



CHARTERED INSOLVENCY AND RESTRUCTURING PROFESSIONAL
QUALIFICATION PROGRAM



2023 CIRP Qualification Program Competency Profile



Table of Contents

INTRODUCTION.....	3
Purpose of the Competency Profile	3
DEFINITIONS.....	3
COMPETENCY STAGES / LEVELS OF PROFICIENCY	5
ASSESSING THE COMPETENCIES	5
READING THE COMPETENCY PROFILE.....	5
PERVASIVE QUALITIES AND SKILLS	6
A. Ethical behaviour and professionalism.....	6
B. Personal attributes	7
C. Professional skills	8
LIST OF SPECIFIC COMPETENCIES	10
D. Insolvency philosophy and practice	10
E. Insolvency law and practice.....	13
F. Tax considerations	21
G. General business law	23
H. Financing	26
I. Managing business operations.....	28
J. Financial analysis and reporting	30
KNOWLEDGE REFERENCE	33

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



Introduction

The CQP competency profile outlines the competencies required of an entry-level CIRP. The competency profile has been developed through a practice analysis conducted with CAIRP members and other stakeholders, including the Office of the Superintendent of Bankruptcy and academics in the field.

The publication of the 2023 competency profile coincides with the launch of the renewed [CIRP Qualification Program \(CQP\)](#). The competencies have not changed significantly from the previous version, but have been edited for clarity and consistency. The CQP is designed to develop and assess, through education, examination and practical experience, the competencies of an entry-level CIRP as outlined in this document.

Purpose of the Competency Profile

The Competency Profile outlines the specific professional competencies and proficiency levels that a candidate should acquire and be able to demonstrate through the combination of education, examination and practical experience that form the CQP. These competencies and proficiency levels reflect the knowledge, skills and behaviours that a newly qualified CIRP should exhibit, as a minimum standard.

This Competency Profile is strictly focused on the very first stage of career development, namely the entry-level of the profession for candidates who wish to become CIRPs and/or obtain a licence as a Trustee under the BIA.

Definitions

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

- **Entry-level CIRP**

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 able to:

- manage a basic¹ file;
- operate autonomously on this type of file;

¹ 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.



- manage and direct other staff members in the performance of a mandate;
 - 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.
- **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 demonstration of observable behaviours and attitudes.
 - **Competency:** The ability to perform a specific task with an adequate level of proficiency, while demonstrating the pervasive qualities and skills.
 - **Pervasive qualities and skills:** The characteristics that guide the way CIRPs carry themselves and exercise their profession, 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. Scepticism, thirst for knowledge and continuous development.
 - **Specific competencies:** the competencies that a candidate to the profession must demonstrate to become a CIRP.
 - **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 must demonstrate upon completion of the CQP to qualify for admission as a CIRP and a member of CAIRP. The levels of proficiency are gauged based on the following:

- *Understanding level proficiency (“Level 2”)*: The candidate describes and explains the concept and can apply their technical knowledge of the subject matter to perform a task adequately, but not without supervision or support. The candidate recognizes their limitations and when to call on specialized expertise to complete a task. 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.
- *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 understanding of the subject, including the interrelation between subject areas (how one course of action may affect other areas). The candidate can apply their knowledge 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 required of an entry-level CIRP as either Level 2 or Level 1.

Assessing the Competencies

Progress towards reaching the required competency level will be assessed through a combination of education (course assignments), examinations administered at the end of the courses and by the capstone Competency-based National Insolvency Examination (CNIE).

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 and must be demonstrated to before the candidate can challenge the CNIE.

Reading the Competency Profile

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.

Competency

Level of proficiency

A. Ethical behaviour and professionalism			
A	1	Recognizes threats to the integrity of the insolvency system 1.1 Improper/vexatious actions of creditors 1.2 Improper/vexatious actions of debtors 1.3 Improper actions by LITs	Level 1
A	2	Identifies the significant stakeholders affected or involved in an engagement and understands the relationships, needs and particular interests 2.1 Recognizes and discusses impact of proceedings on third parties, i.e. Directors. Guarantors	Level 1
A	3	Recognizes (and resists) impediments to acting honestly and with integrity 3.1 Recognizes and resists- potential for inappropriate behaviour by LIT 3.2 Recognizes and resists potential for inappropriate behaviour by others	Level 1
A	4	Maintains objectivity and independence 4.1 Recognizes (and resists) impediments to acting with objectivity and independence 4.2 Orders (performs) a 'Conflict check' on each file 4.3 Identifies restrictions on appointments (i.e.: Trustee/Receiver, auditor/accountant 4.4 Distinguishes between real conflicts and appearance of conflict 4.5 Develops and recommends courses of action to avoid real or apparent conflicts of interest if possible and to manage them if unavoidable	Level 1
A	5	Manages Personal/File Information 5.1 Distinguishes between confidential information and estate books and records 5.2 Allows review/copying of estate books and records 5.3 Identifies circumstances to NOT allow review/copying of information 5.4 Protects debtor tax information	Level 1
A	6	Knows and appropriately applies the rules of professional conduct and standards of professional practice and the Code of Ethics for Trustees	Level 1
B. Personal attributes			
B	1	Able to self-manage	Level 1
B	2	Demonstrates leadership and initiative	Level 1
B	3	Maintains and demonstrates competence and recognizes limits	Level 1
B	4	Strives to add value in an innovative manner	Level 1
B	5	Treats others in a professional manner	Level 1

B	6	Demonstrates a high degree of responsibility and accountability for the work undertaken in a professional capacity 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	Level 1
B	7	Approaches information with professional scepticism	Level 1
B	8	Demonstrates an interest in and seeks continuous improvement	Level 1

C. Professional skills

C	1	Makes decisions based on the best available information 1.1 Develops an understanding of the operating environment 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	Level 1
C	2	Gathers and researches information and develops ideas based on constraints (time, financial, etc.)	Level 1
C	3	Solves problems by examining and interpreting information and ideas critically 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	Level 1
C	4	Identifies and manages risks for the insolvency professional and on behalf of stakeholders 4.1 Comprehensively evaluates risks and rewards 4.2 Understands the roles and responsibilities of stakeholders and third 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.	Level 1
C	5	Manages and supervises engagement/files 5.1 Plans projects by allocating resources and establishing a critical path to completion 5.2 Facilitates decision-making	Level 1
C	6	Recognizes own limitations, both personally and professionally 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	Level 1
C	7	Communicates effectively and efficiently, both orally and in written format	Level 1

	<ul style="list-style-type: none"> 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 provisions, directives, rules, regulations or standards of professional practice 	
C	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
C	<p>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</p> <ul style="list-style-type: none"> 9.1 Assesses 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 changes (cash flow budgets, contingency planning) 9.5 Communicates clearly in dealing with changes 	Level 1
D. Insolvency philosophy and practice		
D	<p>1 Identifies, explains and applies the objectives of insolvency policy in Canada.</p> <ul style="list-style-type: none"> 1.1 Balancing of interests of stakeholders 1.2 Financial Rehabilitation of the insolvent person 1.3 Orderly & Fair Distribution of the property of the bankrupt 1.4 Investigation into the affairs of the bankrupt 1.5 Setting aside of preferences and fraudulent transactions 1.6 Collective rather than individual actions of creditors 1.7 Implication of status as Officer of the Court (reporting to court) 1.8 Demonstrates comprehension of matters related to constitutional paramountcy 1.9 Understands that the objectives above can be in conflict and takes appropriate action to address or resolve the conflict 	Level 1
D	<p>2 Identifies and appropriately addresses cross-border issues</p> <ul style="list-style-type: none"> 2.1 Correctly identifies COMI in order to select the correct forum for a proceeding 2.2 Status of Receiver/Receivership 2.3 Status of Trustee/Bankruptcy Proceeding 	Level 2

D	<p>3 Identifies and explains the role of the judiciary and the judicial process in Canada, in insolvency matters; Level 2 Identifies the situations outlined below, understands his/her role with respect to the Court , assumes the correct role and applies the correct process in those situations</p> <p>3.1 when it is appropriate to seek Advice & Directions/Authorities from the Court</p> <p>3.2 when it is appropriate to report to the Court process</p> <p>3.3 when it is appropriate to make recommendations and seek approval from the Court</p> <p>3.4 when it is appropriate to be an active participant in the legal proceeding</p>	
D	<p>4 Identifies and appropriately refers matters for investigations, to the relevant parties including: Level 2</p> <p>4.1 OR/OSB for debtor compliance</p> <p>4.2 OR/OSB for creditor compliance</p> <p>4.2 OR/OSB for LIT compliance</p> <p>4.4 RCMP for bankruptcy offences</p> <p>4.5 Other law enforcement agencies as appropriate to the matter</p> <p>4.6 OSB - Practice Review/Banking Review</p> <p>4.7 Professional organizations (for professional conduct issues)</p>	
E. Insolvency law and practice		
E	<p>1 Identifies and explains the roles, responsibilities and interrelationships of administrative officials and interested parties in insolvency proceedings</p>	Level 1
E	<p>2 Understands the roles of the Trustee in each of the appointments identified below (2.1-2.8)</p> <p>2.1 Look - see engagement</p> <p>2.2 Court appointed Receiver</p> <p>2.3 Trustee under Div. I Proposal</p> <p>2.4 Trustee in Ordinary Administration Bankruptcy</p> <p>2.5 Trustee under Summary Administration Bankruptcy</p> <p>2.6 Administrator of Consumer Proposal</p> <p>2.7 BIA Insolvency Counsellor</p> <p>2.8 CCAA Monitor</p>	Level 1
E	<p>3 Demonstrates an understanding of the insolvency process in each of the engagements identified below; Level 1 identifies and recommends appropriate courses of action. Considers decision criteria, stay of proceedings, creditor meeting/voting issues, legal requirements/impediments/limitations of appointment, operating issues (funding, staffing likelihood of recovery), authorities to act (director's minutes, court orders etc.), advantages/disadvantages of various choices</p> <p>3.1 Look - see engagement</p> <p>3.2 Court appointed Receivership</p> <p>3.3 Div. I Proposal</p> <p>3.4 Ordinary Administration Bankruptcy</p>	

	3.5 Summary Administration Bankruptcy	
	3.6 Administration of a Consumer Proposal	
	3.7 CCAA Monitor	
E	4 Recognizes (any) priority claims and correctly assesses the impact such claims might have on the planned course of action	Level 1
E	5 Demonstrates an understanding of assessment, admission, disallowance and resolution of claims.	Level 1
E	6 In the circumstances, correctly applies the rules of voting for a: <ul style="list-style-type: none"> 6.1 Ordinary resolution 6.2 Special Resolution 6.3 Affirmation/substitution of Trustee in a failed Proposal 6.4 Proposal resolution 	Level 1
E	7 Administers all aspects of the insolvency or restructuring appointment, including where appropriate, but not limited to: <ul style="list-style-type: none"> 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 a lawyer 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, 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 7.17 Other aspects of the appointment as appropriate 7.18 Applies the correct combination of processes appropriate to the appointment 	Level 1

E	8 Assesses the impact of insolvency legislation on various types of agreements: develops a strategy to deal with those agreements and recommends a course of action, for example (but not limited to):	Level 1
	<ul style="list-style-type: none"> 8.1 Disclaimer or resiliation of agreements in the context of restructuring proceedings – authority, approvals, notification, information requirements, rights of co-contracting parties whose contract is intended to be disclaimed or resiliated 8.2 Contracts or agreements that may not be disclaimed or resiliated – eligible financial contracts, financing agreements, collective bargaining agreements, landlord and tenant relationships, etc. 8.3 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 	
E	9 Conducts independent business reviews and monitoring engagements: <ul style="list-style-type: none"> 9.1 Assesses the business and financial affairs of the debtor 9.2 Reports to the creditors on the results of the insolvency professional's review 9.3 Assesses alternatives including an offer of settlement 9.4 Recommends a course of action 	Level 1
E	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, including but not <ul style="list-style-type: none"> 10.1 Debtor or creditor driven restructurings 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 transactions (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 	Level 1

	<ul style="list-style-type: none"> 10.11 Conditions for approval of a proposal or arrangement – acceptance by the creditors, approval 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 10.15 Distribution of proceeds or property 10.16 Plan implementation and emergence of debtor from formal proceedings 10.17 Reporting results 	
E	11 Assesses and applies the relevant aspects of employment law to the insolvency mandates	Level 1
	<ul style="list-style-type: none"> 11.1 Rights of employees under the Wage Earner Protection Program Act (“WEPPA”) – 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 employment related stakeholders – Employment and Social Development Canada (“ESDC”), 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. 	
E	12 Identifies specialized aspects of an insolvency mandate; and recommend a course of action, including:	Level 2
	<ul style="list-style-type: none"> 12.1 Motion for direction 12.2 Right of set-off or rules of compensation 12.3 Partnerships 12.4 Copyrights, patents and special rights attached to assets 12.5 Issues of privilege or confidentiality 	
E	13 Understands the specialized rules and processes that apply to the following types of engagements :	Level 2
	<ul style="list-style-type: none"> 13.1 Insolvency of a stockbroker or investment dealer 	

	<p>13.2 Engagements with cross-border issues</p> <p>13.3 Mandates under other legislation (e.g. the Farm Debt Mediation Act, the Winding Up and Restructuring Act and the Canada Business Corporations Act) – conditions of application, admissibility, administrative issues, general scheme of the act</p>	
E	<p>14 Identifies, 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</p> <p>14.1 Forensic review of transactions</p> <p>14.2 Duties of the insolvent person or bankrupt, offenses under the BIA and CCAA</p> <p>14.3 Duties of participants in the insolvency process, offenses under the BIA and CCAA (false claims, removal of property, offenses committed by insolvency professionals, etc.)</p> <p>14.4 Examinations of bankrupts, insolvent persons and others</p> <p>14.5 Search warrants</p>	Level 1
E	<p>15 Identifies, investigates, develops and implements a course of action related to reviewable, suspect or voidable transactions</p> <p>15.1 Preferential payments</p> <p>15.2 Transfers at undervalue</p> <p>15.3 Transactions other than at arm's length – recourse and impact on preferential payment and transfer at undervalue rules</p> <p>15.4 Dividend payments, share redemption, capital transactions</p> <p>15.5 Potential impact on directors' and officers' liability</p> <p>15.6 Recourse under Provincial statutes</p> <p>15.7 Recourses of creditors when a trustee or monitor refuses to act</p>	Level 1
E	<p>16 Determines and applies the rules relevant to the setting, approval and payment or securing of the remuneration of insolvency professionals, solicitors, inspectors and others receiving a remuneration from an insolvency estate</p>	Level 1
E	<p>17 Applies the statutes and programs relevant to the particular insolvency circumstances of an individual (family law, social programs, consumer protection legislation, exempt and non-exempt property, tax credits and refunds, etc.)</p> <p>17.1 Counsels the debtor with a view to avoiding recurrence of insolvency – budgeting, financial responsibility, management of credit, etc.</p> <p>17.2 Assesses an individual debtor and recommends appropriate alternatives available to deal with the debt.</p> <p>17.3 Determines after-acquired property, calculates surplus income and assess the impact on a bankrupt individual</p> <p>17.4 Executes administrative procedures relevant to the chosen alternative: summary administration, ordinary administration, proposal or consumer proposal</p> <p>17.5 Assesses the eligibility and relative advantages to the debtor(s) of filing Joint proceedings</p>	Level 1

	17.6	Assesses the impacts on stakeholders of 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.)	
	17.7	Identifies the particularities relevant to estates with large income tax debts	
E	18	Identifies and applies the rules and processes relating to the discharge of debts:	Level 1
	18.1	Of a bankrupt or insolvent person – process, types of discharge orders, conditions, timing	
	18.2	In the context of a restructuring mandate – timing, tax issues, administrative issues, etc.	
	18.3	Debts subject to compromise or discharge, non dischargeable debts	
	18.4	Fulfils his/her obligations post-discharge and communicates to the debtor their responsibilities post-discharge	
E	19	Identifies and applies the administrative steps required to complete the administration of a mandate	Level 1
	19.1	Reporting results	
	19.2	Approval and taxation of accounts – required approvals, timing, etc.	
	19.3	Administrative issues – notification of stakeholders, timing, certificate of completion, etc.	
	19.4	Dealing with undistributed property	
	19.5	Discharge process	
	19.6	Obligations post-discharge – record keeping, new matters arising post-discharge, re-appointment, etc.	
F. Tax considerations			
F	1	Identifies and explains the interrelation of taxation and insolvency practice and applies the relevant aspects of tax laws to the insolvency mandates whether asset or liability- (aspects of federal, provincial and municipal taxes relevant to the insolvency)	Level 1
	1.1	Recognizes the existence of more complex tax situations, where the involvement of a tax specialist is warranted (i.e. complex tax situations; SRED Submissions)	
F	2	In a Corporate file, performs the following:	Level 1
	2.1	Advise Directors, Officers or de-facto Directors of their potential liability	
	2.2	Registers and/or files the returns as appropriate	
	2.3	Advise Directors and Officers of their obligations to file returns	
	2.4	Identifies when it is appropriate for an audit to occur by relevant authorities and facilitate the audit	
	2.5	Registers GST/HST/Source Deductions as a Receiver/Trustee as required (if operating)	
	2.6	Correctly applies Debt Forgiveness Rules	
	2.7	Responds appropriately to estimated tax assessment from tax authorities	
	2.8	Appropriately analyzes the impact of tax debt and respond appropriately to tax collection measures	

<p>F</p>	<p>3 In a personal bankruptcy file, understands requirements (and benefits) of filing returns in personal bankruptcy estates:</p> <p>3.1 Prior years returns</p> <p>3.2 Pre-bankruptcy Return</p> <p>3.3 Post-bankruptcy Return</p> <p>3.4 "In Bankruptcy" Estate return (for 'in bankruptcy' earnings)</p> <p>3.5 Subsequent years returns</p> <p>3.6 Explains CRA collection authorities (i.e. garnishment, security registrations)</p>	<p>Level 1</p>
<p>F</p>	<p>4 Understands and applies rules relating to debt forgiveness as they relate to the income tax amounts and tax profile of an insolvent person as well as other deductions, credits, or other issues that may apply in an insolvency situation</p> <p>4.1 Identifies, explains and calculates the extent of the rights of the governments under the various tax laws, i.e. against officers and directors of insolvent corporations, in situations of bankruptcy, receivership, or in the context of a restructuring</p> <p>4.2 Identifies, explains and complies with the rights of the governments under the various tax laws, relating to the ability to compel the production of documentation</p> <p>4.3 Identifies, explains and determines the extent of the rights of governments under various tax 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</p> <p>4.4 Identifies, explains and applies the process to determine and contest an assessment made by the government under the various tax laws, including timelines, procedures and venue</p>	<p>Level 2</p>
<p>G. General business law</p>		
<p>G</p>	<p>1 Recognizes the distinction(s) between</p> <p>1.1 proprietorship</p> <p>1.2 partnership</p> <p>1.3 (limited) partnership</p> <p>1.4 corporations</p> <p>1.4(a) Directors roles/responsibilities</p> <p>1.4(b) Shareholders rights/obligations</p> <p>1.4(c) 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.</p>	<p>Level 1</p>
<p>G</p>	<p>2 Recognizes which Insolvency process(es) are available to which debtor(s) (corporate or natural person)</p>	<p>Level 1</p>

G	3	Demonstrates a basic understanding of Contract Law: 3.1 Parties to the contract 3.2 Consideration 3.3 Default 3.3(a) Consequences of default - financial remedies 3.3(b) Consequences of default - performance remedies 3.3(c) Calculation of damages with legal assistance as required for interpretation of contractual obligations 3.3(d) Mitigation of damages 3.4 Privacy of parties to the contract (PIPEDA)	Level 2
G	4	Understands and properly applies elements of a trust: 4.1 Settlor 4.2 Beneficiaries 4.3 Certainty of the trust language 4.4 Trust property	Level 2
G	5	Identifies, explains and applies the concept of property, ownership, title, partition of title; understands property equalization vs property ownership	Level 2
G	6	In the context of environment matters: 6.1 Recognizes situations where a risk to the environment, to workers or neighbouring communities may be present and take appropriate action to limit environmental liability, exposure or risk 6.2 Identifies and explains the interaction and rights of the various levels of government in environmental matters – federal, provincial, municipal and regulatory agencies 6.3 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. 6.4 Identifies and explains the recourses available to insolvency professionals under insolvency laws, where remediation is ordered. 6.5 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 6.6 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; recognizes limits/needs for: 6.6(a). Negligence and gross negligence 6.6(b) Research of information on best practices 6.6(c) Availability of indemnities from the appointing creditors or other stakeholders 6.6(d) Rights of the insolvency professional to abandon the assets to limit liability	Level 1 Level 2 Level 2 Level 2 Level 2 Level 1
G	7	In the context of Employment Law	Level 1

- 7.1 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.
- 7.2 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.
- 7.3 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.
- 7.4 Identifies and explains the responsibilities and obligations of the Trustee as pertain to Record of employment and T4s
- 7.5 Identifies and explains the responsibilities and obligations of the Trustee as pertain to, complying with collective bargaining agreements, dealing with unions, and ESDC
- 7.6 Identifies and explains the rights of employees and the obligations of insolvency professionals under WEPPA and calculates the entitlements of employees under the WEPPA

H. Financing

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|----------|--------|--|---------|
| H | 1 | Understands the characteristics of various types of financing such as interest, covenants, normal terms, Level 1 priming: | |
| | 1.1 | Issuances of shares to raise capital | |
| | 1.2 | Understands shareholders are 'deferred creditors" | |
| | 1.3 | Secured indebtedness | |
| | 1.3(a) | Fixed charges | |
| | 1.3(b) | Floating charges | |
| | 1.3(c) | Real Property charges | |
| | 1.3(d) | Appropriate execution (corporate/borrower authorizations) | |
| | 1.3(e) | (Public) registration of security documents | |
| | 1.4 | Leases (real property leases) | |
| | 1.5 | Leases (financing leases) | |
| | 1.6 | Debtor in Possession lending | |
| H | 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 |
| H | 3 | Understands, appropriately analyses and plans for management of working capital | |
| H | 4 | Understands the role of (and challenges related to) an industry regulator | |

H	5	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: 5.1 Liquidity ratios (working capital, current ratio and quick or acid-test ratio) 5.2 Leverage ratios (debt to assets, debt to equity, debt service coverage, interest coverage) 5.3 Efficiency ratios (accounts receivable turnover, accounts payable turnover, inventory turnover, collection period, payment period, days' sales in inventory, etc.) 5.4 Market ratios (earnings per share, dividend payout ratio, dividend yield ratio, dividend yield, etc.) 5.5 Profitability ratios (gross margin, operating margin, profit margin, return on equity, return on assets, return on capital, EBIT, EBITDA, etc.) 5.6 User defined ratios (tangible net worth, tangible assets, debt subordination and adjusted equity, etc.)	Level 2
H	6	In an enforcement situation, recognizes and appropriately responds to: 6.1 Assessment of security; necessity (wisdom) of obtaining legal opinion as to validity and enforceability 6.2 Quasi security instruments (leases, conditional sales contracts, factoring agreements, consignment agreements)	Level 1

I. Managing business operations

I	1	General business considerations - understands key considerations/ challenges faced by all businesses (proprietorship, partnership, corporation, LLP) as well as their impact on the success or failure of a business. 1.1 Industry outlook/ benchmarking 1.2 Life cycle of a business 1.3 Business planning (goal setting, development of the organization's vision and mission statement, development of policies and procedures, establishment of a corporate governance structure, development of financial forecasting/ reporting tools) 1.4 Management (board of directors, executives, officers and management) – identifies, evaluates and explains the function and role of key players in terms of corporate oversight 1.5 Marketing and sales - strength of marketing programs, sales pipeline 1.6 Human resources - identifies, explains and applies the elements of human resources management (organizational design, recruitment and selection, performance/ behaviour management, compensation and employee benefits, incentive programs, training and development 1.7 Production and supply	Level 2
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- 1.8 Debt structure
- 1.9 Competitive landscape
- 1.10 Financial information (budgeting, sources of financing)
- 1.11 Information and control systems
- 1.12 General economic conditions
- 1.13 Technology
- 1.14 Regulatory constraints
- 1.15 Change management - ability to react to changing conditions and situations
- 1.16 Risk assessment/ identification and interpretation of signals of potential distress

I 2 Assesses the risks and benefits of whether to operate, liquidate or restructure an insolvent business Level 2

- 2.1 Industry specific considerations
- 2.2 Where is the business in its life cycle?
- 2.3 Availability of staff/ management/ appropriateness of any KERP recommendation
- 2.4 Status of WIP, cost/ benefit analysis related to completing production (availability of labour, raw materials supply etc.)
- 2.5 Preparation of cash flow/ financial projections
- 2.6 Availability of any required funding
- 2.7 Input from significant stakeholders
- 2.8 Existence of critical suppliers required to operate the business and their willingness to support it
- 2.9 Do the secured creditors (lessors and lenders) have faith in management's ability to manage the debtor through a transition?
- 2.10 Review of production (equipment, inventory, processes and quality control)
- 2.11 Relationship with landlord
- 2.12 Regulatory constraints and past regulatory compliance (including environmental and licensing requirements)
- 2.13 Overview of industry specific considerations
- 2.14 Reliability of financial information/ financial reporting processes
- 2.15 Assessment of internal controls
- 2.16 Risk analysis and availability of appropriate insurance coverage

J. Financial analysis and reporting

J 1 Performs relevant financial analyses and draws appropriate conclusions Level 1

- 1.1 Assesses the quality and accuracy of the financial information provided and evaluates the cost/benefit and trade-off of increased quality versus decreased timeliness
- 1.1 Going concern assumption
- 1.2 Age of historical financial information

	<ul style="list-style-type: none"> 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 reporting of a transaction, etc. 	
J	<p>2 Takes appropriate course of actions to assess management/debtor's accounting/information systems; develops strategy to monitor debtor's performance, based on:</p> <ul style="list-style-type: none"> 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 (order book/supply chain) 	Level 2
J	<p>3 Forecasting and budgeting – Prepares, reviews and/or comments on financial projections or forecasts; assesses the reasonableness of assumptions; performs sensitivity analyses; develops and analyses alternatives; assesses risk; formulates strategy – taking into account</p> <ul style="list-style-type: none"> 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 	Level 1
J	<p>4 Performance assessment – Develops and implements a monitoring program to assess the performance of the organisation as compared to projections</p> <ul style="list-style-type: none"> 4.1 Timeliness 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 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) 	Level 2
J	<p>5 Critiques 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</p> <ul style="list-style-type: none"> 5.1 Impact of risk on discount rates 5.2 Assessment of a claim for damages (present value of future benefits lost, after mitigation) 	Level 2

- 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 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.

CIRPs are best described as generalists that learn quickly rather than specialists, therefore the knowledge base is broad and continually expanding. 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.

Many of the relevant references are provided through the CQP course material. Below is a list of the more relevant sources:

Federal statutes such as the [BIA](#), [BIA rules](#), and Company Creditors and Arrangement Act ([CCAA](#))

Provincial statutes and regulations can be accessed through [Canadian Legal Information Institute](#),

[Directives and circulars](#) as well as [forms](#) issued by the Office of the Superintendent of Bankruptcy.

[By-laws, rules of professional conduct, standards of practice](#) issued by CAIRP. The [CAIRP website](#) is a valuable resource as it includes articles written by members, as well as the copies of CAIRP's publication, *Rebuilding Success*, both of which can be a useful 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](#). 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 any legal library. As well, Carswell has an on-line legal research platform, named [Insolvency Source](#), which provides access to a large base of information on cases and authorities (free access is provided to candidates enrolled in the CQP program). Another source is [IRIS](#) a searchable and comprehensive database of insolvency and bankruptcy court filings (free access is provided to candidates enrolled in the CQP program).

The [U.S. Bankruptcy Code](#)

CQP Program course material provides 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.



CHARTERED INSOLVENCY AND RESTRUCTURING PROFESSIONAL
QUALIFICATION PROGRAM

CQP Competency Profile – 2023

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, "[The Annotated 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 any legal library, and are also available in the information base of Insolvency Source, referred to above. Emerging issues and concerns are most often found in the articles written for publication in the Annual Review of Insolvency Law, and in the articles presented at the annual CAIRP Insolvency and Restructuring Forum (available from CAIRP).

Foundational knowledge: While not required as prerequisites to enter the CQP program it is highly recommended that candidates have a sound foundational knowledge in financial accounting, finance, business law and taxation. Academic textbooks in these subject areas are good resources and are available through post-secondary institution libraries and bookstores as well as directly through online book retailers.