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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 3 (*BIA* — Part II Bankruptcy Orders and Assignments), 4 (*BIA* — Part III Proposals), 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), 16 (Bankruptcy and Insolvency General Rules), 22 (*CCAA* — Part II: Jurisdiction of Courts) and 23 (*CCAA* — Part III: General).

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Case Law Highlights

- The Court of Appeal for Ontario held that the authority to approve claims vests solely with the trustee subject only to appeal of the trustee's decision within 30 days under s. 135(4) of the *BIA* or the court's ability to "expunge or reduce a proof of claim or a proof of security on the application of a creditor or of the debtor, if the trustee declines to interfere in the matter" under s. 135(5) of the *BIA*. There is no authority in the *BIA* to permit the court to provide advice and directions after the trustee has decided to allow a claim absent an application challenging that decision under s. 135. In this case, no application to challenge the trustee's determination of claims was ever brought. Thorburn J.A. further held that "R" was not a "person aggrieved" within the meaning of s. 37 and could not use s. 37 to effectively challenge the trustee's decision on a claim when the route to do so was in s. 135. Justice Thorburn found that R failed to take any steps to challenge a wrongful conduct claim under s. 135, which provides a complete code for dealing with proofs of claim: *Re Proex Logistics Inc.*, 2025 CarswellOnt 19895, 2025 ONCA 832 (Ont. C.A.).
- The Ontario Superior Court of Justice granted a bankruptcy order against a debtor who had guaranteed the obligations of a property developer that had been placed into receivership. The Court found that none of the cases referenced by the debtor could be found on CanLII and the neutral citations were incorrect. Justice Kimmel held that it would appear that the debtor used artificial intelligence ("AI") to assist in his legal research, finding it the most plausible explanation for how he could have referred to so many authorities that cannot be verified. The Court referenced the relevant provisions of the Civil Practice Direction concerning case citations and the use of AI. Kimmel J. granted the bankruptcy order and was satisfied that the exact amount of the indebtedness did not need to be established to satisfy the requirements of s. 43 of the *BIA*: *Re Wang, Fengxi*, 2025 CarswellOnt 20435, 2025 ONSC 6707 (Ont. S.C.J. [Commercial List]).