



Office of the Superintendent of Bankruptcy

# BUSINESS PLAN

2021–22





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# Message from the Superintendent



I am pleased to share the 2021–22 Office of the Superintendent of Bankruptcy (OSB) Business Plan that builds on last year’s priorities and strategic objectives of engagement, compliance, and organizational excellence.

This year, the OSB will continue to fulfill its mandate and advance its priorities while responding to the challenges resulting from the COVID-19 pandemic to ensure a well-functioning insolvency system that helps promote investment and creditor confidence in the Canadian marketplace.

The OSB will continue its engagement efforts with stakeholders and partners, and implement changes to its regulatory framework, seeking to modernize and reduce unnecessary administrative burden on those it regulates. It will also build on last year’s work and continue to strengthen its Compliance Framework by finalizing the implementation of its debtor compliance risk model with artificial intelligence (AI) capability, enhancing its Licensed Insolvency Trustee (LIT) Compliance Program, and exploring compliance risks arising from LIT relationships with debt advisors. The OSB will also continue to explore ways to improve its agility and modernize its use of technology to better support compliance activities and monitoring and to respond to stakeholder needs, generally, and in light of the challenges faced by Canadians due to COVID-19.

Mindful that many Canadian consumers are facing increasing levels of debt, the OSB will be collaborating with partners to address potentially misleading advertising, and provide helpful information and new

online tools to help support those experiencing serious financial difficulties to find the right solution based on their needs.

The OSB will also establish a new committee on financial risks and trend analysis, which will conduct periodic environmental scans to inform organizational decision-making and enable program enhancements. These scans will take into consideration the continuously changing Canadian marketplace, including potential impacts of the COVID-19 pandemic on the insolvency system.

Additionally, employee training will continue to play a key role in the implementation of this year’s priorities, ensuring employees have the necessary skills and information to effectively support the organization’s mandate.

While every effort will be made to advance its priorities as set out in this plan, the OSB may need to divert resources to address emerging challenges such as those arising from the ongoing COVID-19 pandemic.

As always, the work of the OSB’s committed and professional employees is key in the delivery of its priorities and mandate, and I look forward to working together with them and with stakeholders to achieve significant results for the benefit of Canadians.

**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.

The OSB is a vote-net organization within Innovation, Science and Economic Development Canada (ISED) that 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 in 13 offices located in 3 regions (West, Ontario, and East) and at its headquarters in the National Capital Region.



**370**  
Planned FTEs<sup>1</sup> for 2021–22



Budget Authority:  
**\$47** million

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

# What we do

The OSB is responsible for the administration 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 with the insolvency process, and maintains public records and statistics.

The OSB is part of the Small Business and Marketplace Services Sector of ISED. It works collaboratively with colleagues across the department, including through the Regulators' Table, to achieve results for Canadians.

The OSB values and recognizes the contributions of its employees across the organization who work together to help maintain the integrity of Canada's insolvency system and deliver results for Canadians. This includes Operations employees carrying out regulatory duties, compliance promotion, monitoring and enforcement, as well as those responding to public enquiries and statutory complaints. National Headquarters employees develop policy, guidance and training for program operations, carrying out research and analysis, providing support for business applications and delivering trustee licensing services. Employees who deliver internal services across the organization are key to enabling program delivery. The following provides an overview of how the OSB delivers its mandate.

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## PROGRAM POLICY AND REGULATORY AFFAIRS

Canada's insolvency system is defined by a regulatory framework that includes the BIA, the CCAA, regulations, directives and policies, as well as related provincial legislation. The OSB reviews, analyzes and proposes amendments to regulatory instruments to ensure they remain relevant and effective, and balance the interests of stakeholders in a way that helps protect the integrity of the insolvency system. The regulatory framework provides the foundation on which professional standards for the administration of estates are built. It guides the collection of information to support insolvency registration and administration, and establishes a basis for compliance-monitoring activities.

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## LICENSING

Qualified private-sector practitioners are licensed by the Superintendent of Bankruptcy to manage the administration of insolvent estates pursuant to the BIA and the CCAA, and are required to use the professional designation of Licensed Insolvency Trustee (LIT). Before granting a licence, the Superintendent requires that LIT candidates successfully complete a curriculum designed to ensure they have the necessary qualifications, including knowledge, skills and experience, as set out in Directive No. 13R7, Trustee Licensing. The OSB also provides ongoing support to LITs in ensuring that they continue to meet the requirements of the regulatory framework.

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## LICENSED INSOLVENCY TRUSTEE COMPLIANCE

The OSB administers and enforces the laws and requirements governing insolvencies in Canada. In its oversight capacity, it seeks to determine whether LITs are fulfilling their obligations, as set out in the legislative and regulatory framework, which include effectively managing estates and estate trust funds. To detect, assess, and address LIT non-compliance, the OSB conducts ongoing compliance promotion and monitoring activities, reviews stakeholders' complaints against LITs, and reviews insolvency estate banking and management practices. Depending on the nature of the non-compliance, it regulates LITs via various enforcement measures such as professional conduct and civil and criminal sanctions.

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## DEBTOR COMPLIANCE

In its oversight capacity regarding debtors, the OSB seeks to determine whether they are fulfilling their obligations as set out in the legislative and regulatory framework, which include the complete disclosure of financial information, co-operation in the insolvency process, and active participation in their financial rehabilitation or restructuring. To detect, assess, and address debtor non-compliance, the OSB conducts ongoing compliance promotion and monitoring, reviews complaints against debtors, receives information through the OSB's Debtor Compliance Referral Program (DCRP) and conducts debtor examinations. Debtor non-compliance may result in civil and/or criminal sanctions.

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## CREDITOR COMPLIANCE

The OSB seeks to determine whether creditors are fulfilling their obligations as set out in the legislative and regulatory framework, which include respecting the stay of proceedings and the discharge of debts in the insolvency process. To detect, assess, and address creditor non-compliance, the OSB reviews complaints and intervenes in legal proceedings, as appropriate. Creditor non-compliance may result in civil and/or criminal sanctions.

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## CONSUMER PROTECTION AND INSOLVENCY INFORMATION

The OSB receives and registers all insolvency filings in Canada. It maintains and provides access to a public record of BIA and CCAA filings, and publishes insolvency data and statistics. It engages in compliance promotion, in part, by disseminating information on insolvency so that debtors, creditors, and LITs clearly understand their rights and responsibilities and are therefore better able to voluntarily comply with their statutory obligations. The OSB also protects consumers by providing them with key information so they can make informed decisions about debt solutions.

*Highlight: Further to last year's success, 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.*

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## STATUTORY COMPLAINTS

The OSB receives and provides responses to complaints from stakeholders on matters relating to the BIA and the CCAA. Where warranted, complaints may be further investigated by the OSB to determine if there has been non-compliance with the regulatory framework.

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## INTERNAL SERVICES

The OSB's internal services deliver sound and effective corporate planning, performance measurement, human resources, professional development, internal communications, as well as financial and administrative services. By using best practices in information management, information technology, and business data analytics, the OSB manages a notable amount of information resources of business value that are integral to the insolvency business processes.

*Highlight: The OSB fosters an inclusive and diverse workplace. In 2021–22 and beyond, with the support of its new Mental Health and Wellbeing Committee, it will work at continuously maintaining a psychologically healthy, respectful, and supportive workplace.*



# Our Priorities for 2021–22

 <p><b>Engagement</b></p> <p>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.</p>	 <p><b>Compliance</b></p> <p>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.</p>	 <p><b>Organizational Excellence</b></p> <p>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.</p>
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|---------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------|
| <p><b>1. Comprehensive Regulatory Review</b><br/>(continued from 2020–21)</p>                                       |  |
| <p><b>2. Helping Canadians: Finding the Right Debt Solution</b><br/>(continued from 2020–21)</p>                    |  |
| <p><b>3. Strengthening the OSB’s Compliance Framework</b><br/>(continued from 2020–21)</p>                          |  |
| <p><b>4. Operational Training</b> (continued from 2020–21)</p>                                                      |  |
| <p><b>5. Licensing Modernization Review</b> <span style="border: 1px solid black; padding: 2px;">NEW</span></p>     |  |
| <p><b>6. Financial Risks and Trend Analysis</b> <span style="border: 1px solid black; padding: 2px;">NEW</span></p> |  |

# 1. Comprehensive Regulatory Review



The OSB will assess feedback and input from stakeholders and commence the implementation of proposed changes to its regulatory framework. Regulatory changes will be guided by the goals of ensuring the integrity of the Canadian insolvency system is maintained while seeking to modernize and reduce administrative burden, where appropriate.

## WHY IT MATTERS

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 system and improve its performance for both Canadians and businesses. The OSB is seeking to modernize its regulatory framework, comprised of BIA Rules, CCCA Regulations and the Superintendent's Directives, which governs the Canadian insolvency system.

## THE PLAN FOR 2021–22

Based on stakeholder feedback, the OSB will:

- Prepare an implementation plan setting out its short-, medium-, and long-term priorities; and
- Commence the implementation of proposed changes to the regulatory framework in accordance with the implementation plan.

## MEASURING SUCCESS

In 2021–22, the OSB expects to achieve the following results:

- Implementation of changes to the regulatory framework, in accordance with the implementation plan, is commenced.

## 2. Helping Canadians: Finding the Right Debt Solution



Informed by its 2020–21 research into debtor pathways to insolvency, the OSB will continue to enhance its [debt solutions portal](#) with new tools and information. It will also continue to engage with federal partners and stakeholders to explore other approaches to providing indebted Canadians with information to make appropriate debt-related decisions and to consider potential shared compliance initiatives.

### WHY IT MATTERS

Many Canadian consumers are facing increasing levels of debt and a number of solutions are available to help them deal with serious debt problems. Cohesive and helpful information is widely dispersed across a variety of sources, including government websites, and may not always be easy to find.

There is an opportunity to continue increasing awareness amongst Canadians on the range of debt solutions available and help them evaluate their level of financial risk by providing new tools and reliable information, in addition to promoting the OSB's debt solutions portal.

### THE PLAN FOR 2021–22

The OSB will:

- Continue to update its debt solutions portal with tools and information to help Canadians in serious financial distress find the right debt solution; and
- Engage with partners and explore approaches to provide indebted Canadians with information and to promote the OSB's debt solutions portal.

### MEASURING SUCCESS

In 2021–22, the OSB expects to achieve the following results:

- The debt solutions portal is updated with new tools and information; and
- Partners are engaged to provide indebted Canadians with information and promote the OSB's debt solutions portal.

### 3. Strengthening the OSB's Compliance Framework



To effectively fulfill its core mandate of protecting the integrity of the insolvency system, the OSB will explore options to ensure the effective enforcement of insolvency offences, finalize the implementation of its Debtor Compliance Risk Model with AI capability, and continue to prioritize compliance promotion and a risk-based approach as it strengthens its LIT Compliance Program. It will explore the compliance risks arising from LIT relationships with debt advisors, implement a Trustee Annual Report to support shared compliance and reduce administrative burden, and explore the use of IT to support effective monitoring and compliance.

#### WHY IT MATTERS

A comprehensive and risk-based approach to program delivery is key to the success of the OSB's Compliance Framework and supports the objective of assessing compliance and responding to identified non-compliance in a manner that effectively protects the integrity of the insolvency system. To ensure the most serious offences are investigated and prosecuted, an effective regulator must address cases of non-compliance efficiently and expeditiously.

#### THE PLAN FOR 2021–22

In 2021–22, as part of its efforts to strengthen its Compliance Framework, the OSB will review options to ensure the effective enforcement of the most serious insolvency offences in Canada.

It will build on last year's progress and finalize the implementation of a modernized Debtor Compliance Program that is risk-based and nationally consistent by:

- Enhancing its IT systems, starting with the integration of its new Debtor Detection Analysis System Risk Model with AI capabilities, to a new Debtor Compliance Enforcement Management Tool;
- Exploring AI tools to support program delivery and compliance detection of issues and trends within the insolvency system; and
- Engaging in discussions with various stakeholders to support the enforcement and prosecution of the most serious insolvency offences.

The OSB will continue to monitor and improve the effectiveness of its LIT Compliance Program and will implement program and regulatory enhancements by:

- Exploring both a compliance promotion and a risk-based approach to LIT compliance;
- Implementing a Trustee Annual Report to collect information on LIT business models and practices that will help inform the OSB's oversight activities and help reduce administrative burden on LITs;
- Enhancing its LIT Office Visit processes, including exploring IT solutions such as remote access to LIT software systems; and
- Updating its IT system to support estate administration.

The OSB will explore the compliance risks arising from LIT relationships with debt advisors by:

- Conducting LIT Office Visits and pursuing compliance and enforcement measures, where appropriate; and
- Engaging with federal and provincial partners to identify and address misleading advertising and deceptive practices in the debt advisory marketplace.

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## MEASURING SUCCESS

In 2021–22, the OSB expects to achieve the following results:

- Solutions to ensure the effective enforcement of the most serious insolvency offences in Canada are developed;
- The new Debtor Compliance Enforcement Management Tool, integrated to the Debtor Detection Analysis System Risk Model with AI capabilities, is implemented;
- Program and regulatory enhancements are implemented to improve the effectiveness of the LIT Compliance Program;
- A Trustee Annual Report is implemented;
- The updating of the IT system to support estate administration has begun;
- Necessary actions are taken in light of identified risks arising from LIT relationships with debt advisors; and
- Engagement with federal and provincial partners to identify and address misleading advertising and deceptive practices in the debt advisory marketplace.

## 4. Operational Training



The OSB will continue to invest in the revitalization of its Operational Training Program using a blended delivery model to ensure its employees have the necessary skills and information to effectively support its mandate.

### WHY IT MATTERS

The revitalization of the OSB's Operational Training Program will ensure that its employees have the expertise needed to fulfill its mandate in a consistent and effective manner. Clear identification of training requirements is essential for the design and delivery of timely, engaging, and cost-effective training, thus contributing to employee engagement and job satisfaction and positioning the OSB as a workplace of choice.

### THE PLAN FOR 2021–22

The OSB will foster a continuous learning environment by continuing the implementation of its renewed multi-modal learning and development model.

This year, the OSB will seek to:

- Deliver priority training courses to meet employee needs;
- Enhance its learning catalogue by developing new resources to support customized employee learning paths;
- Provide its employees with a better understanding of the realities of LIT practices through *A Day in the Life of an LIT*, a presentation developed and piloted in 2019–20 in collaboration with the Canadian Association of Insolvency and Restructuring Professionals, by:
  - Supporting training delivery by volunteer LITs, with a focus on the administration of consumer files; and
  - Developing complementary materials related to the administration of corporate files.

### MEASURING SUCCESS

In 2021–22, the OSB expects to achieve the following results:

- Priority training courses are delivered;
- New modules and materials to expand its current learning catalogue are developed;
- *A Day in the Life of an LIT* is delivered and additional materials specific to the administration of corporate files are developed;
- A Learning Management System to administer learning modules and gather analytics to enhance the planning and evaluation of learning activities is implemented; and
- A framework to evaluate training program performance during fiscal year 2022–23 is developed.

## 5. Licensing Modernization Review



The OSB will engage with stakeholders on a review of its Licensing Program for trustees in order to assess the impact of the recent technological and operational innovations, taking into account evolving LIT business models as well as debtor and creditor preferences for insolvency services.

### WHY IT MATTERS

The progress of technological innovations and the transformation of business models are impacting the business and financial practices of insolvency stakeholders. A review of the Licensing Program is an opportunity to assess and measure how these innovative practices may influence the delivery of insolvency services in Canada, and explore ways to maintain a relevant and responsive insolvency system.

### THE PLAN FOR 2021–22

This year, the OSB will:

- Consult with stakeholders to better understand the impact of the industry’s innovative practices on the delivery of insolvency licensing services in Canada; and
- Commence the implementation of appropriate program enhancements.

### MEASURING SUCCESS

In 2021–22, the OSB expects to achieve the following results:

- A consultation with stakeholders is completed and the feedback received is analyzed; and
- Appropriate program enhancements are implemented.

## 6. Financial Risks and Trend Analysis



The OSB will seek to engage with government partners to identify financial risks and trends that could have an impact on the integrity of the Canadian insolvency system.

### WHY IT MATTERS

Establishing a new committee on financial risks and trend analysis is an opportunity for the OSB to explore the financial risks and trends emerging in the marketplace, which may impact the Canadian insolvency system. In consultation with government partners, the OSB will conduct periodic external environmental scans to identify and understand emerging financial risks and trends to support informed decision-making.

### MEASURING SUCCESS

In 2021–22, the OSB expects to achieve the following results:

- A committee on financial risks and trend analysis is established;
- An external environmental scan is conducted; and
- Relevant risk and trend information is provided to internal and external partners, as appropriate, to support decision-making and action.

### THE PLAN FOR 2021–22

This year, the OSB will seek to:

- Create a committee on financial risks and trend analysis responsible for conducting environmental scans, and identify emerging risks and trends that may impact the insolvency system; and
- Identify key issues or potential risks for further review and action.

# Appendix 1 — 2021–22 Summary of Priorities and Planned Results



Business Priorities	Measurable Objectives
<b>1. Comprehensive Regulatory Review (Continued from 2020–21)</b>	<ul style="list-style-type: none"> <li>• Implementation of changes to the regulatory framework, in accordance with the implementation plan, has begun.</li> </ul>
<b>2. Helping Canadians: Finding the Right Debt Solution (Continued from 2020–21)</b>	<ul style="list-style-type: none"> <li>• The debt solutions portal is updated with new tools and information; and</li> <li>• Partners are engaged to provide indebted Canadians with information and promote the OSB’s debt solutions portal.</li> </ul>
<b>3. Strengthening the OSB’s Compliance Framework (Continued from 2020–21)</b>	<ul style="list-style-type: none"> <li>• Solutions to ensure the effective enforcement of the most serious insolvency offences in Canada are developed;</li> <li>• The new Debtor Compliance Enforcement Management Tool, integrated with its Debtor Detection Analysis System Risk Model with artificial intelligence capabilities, is implemented;</li> <li>• Program and regulatory enhancements are implemented to improve the effectiveness of the Licensed Insolvency Trustee (LIT) Compliance Program;</li> <li>• A Trustee Annual Report is implemented;</li> <li>• The updating of the information technology system to support estate administration has begun;</li> <li>• Necessary actions are taken in light of identified risks arising from LIT relationships with debt advisors; and</li> <li>• Engagement with federal and provincial partners to identify and address misleading advertising and deceptive practices in the debt advisory marketplace.</li> </ul>

Business Priorities	Measurable Objectives
<b>4. Operational Training</b> (Continued from 2020-21)	<ul style="list-style-type: none"> <li>• Priority training courses are delivered;</li> <li>• New modules and materials to expand the current learning catalogue are developed;</li> <li>• A <i>Day in the Life of an LIT</i> is delivered and additional materials specific to the administration of corporate files are developed;</li> <li>• A Learning Management System to administer learning modules and gather analytics to enhance the planning and evaluation of learning activities is implemented; and</li> <li>• A framework to evaluate training program performance during fiscal year 2022–23 is developed.</li> </ul>
<b>5. Licensing Modernization Review (New)</b>	<ul style="list-style-type: none"> <li>• A consultation with stakeholders is completed and the feedback received is analyzed; and</li> <li>• Appropriate program enhancements are implemented.</li> </ul>
<b>6. Financial Risks and Trend Analysis (New)</b>	<ul style="list-style-type: none"> <li>• A committee on financial risks and trend analysis is established;</li> <li>• An external environmental scan is conducted; and</li> <li>• Relevant risk and trend information is provided to internal and external partners, as appropriate, to support decision-making and action.</li> </ul>

