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RESTRUCTURING PROFESSIONALS WELCOME AMENDMENTS COMING INTO FORCE

TORONTO—[September 18, 2009]—Chartered Insolvency Restructuring Professionals welcomed the coming-into-force today of amendments to the *Bankruptcy and Insolvency Act (BIA)* and to the *Companies' Creditors Arrangement Act (CCAA)*. Following upon the earlier coming-into-force of the *Wage Earner Protection Program Act (WEPPA)*, Industry Minister Tony Clement's move to implement the *BIA* and *CCAA* amendments is an important gain for Canada's economy.

An efficient and equitable insolvency regime is a key part of Canada's efforts to build a healthy and competitive economy and attract investment capital. The amendments taking effect today serve to accomplish this goal and promote greater equity between the interests of creditors and debtors.

"The Canadian Association of Insolvency and Restructuring Professionals (CAIRP) worked closely with the Government, the House of Commons Industry Committee, and the Senate Banking, Trade and Commerce Committee in developing the amendments," said CAIRP Chair Kevin Brennan. "Indeed, CAIRP was the only party to testify at the Senate committee's hearings, before Parliament passed the legislation in December 2007".

The amendments taking effect today recognize the need to have specialized professionals act as monitors and receivers, and they restrict these roles to trustees in bankruptcy, the vast majority of whom are certified as a Chartered Insolvency and Restructuring Professional (CIRP).

The new insolvency regime will provide an important framework for the growth and financing of Canadian enterprises and will also give individual debtors more options for regaining financial stability, including by enabling more of them to make Proposals to creditors as an alternative to filing for bankruptcy.

These amendments are the most far-reaching reform of federal insolvency laws in more than twelve years. The amendments codify recent court decisions, and bring Canada in step with changes adopted by some of our major trading partners. As this country struggles to emerge from the recession, it is critical to have available the tools for the reallocation of capital and labour--and legislation that promotes the restructuring of a debtor enterprise, and preservation of employment, over its liquidation.

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.

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