

# Bankruptcy Statistics

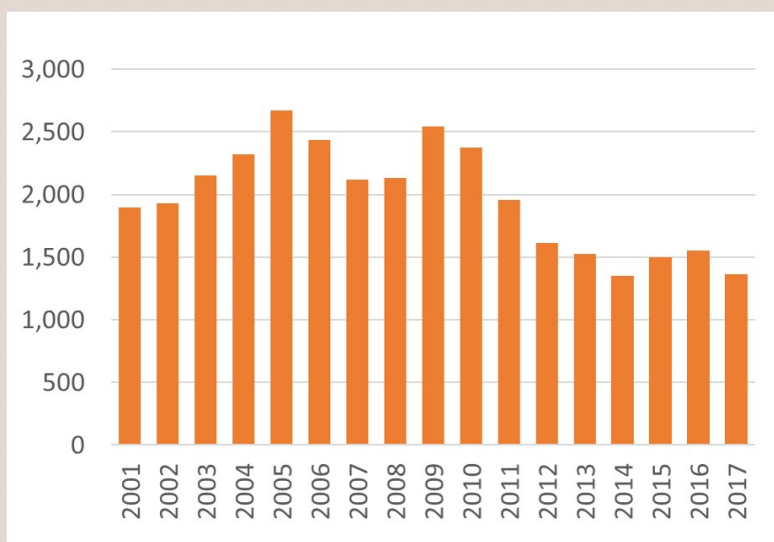
## Newfoundland and Labrador

Consumer and Business Bankruptcies

Bankruptcy is a formal process whereby debtors who cannot meet their obligations sign over all of their assets—except those exempt by law—to a Licensed Insolvency Trustee (LIT). The LIT's role includes selling off those assets to satisfy outstanding debts. Once debtors have formally declared bankruptcy, lawsuits by creditors are stayed and garnishments against debtors' salaries stop.

## Consumer

An individual with more than 50% of total liabilities related to consumer goods and services.



Source: Office of the Superintendent of Bankruptcy Canada

Consumer bankruptcies in Newfoundland and Labrador decreased by 12.2% from 2000 to 2017. The number of consumer bankruptcies peaked in 2005 with 2,668 bankruptcies.

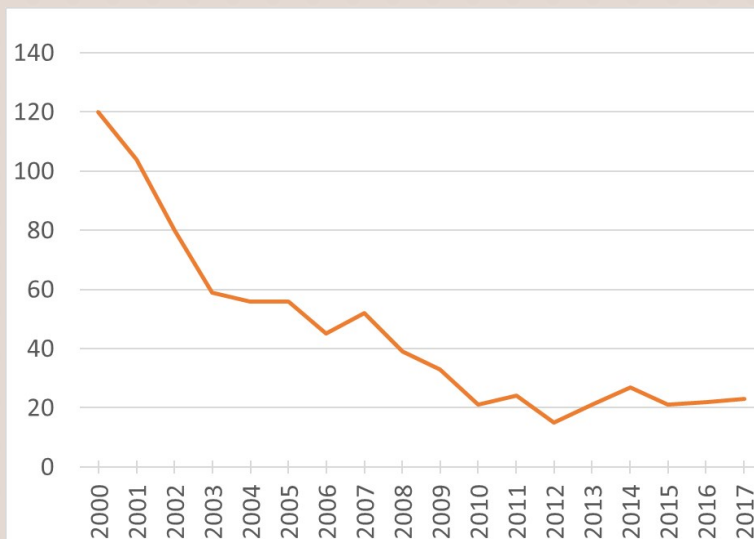
Nationally consumer bankruptcies decreased by 22.8% from 2000 to 2017.

## Business

Any commercial entity or organization other than an individual, or an individual who has incurred 50% or more of total liabilities as a result of operating a business.

The number of business bankruptcies in Newfoundland and Labrador has decreased by 80.8% from 2000 to 2017.

Nationally, business bankruptcies decreased by 73.1% from 2000 to 2017.

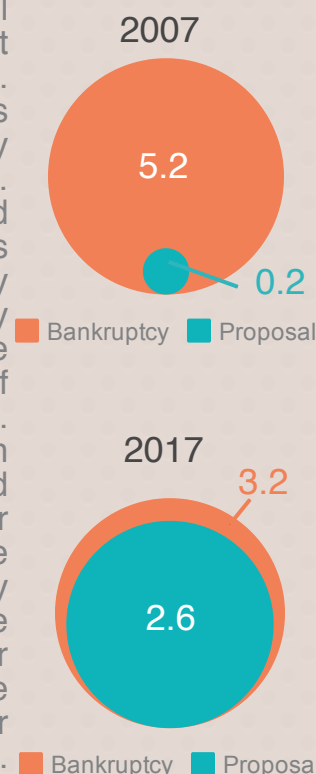


Source: Office of the Superintendent of Bankruptcy Canada

### Consumer Insolvency Rate Per 1,000 Population Aged 18+, NL

Insolvency is the inability of an individual to pay off debt as it becomes due. Consumer insolvencies changed dramatically from 2007 to 2017. Both bankruptcies and consumer proposals are insolvency solutions regulated by the Office of the Superintendent of Bankruptcy Canada.

The increase in proposals is attributed to better consumer education. They have also gained popularity with Trustees who are attracted by the better workload and revenue profile of consumer proposals.



Source: Office of the Superintendent of Bankruptcy Canada