



KNOWLEDGE  
SKILL  
COMPETENCY

CHARTERED INSOLVENCY AND RESTRUCTURING PROFESSIONAL  
QUALIFICATION PROGRAM



# CIRP Qualification Program Competency Profile

April 2016



**CAIRP**  
Rebuilding Success • Rétablir le succès

Canadian Association Of Insolvency And Restructuring Professionals



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*“CAIRP and its members are committed to professionalism, trustworthiness and objectivity.”*



## Introduction

### Overview of the CIRP Qualification Program – Goals and objectives

The CIRP Qualification Program (“**CQP**”) is the official qualification process for individuals seeking to become chartered insolvency and restructuring professionals (“**CIRP**”) and for individuals seeking to become licensed as trustees under the *Bankruptcy and Insolvency Act* (“**BIA**”)¹.

Individuals who have successfully completed the CQP can become members of the Canadian Association of Insolvency and Restructuring Professionals (“**CAIRP**”) and thus be authorized to use the certification mark CIRP. As well, pursuant to a Memorandum of Understanding (“**MOU**”) the Superintendent of Bankruptcy (“**Superintendent**”), who is responsible for delivering licences to individuals to act as trustees under the BIA, expects applicants for a trustee licence to have successfully completed the CQP, except in extraordinary circumstances (determined at the discretion of the Superintendent).

The CQP is the education and evaluation arm of CAIRP. The mission of the CQP is to maintain an adaptable and relevant education and qualification program that provides a flexible learning structure to talented individuals seeking to provide professional insolvency and restructuring services.

The main objectives of the CQP, as they relate to the program of study (“**Program**”), are as follows:

- Remain the common qualification system for providers of consumer and corporate insolvency and restructuring services;
- Maintain a program that is competitive with other professions for attracting Canada’s most talented individuals;
- Maintain a program that is cost effective and efficient for candidates;
- Maintain consistent high standards and an adequate breadth of competency training for qualification of candidates seeking a trustee licence, CIRP certification and other designations that may be included within the framework of the CQP.

The CQP seeks to meet these objectives through a program that encompasses the following elements:

- A formal program of study comprised of an introductory, intermediate and advanced level;
- The acquisition of knowledge and practical experience in the workplace through interaction, supervision and mentoring by a sponsor chosen by the candidate;

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¹ R.S.C. 1985, c. B-3, as amended.



- Self-assessment of the candidate's progress in acquiring knowledge and experience, through a self-administered examination and assignments;
- Assessment of the candidate's progress in acquiring knowledge through an examination after the intermediate level;
- Assessment of the achievement of some skills and competencies by the sponsor; and
- Assessment of the achievement of some skills and competencies through the CIRP National Insolvency Examination ("**CNIE**").

These elements are discussed in greater detail later in this document.

## Background/History of the CQP

CAIRP, then known as the Canadian Insolvency Association, was founded in 1979, out of the belief by practitioners that the profession (and thus the public at large) would benefit from a structured organization that could establish rules and standards for its members, discipline its own members, provide support, provide a platform to communicate and advocate on behalf of members, provide a vehicle to coordinate and cooperate with the government regulators in matters affecting the profession, facilitate the dissemination of information and assist in providing meaningful professional development activities, and generally enhance the image of the profession in the eyes of the public.

In the early years, CAIRP recognized that it would not be sufficient to become the recognized standard, to establish rules, provide professional development opportunities for members and apply disciplinary measures. To create an image of an insolvency practitioner as a true professional, the work would have to start much earlier than with the members, by creating an education system that would educate and train prospective members and ensure that all newly admitted members have a common set of knowledge and skills as well as a common understanding of the behaviours and moral and ethical principles expected from an insolvency and restructuring professional.

The first insolvency preparation course was developed in the early 1980s, and was used to assist sponsors of candidates in the program in delivering material relevant to the candidates' apprenticeship. It prepared candidates for the 2 stage examination required to obtain a right to practice: the national insolvency examination<sup>2</sup>, delivered jointly by CAIRP and the Office of the Superintendent of Bankruptcy ("**OSB**"), and the oral examination, administered by the OSB, but with participation of insolvency and restructuring professionals and lawyers practicing in the insolvency field. More information is provided on the examination process in a subsequent section of this document.

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<sup>2</sup> The qualification process to obtain a licence to practice as a licensed insolvency trustee evolved over time. At the time of the creation of CAIRP, the process involved a written examination and an oral examination, both managed and delivered by the OSB. After its creation, CAIRP became increasingly involved in the preparation of the written examination, until the time when the OSB decided to forgo its own written examination and to let CAIRP manage the written examination, the national insolvency examination or NIE, in cooperation with the OSB, and to use the results of this examination as one of the key qualification standards for entry in the profession. The OSB continued (and continues) to manage and deliver the oral examination, with participation of practitioners.



With time, a new course was developed, in the context of the implementation of the National Insolvency Qualification Program (“**NIQP**”), a joint initiative of CAIRP and the OSB that was implemented in September 1997. The new course structure was intended to modernize the course material, with a view to developing well rounded insolvency and restructuring professionals that are able to look at situations objectively and devise practical solutions geared towards enhancing value for stakeholders, while maintaining high ethical standards.

In the time since this course was developed, it became apparent that the course structure could be further improved, to provide greater flexibility for the prospective members, provide greater clarity about what is expected of the candidates in the program and enhance the assessment process. It is with these objectives in mind that the CQP was developed to replace the NIQP. The CQP, its philosophy, role and structure are described in a later section of this document.

## About the CQP

The development of the CQP started in 2009 with the negotiation of a new MOU between CAIRP and the OSB. Under this MOU, the OSB withdrew from active participation in the education program, although it retains an advisory and consultative role. The CQP becomes CAIRP’s method of delivering the educational material required to prepare prospective members to challenge the CNIE.

The CNIE is intended to be a comprehensive examination that tests candidates’ knowledge, understanding, ability to apply the knowledge to practical situations, and ability to develop solutions to situations that could be encountered in the context of an insolvency and restructuring practice. In short, the CNIE is intended to test the candidates’ readiness to practice as an entry level CIRP.

An entry-level CIRP is described as someone who understands:

- key stakeholders’ concerns and their objectives in addressing financial challenges;
- the standard tools available both under different forms of legislation and outside of the legislative framework to deal with situations involving financial difficulties; and
- the appropriate time to use these tools and the anticipated results when employing them.

Specifically, an entry-level CIRP is someone who is able to:

- manage a basic<sup>3</sup> file;
- operate autonomously on this type of file;
- manage and direct other staff members in the performance of a mandate;

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<sup>3</sup> A basic file is one that is readily encountered in practice, as opposed to a complex, multi-layered file that requires the active participation of multiple professionals and is likely to take a significant period of time to resolve.



- identify issues for consideration in more complex files, recognizing his/her limitations and knowing when and how to seek assistance; and
- **address issues that can be encountered both in basic individual insolvency contexts and basic corporate insolvency contexts.**

A candidate who has successfully challenged the CNIE and can demonstrate to the satisfaction of the CAIRP board of directors that he/she possesses the qualities required of a CIRP, will be invited to join CAIRP as a member, and will be entitled to the benefits of membership, as long as he/she respects the obligations expected of a member.

Newly admitted CIRPs may challenge, in due course, the oral examination administered by the OSB, with a view to obtaining a license as a trustee as defined in the BIA. The oral examination can be challenged whenever the CIRP fulfills the experience requirements set by the OSB. Under the MOU, the OSB will expect that applicants for a trustee licence have successfully completed the CQP.

To prepare candidates for the CNIE, the CQP is structured as follows:

- An introductory course, at the end of which a candidate is required to complete a self-administered examination.
- An intermediate course, designed to develop the candidates' technical knowledge and proficiency. At the end of this course, the candidates have to challenge an interim examination, in which they have to demonstrate an appropriate level of technical ability, as well as an appropriate mastery of the philosophical concepts, ethical rules and behaviours expected from an insolvency and restructuring professional.
- An advanced course, designed to refine and deepen the candidates' knowledge and enhance the candidates' ability to apply the concepts in practical situations, to understand the underlying issues arising in an insolvency situation, their interrelation, their impact on stakeholders and their relative importance and effect on possible solutions, and to develop practical solutions. At the end of this course, the candidate challenges the CNIE, at which point the candidate will have to demonstrate that he/she possesses the knowledge, ability, skills and moral and ethical compass to practice as a CIRP.

There is no time limit set to complete each of the course levels – the candidate can complete the material casually or rapidly, based on personal choice and the demands of personal and professional life. The only requirement is that the candidate must keep his/her knowledge current in order to succeed in challenging the CNIE.

One of the goals in the design of the CQP has been to give candidates more flexibility in managing their own progress through the Program. Candidates with adequate time availability and the desire to complete the Program as quickly as possible may be able to work through the course material, assignments and exams in two years. Should the demands of work and personal life make this timeline challenging, it is possible to progress through the Program at a more manageable pace.





The candidate is subjected to an on-going testing of the knowledge and skills throughout the program. The introductory course has both self-administered<sup>4</sup> assignments and a self-administered examination. The intermediate and advanced courses have self-administered assignments that must be reviewed with the candidate's sponsor prior to his/her being authorized to challenge the examination that completes the course or the CNIE, as the case may be.

The MOU contemplates that in certain cases, a candidate who can demonstrate to the satisfaction of the committee responsible for the CQP ("**CQP Committee**") a sufficient level of relevant knowledge and experience, can be exempted from the program of study and can challenge the CNIE directly. If the candidate is successful, he/she would be treated as a candidate who has completed the program for purposes of admission as a member of CAIRP. If the candidate is not successful, he/she would have to complete the program before attempting another challenge of the CNIE.

The CNIE is intended to test competencies, i.e. both knowledge and the ability to apply this knowledge and perform tasks expected of a CIRP in practical settings. As such, it is clear that practical experience plays an important role in the context of the CQP. The program material can only go so far in providing material relevant to the work of a CIRP. Some of the material must be provided by the candidate's own research, experience and interaction with his or her sponsor. The achievement of some of the skills and competencies will need to be assessed by the candidate's sponsor.

## About the Sponsor

The sponsor plays an important role in the preparation of a candidate: directing studies, marking assignments, imparting commentary relating to practical experience, referring candidates to alternate resources, mentoring and attesting both to the candidate's ability to demonstrate specific skills and competencies and to the readiness of the candidate to be assessed formally. It is important to remember however, that, ultimately, the responsibility for acquiring competencies rests with the candidate.

Ideally (although it is not compulsory), the sponsor will be the employer or a more senior co-worker of the candidate. The sponsor must be a CIRP<sup>5</sup>, and must be prepared to guide the candidate in his/her study process.

## About CAIRP

CAIRP is a not-for-profit corporation, created to further the objectives set by its members, who are insolvency and restructuring professionals. CAIRP is affiliated with Chartered Professional Accountants Canada ("**CPA Canada**"). CAIRP's management is supervised by a board of directors comprised of members, outside directors, a representative designated by CPA Canada

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<sup>4</sup> Open book, no time limit, with a possibility to consult with peers, sponsors, colleagues or others.

<sup>5</sup> Although this is not part of the CQP program, it should be noted that if the candidate wants to obtain a trustee licence after he has successfully challenged the CNIE, he must then have a sponsor who is a licensed trustee in good standing.



and the president of CAIRP. CAIRP functions to a large extent through the work of committees comprised primarily of members (although non-members sometimes serve on an ad hoc basis).

CAIRP can best be described by looking at its mission statement, vision and core values:

#### Mission:

CAIRP advances the interests of members and the public by:

- promoting excellence amongst members,
- providing relevant professional development,
- establishing and enforcing CAIRP's Rules of Professional Conduct and Standards of Professional Practice,
- maintaining rigorous certification standards and providing innovative education to aspiring insolvency and restructuring professionals, and
- advocating for a fair, transparent and effective insolvency and restructuring system throughout Canada.

#### Vision:

- CAIRP is Canada's preeminent association for the education, standards and advocacy of insolvency and restructuring professionals.

#### Core Values:

- **Visionary Leadership** – committed to ongoing advancement by inspiring collaboration, imagination, open mindedness, and forward thinking
- **Positive Outlook** – create pride in the CIRP designation
- **Integrity** – embrace and promote ethical behavior that is transparent and accountable to members and the public.
- **Respect** – openly encourage the expression of alternative perspectives and consider them without bias.
- **Service Excellence** – deliver valued service where communication, innovation and creativity are hallmarks
- **Committed to greater good of CAIRP, the Insolvency profession, and public** - effectively governed and managed, adequately resourced and socially responsible
- **Fun** – an enjoyable experience to work and serve

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## What is a CIRP

The CIRP<sup>6</sup>, as a member of a professional association, is expected to project the image of the association and adopt behaviours that are consistent with the mission, vision and values of CAIRP. As such, a CIRP:

- must be highly competent and must maintain his/her competence, skills and abilities through a continuous investment in professional development activities;
- is expected to demonstrate a high sense of ethics;
- is expected to act objectively, steer away from conflict and disclose potential conflict situations if any arise that cannot be avoided;
- must be able to react and adapt to changing environments and conditions;
- must be able to analyze a problem rapidly, with imperfect information, and devise solutions that are practical and in the best interest of stakeholders;

These traits are necessary to ensure that the public in general views the CIRPs as professionals that are worthy of the highest degree of public trust and leaders in providing solutions to financially challenged individuals or businesses.

While some CIRPs may develop a more specialized knowledge, familiarity or proficiency in certain industries or areas of insolvency and restructuring practice, the nature of the work performed by CIRPs and the conditions under which it is performed are such that the CIRP is better described as a generalist who learns very rapidly, rather than a specialist.

It is apparent from the need to maintain competence that education does not end with the CQP, it only begins there, and the CIRP will be responsible to further develop and refine the skills, abilities and knowledge throughout his/her career.

## Purpose of the Competency Profile

As indicated in the previous section, developing and nurturing competencies is a career long endeavour. This Competency Profile does not purport to outline career development stages for a CIRP, but is strictly focused on the very first stage of career development, namely the introduction into the profession of candidates who wish to become CIRPs, or who want to eventually obtain a licence as a trustee under the BIA.

The Competency Profile outlines the specific professional competencies and proficiency levels that a candidate to the profession should acquire, and be able to demonstrate at the CNIE.

<sup>6</sup> CIRP is a certification mark that stands for Chartered Insolvency and Restructuring Professional. The certification mark may be used by members in good standing of CAIRP.



These competencies and proficiency levels are expected to reflect the knowledge, skills and behaviours that a newly qualified CIRP should exhibit, as a minimum standard.

## Definitions

The following definitions will be helpful to fully understand the Competency Profile:

- **Competence:** The quality of someone who is competent, who has earned recognition from others as possessing the skills and knowledge to do something well. Competence is only meaningful to the extent that it is recognized, noticed and acknowledged by others and, as a consequence, competence involves the adoption of observable behaviours and attitudes.
- **Competency:** The ability to perform a specific task with an adequate level of proficiency, while applying, demonstrating or using the pervasive qualities and skills.
- **Pervasive qualities and skills:** The characteristics that define a CIRP. Without suggesting that other insolvency professionals do not also possess some of these same qualities or skills, the CIRP ensures they permeate all aspects of his/her professional life, enhancing the public's perception of CIRPs as seasoned, trustworthy professionals. These characteristics guide the manner in which CIRPs carry themselves and perform their art, and include:
  1. Highly ethical behaviour and professionalism;
  2. Personal attributes such as accountability, adaptability to change and the ability to self-manage, take initiative, make decisions and add value;
  3. Professional skills such as communication, risk assessment, problem solving and management; and
  4. Natural curiosity, scepticism, thirst for knowledge and continuous development.
- **Specific competencies:** the competencies that a candidate to the profession must acquire prior to challenging the CNIE, and must be able to demonstrate in order to be successful in doing so.
- **Level of proficiency:** The degree of expertise a candidate to the profession is expected to exhibit in a specific competency.

## Competency Stages / Levels of Proficiency

The Competency Profile defines the level of proficiency that a candidate should possess, at the time of writing the CNIE (i.e. when the CQP is completed), to qualify for admission as a CIRP and a member of CAIRP. The levels of proficiency are gauged based on the following:

- *Acquisition stage proficiency* (“**Level 3**”): The candidate knows that a concept exists and its significance, has a general appreciation of the circumstances in which it would arise or be



applied in normal circumstances, and knows how and where to conduct research in the various knowledge areas in order to gain information thereon.

Proficiency at Level 3 is demonstrated when a candidate explains, summarizes and gives examples of the skills, knowledge or attributes required by the competency.

In general, a candidate would be expected to have a Level 3 stage proficiency level upon completing the Introductory course and, in most cases, to achieve a higher proficiency level while progressing through the program towards the CNIE.

- *Understanding level proficiency (“Level 2”)*: In addition to the Level 3 stage proficiency, the candidate has a functional appreciation of the concept or subject matter, a strong theoretical appreciation of the subject matter and a technical ability to perform a task adequately, but not without supervision or support. The candidate recognizes when the involvement of personnel with specialized expertise is required to complete a task. The candidate has a strong theoretical foundation in the subject matter, is technically correct, and knows how and when to use the material and ideas being communicated.

Level 2 proficiency is demonstrated when the candidate gives detailed explanations of a particular concept, identifies information needs to perform a task, assesses alternatives and makes a preliminary recommendation that is supported by an appropriate analysis of the relevant factors.

In general, a candidate would be expected to reach Level 2 proficiency upon completing the Intermediate course.

- *Ability level proficiency (“Level 1”)*: In addition to the Level 2 proficiency, the candidate can perform all the elements of the specified tasks successfully, in a professional manner. The candidate has a deep theoretical appreciation of the subject matter, including the interrelation between subject matters (how one course of action may affect another subject matter). The candidate has a practical appreciation of the subject matter and can perform tasks completely, adequately, without supervision.

Level 1 proficiency is demonstrated when the candidate can clearly identify the problem and analyze it thoroughly, can make useful recommendations and can define a path towards implementation.

The Competency Profile defines the levels of proficiency to successfully challenge the CNIE as either Level 2 or Level 1.

## Testing the Competencies

Progress towards reaching the required competency level will be tested through examinations administered at the end of the Introductory and Intermediate courses, and by assignments to be completed by the candidates and graded by the sponsors throughout the program.

The competencies will be tested, and the candidate must be able to demonstrate the required proficiency stage, at the CNIE level.





Some competencies, qualities or skills are better assessed in the workplace setting, such as the ability to self-manage, the ability to communicate orally effectively and efficiently, the ability to use technology to perform tasks efficiently, interpersonal skills, etc. Such competencies, qualities and skills will be evaluated and assessed by the sponsor, who will have to attest to the fact that the candidate has attained the required level, before the candidate can challenge the CNIE.

## Reading the Competency Profile

In the following document the competencies are divided into 10 different areas, labelled A through J. Specific competencies are identified in each competency area (1, 2, 3...). In many cases there are also descriptions of various factors that will help candidates understand what is required to develop each of the required competencies. These are shown in smaller font so that they can easily be distinguished from the competencies themselves.

## Pervasive qualities and skills

The pervasive qualities and skills are those characteristics that, when applied in conjunction with the specific competencies, define a CIRP, and make CIRPs stand out collectively from other individuals working in the insolvency and restructuring field. These are outlined below:

	<b>Level of Proficiency<sup>7</sup></b>
<b>A. Ethical behaviour and professionalism</b>	
1. Protects the public interest	Level 1
2. Identifies the significant stakeholders affected or involved in an engagement and understands the relationships, needs and particular interests	Level 1
3. Acts competently with honesty and integrity	Level 1
4. Carries out work with a desire to exercise due care	Level 1
5. Maintains objectivity and independence	Level 1
6. Identifies situations of potential conflict of interest or threats to objectivity and independence, avoiding if possible, and managing if unavoidable	Level 1

<sup>7</sup> The levels of proficiency identified herein are the levels of proficiency expected to be achieved at the time of the CNIE, to successfully complete the program. As mentioned under the heading “COMPETENCY STAGES/LEVELS OF PROFICIENCY”, a lesser level of proficiency may be expected at the earlier stages of the program.



	<b>Level of Proficiency<sup>7</sup></b>
7. Protects the confidentiality of information	Level 1
8. Knows, understands and adheres to the rules of professional conduct and standards of professional practice	Level 1
9. Maintains and enhances the profession's reputation	Level 1
<b>B. Personal attributes</b>	
1. Able to self-manage	Level 1
2. Demonstrates leadership and initiative	Level 1
3. Maintains and demonstrates competence and recognizes limits	Level 1
4. Strives to add value in an innovative manner	Level 1
5. Treats others in a professional manner	Level 1
6. Demonstrates a high degree of responsibility and accountability for the work undertaken in a professional capacity	Level 1
6.1. Takes ownership of the advice given or decisions made	
6.2. Provides relevant, timely information to stakeholders	
6.3. Provides information that is transparent	
7. Demonstrates a natural curiosity	Level 1
8. Approaches information with professional scepticism	Level 1
9. Demonstrates an interest in and seeks continuous improvement	Level 1
<b>C. Professional skills</b>	
1. Makes decisions based on the best available information	Level 1
1.1. Develops an understanding of the operating environment	



	<b>Level of Proficiency<sup>7</sup></b>
1.2. Identifies the needs of internal and external clients/stakeholders and develops a plan to meet those needs	
1.3. Decides/recommends/provides advice as required	
2. Gathers and researches information and develops ideas based on constraints (time, financial, etc.)	Level 1
3. Solves problems by examining and interpreting information and ideas critically	Level 1
3.1. Analyzes information or ideas / identifies and diagnoses problems and/or issues	
3.2. Performs computations accurately and appropriately	
3.3. Verifies and validates information	
3.4. Evaluates information and ideas	
3.5. Integrates ideas and information from various sources	
3.6. Draws conclusions; forms opinions; makes recommendations	
4. Identifies and manages risks for the insolvency professional and on behalf of the stakeholders	Level 1
4.1. Comprehensively evaluates risks and rewards	
4.2. Understands the roles and responsibilities of all parties involved in an engagement - the client, appointing party, debtor company, guarantors, and especially that of the CIRP	
4.3. Applies the standards of professional practice, rules and procedures relating to appropriateness and retention of engagement documentation, file documentation, working papers, etc.	
5. Manages and supervises engagements/files	Level 1
5.1. Plans projects by allocating resources and establishing a critical path for completion	
5.2. Facilitates decision making	



	<b>Level of Proficiency<sup>7</sup></b>
6. Recognizes own limitations, both personally and professionally	Level 1
6.1. Knows when and where to seek advice from other professionals and/or research	
6.2. Identifies gaps in knowledge and how to fill them	
7. Communicates effectively and efficiently, both orally and in written format	Level 1
7.1. Seeks and shares information, facts, and opinions	
7.2. Documents in written and graphic form	
7.3. Presents information effectively	
7.4. Prepares a report that meets the requirements of the stakeholders, the legislative provision, directive, rule, regulation or standard of professional practice	
8. Applies effective negotiating skills – demonstrates an ability to understand the objectives and desires of each of the stakeholders in a negotiation to facilitate a resolution	Level 1
9. Manages change – Identifies and explains the importance of change management in the context of an insolvency or restructuring engagement, applies change management principles in dealing with an insolvency mandate	Level 1
9.1. Assesses of the quality of available information	
9.2. Balances the quality of information vs. reaction time. Understands the importance of making decisions based on imperfect information and the relevance of historical information that is accurate but dated.	
9.3. Recognizes changes in external factors and their likely impact on the enterprise (information systems, sources of information, cash flow monitoring, etc.)	
9.4. Proactively plans for change (cash flow budgets, contingency planning)	
9.5. Communicates clearly in dealing with changes	



## List of Specific Competencies

	<b>Level of proficiency<sup>7</sup></b>
<b>D. Insolvency philosophy and practice</b>	
1. Identifies, explains and applies the objectives of insolvency policy in Canada.	Level 1
1.1. Balancing of interests	
1.2. Evolution from punishment to sanctions and rehabilitation in business philosophy	
1.3. Rights and responsibilities of interested parties	
1.4. Collective rather than individual actions of creditors	
1.5. Creditors' right to recover funds vs. rights of the insolvent person to a reasonable standard of living	
1.6. Conduct expected of debtors and creditors	
1.7. Pragmatic business-focused law	
1.8. Implication of status as Officer of the Court	
2. Explains the evolution of insolvency laws in Canada from a historical perspective	Level 2
3. Identifies and explains the interplay between Constitutional issues and insolvency practice in Canada, including:	Level 2
3.1. Segregation of legislative powers in Canada, between the areas of federal jurisdiction and the areas of provincial jurisdiction	
3.2. Resolution of issues of concurrent jurisdiction or overlap between federal and provincial jurisdiction	
3.3. Existence of a bijuridical system in Canada (Common Law and Civil Law) and the basic differences between the systems	
3.4. Importance of bilingualism to Canada's legal system in the interpretation of insolvency laws	



	<b>Level of proficiency<sup>7</sup></b>
4. Identifies and explains the principles of comity and cooperation in a cross border insolvency framework and explains the significant characteristics of the insolvency regime in the U.S. (with an appreciation of international considerations), including:	Level 2
4.1. Objectives of insolvency policy in the U.S.	
4.2. Basic differences in the insolvency systems and practice between Canada and the U.S.	
4.3. International processes for cooperation in insolvency related matters, including the concept of comity, the processes of developing model laws (e.g. UNCITRAL) and court to court communication protocols.	
5. Identifies and explains the role of the judiciary and the judicial process in Canada, in insolvency matters, including:	Level 2
5.1. Court levels and the role and responsibility of each in the Canadian judicial system	
5.2. Rules and procedures applicable in the judicial systems in Canada, in terms of rules of evidence applicable in civil and criminal matters, and the roles and responsibilities of various court officers	
6. Identifies and explains the role of investigative agencies across the country, including the RCMP, provincial police, etc.	Level 2
7. Conducts self with the decorum associated with attendance at Court as an officer of the Court, providing evidence through testimony and submitting to examination as required	Level 1



	<b>Level of proficiency<sup>7</sup></b>
<b>E. Insolvency law and practice</b>	
1. Identifies and explains the purpose and objectives of insolvency law	Level 1
2. Identifies and explains the roles, responsibilities and interrelationships of administrative officials and interested parties in insolvency proceedings	Level 1
3. Explains the insolvency process, identifies and recommends alternative courses of action where appropriate (e.g. relative advantages and disadvantages of various types of insolvency and restructuring mandates)	Level 1
3.1. Formal and advisory appointments	
3.2. Key considerations (stay of proceedings, commencement of proceedings, etc.) and stakeholder impact	
3.3. Decision criteria	
4. Plans, manages and makes decisions in connection with meetings of creditors and inspectors	Level 1
5. Identifies, assesses and manages the risks associated with operating or winding down a business, including:	Level 1
5.1. Legal issues with respect to types of mandates and levels of involvement or interference with rights of the insolvent person	
5.2. Required authority, approvals	
5.3. Funding operations (operations planning of both costs and revenues, budgeting, cash flows, etc.)	
5.4. Operational difficulties, risks	
5.5. Employment issues – successor employer, collective bargaining agreements, rights of employees	
5.6. Occupancy issues – environmental liabilities, health and safety issues, rights of landlords, municipalities, school commissions, utility companies, obligations of insolvency professionals when dealing with premises, etc.	



	<b>Level of proficiency<sup>7</sup></b>
5.7. Insurance	
6. Identifies and explains the risks and the statutory limitations of the immunity or non-statutory protections available to insolvency practitioners (e.g. trustees, receivers, monitors)	Level 1
7. Administers all aspects of the insolvency appointment, including:	Level 1
7.1. Administrative aspects of an appointment – notification to creditors, initial reporting	
7.2. Conservatory and protective measures – taking possession, insurance, bonding, verification of the statement of affairs	
7.3. Situations where the assistance of an attorney or legal representative is warranted	
7.4. Differentiation between situations where a decision can be made by the insolvency professional alone and situations where a third party's authorization is required	
7.5. Banking procedures	
7.6. Record keeping, retention of records	
7.7. Identification of assets under administration – property, exempt assets, after acquired property, income, trust and deemed trusts	
7.8. Identification of assets under administration – inventory and custodial issues	
7.9. Occupancy issues – rights of landlords, municipalities, school commissions, utility companies, obligations of insolvency professionals when dealing with premises, etc.	
7.10. Methods and process of realizing assets – required authority, approvals	
7.11. Examination, admittance or disallowance of claims or rights to proceeds	
7.12. Identification and analysis of the rights attached to the claims of various creditors (i.e. rights to property vs. rights to a share of proceeds)	
7.13. Identification and analysis of the rights of the creditors amongst each other (for instance between employees, pension claims,	



	<b>Level of proficiency<sup>7</sup></b>
environmental conditions claims, unpaid vendors, governments, secured creditors, preferred, unsecured, deferred or postponed)	
7.14. Claims bar process	
7.15. Distribution of proceeds or property	
7.16. Reporting results	
8. Assesses the impact of insolvency laws on various types of agreements, develops a strategy to deal with those agreements and recommends a course of action, e.g.	Level 1
8.1. Disclaimer or resiliation of agreements in the context of restructuring proceedings – authority, approvals, notification, information requirements, etc.	
8.2. Disclaimer or resiliation of agreements in the context of restructuring proceedings – rights of co-contracting parties whose contract is intended to be disclaimed or resiliated	
8.3. Contracts or agreements that may not be disclaimed or resiliated – eligible financial contracts, financing agreements, collective bargaining agreements, landlord and tenant relationships, etc.	
8.4. Transfers or assignments of agreements in the context of bankruptcy, receivership or restructuring proceedings – conditions, procedures, rights of co-contracting parties whose contract is intended to be transferred	
9. Conducts independent business reviews and monitoring engagements - Assesses the business and financial affairs of the insolvent person; reports to the creditors on the results of the insolvency professional's review; assesses alternatives; assesses the fairness of an offer of settlement; and recommends a course of action	Level 1
10. Administers all aspects of a restructuring mandate – assesses the relative advantages and disadvantages of various types of proceedings, develops an overall strategy for a mandate, recommends a course of action and manages the process throughout the proceedings	Level 1
10.1. Debtor or creditor driven restructurings	



	<b>Level of proficiency<sup>7</sup></b>
10.2. Consulting and advisory assignments with debtor and other stakeholders	
10.3. Changes in type of proceeding in the course of a mandate – informal to formal proceeding, BIA to CCAA, CCAA to BIA, etc.	
10.4. Court supervision of a formal process under the BIA, CCAA or other formal process – judicial discretion and inherent jurisdiction of the Court	
10.5. Administrative aspects of an appointment – notification to stakeholders, initial reporting, cash flow preparation and monitoring, etc.	
10.6. Rights of the Crown – limits of the stay of proceedings, returns, claims, etc.	
10.7. Rights and obligations of creditors and other stakeholders in the context of a restructuring proceeding	
10.8. Charges created in the context of a restructuring proceeding to enhance the chances of success – Interim financing, administrative charge, directors' and officers' charge, critical suppliers, conditions of application, amount, limits, priority scheme, etc.	
10.9. Operational restructuring steps (e.g. income statement restructuring) – disclaimer, resiliation or transfers of contracts, sales of assets, employee terminations, collective agreements, other cost reductions and revenue enhancement activities	
10.10. Financial restructuring transaction (e.g. balance sheet restructuring) – compromise or settlement to secured and unsecured creditors, pension plans and fundamental changes to the capital structure of the company	
10.11. Conditions for approval of a proposal or arrangement – approval by the creditors, by the Court, statutory requirements, etc.	
10.12. Identification and analysis of the rights of the creditors amongst each other (for instance between employees, pension claims, environmental conditions claims, unpaid vendors, governments, secured creditors, preferred, unsecured, deferred or postponed)	
10.13. Strategic assessment and decision to segregate the creditors by class – conditions, consequences of the formation of classes	
10.14. Claims bar process	



	<b>Level of proficiency<sup>7</sup></b>
10.15. Distribution of proceeds or property	
10.16. Plan implementation and emergence of debtor from formal proceedings	
10.17. Reporting results	
11. Identifies and explains the interrelation of employment law and insolvency practice and applies the relevant aspects of employment law to the insolvency mandates	Level 1
11.1. Rights of employees under the <i>Wage Earner Protection Program Act</i> (“ <b>WEPPA</b> ”) – conditions of admissibility to the program, entitlements to benefits, claims covered	
11.2. Obligations of insolvency professionals under WEPPA – reporting obligations, deadlines, responsibilities, cost recovery	
11.3. Rights of the government under WEPPA – access to information, subrogation of claims	
11.4. Claims of employees – super-priority statutory security (amounts, claims covered, conditions of admissibility, ranking)	
11.5. Claims of pension plans – super-priority statutory security (amounts, claims covered., conditions of admissibility, ranking)	
11.6. Rights of employees and pension plans to recover against third parties – claims against directors, receivers, interim receivers and trustees	
11.7. Role of various stakeholders – Employment and Social Development Canada (“ <b>ESDC</b> ”), Service Canada, Employment Standard Boards, Unions, etc.	
11.8. Rights of employees in a context of a restructuring proceeding and practice – obligations that predate the commencement of proceedings, collective bargaining agreements, changes in employment conditions, etc.	
11.9. Rights of employees in a context of a receivership, interim receivership or bankruptcy and practice – obligations that predate the commencement of proceedings, collective bargaining agreements, changes in employment conditions, etc.	





	<b>Level of proficiency<sup>7</sup></b>
12. Identifies and participates in the management of specialized aspects of an insolvency mandate; identifies and explains situations where unusual problems may develop (e.g. issues of professional secrecy, copyrights and patents, motions for directions, right of setoff, etc.); develops a strategy to resolve the problem caused by the complexity; recommends and implements a course of action	Level 2
12.1. Motion for direction	
12.2. Right of set-off or rules of compensation	
12.3. Partnerships, income trusts	
12.4. Copyrights, patents and special rights attached to assets	
12.5. Issues of privilege or secrecy	
12.6. Insolvency of a stockbroker or investment dealer	
12.7. Cross-border issues	
12.8. Mandates under other legislation (e.g. the <i>Farm Debt Mediation Act</i> , the <i>Winding Up and Restructuring Act</i> and the <i>Canada Business Corporations Act</i> ) – conditions of application, admissibility, administrative issues, general scheme of the act	
13. Obtains information, investigates, makes a recommendation, develops and implements a strategy regarding the pre-commencement transactions or the conduct of a bankrupt, insolvent person or other participants in the insolvency process	Level 1
13.1. Investigations into conduct of the insolvent person – forensic review of transactions	
13.2. Duties of the insolvent person or bankrupt, offenses under the BIA and CCAA	
13.3. Duties of participants in the insolvency process, offenses under the BIA and CCAA (false claims, removal of property, offenses committed by insolvency professionals, etc.)	
13.4. Examinations of bankrupts, insolvent persons and others	
13.5. Search warrants	



	<b>Level of proficiency<sup>7</sup></b>
14. Obtains information, investigates, makes a recommendation, develops and implements a strategy regarding reviewable, suspect or voidable transactions	Level 1
14.1. Preferential payments	
14.2. Transfers at undervalue	
14.3. Transactions other than at arm's length – recourses and impact on preferential payment and transfer at undervalue rules	
14.4. Dividend payments, share redemption, capital transactions	
14.5. Potential impact on directors' and officers' liability	
14.6. Recourses under Provincial statutes	
14.7. Recourses of creditors when a trustee or monitor refuses to act	
15. Identifies and explains the factors affecting how the remuneration of insolvency professionals and solicitors is set. Applies the rules relevant to the setting, approval and payment of the remuneration of insolvency professionals, solicitors, inspectors and others receiving a remuneration from an insolvency estate	Level 1
15.1. Remuneration of trustees, receivers, interim receivers and monitors – quantification, basis of remuneration, approvals	
15.2. Remuneration of solicitors and legal advisors – quantification, basis of remuneration, approvals	
15.3. Charges on assets available to indemnify professionals	
16. Identifies, explains and applies the key concepts (family law, social programs, consumer protection legislation, exempt and non-exempt property, tax credits and refunds, etc.) that are specific to the insolvency of an individual - develops a strategy to deal with the debt load of an individual	Level 1
16.1. Educates with a view to avoiding recurrence – budgeting, financial responsibility, management of credit, etc.	
16.2. Assessment of an individual debtor – alternatives available to deal with the debt load	



	<b>Level of proficiency<sup>7</sup></b>
16.3. Treatment of after-acquired property and surplus income and impact on a bankrupt individual	
16.4. Administrative procedures in summary administrations	
16.5. Proposals made to creditors of an individual debtor with a lower level of debt – particularities of administrations of consumer proposals	
16.6. Joint proceedings	
16.7. Termination or modification of agreements after bankruptcy or in the context of a proposal – limitation of rights of co-contracting parties (landlords, lessors, secured creditors, public utilities, etc.)	
16.8. Particularities in estates with large income tax debts	
<b>17. Identifies, explains and applies the concepts relating to the discharge of debts</b>	<b>Level 1</b>
17.1. Discharge of a bankrupt or insolvent person – process, types of discharge orders, conditions, timing	
17.2. Discharge of debts in the context of a restructuring mandate – timing, tax issues, administrative issues, etc.	
17.3. Debts subject to compromise or discharge, non dischargeable debts	
17.4. Obligations post discharge	
<b>18. Identifies, explains and applies the administrative steps required to complete the administration of a mandate</b>	<b>Level 1</b>
18.1. Reporting results	
18.2. Approval and taxation of accounts – required approvals, timing, etc.	
18.3. Administrative issues – notification of stakeholders, timing, certificate of completion, etc.	
18.4. Dealing with undistributed property	
18.5. Discharge process	



	<b>Level of proficiency<sup>7</sup></b>
18.6. Obligations post discharge – record keeping, new matters arising post discharge, re-appointment, etc.	
<b>F. Taxation</b>	
1. Identifies and explains the interrelation of taxation and insolvency practice and applies the relevant aspects of tax laws to the insolvency mandates	Level 1
1.1. Tax in the context of restructuring activities vs. realisation of assets	
1.2. Impact on an individual debtor or bankrupt vs. impact on a corporation	
1.3. Taxes as an asset vs. tax liabilities	
1.4. Pre/post filing obligations, responsibilities of the insolvency professional for filing returns	
2. Understands and able to outline the basic principles of income taxation in Canada;	Level 1
2.1. Federal vs. provincial vs. municipal	
2.2. Transaction vs. income vs. property	
<b>F (i) Transaction Tax</b>	
1. Recognizes the existence of more complex tax situations, dealing with tax exempt situations and zero rated supplies, transfer pricing issues, or other commodity tax implications such as customs and duties	Level 2
2. Identifies situations where the involvement of a tax specialist is warranted	Level 1
3. Understands the principles of transaction taxation in Canada, taxes imposed in respect of taxable supplies, input tax credits and refundable tax credits. Calculates transaction tax on basic commercial transactions (e.g. GST/HST/QST on sales of assets, sale of an enterprise, etc.)	Level 1



	<b>Level of proficiency<sup>7</sup></b>
4. Applies the rules of the <i>Excise Tax Act</i> as they relate to the responsibility and obligations of a trustee or receiver for filing returns and remitting taxes	Level 1
5. Applies the rules relating to debt forgiveness as they relate to the taxes on amounts due to suppliers and taxes due to the governments, in an insolvency situation	Level 2
<b>F (ii) Income Tax</b>	
1. Recognizes the existence of more complex tax situations, where the involvement of a tax specialist is warranted	Level 2
2. Understands and applies the basic principles of income taxation in Canada	Level 2
3. Understands the concept, reasons and able to calculate source withholdings relating to income taxation in Canada	Level 1
4. Applies the rules of the <i>Income Tax Act</i> as relates to the responsibility and obligations of a trustee or receiver for filing returns and remitting taxes	Level 1
5. Understands and applies rules relating to debt forgiveness as they relate to the income tax amounts and tax attributes of an insolvent person as well as other deductions, credits, or other issues that may apply in an insolvency situation	Level 2
<b>F (iii) Government Claims</b>	
1. Identifies, explains and calculates the extent of the rights of the governments under the various fiscal laws, i.e. against officers and directors of insolvent corporations, in situations of bankruptcy, receivership, or in the context of a restructuring	Level 1
2. Identifies, explains and complies with the rights of the governments under the various fiscal laws, relating to the ability to compel the production of documentation	Level 1
3. Identifies, explains and determines the extent of the rights of governments under various fiscal laws, relating to deemed trusts, garnishment rights, statutory security and other enforcement and collection rights, in situations of bankruptcy, receivership, or in the context of a restructuring	Level 1



	<b>Level of proficiency<sup>7</sup></b>
4. Identifies, explains and applies the process to determine and contest an assessment made by the government under the various fiscal laws, including timelines, procedures and venue	Level 1
<b>G. General business law</b>	
1. Understands and explains the basic core concepts underlying business law	Level 2
2. Identifies and understand the roles, rights and obligations of stakeholders (e.g. directors, shareholders, etc.)	Level 2
3. Identifies and understands legislation and government policies with important impacts on consumers (e.g. immigration, criminal law, welfare, social safety net, pensions, old age security, student loans, etc.).	Level 2
4. Identifies the various proceedings available to both corporations and consumers and can recommend appropriate selection	Level 1
<b>G (i) Obligations and contracts</b>	
1. Identifies and explains the essential elements required for the formation of a contract in law	Level 2
2. Negotiates and documents an agreement that properly defines the rights and obligations of the parties towards each other and towards other third parties	Level 1
3. Assesses the risk related to warranties and representations in contracts	Level 1
4. Identifies and explains the obligations that arise from contracts, or from the operation of law (extra-contractual obligations) – situations where obligations may be avoided or disclaimed	Level 1
5. Identifies, explains and assesses the consequences of a breach of contract and performs a preliminary estimate of damages related to the breach – concept of obligation to mitigate damages, etc.	Level 1
6. Identifies and explains situations where obligations lapse or expire – prescription, payment, set-off, bilateral obligations, etc.	Level 2



	Level of proficiency <sup>7</sup>
7. Identifies, explains and applies the obligation of confidentiality towards third parties under privacy legislation – the <i>Personal Information Protection and Electronic Documents Act</i> (“ <b>PIPEDA</b> ”), anti-money laundering legislation (“ <b>AML</b> ”) or the <i>Act Respecting the Protection of Personal Information in the Private Sector</i>	Level 2
8. Identifies, explains and applies the concept of agency and mandate, and the resultant obligations	Level 1
9. Identifies, explains and applies the concept of trusts, settlor and beneficiaries, and the resultant obligations	Level 1
<b>G (ii) Real property rights and civil remedies</b>	
1. Identifies, explains and applies the concept of property, ownership, title, partition of title, etc.	Level 2
2. Identifies, explains and applies the concept of security and publication or registration of rights, transactions intended as security, e.g. conditional sales, securitization, factoring, leases, consignment, etc.	Level 1
<b>G (iii) Environmental, health and safety issues</b>	
1. Recognizes situations where a risk to the environment, to workers or neighbouring communities may be present and takes appropriate action to limit environmental liability, exposure or risk	Level 1
2. Identifies and explains the interaction and rights of the various levels of government in environmental matters – federal, provincial, municipal and regulatory agencies	Level 2
3. Obtains information, develops and implements a strategy to deal with an environmental or health or safety concern – research of information, site assessment, site remediation, site abandonment, etc.	Level 2
4. Identifies and explains the rights of the governmental authorities to order remediation and the recourses available to insolvency professionals in this respect under insolvency laws	Level 2
5. Identifies and explains the rights of the governmental authorities to a super-priority claim under the BIA and CCAA against certain assets for the remediation costs assumed by the government	Level 1



	<b>Level of proficiency<sup>7</sup></b>
6. Identifies and explains the extent and limitations of the indemnities available to protect an insolvency professional under insolvency laws, develops a strategy to limit the risk exposure	Level 1
6.1. Negligence and gross negligence	
6.2. Research of information on best practices	
6.3. Availability of indemnities from the appointing creditors or other stakeholders	
6.4. Cooperation with environmental protection agencies or departments	
6.5. Rights of the insolvency professional to abandon the assets to limit liability	
<b>G (iv) Employment law</b>	
1. Identifies, explains and applies the concept of directors' liability for unpaid wages, remuneration, unremitted pension contributions, etc. – discusses and advises on the extent and limitation of the liability, etc.	Level 1
2. Identifies, explains and applies the obligations of an employer under employment standards legislation, pension legislation and workmen's safety legislation	Level 1
3. Identifies and explains the rights associated with various types of employment related claims, and calculates the amount of the relevant claims – claims for severance, termination, notice or pay in lieu of notice, amounts due under legislation for the protection of workers or due under contractual arrangements or under Common Law obligations, claims for salaries, vacation , expenses, pension plans, etc.	Level 1
4. Identifies and explains the rights of employees on a change in control or a change in the situation of the employer – changes in working conditions, constructive dismissal, etc.	Level 1
5. Identifies and explains the obligations arising from a loss of employment, under legislation intended to protect the rights of workers and calculates the related claims – notice, effect of group terminations, etc.	Level 1



	<b>Level of proficiency<sup>7</sup></b>
6. Identifies and explains the rights of employees and the obligations of insolvency professionals under WEPPA and calculates the entitlements of employees under the WEPPA	Level 1
<b>H. Financing</b>	
1. Financing – Identifies sources of capital for an enterprise in the Canadian context, and describes the rights, risks and rewards of various types of capital providers:	Level 1
1.1. Equity (Common shares, preferred shares, options warrants, rights, etc.)	
1.2. Secured debt (debentures, bonds, loans, letters of credit)	
1.3. Unsecured debt (debentures, bonds, loans)	
1.4. Subordinated debt	
1.5. Government assistance programs	
1.6. Trade credit	
1.7. Title transactions (securitization, factoring, leasing, sale-leaseback, conditional sale agreements, etc.)	
1.8. Working capital management	
2. Public and private sources for capital – Identifies and assesses the issues and risks associated with reporting issuers and related risks, rewards and costs	Level 2
2.1. Involvement of a market regulator	
2.2. Additional independence requirements for auditors of reporting issuers ( <i>Sarbanes Oxley Act of 2002</i> and related Canadian requirements)	
2.3. Governance of the reporting issuer	



	<b>Level of proficiency<sup>7</sup></b>
3. Complex financial transactions – Identifies and explains complex financial transactions and the risk related to these types of transactions, with respect to the more commonly encountered types of transactions	Level 3
3.1. Structured financing products (securitization, collateralized debt obligations, etc.)	
3.2. Derivative products (hedges, futures, forward contracts, interest swaps, credit default swaps, foreign exchange contracts, options, etc.)	
4. Capital structure – Identifies, explains and interprets the relevance of financial ratios in the context of capitalization, performance assessment and going concern risk and calculates the relevant financial ratios	Level 2
4.1. Liquidity ratios (working capital, current ratio and quick or acid-test ratio)	
4.2. Leverage ratios (debt to assets, debt to equity, debt service coverage, interest coverage)	
4.3. Efficiency ratios (accounts receivable turnover, accounts payable turnover, inventory turnover, collection period, payment period, days' sales in inventory, etc.)	
4.4. Market ratios (earnings per share, dividend payout ratio, dividend yield ratio, dividend yield, etc.)	
4.5. Profitability ratios (gross margin, operating margin, profit margin, return on equity, return on assets, return on capital, EBIT, EBITDA, etc.)	
4.6. User defined ratios (tangible net worth, tangible assets, debt subordination and adjusted equity, etc.)	
4.7. Leverage and risk	



	<b>Level of proficiency<sup>7</sup></b>
5. Security – Identifies and explains the different types of security interests that may be encountered, the requirements for a security interest to be valid and enforceable against third parties, identifies the situations where a security interest may be questionable, develops a strategy to deal with questionable securities, makes recommendations and manages implementation	Level 1
5.1. Assessment of security and consideration of legal advice or opinion	
5.2. Types of assets covered by the charge (movable vs. immovable or personal vs. real property)	
5.3. Types of charges (fixed, floating)	
5.4. Quasi security (conditional sales, securitization, factoring, leasing)	
5.5. Security interest (GABD, debenture, hypothec, mortgage, general security agreement, security pursuant to the <i>Bank Act</i> , security created by the effect of law and other security interests)	
5.6. Requirements for the existence of a security interest (statutory or conventional)	
5.7. Requirements for the creation of a charge (description of the encumbrance, charged assets, terms of the security, enforcement provisions, etc.)	
5.8. Requirements for the validity of a charge (locality of debtor, publication, registration or perfection of the charge, location of assets vs. location of publication)	
5.9. Requirements for the enforcement of a security agreement (default, notice, cure periods, enforcement provisions, legal notice requirements, etc.)	



	<b>Level of proficiency<sup>7</sup></b>
<b>I. Managing business operations</b>	
1. Business modeling – Identifies and explains the elements affecting a business model	Level 2
1.1. Life cycle of a business	
1.2. Management	
1.3. Marketing and sales	
1.4. Human Resources	
1.5. Production and supply	
1.6. Information systems and controls	
1.7. Economy (supply and demand, general economic conditions, industrial changes)	
1.8. Technology	
1.9. Regulatory Constraints	
2. Management (Board of Directors, officers, executives, managers) – Identifies, evaluates and explains managerial competency functions and importance	Level 2
2.1. Planning (goal setting, developing a mission statement, vision and policies, setting a structure for the proper governance of the organization, development of a business plan, development of projections and forecasts, etc.)	
2.2. Control (information systems, reporting, etc.)	
2.3. Ability to react to changing conditions and situations	
2.4. Risk assessment and management	
2.5. Identification and interpretation of signals of potential distress	



	<b>Level of proficiency<sup>7</sup></b>
3. Human resources management – Identifies, explains and applies the elements of human resources management	Level 2
3.1. Recruitment and selection	
3.2. Organizational design (staffing, creation of roles, reporting relationships)	
3.3. Behaviour management and employee relations (communication of objectives, description of expectations, performance assessment, feedback, etc.)	
3.4. Incentive program design and tracking	
3.5. Training and development	
3.6. Compensation and employee benefit programs	
3.7. Effective communications	
<b>J. Financial analysis and reporting</b>	
1. Financial reporting – Identifies and evaluates the factors affecting the quality and accuracy of reported financial information and the adequacy of disclosure taking into account	Level 1
1.1. Going concern assumption	
1.2. Age of historical financial information	
1.3. Competence of the enterprise’s management and staff in financial reporting, involvement of external professionals in preparing historical financial information	
1.4. Nature of financial information (liquid vs. capital assets, current vs. long term liabilities, tangible vs. intangible property, etc.)	
1.5. Degree of risk of intentional or unintentional misstatement associated with the reported financial information (nature of assets or liability, valuation methods, etc.)	
1.6. Internal controls over the information processing and reporting, segregation of responsibilities between management and	



	<b>Level of proficiency<sup>7</sup></b>
reporting of a transaction, etc.	
2. Managerial accounting – Obtains information on the available systems, assesses the quality of the information and develops a process to use the information systems developed by the enterprise to monitor performance of the business units taking into account	Level 2
2.1. Quality of the management information systems	
2.2. Availability of information by segments or business unit	
2.3. Direct costs vs. allocated costs, and principles used to allocate costs	
2.4. Principles used to accumulate costing information	
2.5. Usefulness of available information to predict future trends	
3. Forecasting and budgeting – Prepares, reviews and/or comments on financial projections or forecasts; assesses the reasonableness of assumptions; performs sensitivity analyses; develops and analyzes alternatives; assesses risk; formulates strategy – taking into account	Level 1
3.1. Forecast vs. projection	
3.2. Static vs. dynamic budgeting (rolling projections)	
3.3. Information modelling (contents, format, information requirements)	
3.4. Lists and supports assumptions	
4. Performance assessment – Develops and implements a monitoring program to assess the performance of the organisation as compared to projections	Level 1
4.1. Speed of reporting of actual results or estimated actual results	
4.2. Comparison of actual to budget	
4.3. Variances, identification of timing vs. permanent variances	
4.4. Reasonableness of assumptions, assessment of changes in	





	<b>Level of proficiency<sup>7</sup></b>
external conditions and factors	
4.5. Change management and implementation (see section titled “Managing Change”, Section C - Professional skills, number 9)	
4.6. Reports for stakeholders on proposed course of action (recommendation, implementation)	
5. Able to critique financial analyses to ensure that the concept of the time value of money is neither missing nor misapplied – Identifies and explains the concept of present value and future value of an investment, obligation or stream of payments, and calculates a present value and future value of a stream of payments	Level 2
5.1. Impact of risk on discount rates	
5.2. Assessment of a claim for damages (present value of future benefits lost, after mitigation)	
5.3. Assessment of the value of an enterprise (present value of future sustainable cash flows or profits, cost of capital)	
5.4. Obligations relating to pension funds (cash inflows from the pension fund, yield of investments, future contributions, future payments to beneficiaries, etc.)	
5.5. Assessment of an investment decision (present value of expected cash flows from an investment decision)	

## Knowledge Reference

A competency based system recognizes that knowledge in itself is not sufficient to define a skilful professional. To be useful, knowledge has to be able to be applied to specific situations to develop solutions that are satisfactory, and to gain recognition from others, the application of knowledge has to be consistent with the pervasive qualities and skills referred to herein.

While knowledge in itself is not sufficient, it is necessary. No matter how deeply ingrained the pervasive qualities and skills may be in an individual, that individual could not be considered competent without knowledge. A true professional will be one who is able to properly balance knowledge, the ability to apply the knowledge, and the pervasive qualities and skills that make others recognize him/her as such.

In view of the comment made earlier that CIRPs are best described as a generalist that learns quickly rather than specialists, the knowledge base must be wide and expanding, and the



knowledge will come from a large variety of sources, some of which will be the personal experience of the professional or of his/her peers.

While it is impossible in the circumstances to provide an extensive knowledge reference list, the more relevant sources are listed below:

**Federal statutes** can be accessed on line, through the web site of the Canadian government. The Consolidated Statutes, Annual laws and related rules and regulations can be accessed through the site of Justice Canada, at <http://laws.justice.gc.ca/eng/>.

**Provincial statutes and regulations** can be accessed through Canadian Legal Information Institute, at [www.canlii.org/en/](http://www.canlii.org/en/).

**Directives and circulars** issued by the Office of the Superintendent of Bankruptcy, and a copy of the BIA, Rules and Forms, can be accessed through the site of the Office of the Superintendent of Bankruptcy, at <http://osb-bsf.ic.gc.ca/>.

**By-laws, rules of professional conduct, standards of practice** issued by CAIRP, can be accessed through the site of CAIRP, at [www.cairp.ca/](http://www.cairp.ca/). This site also gives access to articles written by members, as well as the copies of CAIRP's publication, Rebuilding Success, both of which can be a useful tool to find information on actual problems that surfaced in insolvency and restructuring engagements, and how they were dealt with in a real life situation.

**Jurisprudence** can be found in many publications, and some of the cases can be accessed through the web site of the Courts, such as for instance the Supreme Court of Canada at <http://www.scc-csc.ca/>. The main source of jurisprudence for bankruptcy and insolvency related cases is the Canadian Bankruptcy Reports series, published by Carswell, which should be available for consultation in print form in any legal library. As well, Carswell has an on-line legal research platform, named WestlawNext Canada, which provides access to a large base of information on cases and authorities, accessible at <http://www.westlawnextcanada.com/westlaw-products/insolvencysource/> (subject to a subscription fee).

The **U.S. Bankruptcy Code** can be accessed through [www4.law.cornell.edu/uscode/11/](http://www4.law.cornell.edu/uscode/11/), a site maintained by Cornell University.

**CQP Program notes** provide a discussion of the concepts and significant issues that can arise in the context of an insolvency and restructuring engagement. The CQP program notes are available from CAIRP and are provided to candidates enrolled in the CQP.

**Additional authorities** can be found by consulting authors and articles published in journals or through conferences given by practitioners. The most often referred to texts are those of Houlden, Morawetz & Sarra, "Bankruptcy and Insolvency Law in Canada" and Boucher Fortin, "Faillite et Insolvabilité, Une perspective québécoise de la jurisprudence canadienne". Both texts should be available for consultation in print form in any legal library, and are also available in the information base of WestlawNext Canada, referred to above. Emerging issues and concerns are most often found in the articles written for publication in the Annual Review of Insolvency Law (Janis P. Sarra, ed.) published by Thomson Carswell, and in the articles presented at the annual CAIRP Insolvency and Restructuring Forum (available in printed form from CAIRP).