



QUEBEC'S INSOLVENCY INDUSTRY

A PATHWAY TO FINANCIAL RECOVERY & RESILIENCE

The insolvency industry in Quebec enables individuals facing financial difficulties to make a fresh start and offers struggling companies the opportunity for financial rehabilitation.

Matters related to bankruptcy and insolvency are governed federally, primarily, by the Bankruptcy and Insolvency Act (BIA) and the Companies' Creditors Arrangement Act (CCAA). These two acts provide legal means for individuals and companies struggling with debt repayment to receive temporary protection from their creditors, the possibility to be discharged from their debt, and the fair and orderly distribution of available money from realized assets to creditors, affecting the lives and livelihoods of thousands of Quebecers every year by:

***Supporting Distressed Businesses:** The insolvency industry plays a critical role in helping companies that provide essential goods and services, as well as those that support substantial employment, to continue operating — contributing to the stability and resilience of the broader economy¹. Studies suggest that when creditor rights are protected in insolvency systems, it leads to lower borrowing costs, increased access to credit, better creditor recovery, and job preservation, ultimately benefiting the economy².*

***Providing Relief for Debt-Burdened Consumers:** Financial comfort and preparedness are key aspects of an individual's overall well-being. Just as anyone experiencing a health crisis would seek help, the same is true for those in financial distress. Once an individual is in severe financial difficulty, for whatever reason, it is in everyone's interest — theirs, their lenders' and their loved ones — that they seek professional debt advice.*

ROLE OF LICENSED INSOLVENCY TRUSTEES

Licensed Insolvency Trustees (LITs) play a crucial role in assisting Quebec consumers and businesses facing financial distress as the most educated, trained and qualified debt-relief professionals in Canada. Amid ongoing economic uncertainty, many Quebecers are also struggling under the weight of the rising cost of living and interest rates that, while recently lowered, remain historically elevated — leading more individuals to shoulder unmanageable debt. There are 225 LITs licensed to practice across Quebec, providing tailored advice and debt solutions to help these individuals and businesses navigate provincial nuances in insolvency law and make informed decisions about their debt.

¹ Century Services Inc. v. Canada (Attorney-General), 210 SCC 60 (CanLii), [2010] 3 S.C.R. 379 at paragraph 18.

² [The World Bank, Resolving Insolvency](#)

SUPPORTING DEBTORS WITH TRUSTED GUIDANCE

Licensed Insolvency Trustees (LITs) do more than deliver formal debt solutions — they are trusted professionals who take the time to explain options, answer questions, and guide individuals through what can often be an overwhelming and emotional process. With a focus on education, empowerment, and compassion, LITs provide judgment-free support to help Quebecers understand their rights, make informed decisions, and take meaningful steps toward long-term financial recovery and peace of mind.

Whether an individual is overwhelmed by debt or simply unsure of their debt-relief options, Licensed Insolvency Trustees can help by:









- ✓ **Offering free initial consultations** with no pressure or obligation.
- ✓ **Clearly explaining all debt-relief options**, which may include reworking a budget, consolidating debts, selling assets, or filing a consumer proposal or bankruptcy.
- ✓ **Stopping collection calls** and helping reduce the stress of dealing with creditors.
- ✓ **Helping individuals act early**, before financial challenges escalate further.

Licensed Insolvency Trustees should be the first point of contact for those experiencing serious financial difficulties and in need of trustworthy guidance.

UNIQUELY POSITIONED TO HELP

Quebecers can feel confident in choosing a Licensed Insolvency Trustee (LIT), knowing they are turning to a highly qualified professional with the knowledge, experience, and skills to help them make informed decisions about managing their debt. LITs are the only debt-relief professionals in Canada who are federally regulated and legally and ethically required to provide accurate, unbiased advice on all available debt-relief options.

Licensed Insolvency Trustees are the **ONLY** debt-relief professionals in Canada who are:

-  **Federally regulated** and licensed by the Office of the Superintendent of Bankruptcy (OSB).
-  Authorized to administer government-regulated insolvency proceedings such as **consumer proposals and bankruptcies**.
-  Able to offer solutions that use the BIA stay of proceedings to **protect debtors, their income and property** from creditor enforcement.
-  Required to offer the choice of **in-person services** or videoconference.
-  Required by their Code of Ethics to **balance the interests of debtors with the interests of creditors**, ensuring fair and transparent negotiations.
-  Legally required to **undertake a full assessment** of the debtor's financial situation and **provide unbiased advice on all debt-relief options**.
-  Able to negotiate binding agreements with creditors and **offer legal protection from creditor actions, like collection calls, and wage garnishments**.
-  Subject to a **federally regulated fee structure** for consumer insolvencies to ensure transparency, consistency, and fairness.

Additionally, Licensed Insolvency Trustees:

☞ Generally offer a **free initial consultation** to provide individuals with valuable advice with no obligation.

🔑 Require **extensive training with mandatory professional development**, and RCMP background checks are required to obtain/maintain a license to practice.

📖 Possess solid accounting expertise and **extensive knowledge of governing legislation** and are empowered to take various actions adapted to the circumstances, whether for consumers or businesses.

FEDERAL REGULATION & OVERSIGHT

As the only federally regulated debt relief professionals in Canada, Licensed Insolvency Trustees (LITs) are subject to ongoing oversight by the Office of Superintendent of Bankruptcy (OSB) via regular reviews, audits and inspections to ensure standards of practice, adherence to the law, and a comprehensive Code of Ethics.

The OSB licenses and regulates the insolvency profession; supervises the administration of estates in bankruptcy, commercial reorganizations, consumer proposals and receiverships; maintains a public record of BIA and CCAA filings; records and investigates complaints from debtors and creditors regarding the insolvency process; and ensures compliance through maintenance and enforcement of the regulatory framework.

In addition to federal oversight, most LITs are members of the Canadian Association of Insolvency and Restructuring Professionals (CAIRP) – the national professional association that promotes high standards, education and ethics in the insolvency field. All CAIRP members have earned the Chartered Insolvency and Restructuring Professional (CIRP) designation, one of the highest distinctions in the insolvency and restructuring profession. CAIRP members must adhere to strict rules of Professional Conduct and Standards of Provincial Practice and undertake annual professional development.

Both CAIRP and the OSB prioritize transparency and accountability by ensuring that their complaints processes are easily accessible on their official websites. The OSB also maintains a map-based directory of [LITs and LIT firms](#), while CAIRP provides a [directory](#) of all active CIRP-designated LITs and [member firms](#). LIT services are available across the province, even in remote locations.



CONSUMER INSOLVENCY IN QUEBEC

Against the backdrop of economic uncertainty, Quebecers are struggling with the soaring cost of living, persistent debt-carrying costs, and looming mortgage renewals. Many are on the brink of insolvency or grappling with an overwhelming debt burden.

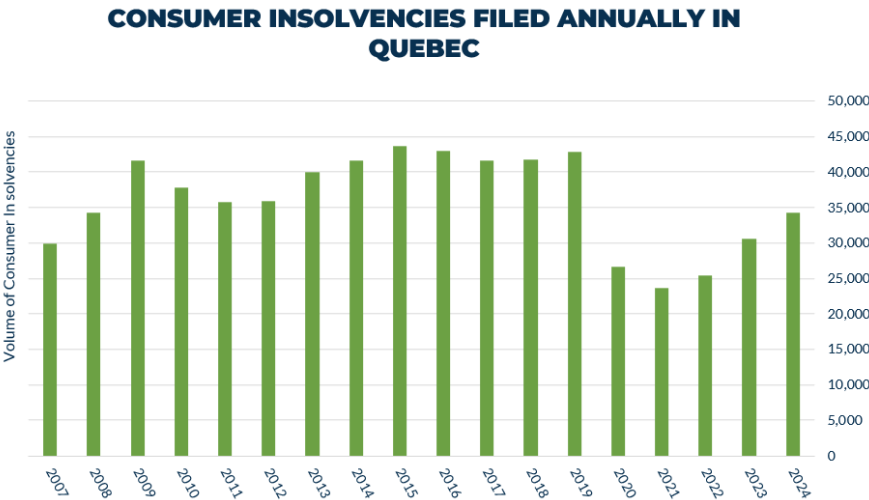
In 2024, over 34,000 Quebecers filed for insolvency – that amounts to about 94 people each day requiring debt relief support from LITs across the province. All told, consumer insolvencies rose 12.1%³ year-over-year, continuing an upward trend observed in 2023⁴.

2024 CONSUMER INSOLVENCIES IN QUEBEC⁵

- Over 34,000 Quebecers filed for insolvency last year including:
- 23,865 consumer proposals, up 11.3% over the previous year.
 - 10,425 consumer bankruptcies, up 14.1% over the previous year.

2024 CONSUMER INSOLVENCIES IN CANADA⁶

- More than 137,000 Canadians filed for insolvency last year including:
- 108,255 consumer proposals, up 11.6% over the previous year.
 - 29,040 consumer bankruptcies, up 10.8% over the previous year.



Source: Office of the Superintendent of Bankruptcy

³ Office of the Superintendent of Bankruptcy (OSB), Insolvency Statistics in Canada – Fourth quarter of 2024

⁴ Office of the Superintendent of Bankruptcy (OSB), Insolvency Statistics in Canada – Fourth quarter of 2023

⁵ Office of the Superintendent of Bankruptcy (OSB), Insolvency Statistics in Canada – Fourth quarter of 2024

⁶ Office of the Superintendent of Bankruptcy (OSB), Insolvency Statistics in Canada – Fourth quarter of 2024

Q4 2024 PROVINCIAL DELINQUENCY RATES

- 23.3% increase in 90+ day delinquency rate for non-mortgage balances.
- 90+ day mortgage delinquency rate surged 41.2%.
- Both were the second-largest increases among the provinces.



TOP 5 REASONS FOR QUEBECERS' FINANCIAL DIFFICULTIES

- 66% Financial Management
- 42% Loss of Income
- 24% Medical Reasons
- 15% Relationship Breakdown
- 12% COVID-19 Pandemic

QUEBEC CONSUMER INSIGHTS:

PROVINCE RECORDS SECOND-HIGHEST 90+ DAY DELINQUENCY RATES

Quebecers experienced a concerning surge in financial strain in the fourth quarter of 2024, as reflected by the 90+ delinquency rates for non-mortgage and mortgage balances. The 90+ day non-mortgage balance delinquency rate in Quebec rose 23.3% in Q4 2024, and the 90+ day mortgage balance delinquency rate surged 41.2%, both the second-largest year-over-year increases among the provinces⁷.

In Quebec, about 0.18% of mortgages are in arrears, meaning they are three months or more behind on payments, just below the national average of 0.22%.⁸ Looming mortgage renewals in the province could further impact the financial pressures faced by Quebecers, particularly in the realm of housing expenses.

PROFILE OF A QUEBEC DEBTOR

The typical profile of a debtor in Quebec, based on insolvency filings, reveals interesting insights into the demographics of those facing financial challenges. The average age of debtors is 47 years, with an average household size of 2 people. Notably, 28% of these debtors have had a previous bankruptcy, indicating recurring financial difficulties for some individuals. Gender distribution among insolvency filers is 46% female and 54% male. Geographically, most insolvency filings originate from urban areas, accounting for 82% of cases, while rural areas contribute to the remaining 18%. In terms of marital status, those who are single constitute the largest group among debtors at 50% followed by those who are married or in a common-law relationship at 31%. Divorced or separated individuals make up 17% of insolvency filers, while widowed individuals represent 3% of the total⁹.

Two-thirds (66%) of Quebecers who encounter financial difficulties attribute their situation to inadequate financial management. Loss of income follows at 42%, often resulting from job loss or reduced hours. Medical reasons contribute significantly, cited by 24%, while relationship breakdowns are mentioned by 15%. The COVID-19 pandemic exacerbates these challenges, cited by 12%, impacting employment, health, and overall economic stability.

⁷ Equifax, Q4 2024 Market Pulse Consumer Credit Trends Report

⁸ Canadian Bankers Association, Number of residential mortgages in arrears as of December 2024

⁹ Office of the Superintendent of Bankruptcy (OSB), Canadian Consumer Debtor Profile - 2021

BUSINESS INSOLVENCY IN QUEBEC

Businesses in Quebec continue to grapple with an array of financial obstacles, as they face high operational costs, supply chain disruptions, and an uncertain economic environment. Despite efforts to adapt, many are struggling to contend with rising input and wage costs, as well as ongoing debt servicing pressures. Nearly 3,500 businesses in the province filed insolvency under the BIA in 2024, an increase of 23.2% compared to the previous year¹⁰. Quebec experienced the largest increase in the number of business insolvencies compared to the rest of the provinces.

2024 KEY BUSINESS INSOLVENCY STATS IN QUEBEC¹¹:

Nearly 3,500 businesses filed for insolvency last year including:

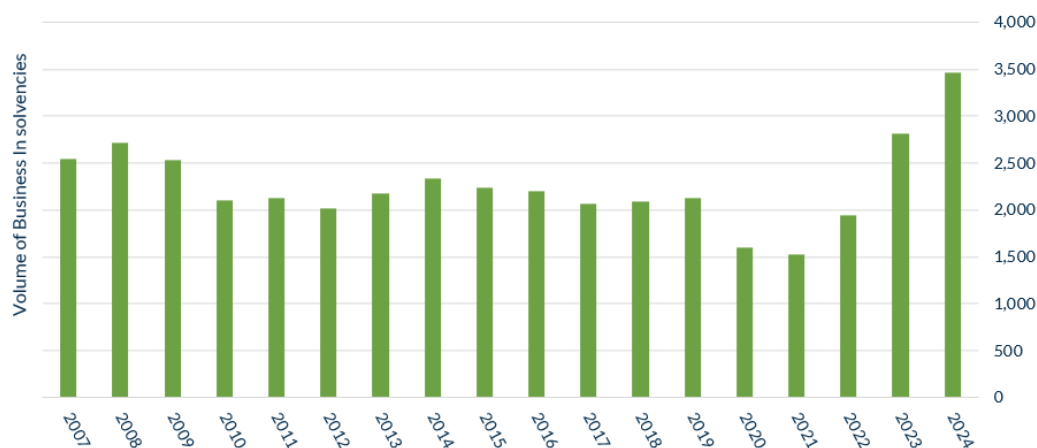
- 2,823 bankruptcies, up 25.1% over the previous year.
- 642 proposals, up 15.5% over the previous year.
- 13 CCAA proceedings, 2 less than the previous year.

2024 KEY BUSINESS INSOLVENCY STATS IN CANADA¹²:

Over 6,100 Canadian businesses filed for insolvency last year including

- 4,771 bankruptcies, up 28.9% over the previous year.
- 1,417 proposals, up 27.9% over the previous year.
- 74 CCAA proceedings, 10 more than the previous year.
- Construction, Transportation and Warehousing, and Accommodation and Food Services sectors registered the biggest increases in the number of insolvencies.

BUSINESS INSOLVENCIES FILED ANNUALLY IN QUEBEC



Source: Office of the Superintendent of Bankruptcy

¹⁰ Office of the Superintendent of Bankruptcy (OSB). Insolvency Statistics in Canada—Fourth quarter of 2024

¹¹ Office of the Superintendent of Bankruptcy (OSB). Insolvency Statistics in Canada—Fourth quarter of 2024

¹² Office of the Superintendent of Bankruptcy (OSB). Insolvency Statistics in Canada—Fourth quarter of 2024



2024 BUSINESS EXITS vs INSOLVENCIES

- 2,654 businesses exited on average each month – up 1.8% over 2023.
- About 328 businesses filed for insolvency on average each month.
- Business owners who opt to shut down operations without formally filing for insolvency risk missing out on the professional guidance provided by LITs.

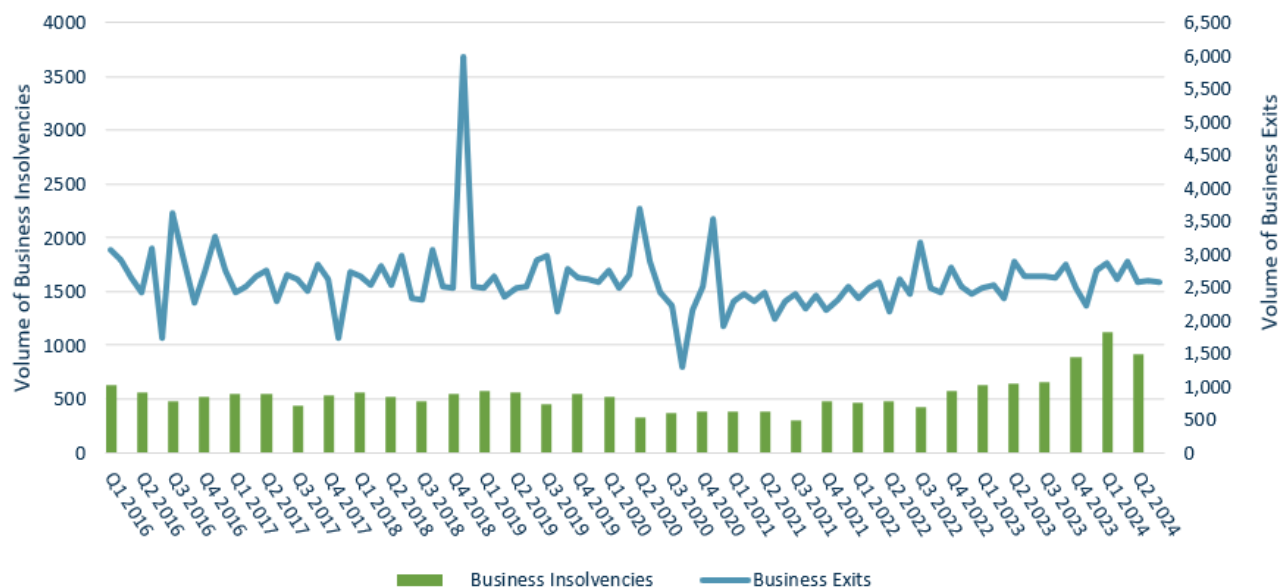
QUEBEC BUSINESS INSOLVENCY INSIGHTS: BUSINESS EXITS

Business insolvency statistics only reveal part of the financial challenges faced by Quebec businesses. From January to July 2024, an average of approximately 2,654¹³ businesses exited the market each month in Quebec, compared to just 328¹⁴ that filed for insolvency. Many of these exits are likely driven by financial difficulties. National data from 2010 to 2019 shows that 44.5% of businesses that exited were highly leveraged, 42.4% had weak liquidity, and 47.8% had low profitability¹⁵.

The average monthly number of business exits from January to July 2024 remained relatively stable compared to the same period in 2023, increasing 1.8%. Nationally, the industries with the highest average monthly business exits included professional, scientific and technical services; construction; transportation and warehousing; and retail trade¹⁶.

Many business owners experiencing financial difficulties often choose to shut down operations and walk away, rather than filing for insolvency or seeking restructuring advice. In doing so, they may miss out on professional guidance that could help preserve their business. Licensed Insolvency Trustees are uniquely qualified to provide tailored advice based on a business's size, structure, and assets.

BUSINESS INSOLVENCIES & EXITS IN QUEBEC



Sources: Office of the Superintendent of Bankruptcy, Statistics Canada

¹³ Statistics Canada. Experimental estimates for business openings and closures for Canada

¹⁴ Office of the Superintendent of Bankruptcy (OSB). Insolvency Statistics in Canada – Fourth quarter of 2024

¹⁵ Statistics Canada. A profile of corporate exits and insolvencies

¹⁶ Statistics Canada. Experimental estimates for business openings and closures for Canada



CAIRP & QAIRP

CHAMPIONING QUEBEC'S INSOLVENCY AND RESTRUCTURING INDUSTRY

The Canadian Association of Insolvency and Restructuring Professionals (CAIRP) is a national voice on insolvency matters throughout Canada, and the national professional association representing nearly 1,400 members and associates across the country, including Quebec. Aligned with CAIRP's overarching mission, the Quebec Association of Insolvency and Restructuring Professionals (QAIRP) advocates on behalf of its members on issues of local and provincial interest, championing fairness, excellence and effectiveness in insolvency and restructuring matters throughout Quebec, positioning its members as the leading professionals and advocates in the field. QAIRP is also committed to providing dedicated support and fostering professional development for its Quebec-based members.

*Advocating for a
fair, transparent,
and effective
insolvency and
restructuring
system for
Quebecers and
our members in
the province.*

ADVANCING THE INTERESTS OF THE PUBLIC AND MEMBERS

CAIRP stands as the foremost authority for the education, standards, and advocacy of insolvency and restructuring professionals. The association advocates for a fair, transparent, and effective insolvency and restructuring system throughout Canada, enforcing CAIRP's Rules of Professional Conduct and Standards of Professional Practice, maintaining rigorous certification standards, and providing innovative education for aspiring insolvency and restructuring professionals.

A Chartered Insolvency and Restructuring Professional (CIRP) is the most highly trained and educated debt professional in Canada and must abide by the highest standards of the profession. Members of CAIRP have earned the CIRP designation, and most are licensed insolvency trustees. To maintain their designation, CAIRP members must adhere to strict rules of Professional Conduct and Standards of Practice and undertake annual professional development.

Associated links

- [CAIRP \(CAIRP.ca\)](https://cairp.ca)
 - [Find a CIRP designated LIT](#)
 - [CAIRP Member LIT Firm](#)
- [QAIRP \(conseilsyndic.com\)](https://conseilsyndic.com)
- [Office of the Superintendent of Bankruptcy](#)
 - [Find an LIT or LIT Firm](#)
 - [Debt Solutions Portal](#)