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BANKRUPTCY AND INSOLVENCY LAW OF CANADA

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This resource contains the complete text of the *Bankruptcy and Insolvency Act* and Rules, the *Companies' Creditors Arrangement Act*, the *Farm Debt Mediation Act*, the *Wage Earner Protection Program Act* and the *Winding-Up and Restructuring Act*. The section-by-section and rule-by-rule case annotations and commentary provide an extensive and detailed resource tool for insolvency lawyers, trustees, receivers and liquidators. The collection of Policy Documents, Model Orders, Forms and Precedents provide additional practice guides to make it the most complete resource for the professional.

What's New in this Update:

This release features updates to the commentary in Chapters 1 (*BIA* — General; Short Title), 2 (*BIA* — Part I Administrative Officials), 5 (*BIA* — Part IV Property of the Bankrupt), 6 (*BIA* — Part V Administration of Estates), 7 (*BIA* — Part VI Bankrupts), 8 (*BIA* — Part VII Courts and Procedure), 12 (*BIA* — Part XI Secured Creditors and Receivers), 18 (*BIA* — Forms), 19 (*CCAA* — General; Short Title), 20 (*CCAA* — Interpretation), 21 (*CCAA* — Part I: Compromises and Arrangements), 22 (*CCAA* — Part II: Jurisdiction of Courts), and 23 (*CCAA* — Part III: General) and 28 (*Wage Earner Protection Program Act*)

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Case Law Highlights

- Chief Justice Morawetz of the Ontario Superior Court approved the CCAA plans of three tobacco debtor companies that will effect a global settlement of all claims against the debtors regarding tobacco related harms. The Court held that there has been strict compliance with all statutory requirements; nothing has been done or purported to be done that is not authorized by the CCAA and prior orders of the court in the CCAA proceedings; and the plan is fair and reasonable. The global settlement amount was \$32.5 billion and the judgment sets out the allocation and creates a Pan-Canadian Claimants' Compensation Plan. Chief Justice Morawetz approved the appointment of the monitors to serve as the plan administrators respectively for the CCAA plans. The CCAA Court retains jurisdiction to address and resolve issues that may arise during the administration of the plans. The plans establish a Cypres Fund funded at \$1 billion to fill a gap where direct compensation is not available to individuals by providing a remedy in the form of indirect benefits: *Imperial Tobacco Canada Limited*, 2025 CarswellOnt 2810, 17 C.B.R. (7th) 224, 2025 ONSC 1358 (Ont. S.C.J.).
- The Supreme Court of Canada (SCC) held that interpreting s. 178(1)(g)(ii) based on its text, context, and purpose, the single date approach to the issue of release from student loan debt is the correct interpretation of the BIA. The non dischargeable claims in s. 178(1) recognize that the fresh start policy of bankruptcy law, reflected in s. 178(2), must yield to certain overriding social policy objectives that require that certain claims be protected against the discharge. Section 178(1)(g) expressly states that an order of discharge does not release the bankrupt from any debt or obligation in respect of a loan made under “the *Canada Student Loans Act*, the *Canada Student Financial Assistance Act* or any enactment of a province that provides for loans or guarantees of loans to students”. Section 178(1)(g)(i) expressly refers to the date on which a bankrupt ceased to be a full or part time student under these enactments. The federal student loan regulations address how a borrower qualifies as a full or part time student and when a borrower will “cease” to be a full or part time student. Provincial and territorial legislation, regulations, or policy documents similarly define an individual’s student status and when they cease to be a full or part time student. In interpreting federal legislation, a court must consider both official language versions because the French and English language versions of federal legislation are equally authoritative. The interpretation of a bilingual enactment must begin with a search for the shared meaning between the two official language versions. Where one version of bilingual legislation is broader than the other version, the narrower version reflects the shared meaning. In this case, the French text of s. 178(1.1) supports the single date approach: *Piekut v. Canada (National Revenue)*, 2025 CarswellBC 1142, 2025 SCC 13 (S.C.C.).