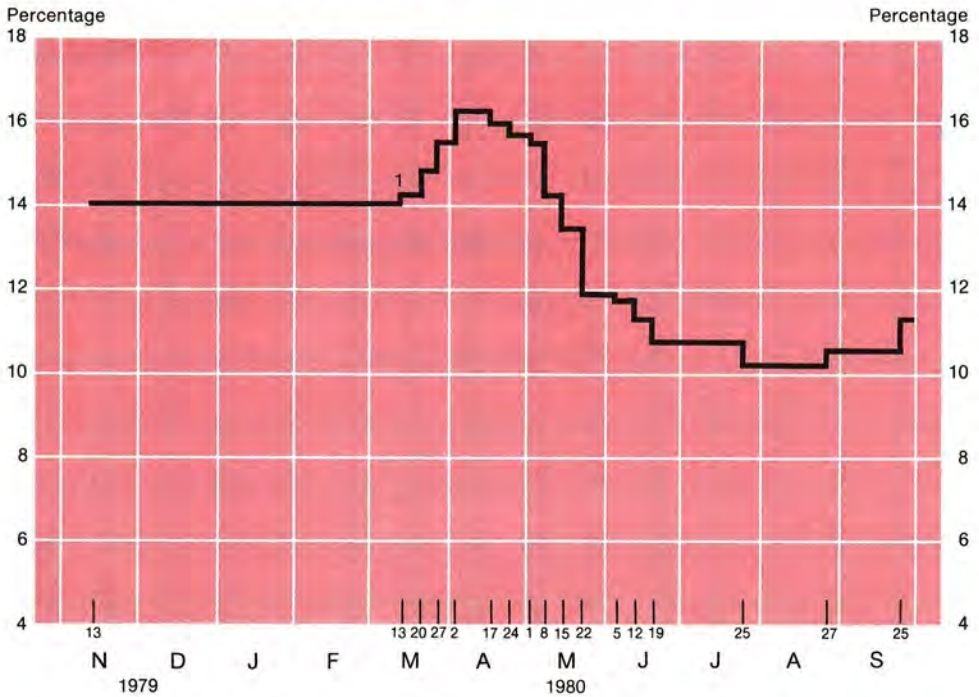


## Bank rate of the Bank of Canada



1. Bank of Canada allows the bank rate to float.

Responsibility for the supervision of the bankruptcy process rests with a superintendent of bankruptcy appointed by the Governor-in-Council who enforces the provisions of the Bankruptcy Act as it applies to trustees in bankruptcy, creditors and bankrupts. The superintendent of bankruptcy is also the director of the bankruptcy branch of the consumer and corporate affairs department. His prime responsibility is to promote confidence in and to protect the integrity of the credit system through the regulation of the bankruptcy process and through the systematic detection and prosecution of fraudulent practices and other abuses.

Operational responsibilities of the superintendent of bankruptcy include licensing and supervision of all trustees in bankruptcy, examining bankrupt estates for possible offences under the Bankruptcy Act or the Criminal Code, maintaining a record of all bankruptcies and of related statistical information and generally supervising a consumer bankruptcy program. The superintendent has representatives in major cities across Canada from whom more detailed information concerning bankruptcy and insolvency may be obtained.

**Receiverships** constitute the other major consequence of aggravated commercial insolvency and occur when a receiver is appointed to take possession or control under a security agreement or following a court order of substantially all the property or inventory of a debtor.

A receivership is usually precipitated by a secured creditor in an effort to protect his investment in an insolvent company. In the majority of receiverships, as with many commercial bankruptcies, an unsecured creditor's claims are wiped out the moment the secured creditor realizes on his security.