



# Insolvency Institute of Canada L'Institut d'insolvabilité du Canada

## **MEMBERSHIP GUIDELINES**

The Insolvency Institute of Canada (IIC or Institute) is a non-profit organization dedicated to the promotion of excellence and thought leadership in commercial insolvency and restructuring policy and practice in Canada.

Our membership is comprised of members who are committed to furthering the objectives of the IIC. The membership policy currently provides for 140 Regular members drawn from experienced insolvency practitioners. The membership policy currently provides guidelines that, as a pre-requisite for membership, the applicant must have been practicing for at least 10 years, with such time period running from either the call to the bar or from obtaining the CIRP, licensed insolvency trustee (LIT) or other appropriate designation.

### **Membership Process**

1. The membership policy provides for a limit of 140 Regular members (experienced commercial insolvency and restructuring practitioners) excluding members who fall into the following membership categories: Emeritus, Financial Institution and Regulatory, Academic, Fellows of the Insolvency Institute of Canada (FIIC), and Honorary. In addition, Non-Traditional members, defined as others with interests and substantial experience in the fields of commercial insolvency and restructuring may be admitted to membership in the Institute by resolution of the Board of directors of the IIC (Board).
2. Formal applications will be required. An applicant will have to be sponsored or nominated by two Regular members. The sponsoring members shall not have any direct business affiliation or family relationship to the applicant. The sponsoring members shall not be current members of the Board.
3. Regional Membership Committee (RMC) members should not sponsor any applicant. However, it is understood that this is not always possible due to a limited number of IIC members in some regions. As well, a member may have joined an RMC after sponsoring a candidate who, having been unsuccessful in a previous year, is reapplying with the same application form and sponsors. Any RMC member who has sponsored an applicant must declare a conflict of interest and cannot canvass the membership regarding that applicant or advocate for the candidate in RMC deliberations.

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4. The Board will provide, on an annual basis, directions to the National Membership Committee (NMC). The directions may vary, but it is expected that direction will be given to the NMC in the following areas:
  - a. Involvement in CCAA cases is not the only measure of a candidate's work. Work on out of court restructurings, work on receiverships or cases under the BIA is relevant. Since we are focused on commercial insolvencies, experience with personal bankruptcies and small business insolvencies is not considered to be relevant.
  - b. Canada is a mid-market economy and, as such, mid-market cases are relevant.
  - c. It will be important that the applicant have a leading or other significant role in cases and not merely supporting roles.
  - d. While in general, work in the insolvency field should make up a substantial portion of the applicant's practice, it is recognized that this test should not be strictly applied in regions where this may not be possible. In such circumstances, other contributions to the profession will be considered.
  - e. The review process will consider the full level of an applicant's involvement in and contributions to the insolvency community and the efforts taken to contribute to writing, speaking engagements, teaching, contributions to task forces, insolvency organizations, etc.
  - f. Character and reputation for ethical and professional behaviour are critical considerations.
  - g. There are no guaranteed spots for any firm. Similarly, there are no restrictions on the number of applicants or members from any one firm.
  - h. There are no specific number of spots for any given city or region.
  - i. Age is not relevant.
  - j. After three attempts applicants must submit an updated application including new sponsors.
5. The NMC, in turn, will ensure that the direction from the Board is passed down to the Regional Membership Committees (RMC).
6. RMCs will be established in a process determined by the Board for the following regions:

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- (i) British Columbia, Yukon and Northwest Territories;
  - (ii) Prairies (Alberta, Saskatchewan and Manitoba);
  - (iii) Ontario;
  - (iv) Quebec; and
  - (v) Atlantic Canada (Nova Scotia, New Brunswick, Newfoundland and PEI).
7. The RMCs will evaluate applications received from applicants in their region. Applicants will be evaluated based on the Membership Admission Standards set forth in Appendix "A". Each RMC has the responsibility of ensuring that it receives sufficient input from the members in its region to be able to fully and fairly assess the merits of the applications. If possible, substantially all members in the region should be canvassed.
  8. After evaluating the applications received from applicants in their region, the RMCs shall make a recommendation on candidates to the Board of Directors.
  9. The NMC will consider the reports of the RMCs and will then submit its report to the Board, in which it will recommend which applicants should be invited to join the IIC.
  10. The Board will consider the report of the NMC and make the determination as to which applicants should be invited to join the IIC.
  11. The applications of applicants included in an RMC report who are not invited to join the IIC will be kept on file. It is expected that not all applicants in RMC reports will be admitted. Applicants may advise the IIC that their application should stand for another year but not indefinitely or the applicant may update the application to add information which may provide additional support for admission, A waiting list will not be maintained. New applicants will stand on an equal footing with existing applicants.

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## SCHEDULE

### "A"

#### MEMBERSHIP ADMISSION STANDARDS

The IIC is a professional, educational, and honorary association of commercial insolvency and bankruptcy professionals, including lawyers, trustee/financial advisors, academics and officers of lending institutions and others who are dedicated to the improvement of the insolvency process and the enhancement of the professional quality of and public respect for the commercial insolvency and bankruptcy practice.

Our membership is comprised of members who are committed to furthering the objectives of the IIC. The membership policy currently provides for 140 Regular members drawn from experienced insolvency practitioners. The membership policy currently provides guidelines that, as a pre-requisite for membership, the applicant must have been practicing for at least 10 years, with such time-period running from either the call to the bar or from obtaining the CIRP, licensed insolvency trustee (LIT) or other appropriate designation.

Membership shall be restricted by invitation to honour those individuals who have proven to their peers, through long, continuous performance in their insolvency specialty that they possess: (i) the highest professional qualifications and ethical standards; (ii) that high level of character, integrity, professional expertise and leadership which demonstrates the likelihood that they will continue to contribute to the enhancement of insolvency scholarship, continuing education and the insolvency process; (iii) a commitment to fostering and furthering the objectives of the IIC; (iv) sustained, exceptionally high quality professional services to clients, bar and public; (v) significant evidence of scholarship, teaching, lecturing, and/or distinguished published writings on bankruptcy practice, procedure, philosophy, improvements and reforms which demonstrates a consistent contribution to the enhancement of bankruptcy and insolvency literature, education, insolvency practice and the insolvency process.

Members are required to contribute to the IIC and those individuals submitting applications to join the organization should clearly understand that they will be expected to prepare and present or co-present at least one paper for inclusion in the journal published periodically through the IIC Editorial Advisory Committee. Additional anticipated participation over the course of an individual's membership also includes serving on committees and attending regional networking and professional development events such as the annual conference.

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## **SCHEDULE "B"**

### **CLASSES OF MEMBERSHIP**

Membership in the Institute is restricted to persons who are experienced commercial insolvency and restructuring practitioners, persons regularly engaged as chief restructuring officers or advisors, senior representatives of financial institutions, regulatory bodies and investor or depositor compensation corporations, members of the academic community and others with interests and substantial experience in the fields of insolvency and restructuring. Any such person may be admitted to membership in the Institute from time to time by resolution of the Board.

Only those persons who have met and continue to meet the standards and qualification requirements for their class of membership and such other requirements which from time to time may be established by the Board of Directors, are eligible to be members. The members are those individuals who have been admitted into membership and who have not resigned their membership or otherwise have become ineligible in accordance sections 2.9 Resignation from membership and 2.10 Termination of membership of the IIC Bylaw.

#### **a) Regular Members (insolvency practitioners)**

- (i) Any lawyer who is a member in good standing of the law society of any province or territory in Canada for at least 10 years, whose principal activity has been primarily in the area of commercial insolvency law, and who meets the Membership Admission Standards; or
- (ii) Any accountant, trustee or financial advisor who has practiced principally in the area of commercial insolvency; and who either (a) has held the designation of a licensed insolvency trustee (LIT) or other appropriate designation for at least 10 years or (b) has been involved in the insolvency field for at least 10 years; and who meets the Membership Admission Standards.

#### **b) Members Emeritus**

Members Emeritus shall be members of the Institute who are designated as such by the Board of Directors as a result of any of the following:

- (i) Retirement from an active commercial restructuring and insolvency practice. It is incumbent upon the Emeritus Member to inform the IIC when they retire.

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- (ii) A significant reduction in the member's participation in insolvency and restructuring matters.
- (iii) The member attaining the age of 60 years.

Members Emeritus shall have all the rights and privileges of members of the Institute subject to the following provisions:

- (i) A Member Emeritus may attend Institute conferences and other events subject to the requirement to pay the normal registration and other fees payable by Regular Members in respect thereof but shall not be subject to any participation requirement that the Institute may impose on Regular Members as a condition to maintaining membership.
- (ii) Annual membership fees payable by a Member Emeritus shall be at the rate established from time-to-time by the Board. Annual membership fees for Members Emeritus who are retired from active commercial restructuring and insolvency practice shall not exceed 50% of the fees payable by Regular Members. The reduced fee structure will be applied at the beginning of the next membership year.

**c) Academic Member**

For the purposes of membership in the Academic Member category, an academic is someone who is not a practitioner in the field, but is actively involved in teaching, researching, and publishing on commercial restructuring and insolvency issues and cases. Academic membership shall be capped at a maximum 5% of the Regular membership. Academic Members recommended for admission by the NMC, may be admitted to the Institute by resolution of the Board.

- (i) An Academic Member may apply for membership with the submission of a CV to the NMC demonstrating they meet the requirements of membership;
- (ii) Academic Members will be admitted to membership for a five-year renewable term commencing at the next Annual General Meeting (AGM) after their admission. To retain membership, Academic Members are required to demonstrate their continued active involvement in teaching, researching, and publishing on commercial restructuring and insolvency issues and cases;
- (iii) An Academic Member may attend Institute conferences and other events subject to the requirement to pay the normal registration and other fees payable by Regular Members.

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Academic Members shall not have the right to vote at any Meeting of Members, to serve on Committees as a voting Member or to be a Director of the Institute;

- (iv) Annual Membership fees are waived for Academic Members but may be established from time to time by the Board;
- (v) Academic Members are required to inform the Board and step down from membership should they no longer be actively involved in teaching, researching, and publishing on commercial restructuring and insolvency issues and cases;
- (vi) An Academic Member must contribute at least one (1) paper to the IIC Journal or undertake a significant project, as approved by the Board, within each five (5) year term;
- (vii) Co-Editors of the IIC Journal shall be admitted under the Academic membership category but are not included in the 5% of Regular Membership cap. Co-Editors are not required to contribute a paper to the IIC Journal or undertake a significant project during their term as a Co-Editor. Co-Editors must serve on the Editorial Advisory Committee for the length of their contract. Upon completion of their contract as a Co-Editor, they are subject to all terms and conditions of Academic membership.

**d) Financial Institution and Regulatory**

Financial institutions, regulatory bodies or depositor compensation corporations may be given an opportunity to have a representative in the membership. The decision about Financial Institution and Regulatory members rests with the Board.

Financial Institution and Regulatory members shall have all the rights and privileges of members of the Institute subject to the following provision:

- (i) Upon retirement or change of position a successor from the same financial institution, regulatory body or depositor compensation corporation may be considered for membership by the Board.

**e) Fellows of The Insolvency Institute of Canada**

The Board of Directors may designate one or more members from any category of membership who meet the following criteria as a Fellow of the Insolvency Institute of Canada:

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- (i) Is recognized as a prominent member of the insolvency community;
- (ii) Is a long-standing member of the Institute; and
- (iii) Has made a substantial contribution to the activities of the Institute.

The designation as a Fellow of the Insolvency Institute of Canada shall result in the member being a member for life with full privileges of membership, including the right to vote and to be elected to the Board, and with no requirement, but with full entitlement, to participate in the activities of the Institute. A Fellow of the Institute shall be required to pay annual membership fees (based on his or her other category of membership) so long as the member has an active insolvency practice but thereafter shall not be required to pay any further membership fees.

**f) Honorary Members**

A person may be admitted to honorary membership in the Institute from time to time by resolution of the Board. An Honorary member shall not be required to pay any membership fees and shall not have the other rights and privileges of a member but may attend meetings and other activities of the Institute. Notwithstanding the preceding sentence, Honorary members shall not have the right to vote at any Meeting of Members or to be a Director of the Institute.

**g) Non-Traditional**

Non-Traditional members are defined as others with interests and substantial experience in the fields of insolvency and restructuring and may be admitted to membership in the Institute by resolution of the Board. These Non-Traditional members shall have all the rights and privileges of members of the Institute.