

Panagiotis Tzavidas

Can administrative money penalties imposed by provincial regulators on securities survive a bankruptcy discharge?

AI Assistant

Yes, administrative monetary penalties imposed by provincial securities regulators can survive a bankruptcy discharge. The survival of these penalties through bankruptcy is contingent on specific conditions outlined in the Bankruptcy and Insolvency Act (BIA), particularly under sections 178(1)(a) and 178(1)(e). These sections specify that certain debts, including fines and penalties imposed for offences or fraudulent misrepresentation, are not discharged by bankruptcy [Poonian v. British Columbia \(Securities Commission\), \[2024\] S.C.J. No. 28, Alberta Securities Commission v. Hennig, \[2021\] A.J. No. 1667](#). The case law has shown that administrative penalties and disgorgement orders imposed by securities commissions are treated as debts that can survive bankruptcy if they are related to fraudulent activities [Poonian v. British Columbia \(Securities Commission\), \[2024\] S.C.J. No. 28, Alberta Securities Commission v. Hennig, \[2021\] A.J. No. 1667](#). However, it is important to note that not all administrative penalties may automatically survive bankruptcy; the nature of the offence and the specific findings of the court or regulatory body play a crucial role in determining whether these penalties are exempt from discharge under bankruptcy [R. v. Manziros, \[2004\] M.J. No. 200, Poonian \(Re\), \[2021\] B.C.J. No. 1219](#). Therefore, while administrative penalties can survive bankruptcy, each case may be subject to different interpretations based on the specifics of the penalties and the related offences.

Content Supporting AI-Generated Response:

[Poonian v. British Columbia \(Securities Commission\), \[2024\] S.C.J. No. 28](#) | Supreme Court of Canada Judgments | Federal | 2024-07-31

[Alberta Securities Commission v. Hennig, \[2021\] A.J. No. 1667](#) | Alberta Judgments | Alberta | 2021-12-14

[R. v. Manziros, \[2004\] M.J. No. 200](#) | Manitoba Judgments | Manitoba | 2004-05-11

[Poonian \(Re\), \[2021\] B.C.J. No. 1219](#) | British Columbia Judgments | British Columbia | 2021-05-26