providing subject matter expertise in the areas of finance, human resources, business planning and performance measurement, administration, as well as business information and data management.



### Regulatory Policy and Public Affairs



Canada's insolvency system is defined by a regulatory framework that includes the BIA and the CCAA, regulations, directives and policies, as well as related provincial legislation.

The regulatory framework provides the foundation on which the professional standards for the administration of estates are built. It guides the collection of information to support insolvency registration and administration, and to support compliance-monitoring and oversight activities. The OSB consults and proposes amendments to regulatory instruments to ensure they remain relevant and effective, and balance the interests of stakeholders in a way that protects the integrity of the insolvency system.

The OSB also engages with both domestic and international organizations regarding increasingly complex global issues impacting the Canadian insolvency system.



## Licensing



The Superintendent of Bankruptcy grants licences to qualified private-sector practitioners who use the professional designation of Licensed Insolvency Trustee or LIT to administer estates pursuant to the BIA and the CCAA. Before granting a licence, the Superintendent requires that LIT candidates successfully complete a curriculum designed to ensure they have the necessary qualifications, including knowledge, experience and skills, as set out in Directive No. 13R8, *Trustee Licensing*. The OSB issues and renews trustee licences electronically via the OSB Licence Administration Application (OLAA).

In addition, the OSB provides ongoing support to LITs, responding to their business needs while ensuring they continue to meet the requirements of the regulatory framework.



## Licensed Insolvency Trustee Compliance



LITs are responsible for the administration of estates in the Canadian insolvency system. They work with debtors, creditors and other stakeholders to accomplish the objectives of the regulatory framework through a variety of proceedings including bankruptcies, proposals, receiverships, plans of compromise or arrangements, etc.

The OSB administers and enforces the laws and requirements governing insolvencies in Canada. In its oversight capacity, it seeks to ensure that LITs are fulfilling their obligations as set out in the legislative and regulatory framework, which include effectively managing estates and estate trust funds. Most LITs are fully compliant and act in a highly professional and ethical manner. To detect, assess and address LIT non-compliance, the OSB conducts compliance promotion and monitoring activities and investigates stakeholders' complaints against LITs. LIT non-compliance may result in various enforcement measures such as professional conduct proceedings, conservatory measures and civil or criminal sanctions.



## Debtor Compliance



The obligations of insolvent debtors include complete disclosure of financial information, co-operation in the insolvency process and active participation in their financial rehabilitation or restructuring.

In its oversight capacity, the OSB seeks to ensure debtors are fulfilling their obligations as set out in the legislative and regulatory framework. Most debtors are honest and fully co-operate in their insolvency proceeding. To detect, assess and address debtor non-compliance, the OSB engages in compliance promotion and monitoring of insolvency filing data, investigates complaints against debtors and information received through the OSB's Debtor Compliance Referral Program and conducts debtor examinations. Debtor non-compliance may result in civil or criminal sanctions.



## Creditor Compliance



The obligations of creditors as set out in the legislative and regulatory framework include respecting the stay of proceedings and the discharge of debts in the insolvency process. The OSB, as part of its compliance mandate, seeks to ensure creditors are fulfilling their obligations.

Most creditors respect and understand the consequences of an insolvency filing. To detect, assess and address creditor non-compliance, the OSB investigates complaints and intervenes in legal proceedings, as appropriate. Creditor non-compliance may result in civil or criminal sanctions.



## Insolvency Information and Consumer Protection



The OSB receives and registers all insolvency filings in Canada. It maintains and provides access to a public record of BIA and CCAA filings. It is committed to providing Canadians with relevant, accurate and timely insolvency information across a variety of channels, including its website and its National Service Centre, which handles public enquiries related to the insolvency system. The OSB publishes insolvency data and statistics on its website and on the Government of Canada's Open Data Portal, in various forms.

The OSB engages in compliance promotion, in part by disseminating information on insolvency so that LITs, debtors and creditors clearly understand their rights and responsibilities and are therefore better able to voluntarily comply with their statutory obligations.

The OSB also protects consumers by updating its Debt Solutions Portal and providing tools and information to help Canadians in financial distress understand their situation and the options available so they can most efficiently find the right debt solution. It also maintains an LIT directory on its website that allows Canadians to easily search for LITs across the country.



## Statutory Complaints



The OSB receives complaints and provides responses on matters relating to the BIA and the CCAA. Complaints are investigated where there appears to have been non-compliance with the regulatory framework.





## Investigations and Enforcement



When serious cases of non-compliance are detected, the OSB may proceed with investigations which may result in enforcement measures. In the case of criminal investigations, the OSB works collaboratively with law enforcement partners to ensure matters are prosecuted as efficiently and effectively as possible.



## Internal Services



The OSB's internal services support the achievement of the Superintendent's strategic objectives, and the organization as a whole, by facilitating the delivery of sound and effective corporate and business planning, performance measurement, human resource management, professional development, internal communications, as well as financial and administrative services.

The OSB adheres to best practices in information management, information technology (IT) and business data analytics, and manages a significant amount of information resources of business value that are integral to the effective oversight of the insolvency system in Canada.

# OSB'S STRATEGIC OBJECTIVES



## Engagement

Increasing engagement with stakeholders, including meaningful consultations, will help the OSB consider diverse perspectives 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.



# LINKING OSB'S STRATEGIC OBJECTIVES AND PRIORITIES

## Regulatory Modernization

- Regulatory Amendments
- Cybersecurity
- Licensing Service Request Handling Improvements



## Compliance Promotion and Enforcement

- Statement of Receipts and Disbursements (SRD) Risk Model
- LIT Risk Assessment System (LITRAS)
- National and Multijurisdictional LIT Firms Monitoring
- Debt Advisory Marketplace Strategy



## IT Modernization

- Estate Administration Modernization
- Integrated IT Insolvency System



# 2024–25 PRIORITIES IN DETAIL



## REGULATORY MODERNIZATION

Effective regulations promote social and economic wellbeing, protect health and safety, and foster innovation and a competitive business environment. In recent years, the Government of Canada has undertaken a number of initiatives to modernize the regulatory framework and improve its performance for both Canadians and businesses. With that in mind, the OSB looks for opportunities to modernize the regulatory framework including the Superintendent's directives, the BIA Rules and CCAA Regulations on a regular basis.

### Regulatory Amendments

The OSB has embarked upon a [Comprehensive Review of Directives and Regulations](#) (CRDR), which generated feedback from a wide range of stakeholders within the following themes:

- Modernization and innovation:
  - Removing outdated requirements in regulations;
  - Reflecting language that is inclusive and respectful of gender preferences;
  - Allowing modern means of communication such as virtual services; and
  - Improving forms under the BIA and CCAA for better data integrity.
- Promotion of a more efficient and effective insolvency system:
  - Reviewing LIT services and the tariff;
  - Strengthening consumer protection;
  - Increasing accessibility to insolvency for both individuals and businesses; and
  - Refining surplus income requirements.

In light of this feedback, the OSB has undertaken work to complete revisions to multiple forms and to the Surplus Income directive. As a separate project, the OSB will seek approvals to complete the lengthy process required to amend regulations under the BIA and the CCAA.

In 2024–25, the OSB will turn its focus to the BIA and CCAA regulatory amendments by:

- Finalizing all required elements for the regulatory package by Q2;
- Seeking approval to publish regulations for consultation in *Canada Gazette, Part I*, for 30 days, anticipated in Q3;
- Reviewing and analyzing comments received;
- Preparing the regulatory package to seek final approval and publish in *Canada Gazette, Part II*, anticipated for Q4;
- Working with partners to implement any IT changes; and
- Issuing communications to support coming into force.



## Cybersecurity

The OSB will develop cybersecurity guidelines and will explore minimum requirements for the LIT community to ensure a baseline of protection in relation to growing cyber threats. These guidelines will also include information for insolvency professionals on cyber risks and breaches including how to prevent them and what to do if they occur.

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In 2024-25, the OSB will:

- Research cybersecurity best practices by Q1;
- Consult on a draft position paper or directive by Q2; and
- Finalize and communicate material to the LIT community by Q4.

## Licensing Service Request Handling Improvements

The OSB's Licensing team routinely receives a large volume of service requests (SR) from LITs ranging from address changes to jurisdiction extensions to corporate structure changes. In the past 12 to 24 months, however, the number of complex SR has reached unprecedented levels and the Licensing team has also been more carefully reviewing requests in consideration of the risks posed by the debt advisory marketplace. All of this has led to a backlog and some delays in SR handling. While the Licensing team continues to diligently respond to SRs and work through the backlog as quickly as possible, in 2023-24, they began to review processes and tools to identify areas for improvement which could increase efficiency and transparency. This work will continue in 2024-25, and the OSB will also explore opportunities for experimentation with departmental experts related to possible IT and user experience improvements.

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In 2024-25, the OSB will:

- Complete its review of existing tools to identify current response times along with any procedural gaps by Q1;
- Revise procedures and prepare guidelines and checklists to improve the efficiency of SR handling by Q2;
- Explore opportunities for experimentation related to possible IT and user experience improvements by Q3;
- Implement key enhancements including improved communication and feedback loops, and identify possible IT and user experience improvements by Q4.



## COMPLIANCE PROMOTION AND ENFORCEMENT

A comprehensive risk-based approach is key to the success of the OSB's Compliance Framework (CF) and supports the objectives of efficiently detecting and assessing compliance and addressing non-compliance. With that in mind, the OSB continuously enhances its compliance activities to effectively fulfill its core mandate of protecting the integrity of the insolvency system.

Over the last five years, the OSB has undertaken various multi-year initiatives aimed at strengthening its CF. It has taken steps to ensure the effective enforcement of insolvency offences, implement a risk model leveraging Artificial Intelligence (AI) for debtor compliance, and it has continued to prioritize compliance promotion, consistency and a risk-based approach as it strengthened its LIT Compliance Program. The OSB has also explored the compliance risks arising from LIT relationships with debt advisors. Building on these major initiatives, the OSB will continue to implement program enhancements in response to the needs of the insolvency system.

### Statement of Receipts and Disbursements Risk Model

The OSB will continue the work it began in 2023-24 on the development and testing of a Statement of Receipts and Disbursements (SRD) Risk Model with the goal of leveraging AI technology to efficiently and effectively select SRDs for further review in support of LIT compliance.

In 2024-25, the OSB will:

- Evaluate results of pilot testing, review and action recommendations for improvement and develop a broader operational testing plan by Q1;
- Establish governance, develop a test model IT environment and develop training and communications by Q2;
- Implement risk model training and develop the IT business needs for an SRD module by Q3;
- Assess results, adjust as needed before full implementation of the SRD Risk Model and SRD module by Q4.

### LIT Risk Assessment System

Further to its efforts in 2023-24, the OSB will also continue to leverage AI technology to more efficiently, consistently and accurately detect LIT non-compliance requiring follow-up action. Similar to its work in Debtor Compliance, the OSB is working to develop an LIT Risk Assessment System (LITRAS).

- In 2024-25, the OSB will continue its work to identify meaningful risk indicators and data needs in consultation with operational experts with a view to developing and testing a beta model for refinement and broader roll out in 2025-26.

## National and Multi-jurisdictional LIT Firms Monitoring

Building on its previous national Licensed Insolvency Trustee Office Visits (LITOV) pilot project, the OSB will implement a modernized approach to monitoring large insolvency firms that work across multiple provinces and their LITs in a more consistent, effective and efficient manner.

In 2024–25, the OSB will:

- Implement a modernized approach to monitoring national and multijurisdictional insolvency firms and LITs through an initial pilot with a limited group of LIT firms;
- Evaluate the results of the pilot, make necessary adjustments and consider extending the approach to additional firms in 2025–26.

## Debt Advisory Marketplace Strategy

In order to protect the integrity of the Canadian bankruptcy and insolvency system, the OSB will continue to promote compliance, strategically engage with stakeholders and investigate and address cases pertaining to the debt advisory marketplace. Further to the December 2023 issuance of a position paper on [The Adverse Effects of the Debt Advisory Marketplace on the Insolvency System](#), the OSB will initiate a Compliance Action Plan to address LIT compliance in this domain in a more comprehensive and directed manner. Results will be assessed at year-end with appropriate next steps to be determined at that time.

In 2024–25, the OSB will:

- Continue to undertake actions to assess and address risks of non-compliance and continue enforcement actions, including professional conduct investigations where appropriate using all available means;
- Identify activities to be carried out under the Compliance Action Plan with regard to LITs of concern by Q1;
- Seek to increase awareness among insolvency stakeholders of concerns associated with the debt advisory marketplace and the advances made by the OSB to address these concerns;
- Assess results and review the approach to be applied for 2025–26 and beyond.







## IT MODERNIZATION

Thinking about the future, investing in innovation and making evidenced-based decisions are key areas of focus for any effective organization. In support of these efforts, and to deliver agile results and maximize efficiency as it preserves the integrity of the insolvency system, the OSB must continually modernize its IT systems.

### Estate Administration Modernization

Over the last years, the OSB has invested significant resources to modernize its IT and infrastructure systems to ensure the effective delivery of operational programs. In 2021-22, the OSB initiated the transfer of its Estate Administration (EA) system, along with its electronic filing system, from old technology to an updated and integrated IT platform. While the project was originally envisioned to have been completed in 2023-24, timelines have been readjusted, based on a better understanding of the complex requirements, to a completion date in summer 2025.

In 2024-25, the OSB will:

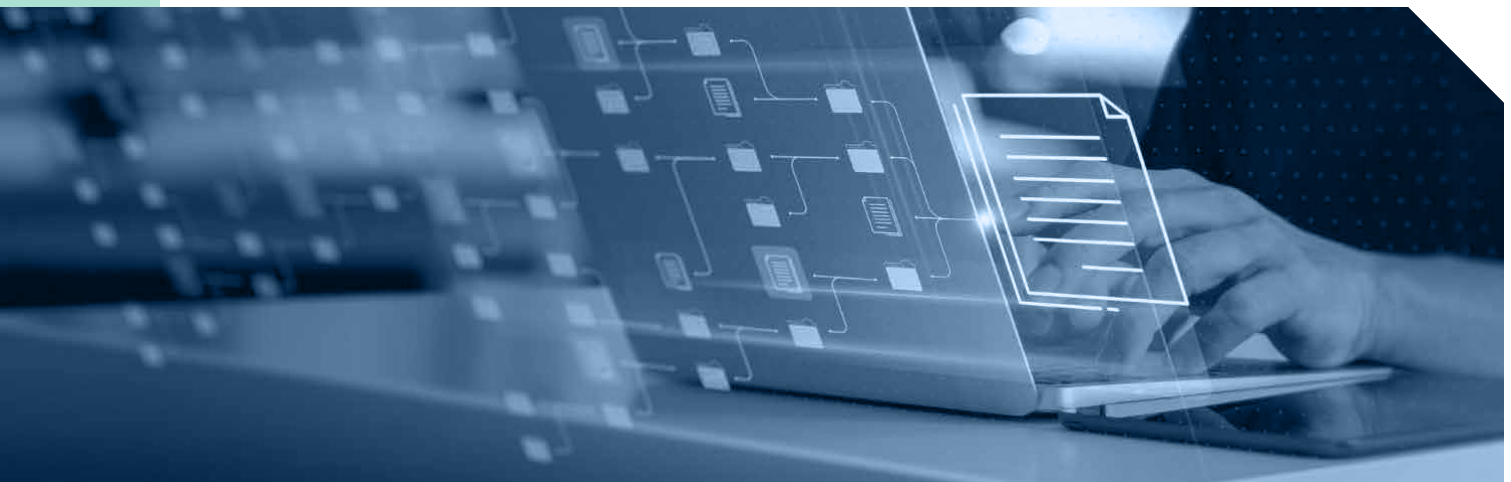
- Continue the update and modernization of its EA system including change management, training and communications, with a view to achieving completion in Q2 2025-26 and launch in Q4 2025-26.

### Integrated IT Insolvency System

Further to the exploration in 2022-23 of an integrated IT system to serve insolvency stakeholders, the OSB is taking first steps in its long-term goal to develop one IT ecosystem that will allow stakeholders to easily access relevant and accurate information in support of a well-functioning insolvency system.

In 2024-25, the OSB will:

- Continue to identify needs, challenges and opportunities as it begins the development of one IT ecosystem, pursuant to a phased implementation plan that will allow stakeholders to easily create, access and validate relevant and accurate information in support of a well-functioning insolvency system.





# ONGOING ACTIVITIES

In 2024–25, in addition to its core mandate and business priorities, the OSB will continue to advance the following activities that support its strategic objectives.

## Registrars Conference

The OSB is committed to convening a conference for Registrars on a regular basis in support of discussions on key insolvency topics of national interest and information sharing on the application of insolvency laws across the country.

## Financial Risks and Trends Analysis

The OSB will continue to explore effective methods of identifying emerging financial risks and trends that could have adverse impacts on business, investor and consumer confidence in the Canadian marketplace, to conduct periodic environmental scans and to share data with key federal partners, as appropriate, to support informed decision-making and investigations.

## Diversity and Inclusion

The OSB, in collaboration with the CAIRP, will continue to review and analyze anonymized data relating to diversity and inclusion among LITs and LIT feeder groups, consider and address any identified barriers to entry into the profession and continue outreach and promotional efforts aimed at increasing awareness of the insolvency profession, all in support of increasing diversity and inclusion over the long term. The Superintendent will

also continue to lead work in this area on an international scale through her role as Chair of the International Association of Insolvency Regulators Community of Practice on Diversity and Inclusion.

## Operational Training

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

## Consumer Awareness and Outreach

Mindful of the financial challenges faced by many Canadians, the OSB will continue to collaborate with partners to share key information relating to insolvency and help support those experiencing serious financial difficulties to find the right debt solution. The OSB will continue to engage with stakeholders through outreach efforts to exchange ideas, increase consumer awareness and protection by ongoing promotion of the Debt Solutions Portal and LITs as reliable sources of information while supporting diversity and inclusion in OSB's engagement with Canadians. The OSB will also seek to increase awareness among insolvency stakeholders of concerns associated with the debt advisory marketplace and will highlight the work being done by the OSB to address these concerns.

Further to work carried out in 2023-24, the OSB will explore measures needed to address any unintended barriers or challenges for Indigenous Peoples within the insolvency system. The OSB will also leverage its renewed Outreach Strategy to engage with marginalized or vulnerable groups to better understand their particular needs, and work on solutions towards ensuring fair access and treatment of all Canadians in the insolvency system.

## **Efficiency of Criminal and Regulatory Investigations**

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The OSB is committed to continuing to increase the efficiency and efficacy of criminal and regulatory investigations and prosecution of the most serious cases of non-compliance through amendments to national processes, training and strategic partnerships.