



Rebuilding Success • Rétablir le succès

NEW STANDARDS FOR CAIRP MEMBERS IN CCAA REPORTING

Toronto, ON—[August 18, 2009]—Members will vote on bringing into force seven new Standards of Professional Practice at their Annual General Meeting, the Canadian Association of Insolvency and Restructuring Professionals said today. The AGM will be held Friday morning in Huntsville, Ontario, as part of CAIRP's 30th anniversary Annual Conference.

CAIRP's Corporate Practice Committee, in conjunction with legal counsel from Ontario and Quebec, drafted the seven Standards to provide guidance to members and consistency in how Monitors carry out their duties in insolvency proceedings under the *Companies' Creditors Arrangement Act (CCAA)*.

Amendments to the *CCAA* that are to come into force on September 18, 2009 impose new reporting requirements on Monitors in *CCAA* proceedings. All Monitors will be required to hold a licence as a trustee in bankruptcy and most will be CAIRP members (*Chartered Insolvency and Restructuring Professionals*).

The Association is committed to playing a leadership role in upholding quality and professionalism in the practice of insolvency; it expresses that commitment through the adoption of Rules of Professional Conduct and Standards of Professional Practice. The Standards are intended to create consistency within the profession.

Restructurings under the *CCAA* usually involve large companies, many of which have complex corporate structures spanning multiple legal jurisdictions. These factors, coupled with the myriad of stakeholders (often with conflicting interests), create a very dynamic environment in which CIRPs are constantly required to exercise professional judgment in discharging their role as Monitor. The new Standards are intended to complement, rather than replace, the exercise of such professional judgment.

The new Standards cover the following:

- Cash-flow Statement;
- Debtor-in-Possession financing;
- Report on Plan of Compromise or Arrangement;
- Assignment of Agreements;
- Disclaimer or Resiliation of Agreements;
- Report on material adverse change; and
- Sale or disposition of assets out of the ordinary course of business. ◀

CAIRP is a national not-for-profit organization representing insolvency and restructuring professionals. Its members are identified by the CIRP (*Chartered Insolvency and Restructuring Professional*) certification mark, which is acquired through a combination of study, work experience and licensing as a trustee in bankruptcy.

CONTACT:

Sheldon Gordon, Manager of Communications,

Canadian Association of Insolvency and Restructuring Professionals

277 Wellington St. W., Toronto, ON M5H 3H2 - sheldon.gordon@cairp.ca - Tel: 416.204.3439