SUPREME COURT OF CANADA

CITATION: Piekut *v.* Canada (National Revenue), 2025 SCC 13

APPEAL HEARD: November 5, 2024
JUDGMENT RENDERED: April 17, 2025
DOCKET: 40782

BETWEEN:

Izabela Piekut
Appellant

and

His Majesty The King in Right of Canada,
as represented by the Minister of National Revenue
Respondent

- and -

Attorney General of Ontario, Attorney General of Quebec,
His Majesty The King in Right of the Province of British Columbia,
as represented by the Minister of Finance,
Canadian Alliance of Student Associations and
Canadian Association of Insolvency and Restructuring Professionals
Interveners

CORAM: Wagner C.J. and Karakatsanis, Côté, Rowe, Martin, Kasirer, Jamal, O'Bonsawin and Moreau JJ.

REASONS FOR JUDGMENT: (paras. 1 to 122)

Jamal J. (Wagner C.J. and Côté, Rowe, Kasirer and O'Bonsawin JJ. concurring)

REASONS DISSENTING IN PART: (paras. 123 to 171)	Karakatsanis J. (Martin and Moreau JJ. concurring)

Izabela Piekut *Appellant*

v.

His Majesty The King in Right of Canada,
as represented by the Minister of National Revenue *Respondent*

and

Attorney General of Ontario,
Attorney General of Quebec,
His Majesty The King in Right of the Province of British Columbia,
as represented by the Minister of Finance,
Canadian Alliance of Student Associations and
Canadian Association of Insolvency
and Restructuring Professionals *Interveners*

Indexed as: Piekut *v.* Canada (National Revenue)

2025 SCC 13

File No.: 40782.

2024: November 5; 2025: April 17.

Present: Wagner C.J. and Karakatsanis, Côté, Rowe, Martin, Kasirer, Jamal, O'Bonsawin and Moreau JJ.

ON APPEAL FROM THE COURT OF APPEAL FOR BRITISH COLUMBIA

Bankruptcy and insolvency — Debts not released by order of discharge — Student loan debt — Availability of release — Federal bankruptcy legislation providing that order of discharge does not release bankrupt from any debt or obligation in respect of government student loan where date of bankruptcy occurred within seven years after date on which bankrupt ceased to be full- or part-time student — Bankrupt applying to be released from student loan debt incurred for several programs of study on basis that last program of study for which loan was obtained ended more than seven years prior to bankruptcy even if she later pursued self-financed program of study — Whether bankrupt should be released from student loan debt — Whether student loan creditor has burden to prove claim before it can be enforced — Bankruptcy and Insolvency Act, R.S.C. 1985, c. B-3, s. 178(1)(g)(ii).

The bankrupt pursued post-secondary education programs from 1987 to 1994, 1994 to 1995, 2002 to 2003, and 2006 to 2009. She financed the final program herself, but received federal student loans for her other programs. In October 2013, the bankrupt made a consumer proposal under the *Bankruptcy and Insolvency Act* ("*BIA*"), listing her student loan debt among her liabilities. In December 2017, she was granted a certificate of full performance of her consumer proposal under the *BIA*.

In June 2019, the bankrupt applied for a declaration that she "ceased to be a full- or part-time student" under s. 178(1)(g)(ii) of the *BIA* in 2003, and that her student loan debt was therefore released under s. 178(2). Section 178(2) of the *BIA* provides that an order of discharge releases a bankrupt from all claims provable in

bankruptcy, except for specific claims listed in s. 178(1). Section 178(1)(g)(ii) provides that an order of discharge does not release the bankrupt from any debt or obligation in respect of a government student loan where the date of the bankruptcy occurred "within seven years after the date on which the bankrupt ceased to be a full- or part-time student". The bankrupt argued that a multiple-date approach to s. 178(1)(g)(ii) should be adopted —under that approach there can be several dates on which the bankrupt ceased to be a student, corresponding to the end dates of the bankrupt's various programs of study — as opposed to a single-date approach — under which there can only be one date on which the bankrupt ceased to be a student, that is, the last date the bankrupt ceased to be a student before the date of bankruptcy. She claimed that, for the purposes of s. 178(1)(g)(ii), she ceased to be a student in 2003, when she completed her last period of study funded by a government student loan.

The chambers judge dismissed the bankrupt's application. As a matter of *stare decisis*, he followed the single-date approach previously endorsed by the Supreme Court of British Columbia and found that the bankrupt ceased to be a student in 2009, at the end of her last study period. The Court of Appeal dismissed the bankrupt's appeal. The bankrupt appeals to the Court, and also raises a new legal issue: whether a creditor must obtain a separate court order regarding their claim under s. 178(1)(g) before the claim is enforceable.

Held (Karakatsanis, Martin and Moreau JJ. dissenting in part)*:* The appeal should be dismissed.

Per Wagner C.J. and Côté, Rowe, Kasirer, **Jamal** and O'Bonsawin JJ.: Applying the modern principle of statutory interpretation and interpreting s. 178(1)(g)(ii) of the *BIA* based on its text, context, and purpose, the single-date approach is the correct interpretation. In addition, a creditor who relies on s. 178(1)(g) after a court has approved a consumer proposal does not have the burden to obtain a judicial determination regarding their claim before it can be enforced. In the instant case, because the bankrupt was a full- or part-time student until 2009 and filed a consumer proposal only four years later, in 2013, she could not be released from her student loan debt by s. 178(1)(g)(ii) and (2) of the *BIA*.

The non-dischargeable claims in s. 178(1) of the *BIA* recognize that the fresh start policy of bankruptcy law, reflected in s. 178(2), must yield to certain overriding social policy objectives that require that certain claims be protected against the discharge. Section 178(1)(g) operates as an exception to the fresh start principle by limiting when an order of discharge releases the bankrupt from student loan debts. Unlike the other debts and liabilities under s. 178(1) that a bankrupt will not be released from by an order of discharge, s. 178(1)(g) does not bar a bankrupt from being released from their student loan debts or liabilities completely; rather, it prohibits a bankrupt from being released from their student loan debts or liabilities for a statutorily prescribed number of years. The *BIA* scheme relating to student loan debts works harmoniously with federal, provincial, and territorial student loan legislation: s. 178(1)(g) expressly states that an order of discharge does not release the bankrupt from any debt or obligation in respect of a loan made under "the *Canada Student Loans*

Act, the *Canada Student Financial Assistance Act* or any enactment of a province that provides for loans or guarantees of loans to students". In addition, s. 178(1)(g)(i) expressly refers to the date on which a bankrupt ceased to be a full- or part-time student under these enactments. The federal student loan regulations address how a borrower qualifies as a full-or part-time student and when a borrower will "cease" to be a full- or part-time student. Provincial and territorial legislation, regulations, or policy documents similarly define an individual's student status and when they cease to be a full- or part-time student.

Under the modern principle of statutory interpretation, a court considers the words used in legislation in their entire context and in their grammatical and ordinary sense harmoniously with the scheme of the Act, the object of the Act, and the intention of Parliament. The modern principle requires a court to interpret statutory language according to a textual, contextual, and purposive analysis to find a meaning that is harmonious with the Act as a whole. Furthermore, in interpreting federal legislation, a court must consider both official language versions because the French and English language versions of federal legislation are equally authoritative. The interpretation of a bilingual enactment must begin with a search for the shared meaning between the two official language versions. Where one version of bilingual legislation is broader than the other version, the narrower version reflects the shared meaning.

Several textual indicators, including especially the French version of s. 178(1)(g), show that "the date on which the bankrupt ceased to be a full- or part-time

student" under s. 178(1)(g)(ii) is determined by the applicable federal, provincial, or territorial student loan legislation. Although the English and French texts of s. 178(1)(g) are structured differently, their shared meaning — reflected by the narrower French text — indicates that the provision applies based on the date on which the bankrupt ceased to be a student under the applicable federal, provincial, or territorial legislation.

The conclusion that the date on which the bankrupt ceased to be a full- or part-time student under s. 178(1)(g)(ii) is determined by the applicable student loan legislation does not resolve whether to interpret s. 178(1)(g)(ii) under the single- or multiple-date approach. However, a textual, contextual, and purposive analysis shows that the single-date approach is the correct interpretation of s. 178(1)(g)(ii).

The text and context of s. 178(1)(g)(ii) support the single-date approach. This provision simply asks when the bankrupt ceased to be a full- or part-time student under the applicable student loan legislation. The time to ask this question is as of the date of bankruptcy or the date of the filing of the consumer proposal. Section 178(1)(g)(ii) does not ask whether the bankrupt had earlier programs of study or whether the last program of study involved a student loan. In relation to the date on which the bankrupt ceased to be a full- or part-time student, s. 178(1)(g)(ii) uses both the definite article and the singular — "the date". This suggests that the provision refers to only one date. In addition, the word "ceased" indicates finality. Looking back from the date of bankruptcy, the bankrupt's student status cannot have "ceased" or ended if

the bankrupt later reacquired student status under a subsequent program of study.

In addition, the French text of s. 178(1.1) supports the single date approach. Section 178(1.1) gives the supervising court discretion to order that s. 178(1)(g) does not apply to a bankrupt's student loan debt five years after the bankrupt has ceased to be a full- or part-time student if the bankrupt has acted in good faith and has and will continue to experience financial difficulty to such an extent that the bankrupt will be unable to pay the debt. The French text of s. 178(1.1) is narrower than the English and thus reflects the shared meaning. It provides that the borrower must not have been a student under the applicable law for at least the past five years ("*n'est plus un étudiant . . . depuis au moins cinq ans au regard de la loi applicable*"). The broader English text of s. 178(1.1) uses the expression "ceases to be a full- or part-time student", the same expression used in s. 178(1)(g)(ii). But because s. 178(1)(g)(ii) and s. 178(1.1) must refer to the same date that the borrower ceased to be a full- or part-time student under the applicable student loan legislation, the shared meaning of s. 178(1.1) based on the narrower French text also reflects the meaning of s. 178(1)(g)(ii).

The use of "a loan" in the singular in the opening words of s. 178(1)(g) does not support the multiple-date approach. First, the multiple-date approach ignores the ordinary meaning of "debt" and "obligation" in s. 178(1)(g), which can encompass amounts owing under loans for more than one program of study. Second, the multiple-date approach requires adding words to the text of s. 178(1)(g)(ii), while the

single-date approach does not, making the single-date approach preferable. The single-date approach does not require reading the word "finally" into s. 178(1)(g)(ii); it simply requires giving the word "ceased" its ordinary meaning, read in context, by looking back from the date of bankruptcy. Third, the multiple-date approach does not read s. 178(1)(g)(ii) and s. 178(1.1) contextually, bilingually, and harmoniously.

Finally, the single-date approach is preferable to the multiple-date approach based on a purposive analysis of s. 178(1)(g)(ii). The legislative history and parliamentary debates surrounding s. 178(1)(g) show that this provision pursues several mutually supportive purposes or policy goals: (1) to reduce government losses from student loan defaults in bankruptcy; (2) to ensure the sustainability of government student loan programs for future generations of students; and (3) to give borrowers a reasonable opportunity over a continuous period of time to capitalize on all of their education to repay their publicly funded student loans, and thus to deter opportunistic bankruptcies. The single-date approach promotes these purposes better than the multiple-date approach, and hence better reflects the purposes of s. 178(1)(g)(ii). The single-date approach is also fair to borrowers: other legislative measures address financial hardship concerns. For example, a borrower who returns to school after earlier studies funded by student loans may again benefit from a suspension of the obligation to pay interest or the principal on all their student loans, even if they receive no additional student loans. After the borrower ceases to be a student, they can apply for interest relief and repayment assistance. In addition, borrowers can apply to be released from their student loan debts five years after ceasing to be a student under s. 178(1.1).

Indeed, the multiple-date approach results in absurdity: in some instances, it would allow borrowers to obtain a discharge of their student loans even before the government has had any opportunity to recover the student loan debt because any break in studies, however short, would trigger the start of the seven-year period under s. 178(1)(g)(ii).

Because a proper application of the modern principle of interpretation leads to the conclusion that the single-date approach applies and s. 178(1)(g)(ii) is unambiguous, there is no need to apply the residual presumption for restrictive interpretation of s. 178(1)(g)(ii) as an exception to the fresh start principle.

On the issue of the student loan creditor's burden to prove their claim under s. 178(1)(g), beyond filing a proof of claim, a student loan creditor need not take other steps to protect their claim. Section 178(1) is clear that an order of discharge does not release the bankrupt from student loan debts or liabilities until the bankrupt has ceased to be a full- or part-time student for seven years from the date of bankruptcy. Student loan claims are easily established without the need for a separate judicial determination.

Per **Karakatsanis**, Martin and Moreau JJ. (dissenting in part): The appeal should be allowed in part. The single-date approach does not govern the interpretation of s. 178(1)(g)(ii) of the *BIA*. Rather, s. 178(1)(g)(ii) functions as a conditional statutory bar on discharge of an individual's student loans. That statutory bar looks forward from the date that the individual ceased to be a student, and is conditional upon the individual having ceased to be a student for a continuous seven-year period. Once that condition has been met, the provision no longer applies to those loans, and a

subsequent return to schooling will not prevent an individual from being released from those student loans. However, where a return to schooling prevents such a seven-year period from elapsing, the provision requires that a future period of seven years elapse before the condition is satisfied and the individual may be discharged from loans accrued before that time. In the instant case, the declaration sought by the bankrupt should be granted in part: the statutory bar does not apply to student loans she accrued before she ceased to be a student in April 1995.

Neither the single-date nor multiple-date approaches represent the correct interpretation of s. 178(1)(g)(ii). The single-date approach can lead to absurd results: someone who has been out of school for much longer than the seven years cannot be released from those loans if they had just started another post-secondary program. The multiple-date approach can also lead to absurd results: even a brief break between one degree and another can mean that seven years will elapse while the bankrupt remains a student with no meaningful opportunity to repay the loan. An interpretation of the provision which allows discharge of student loans after seven continuous non-student years is appropriate due to its compliance with the legislative text and its promotion of legislative intent. This interpretation reflects elements of both the single-date and multiple-date approaches and avoids the most absurd results of both. It allows an individual to return to schooling after seven years and re-train without sacrificing their ability to avail themselves of the *BIA* in the future, while also mandating that an individual spend a seven-year period out of school before they are discharged from their student loans.

Applying the modern approach of interpretation, the words of the provision must be read harmoniously with the broader statutory context, and both the purposes of the provision and broader purposes of the *BIA*. As stated by the majority, the definitions in student loan legislation govern the determination of student status under s. 178(1)(g)(ii), and s. 178(1)(g)(ii) and s. 178(1.1) must operate based upon the same date. However, this does not resolve the entire interpretation of how the section functions.

The words of the provision, "any debt . . . in respect of a loan", and "within seven years after" an individual "ceased to be a . . . student", must be read together. The reference to the federal and provincial loan legislation informs not only when a person is "a student" but also the meaning of "a loan". This statutory context establishes that s. 178(1)(g)(ii) applies to student loans as a student accrues them while they are enrolled in courses in a program of studies, rather than one individual consolidated student debt. Specifically, the language of the provision indicates that it relates to the loans that exist when a person ceases to be a student.

Framing s. 178(1)(g)(ii) in the negative and using the word "after" indicates that Parliament intended for the provision to have a forward-looking perspective, to ensure there is no release from any debt in respect of a loan made under student loan legislation within seven years after the time that the individual ceased to be a student. That condition is satisfied when the date of bankruptcy does not occur within seven years after the completion of their studies, even if they later regain student

status. The language of s. 178(1.1) provides further support for this interpretation because the date that anchors the calculation in this provision is clearly the borrower's cessation date, not the date of bankruptcy, indicating a forward-looking approach. In addition, the use of the word "ceased" does not indicate that the single-date approach is the only correct interpretation of s. 178(1)(g)(ii) because an individual may cease being a student on one date, yet later become a student again.

Finally, there is agreement with the majority that a creditor relying on s. 178(1)(g) does not have a burden to obtain a separate judicial determination of their claim before it is enforceable under the *BIA*.

Cases Cited

By Jamal J.

Overruled: *Canada (Attorney General) v. Collins*, 2013 NLCA 17, 334 Nfld. & P.E.I.R. 318; *St. Dennis v. Ontario (Ministry of Training, Colleges & Universities)*, 2017 ONSC 2417, 48 C.B.R. (6th) 122; *McNutt (Bankrupt), Re*, 2008 NSSC 166, 266 N.S.R. (2d) 180; *Goulding (Re)*, 2020 NSSC 22, 76 C.B.R. (6th) 154; *Hildebrand (Bankrupt), Re*, 2010 SKQB 321, 360 Sask. R. 128; *Mortimer (Bankrupt), Re*, 2012 NBQB 109, 386 N.B.R. (2d) 195; **approved:** *Quebec (Attorney General) v. N.P.*, 2011 QCCA 726; *Mallory, Re*, 2015 BCSC 5, 19 C.B.R. (6th) 195; *Bataille v. Procureur général du Québec*, 2023 QCCA 169, 479 D.L.R. (4th) 492; **referred to:** *Damache (Syndic de)*, 2012 QCCA 2014; *Housen v. Nikolaisen*, 2002 SCC 33, [2002]

2 S.C.R. 235; *Aquino v. Bondfield Construction Co.*, 2024 SCC 31; *Poonian v. British Columbia (Securities Commission)*, 2024 SCC 28; *Jerrard v. Peacock* (1985), 37 Alta. L.R. (2d) 197; *Rizzo & Rizzo Shoes Ltd. (Re)*, [1998] 1 S.C.R. 27; *Bell ExpressVu Limited Partnership v. Rex*, 2002 SCC 42, [2002] 2 S.C.R. 559; *Canada (Minister of Citizenship and Immigration) v. Vavilov*, 2019 SCC 65, [2019] 4 S.C.R. 653; *Canada Trustco Mortgage Co. v. Canada*, 2005 SCC 54, [2005] 2 S.C.R. 601; *R. v. Downes*, 2023 SCC 6; *Chieu v. Canada (Minister of Citizenship and Immigration)*, 2002 SCC 3, [2002] 1 S.C.R. 84; *Montréal (City) v. 2952-1366 Québec Inc.*, 2005 SCC 62, [2005] 3 S.C.R. 141; *R. v. Alex*, 2017 SCC 37, [2017] 1 S.C.R. 967; *La Presse inc. v. Quebec*, 2023 SCC 22; *Quebec (Commission des droits de la personne et des droits de la jeunesse) v. Directrice de la protection de la jeunesse du CISSS A*, 2024 SCC 43; *Canada (Citizenship and Immigration) v. Khosa*, 2009 SCC 12, [2009] 1 S.C.R. 339; *R. v. Daoust*, 2004 SCC 6, [2004] 1 S.C.R. 217; *R. v. Mac*, 2002 SCC 24, [2002] 1 S.C.R. 856; *Doré v. Verdun (City)*, [1997] 2 S.C.R. 862; *Canada (Transportation Safety Board) v. Carroll-Byrne*, 2022 SCC 48; *Medovarski v. Canada (Minister of Citizenship and Immigration)*, 2005 SCC 51, [2005] 2 S.C.R. 539; *Wilson v. British Columbia (Superintendent of Motor Vehicles)*, 2015 SCC 47, [2015] 3 S.C.R. 300; *R. v. Moriarity*, 2015 SCC 55, [2015] 3 S.C.R. 485; *Québec (Procureur général) v. Paulin*, 2007 QCCA 1716, [2008] R.J.Q. 16; *Procureure générale du Québec v. Augustin*, 2019 QCCQ 2399; *Martin (Bankruptcy), Re*, 1997 CanLII 773; *Handspiker (Re)*, 2018 NSSC 333; *R. v. Basque*, 2023 SCC 18; *Cunningham (Bankrupt), Re*, 2012 NBQB 352, 397 N.B.R. (2d) 103; *MediaQMI inc. v. Kamel*, 2021 SCC 23, [2021] 1 S.C.R. 899; *R. v. Rafilovich*, 2019 SCC 51, [2019] 3 S.C.R. 838; *Guindon v. Canada*,

2015 SCC 41, [2015] 3 S.C.R. 3; *John Howard Society of Saskatchewan v. Saskatchewan (Attorney General)*, 2025 SCC 6; *Performance Industries Ltd. v. Sylvan Lake Golf & Tennis Club Ltd.*, 2002 SCC 19, [2002] 1 S.C.R. 678; *St-Pierre v. Québec (Ministère de l'Éducation)*, [2002] R.J.Q. 205; *Fontaine v. Québec (Ministère de l'Éducation, du Loisir et du Sport)*, 2009 QCCS 1482; *Montréal (City) v. Deloitte Restructuring Inc.*, 2021 SCC 53, [2021] 3 S.C.R. 736.

By Karakatsanis J. (dissenting in part)

Mallory, Re, 2015 BCSC 5, 19 C.B.R. (6th) 195; *Quebec (Attorney General) v. N.P.*, 2011 QCCA 726; *Canada (Attorney General) v. Collins*, 2013 NLCA 17, 334 Nfld. & P.E.I.R. 318; *McNutt (Bankrupt), Re*, 2008 NSSC 166, 266 N.S.R. (2d) 180; *Mortimer (Bankrupt), Re*, 2012 NBQB 109, 386 N.B.R. (2d) 195; *St. Dennis v. Ontario (Ministry of Training, Colleges & Universities)*, 2017 ONSC 2417, 48 C.B.R. (6th) 122; *Hildebrand (Bankrupt), Re*, 2010 SKQB 321, 360 Sask. R. 128; *Rizzo & Rizzo Shoes Ltd. (Re)*, [1998] 1 S.C.R. 27; *Alberta (Attorney General) v. Moloney*, 2015 SCC 51, [2015] 3 S.C.R. 327; *Poonian v. British Columbia (Securities Commission)*, 2024 SCC 28; *Schreyer v. Schreyer*, 2011 SCC 35, [2011] 2 S.C.R. 605; *R. v. McIntosh*, [1995] 1 S.C.R. 686; *Cunningham (Bankrupt), Re*, 2012 NBQB 352, 397 N.B.R. (2d) 103.

Statutes and Regulations Cited

Act respecting financial assistance for education expenses, CQLR, c. A-13.3, ss. 9, 23 to 25.1, 32, 38.

Act to amend the Bankruptcy and Insolvency Act, the Companies' Creditors Arrangement Act and the Income Tax Act, S.C. 1997, c. 12, s. 105.

Act to establish the Wage Earner Protection Program Act, to amend the Bankruptcy and Insolvency Act and the Companies' Creditors Arrangement Act and to make consequential amendments to other Acts, S.C. 2005, c. 47, s. 107(2), (3).

Bankruptcy and Insolvency Act, R.S.C. 1985, c. B-3, Part III, Division I, ss. 66.11 to 66.4, 178, 184, 192.

Budget Implementation Act, 1998, S.C. 1998, c. 21, s. 103(1), (2).

Canada Student Financial Assistance Act, S.C. 1994, c. 28, s. 12.

Canada Student Financial Assistance Regulations, SOR/95-329, ss. 2(1) "full-time student", "part-time student", "period of studies", "program of studies", 5, 7, 8(1), 11.1, 12, 12.1, 12.2, 12.3, 12.6.

Canada Student Loans Act, R.S.C. 1985, c. S-23, ss. 2(1) "period of studies", 3, 14.

Canada Student Loans Regulations, SOR/93-392, ss. 3, 4.1(1), 7, 11.

Canadian Charter of Rights and Freedoms, s. 18(1).

Constitution Act, 1867, s. 133.

Direct Student Loan Regulations, N.S. Reg. 342/2008, ss. 2(e), (f), (j), 11.

General Regulation — Post-Secondary Student Financial Assistance Act, N.B. Reg. 2007-78, ss. 3 "normal full-time course load", "program of studies", 17(g).

Interpretation Act, R.S.C. 1985, c. I-21, s. 12.

Official Languages Act, R.S.C. 1985, c. 31 (4th Supp.), s. 13.

Ontario Student Grants and Ontario Student Loans, O. Reg. 70/17, ss. 7, 9, 23, 24 to 27, 28, 29, 30.

Post-Secondary Student Financial Assistance Act, S.N.B. 2007, c. P-9.315, s. 1 "qualifying student".

Regulation respecting financial assistance for education expenses, CQLR, c. A-13.3, r. 1, s. 81.

Saskatchewan Student Direct Loans Regulations, R.R.S., c. S-61.1, Reg. 1, ss. 2(1)(j), (n), 9 to 12, 13.

Student Aid Regulation, Man. Reg. 143/2003, ss. 4, 10, 11, 20, 21 to 23, 24.

Student Financial Assistance Act General Regulations, P.E.I. Reg. EC709/10, ss. 1(h), (j), (j.1), (k), (m), 26, 28.

Student Financial Assistance Regulation, Alta. Reg. 298/2002, Sch. 1, s. 1(1)(f), Sch. 2, ss. 1(1)(h), (m), (o), 24(1), 32.

Student Financial Assistance Regulations, N.L.R. 105/03, ss. 2(d), (e), (e.1), (h), (g), 5.2, 5.3, 5.8.

Student Financial Assistance Regulations, R.R.N.W.T. 1990, c. S-20, s. 1(1) "full-time student", "program of studies", (2), (3), 6(7).

Student Financial Assistance Regulations, R.R.N.W.T. (Nu.) 1990, c. S-20, ss. 1(1) "full-time student", "part-time student" [ad. 046-2021, s. 2], "program of studies", 21, 23, 24(1), 25, 29.

Student Financial Assistance Regulations, amendment, Nu. Reg. 046-2021.

Authors Cited

Bastarache, Michel, et al. *The Law of Bilingual Interpretation*. Markham, Ont.: LexisNexis, 2008.

Beaulac, Stéphane, and Pierre-André Côté. "Driedger's 'Modern Principle' at the Supreme Court of Canada: Interpretation, Justification, Legitimization" (2006), 40 *R.J.T.* 131.

Ben-Ishai, Stephanie. "Government Student Loans, Government Debts and Bankruptcy: A Comparative Study" (2006), 44 *Can. Bus. L.J.* 211.

Ben-Ishai, Stephanie. "Student Loans and Bankruptcy: Five Years Later", in Janis P. Sarra and Barbara Romaine, eds., *Annual Review of Insolvency Law 2014*. Toronto: Thomson Reuters, 2015, 221.

Black's Law Dictionary, 12th ed., by Bryan A. Garner. St. Paul, Minn.: Thomson Reuters, 2024, "debt", "obligation".

British Columbia. Ministry of Post-Secondary Education and Future Skills. StudentAid BC. *Policy Manual 2024-2025*. Victoria, 2024.

Brochu, Denis. *Précis de la faillite et de l'insolvabilité*, 6th ed. Montréal: LexisNexis, 2022.

Canada. Employment and Social Development. *Canada Student Grants and Loans — What student grants and loans offer*, July 9, 2024 (online: https://www.canada.ca/en/services/benefits/education/student-aid/grants-loans.html; archived version: https://www.scc-csc.ca/cso-dce/2025SCC-CSC13_1_eng.pdf).

Canada. House of Commons. *House of Commons Debates*, vol. 134, No. 148, 2nd Sess., 35th Parl., March 20, 1997, pp. 9293-94.

Canada. House of Commons. *House of Commons Debates*, vol. 140, No. 128, 1st Sess., 38th Parl., September 29, 2005, pp. 8201-2.

Canada. Library of Parliament. Parliamentary Information and Research Service. *Treatment of Student Loans Under Canadian Bankruptcy Law*, Background Paper PRB 01-26E, by Alysia Davies, Legal and Legislative Affairs Division, revised November 26, 2008.

Canada. National Student Loans Service Centre. *Additional Resources*, August 19, 2024 (online: https://www.csnpe-nslsc.canada.ca/en/additional-resources; archived version: https://www.scc-csc.ca/cso-dce/2025SCC-CSC13_2_eng.pdf).

Canada. Office of the Superintendent of Bankruptcy. *Recovering a Section 178 Debt*, July 23, 2010, modified March 23, 2015 (online: https://ised-isde.canada.ca/site/office-superintendent-bankruptcy/en/trustees/osb-position-papers/recovering-section-178-debt; archived version: https://www.scc-csc.ca/cso-dce/2025SCC-CSC13_3_eng.pdf).

Canada. Senate. Standing Senate Committee on Banking, Trade and Commerce. *Debtors and Creditors Sharing the Burden: A Review of the Bankruptcy and Insolvency Act and the Companies' Creditors Arrangement Act*. Ottawa, 2003.

Côté, Pierre-André, and Mathieu Devinat. *Interprétation des lois*, 5th ed. Montréal: Thémis, 2021.

Honsberger, John D., and Vern W. DaRe. *Honsberger's Bankruptcy in Canada*, 5th ed. Toronto: Thomson Reuters, 2017.

Houlden, L. W., G. B. Morawetz and Janis Sarra. *Bankruptcy and Insolvency Law of Canada*, 4th ed. rev. Toronto: Thomson Reuters, 2025 (loose-leaf updated April 2025, release 4).

Mancini, Mark. "The Purpose Error in the Modern Approach to Statutory Interpretation" (2022), 59 *Alta. L. Rev.* 919.

Moses, James Roderick. “Student Loans — How the Bankruptcy Provisions Could Benefit from Additional Parliamentary Review”, in Jill Corraini and D. Blair Nixon, eds., *Annual Review of Insolvency Law 2019*. Toronto: Thomson Reuters, 2020, 25.

Nunavut. Department of Education. *FANS Student Handbook*, August 2024 (online: https://www.gov.nu.ca/sites/default/files/publications/2024-08/FANS_HANDBOOK_ENG_4.pdf; archived version: https://www.scc-csc.ca/cso-dce/2025SCC-CSC13_4_eng.pdf).

Oxford English Dictionary (online: www.oed.com), “cease”, “ceased”.

Petit Robert: dictionnaire alphabétique et analogique de la langue française, new ed. Paris: Le Robert, 2025, “*cesser*”.

Private Law Dictionary and Bilingual Lexicons: Obligations. Cowansville, Que.: Yvon Blais, 2003, “debt”, “obligation”.

Sullivan, Ruth. *The Construction of Statutes*, 7th ed. Toronto: LexisNexis, 2022.

Wood, Roderick J. *Bankruptcy and Insolvency Law*, 2nd ed. Toronto: Irwin Law, 2015.

APPEAL from a judgment of the British Columbia Court of Appeal (Willcock, DeWitt-Van Oosten and Horsman JJ.A.), 2023 BCCA 181, 480 D.L.R. (4th) 530, 6 C.B.R. (7th) 207, [2023] B.C.J. No. 775 (Lexis), 2023 CarswellBC 1138 (WL), affirming a decision of Milman J., 2021 BCSC 1883, 92 C.B.R. (6th) 255, [2021] B.C.J. No. 2077 (Lexis), 2021 CarswellBC 2983 (WL). Appeal dismissed, Karakatsanis, Martin and Moreau JJ. dissenting in part.

Cody G. Reedman, for the appellant.

Michael Taylor and *Christa Akey*, for the respondent.

Shahana Kar and *Kristina Yeretsian*, for the intervener the Attorney General of Ontario.

Janie Desautels and *Audrey-Anne Blais*, for the intervener the Attorney General of Quebec.

Fernando de Lima, *Emily Lapper* and *Shannon Davis*, for the intervener His Majesty The King in Right of the Province of British Columbia, as represented by the Minister of Finance.

Jeremy Opolsky, *Mike Noel*, *Alison Schwenk* and *Anna Lund*, for the intervener the Canadian Alliance of Student Associations.

Heather Fisher, *C. Haddon Murray* and *James Aston*, for the intervener the Canadian Association of Insolvency and Restructuring Professionals.

The judgment of Wagner C.J. and Côté, Rowe, Kasirer, Jamal and O'Bonsawin JJ. was delivered by

JAMAL J. —

I. Introduction

[1] This appeal raises a question of statutory interpretation as to when a bankrupt is released from their government student loan debts under the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3 ("*BIA*").

[2] Section 178(2) of the *BIA* provides that an order of discharge releases a bankrupt from all claims provable in bankruptcy, except for claims listed in s. 178(1). Specifically, s. 178(1)(g)(ii) provides that an order of discharge does not release the bankrupt from any debt or obligation in respect of a government student loan where the date of the bankruptcy occurred "within seven years after the date on which the bankrupt ceased to be a full- or part-time student". Section 178 also applies to consumer proposals, which provide a quicker, more efficient, and less costly alternative to bankruptcy for individuals under certain circumstances. The question raised on this appeal is: When does a bankrupt cease to be a full- or part-time student under s. 178(1)(g)(ii)?

[3] This question has divided courts across Canada. The courts of Quebec and British Columbia, including the Court of Appeal for British Columbia in this case, interpret s. 178(1)(g)(ii) according to a "single date" approach. Under this approach, there can be only one date on which the bankrupt ceased to be a student: the last date the bankrupt ceased to be a student before the date of bankruptcy. Section 178(1)(g)(ii) prevents a bankrupt from being discharged of a student loan debt if the bankrupt was a student within seven years before the date of bankruptcy (*Quebec (Attorney General)*

v. N.P., 2011 QCCA 726; *Damache (Syndic de)*, 2012 QCCA 2014; *Mallory, Re*, 2015 BCSC 5, 19 C.B.R. (6th) 195).

[4] By contrast, judges in Newfoundland and Labrador and Ontario, and registrars in bankruptcy in Nova Scotia, Saskatchewan, and New Brunswick, interpret s. 178(1)(g)(ii) according to a "multiple date" approach.[1] Under this approach, there can be several dates on which the bankrupt ceased to be a student, corresponding to the end dates of the bankrupt's various programs of study (*Canada (Attorney General) v. Collins*, 2013 NLCA 17, 334 Nfld. & P.E.I.R. 318; *St. Dennis v. Ontario (Ministry of Training, Colleges & Universities)*, 2017 ONSC 2417, 48 C.B.R. (6th) 122; *McNutt (Bankrupt), Re*, 2008 NSSC 166, 266 N.S.R. (2d) 180; *Goulding (Re)*, 2020 NSSC 22, 76 C.B.R. (6th) 154; *Hildebrand (Bankrupt), Re*, 2010 SKQB 321, 360 Sask. R. 128; *Mortimer (Bankrupt), Re*, 2012 NBQB 109, 386 N.B.R. (2d) 195). The multiple-date approach releases many more bankrupts from student loan debts in bankruptcy or under consumer proposals than the single-date approach.

[5] Applying the modern principle of statutory interpretation and interpreting s. 178(1)(g)(ii) based on its text, context, and purpose, I conclude that the single-date approach is the correct interpretation. Critically, the single-date approach promotes the statutory purposes or policy goals of this provision: to reduce government losses on student loan defaults; to ensure the sustainability of student loan programs for future generations; and to ensure borrowers have a reasonable time after finishing their studies

[1] Registrars in bankruptcy are officers of provincial and territorial courts, appointed under s. 184 of the *BIA*, with powers and jurisdiction defined under s. 192.

to capitalize on all their education to allow them to repay their student loans, thus deterring opportunistic bankruptcies.

[6] Because the appellant, Ms. Izabela Piekut, was a full- or part-time student until 2009 and filed a consumer proposal only four years later, in 2013, she could not be released from her student loan debt by s. 178(1)(g)(ii) and (2) of the *BIA*.

[7] The appellant also raises a new legal issue for the first time before this Court. She claims that a creditor must obtain a separate court order regarding their claim under s. 178(1)(g) before the claim is enforceable. I disagree. Student loan debts arise under legislation, are easily proved, and fall under s. 178(1)(g) without requiring a separate court order.

[8] I would dismiss the appeal.

II. Background

[9] The appellant pursued several post-secondary education programs between 1987 and 2009. From 1987 to 1994, she studied for a Bachelor of Arts degree, and from 1994 to 1995, she pursued a teaching diploma, both at the University of Calgary. A few years later, the appellant returned to university. From 2002 to 2003, she studied for a Bachelor of Education degree, and from 2006 to 2009, she pursued a Master of Education degree, both at the University of British Columbia.

[10] The appellant received federal student loans for all her post-secondary education programs, except for her Master of Education, which she financed herself. From 1987 to 1994, she received $25,860 in federal student loans, and from 2002 to 2003, she received an additional $8,580. At some point, the appellant also received a student loan from the government of Alberta. The appellant consolidated her various student loans into a single debt on several occasions between 2006 and 2009.

[11] After the appellant's student loans first became repayable in 1995, she applied for and received interest relief for eight six-month periods between 1996 and 2002, and then for another six-month period in 2005, for a total of 54 months. During these periods, the federal government paid the interest on the appellant's student loans.

[12] From 2010 to 2013, the appellant applied for and received repayment assistance. As a result, the federal government paid the principal and interest owing on the appellant's student loans for four six-month periods during each of the years from 2010 to 2013 inclusive, for a total of 24 months.

[13] In October 2013, the appellant made a consumer proposal under the *BIA*. She listed her total assets as $280,529, consisting mainly of her condominium in North Vancouver and her car. She also listed her total liabilities as $356,155, consisting mainly of a mortgage on her condominium, her student loan debt, and credit card debt. At the time, her federal student loan debt was $26,658, and her Alberta student loan debt was $2,101.

[14] In December 2017, the appellant was granted a certificate of full performance of her consumer proposal.

III. Judicial History

A. *Supreme Court of British Columbia, 2021 BCSC 1883, 92 C.B.R. (6th) 255 (Milman J.)*

[15] In June 2019, the appellant applied to the Supreme Court of British Columbia for a declaration that she "ceased to be a full- or part-time student" under s. 178(1)(g) of the *BIA* in 2003, and that her student loan debt was released under s. 178(2). In the alternative, the appellant applied for discretionary relief based on financial hardship under s. 178(1.1) and a declaration that s. 178(1)(g) no longer applied to her student loan debt. Section 178(1.1) provides that, in certain cases of good faith conduct and ongoing financial hardship, a court has discretion to order the bankrupt discharged of student loan debts five years after a debtor ceased to be a full- or part-time student. However, the appellant did not pursue the claim for relief based on financial hardship at the hearing before the chambers judge or on appeal. In her application, the appellant advised the court that her total taxable income based on her notices of assessment was $82,310 in 2015, $84,532 in 2016, and $78,027 in 2017.

[16] The appellant urged the court to adopt the multiple-date approach to s. 178(1)(g)(ii). She argued that even though she had been a full-time student as recently as 2009 — only four years before she filed her consumer proposal in 2013 — that date

should not count under s. 178(1)(g)(ii). She claimed that, for the purposes of s. 178(1)(g)(ii), she ceased to be a student in 2003, when she completed her last period of study funded by a government student loan.

[17] The chambers judge rejected this argument and dismissed the application. As a matter of *stare decisis*, he followed the single-date approach endorsed by the Supreme Court of British Columbia in *Mallory*. The court in *Mallory* adopted the single-date approach based on the text, context, and purpose of s. 178(1)(g)(ii). The court noted that the single-date approach respects the plain meaning of s. 178(1)(g)(ii), which refers to "the date" on which the bankrupt "ceased" to be a student. The definite article "the" signifies a single date, while the ordinary meaning of "ceased" refers to the end of the bankrupt's last study period. By contrast, the court said, the multiple-date approach interprets "ceased" as "temporarily ceased", and reads into s. 178(1)(g)(ii) the words "for the purposes of the particular loan" in order to connect student loans to particular programs of study (paras. 66 and 68). This would mean that any break in studies, however short, would trigger the start of the seven-year period under s. 178(1)(g)(ii). The court concluded that Parliament cannot have intended this result.

[18] The court in *Mallory* added that the multiple-date approach also fails to interpret s. 178(1)(g)(ii) in context with s. 178(1.1), the discretionary financial hardship provision, or to consider the French version of both provisions, which contemplate the same date: the end date of the bankrupt's last period of study before the bankruptcy.

The court also agreed with the Quebec Court of Appeal in *N.P.* that the multiple-date approach thwarts the purpose of s. 178(1)(g)(ii) to discourage opportunistic bankruptcies.

B. *Court of Appeal for British Columbia, 2023 BCCA 181, 480 D.L.R. (4th) 530 (DeWitt-Van Oosten J.A., Willcock and Horsman JJ.A. Concurring)*

[19] The Court of Appeal dismissed the appeal and affirmed the decision of the chambers judge. The court ruled that s. 178(1)(g) is "unambiguous", and that "*Mallory* was correctly decided and the chambers judge properly followed it" (para. 19).

[20] In the Court of Appeal's view, the multiple-date approach fails to adequately consider the structure and language of s. 178(1)(g); the differences between the English and French versions of the provision; and the effect of s. 178(1.1). The court also agreed that the Quebec Court of Appeal in *N.P.* gave a "compelling reason" for rejecting the multiple-date approach: it would frustrate Parliament's purpose of prohibiting opportunistic bankruptcies, declared without the bankrupt trying to capitalize on their education, and without the government having had the opportunity to recover the debt (para. 21).

[21] The Court of Appeal held that the seven-year period under s. 178(1)(g)(ii) of the *BIA* "runs from the latest date on which the bankrupt ceased to be a full- or part-time student within the meaning of the 'Act or enactment' that provides for the student loans or guarantees of those loans, irrespective of whether the educational

studies . . . were financed through a federal or provincial student loans program" (para. 22). The court also agreed with the court in *Mallory*, that the key question to ask under s. 178(1)(g)(ii) is "when did the bankrupt cease being a student", and the "time to ask that question is the date when the assignment in bankruptcy was made" (para. 24, citing *Mallory*, at para. 86).

IV. Issues

[22] The appellant raises two issues.

[23] First, the appellant argues that the courts below should have interpreted s. 178(1)(g)(ii) under the multiple-date approach, which would have resulted in her being released from her student loans under her consumer proposal. This issue of statutory interpretation raises a question of law reviewable for correctness (*Housen v. Nikolaisen*, 2002 SCC 33, [2002] 2 S.C.R. 235, at para. 8).

[24] Second, the appellant asserts that a creditor who relies on s. 178(1)(g) has the burden to obtain a separate judicial determination regarding their claim before the claim is enforceable under the *BIA*.

V. Discussion

A. *Relevant Statutory Schemes*

[25] The *BIA* and the federal, provincial, and territorial student loan schemes operate together to address student loans in bankruptcy or under a consumer proposal. I will consider each in turn.

(1) The *BIA*

(a) *The BIA Limits When an Order of Discharge Releases a Bankrupt from Student Loan Debts*

[26] The *BIA* has two main purposes: to equitably distribute a bankrupt's assets among their creditors and to financially rehabilitate the bankrupt (*Aquino v. Bondfield Construction Co.*, 2024 SCC 31, at para. 36; *Poonian v. British Columbia (Securities Commission)*, 2024 SCC 28, at para. 1). A bankrupt's financial rehabilitation involves allowing an honest but unfortunate debtor to obtain a discharge of their debts and giving them a "fresh start", free of debt (*Aquino*, at para. 36, citing F. Bennett, *Bennett on Bankruptcy* (26th ed. 2024), at p. 37; *Poonian*, at para. 1).

[27] The "fresh start" principle is reflected in s. 178(2) of the *BIA*, which states that, subject to exceptions in s. 178(1), "an order of discharge releases the bankrupt from all claims provable in bankruptcy" (*Poonian*, at para. 1). The exceptions or non-dischargeable claims in s. 178(1) include debts or liabilities for fines, penalties, and restitution orders imposed by a court in respect of an offence (s. 178(1)(a)); awards for damages for intentional bodily harm or sexual assault (s. 178(1)(a.1)(i)); fraud or misappropriation by a fiduciary (s. 178(1)(d)); obtaining property or services by false

pretences or fraudulent misrepresentation (s. 178(1)(e)); certain claims not disclosed to the trustee (s. 178(1)(f)); government student loans (s. 178(1)(g)); and debts for interest on the preceding amounts (s. 178(1)(h)).

[28] The non-dischargeable claims in s. 178(1) "recognize that the fresh start policy of bankruptcy law must yield to certain overriding social policy objectives that require that certain claims be protected against the discharge" (R. J. Wood, *Bankruptcy and Insolvency Law* (2nd ed. 2015), at pp. 312-13). They are "the kind of claims that society, through Parliament, considers to be of a quality that outweighs any possible benefit in the bankrupt being relieved of them" (*Poonian*, at para. 25, citing J. Sarra, G. B. Morawetz and L. W. Houlden, *The 2024 Annotated Bankruptcy and Insolvency Act* (2024), at § 7:185, and *Jerrard v. Peacock* (1985), 37 Alta. L.R. (2d) 197 (Q.B.)).

[29] Section 178(1)(g) of the *BIA* operates as an exception to the fresh start principle by limiting when an order of discharge releases the bankrupt from student loan debts. As noted, it provides that an order of discharge does not release the bankrupt from student loan debts made under federal, provincial, or territorial student loan legislation if the bankruptcy occurred either before the debtor "ceased to be a full- or part-time student . . . under the applicable Act or enactment," or "within seven years after the date on which the bankrupt ceased to be a full- or part-time student". Unlike the other debts and liabilities under s. 178(1) that a bankrupt will not be released from by an order of discharge, s. 178(1)(g) does not bar a bankrupt from being released from their student loan debts or liabilities completely; rather, it prohibits a bankrupt from

being released from their student loan debts or liabilities for a statutorily prescribed number of years. Section 178(1)(g) states:

> **178 (1)** An order of discharge does not release the bankrupt from
>
> . . .
>
> **(g)** any debt or obligation in respect of a loan made under the *Canada Student Loans Act*, the *Canada Student Financial Assistance Act* or any enactment of a province that provides for loans or guarantees of loans to students where the date of bankruptcy of the bankrupt occurred
>
> **(i)** before the date on which the bankrupt ceased to be a full- or part-time student, as the case may be, under the applicable Act or enactment, or
>
> **(ii)** within seven years after the date on which the bankrupt ceased to be a full- or part-time student;
>
> **178 (1)** Une ordonnance de libération ne libère pas le failli :
>
> . . .
>
> **g)** de toute dette ou obligation découlant d'un prêt consenti ou garanti au titre de la *Loi fédérale sur les prêts aux étudiants*, de la *Loi fédérale sur l'aide financière aux étudiants* ou de toute loi provinciale relative aux prêts aux étudiants lorsque la faillite est survenue avant la date à laquelle le failli a cessé d'être un étudiant, à temps plein ou à temps partiel, au regard de la loi applicable, ou dans les sept ans suivant cette date;

[30] Section 178(1) is followed by s. 178(1.1), a financial hardship provision, which gives the supervising court discretion to order that s. 178(1)(g) does not apply to a bankrupt's student loan debt five years after the bankrupt has ceased to be a full- or part-time student if the bankrupt has acted in good faith and has and will continue to

experience financial difficulty to such an extent that the bankrupt will be unable to pay the debt. Section 178(1.1) provides:

> **(1.1)** At any time after five years after the day on which a bankrupt who has a debt referred to in paragraph (1)(g) or (g.1) ceases to be a full- or part-time student or an eligible apprentice, as the case may be, under the applicable Act or enactment, the court may, on application, order that subsection (1) does not apply to the debt if the court is satisfied that
>
> **(a)** the bankrupt has acted in good faith in connection with the bankrupt's liabilities under the debt; and
>
> **(b)** the bankrupt has and will continue to experience financial difficulty to such an extent that the bankrupt will be unable to pay the debt.
>
> **(1.1)** Lorsque le failli qui a une dette visée aux alinéas (1)g) ou g.1) n'est plus un étudiant à temps plein ou à temps partiel ou un apprenti admissible, selon le cas, depuis au moins cinq ans au regard de la loi applicable, le tribunal peut, sur demande, ordonner que la dette soit soustraite à l'application du paragraphe (1) s'il est convaincu que le failli a agi de bonne foi relativement à ses obligations découlant de cette dette et qu'il a et continuera à avoir des difficultés financières telles qu'il ne pourra pas acquitter celle-ci.

(b) *A Bankrupt Can Be Released from Student Loan Debts Under a Consumer Proposal Subject to the Same Limitations as an Order of Discharge*

[31] The appellant in this case made a consumer proposal rather than an assignment in bankruptcy. A consumer proposal is a procedure under the *BIA* allowing insolvent individuals who meet certain conditions to propose an arrangement to pay their creditors a percentage of what they owe, or to pay their debts over an extended period, or both, subject to the supervision of an administrator. Consumer proposals are generally quicker, more efficient, and less costly than bankruptcy. Many consumer debtors prefer a consumer proposal to an assignment in bankruptcy to avoid the stigma

of bankruptcy and because a consumer proposal often allows a debtor to keep their house or apartment, vehicle, or other property (*BIA*, ss. 66.11 to 66.4; Wood, at pp. 15 and 564-74; L. W. Houlden, G. B. Morawetz and J. Sarra, *Bankruptcy and Insolvency Law of Canada* (4th ed. rev. (loose-leaf)), at § 4:152; J. D. Honsberger and V. W. DaRe, *Honsberger's Bankruptcy in Canada* (5th ed. 2017), at p. 230; D. Brochu, *Précis de la faillite et de l'insolvabilité* (6th ed. 2022), at ¶¶21-1 to 21-26).

[32] Under s. 66.28(2) of the *BIA*, a consumer proposal accepted by creditors and approved by the court binds creditors regarding all unsecured claims and certain secured claims. Under s. 66.38, a successfully performed consumer proposal entitles the debtor to a certificate issued by the administrator with the same effect as an order of discharge in bankruptcy (Houlden, Morawetz and Sarra, at § 4:169). At the same time, s. 66.28(2.1) provides that a consumer proposal "does not release the consumer debtor from any particular debt or liability referred to in subsection 178(1) unless the consumer proposal explicitly provides for the compromise of that debt or liability and the creditor in relation to that debt or liability voted for the acceptance of the consumer proposal".

[33] Under s. 66.4(1), all provisions of the *BIA* (except Division I of Part III, which deals with proposals not specific to consumers) apply to consumer proposals "in so far as they are applicable" and "with such modifications as the circumstances require".

(2) Student Loan Legislation

[34] The federal, provincial, and territorial governments across Canada provide student loans to individuals for the purpose of pursuing post-secondary education. The federal student loan legislation consists of the *Canada Student Loans Act*, R.S.C. 1985, c. S-23 (for loans made before August 1995), the *Canada Student Financial Assistance Act*, S.C. 1994, c. 28 (for loans made after August 1995), and their associated regulations. Each of the provinces and territories has a student loan scheme, which operates in conjunction with, or independently of, the federal government. In most jurisdictions, the provincial or territorial government works with the federal government to deliver student loans. Yukon provides student grants and works with the federal government to deliver federal student loan funding, but does not have its own loan program. Quebec, the Northwest Territories, and Nunavut operate their own student loan programs independent of the federal government (see *Act respecting financial assistance for education expenses*, CQLR, c. A-13.3, s. 38; *Student Financial Assistance Regulations*, R.R.N.W.T. 1990, c. S-20, ss. 1(2) and (3) and 6(7); Government of Nunavut, Department of Education, *FANS Student Handbook*, August 2024 (online); Employment and Social Development Canada, *Canada Student Grants and Loans — What student grants and loans offer*, July 9, 2024 (online); see also Library of Parliament, *Treatment of Student Loans Under Canadian Bankruptcy Law*, Background Paper PRB 01-26E, November 26, 2008, at p. 2; S. Ben-Ishai, "Government Student Loans, Government Debts and Bankruptcy: A Comparative Study" (2006), 44 *Can. Bus. L.J.* 211, at pp. 215-19; and S. Ben-Ishai, "Student Loans and Bankruptcy: Five Years Later", in J. P. Sarra and B. Romaine, eds., *Annual Review of Insolvency Law 2014* (2015), 221, at pp. 231-36).

[35] The student loan programs across Canada generally share three features.

[36] First, borrowers receive student loans based on financial need rather than commercial lending criteria, such as the borrower's credit risk or future ability to repay the loan. For example, the conditions of eligibility under the *Canada Student Loans Act*, s. 14, and the *Canada Student Financial Assistance Act*, s. 12, provide that students are generally eligible for student loans if they have "attained a satisfactory scholastic standard" and are "in need of a loan" or of "financial assistance" (see also *Mallory*, at paras. 77-78; *N.P.*, at para. 47).

[37] Second, a borrower generally does not accrue interest on, and is not required to repay, their student loans until they cease to be a student. If a borrower ceases to be a student but then becomes a student again, they also generally do not accrue interest on and are not required to repay their loans until they again cease to be a student (see *Canada Student Loans Regulations*, SOR/93-392, ss. 3(3) and 11; *Canada Student Financial Assistance Regulations*, SOR/95-329, ss. 7, 11.1, 12.2 and 12.6; *Student Financial Assistance Regulation*, Alta. Reg. 298/2002, Sch. 2, ss. 24(1)(c) and 32; *Ontario Student Grants and Ontario Student Loans*, O. Reg. 70/17, ss. 23, 24 and 30; *Student Aid Regulation*, Man. Reg. 143/2003, ss. 21 and 24; *The Saskatchewan Student Direct Loans Regulations*, R.R.S., c. S-61.1, Reg. 1, ss. 2(n) and 9 to 12; *Act respecting financial assistance for education expenses* (Que.), ss. 23 to 25.1; *Regulation respecting financial assistance for education expenses*, CQLR, c. A-13.3, r. 1, s. 81; *Direct Student Loan Regulations*, N.S. Reg. 342/2008, s. 11; *Student*

Financial Assistance Regulations, N.L.R. 105/03, ss. 5.2 and 5.3; *Student Financial Assistance Act General Regulations*, P.E.I. Reg. EC709/10, s. 26; *Student Financial Assistance Regulations*, R.R.N.W.T. (Nu.) 1990, c. S-20, ss. 21, 24(1), 25 and 29).

[38] Third, when student loans are repayable, generally the borrower must combine or consolidate all their loans into one debt for repayment (see, for example, *Ontario Student Grants and Ontario Student Loans*, ss. 28 and 29; *The Saskatchewan Student Direct Loans Regulations*, s. 13; *Student Financial Assistance Regulations* (N.L.), s. 5.8; *Student Financial Assistance Act General Regulations* (P.E.I.), s. 28; *Student Financial Assistance Regulations* (Nu.), ss. 23 and 25; *Canada Student Loans Regulations*, s. 7; for loans governed by the *Canada Student Financial Assistance Regulations*, see the Master Student Financial Assistance Agreements for each Canada student loans-participating province, almost all of which provide for consolidation (National Student Loans Service Centre, *Additional Resources*, August 19, 2024 (online))).

[39] The *BIA* scheme relating to student loan debts works harmoniously with federal, provincial, and territorial student loan legislation. Section 178(1)(g) of the *BIA* expressly states that an order of discharge does not release the bankrupt from any debt or obligation in respect of a loan made under "the *Canada Student Loans Act*, the *Canada Student Financial Assistance Act* or any enactment of a province that provides for loans or guarantees of loans to students". In addition, s. 178(1)(g)(i)

expressly refers to the date on which a bankrupt ceased to be a full- or part-time student under these enactments.

[40] The federal student loan regulations applicable to this appeal address how a borrower qualifies as a full- or part-time student and when a borrower will "cease" to be a full- or part-time student. A borrower generally loses student status on the last day of the last month of their confirmed study period or on the last day of the month when their course load drops below the statutory minimum (*Canada Student Financial Assistance Regulations*, ss. 2(1) "full-time student" and "part-time student", 8(1) and 12.3; *Canada Student Loans Regulations*, s. 4.1(1)). A borrower who has "ceased" to be a student can later regain student status (*Canada Student Financial Assistance Regulations*, ss. 7(1) and 12.2; *Canada Student Loans Regulations*, s. 3).

[41] Provincial and territorial legislation, regulations, or policy documents similarly define an individual's student status and when they cease to be a full- or part-time student (see *Student Financial Assistance Regulation* (Alta.), Sch. 1, s. 1(1)(f), and Sch. 2, ss. 1(1)(h) and (m) and 24(1); *Student Aid Regulation* (Man.), ss. 10, 11, 20 and 22; *Student Financial Assistance Regulations* (N.L.), s. 2(e) and (e.1); *Direct Student Loan Regulations* (N.S.), s. 2(f); *Post-Secondary Student Financial Assistance Act*, S.N.B. 2007, c. P-9.315, s. 1 "qualifying student"; *Ontario Student Grants and Ontario Student Loans*, ss. 9 and 24 to 27; *Student Financial Assistance Act General Regulations* (P.E.I.), s. 1(h) and (j.1); *Act respecting financial assistance for education expenses* (Que.), ss. 9 and 32; *The Saskatchewan Student Direct Loans Regulations*, s.

2(j); *Student Financial Assistance Regulations* (Nu.), s. 1(1) "full-time student" and "part-time student", and amending regulation *Student Financial Assistance Regulations, amendment*, Nu. Reg. 046-2021; British Columbia, Ministry of Post-Secondary Education and Future Skills, StudentAid BC, *Policy Manual 2024-2025* (2024)).

B. *Principles of Statutory Interpretation*

[42] The relevant principles of statutory interpretation are well known. Under the modern principle adopted by this Court, a court considers the words used in legislation "in their entire context and in their grammatical and ordinary sense harmoniously with the scheme of the Act, the object of the Act, and the intention of Parliament" (*Rizzo & Rizzo Shoes Ltd. (Re)*, [1998] 1 S.C.R. 27, at para. 21, quoting E. A. Driedger, *Construction of Statutes* (2nd ed. 1983), at p. 87; *Bell ExpressVu Limited Partnership v. Rex*, 2002 SCC 42, [2002] 2 S.C.R. 559, at para. 26; *Canada (Minister of Citizenship and Immigration) v. Vavilov*, 2019 SCC 65, [2019] 4 S.C.R. 653, at para. 117).

[43] The modern principle requires a court to interpret statutory language "according to a textual, contextual and purposive analysis to find a meaning that is harmonious with the Act as a whole" (*Canada Trustco Mortgage Co. v. Canada*, 2005 SCC 54, [2005] 2 S.C.R. 601, at para. 10; *R. v. Downes*, 2023 SCC 6, at para. 24). Even so, a court need not address text, context, and purpose separately or in a formulaic way, since these elements are often closely related or interdependent (*Bell ExpressVu*, at

para. 31; *Chieu v. Canada (Minister of Citizenship and Immigration)*, 2002 SCC 3, [2002] 1 S.C.R. 84, at para. 28).

[44] The modern principle reflects "the common law evolution of statutory interpretation over many centuries" (R. Sullivan, *The Construction of Statutes* (7th ed. 2022), at § 2.01[4]; see also S. Beaulac and P.-A. Côté, "Driedger's 'Modern Principle' at the Supreme Court of Canada: Interpretation, Justification, Legitimization" (2006), 40 *R.J.T.* 131, at pp. 141-42). It recognizes that statutory interpretation "cannot be founded on the wording of the legislation alone" (*Rizzo*, at para. 21) because "words, like people, take their colour from their surroundings" (*Bell ExpressVu*, at para. 27, quoting J. Willis, "Statute Interpretation in a Nutshell" (1938), 16 *Can. Bar Rev.* 1, at p. 6). As this Court has noted, "[w]ords that appear clear and unambiguous may in fact prove to be ambiguous once placed in their context. The possibility of the context revealing a latent ambiguity such as this is a logical result of the modern approach to interpretation" (*Montréal (City) v. 2952-1366 Québec Inc.*, 2005 SCC 62, [2005] 3 S.C.R. 141, at para. 10; see also *R. v. Alex*, 2017 SCC 37, [2017] 1 S.C.R. 967, at para. 31; *La Presse inc. v. Quebec*, 2023 SCC 22, at para. 23).

[45] As a result, "plain meaning alone is not determinative and a statutory interpretation analysis is incomplete without considering the context, purpose and relevant legal norms" (*Alex*, at para. 31; see also *La Presse*, at para. 23; *Vavilov*, at para. 118). At the same time, "just as the text must be considered in light of the context and object, the object of a statute and that of a provision must be considered with close

attention always being paid to the text of the statute, which remains the anchor of the interpretative exercise" (*Quebec (Commission des droits de la personne et des droits de la jeunesse) v. Directrice de la protection de la jeunesse du CISSS A*, 2024 SCC 43, at para. 24).

[46] Section 12 of the *Interpretation Act*, R.S.C. 1985, c. I-21, supports the modern principle when interpreting federal legislation, by directing that "[e]very enactment is deemed remedial, and shall be given such fair, large and liberal construction and interpretation as best ensures the attainment of its objects" (see *Bell ExpressVu*, at para. 26).

[47] Many of the traditional rules of statutory interpretation are considered when applying the modern principle. As Professor Sullivan explains:

> . . . interpreters are guided by the so-called "rules" of statutory interpretation. They describe the evidence relied on and the techniques used by courts to arrive at a legally acceptable result. The rules associated with textual analysis, such as implied exclusion or the same-words-same-meaning rule, assist interpreters to determine the meaning of the legislative text. The rules governing the use of extrinsic aids indicate what interpreters may look at, apart from the text, to determine legislative intent. Strict and liberal construction and the presumptions of legislative intent help interpreters infer purpose and test the acceptability of outcomes. [§ 2.01[4]]

[48] If genuine ambiguity remains after conducting a textual, contextual, and purposive analysis under the modern principle, in the sense that there are two equally plausible readings of the statute in accordance with the intention of the legislation, a

court may have recourse to secondary principles of interpretation, including residual presumptions such as the strict construction of penal statutes or the presumption of conformity with the *Canadian Charter of Rights and Freedoms* (*Bell ExpressVu*, at para. 29; *La Presse*, at para. 24). A statutory provision is not "ambiguous" in the required sense simply because different courts or authors have reached different conclusions as to its proper interpretation (*Bell ExpressVu*, at para. 30).

[49] In sum, as Professor Sullivan explains, the prime directive in statutory interpretation is that

> after taking into account all relevant and admissible considerations . . . the court must adopt an interpretation that is appropriate. An appropriate interpretation is one that can be justified in terms of (a) its plausibility, that is, its compliance with the legislative text; (b) its efficacy, that is, its promotion of legislative intent; and (c) its acceptability, that is, the outcome complies with accepted legal norms; it is reasonable and just. [Footnote omitted; § 2.01[4].]
>
> (See also *Alex*, at para. 32, citing this passage as it appeared in *Sullivan on the Construction of Statutes* (6th ed. 2014), at § 2.9.)

[50] With these principles in mind, I now consider the interpretation of s. 178(1)(g)(ii) of the *BIA*.

C. *When Does a Borrower Cease To Be a Full- or Part-Time Student Under Section 178(1)(g)(ii) of the BIA?*

(1) <u>The Date on Which the Bankrupt Ceased To Be a Full- or Part-Time Student Under Section 178(1)(g) Is Determined by the Applicable Student Loan Legislation</u>

[51] I begin by considering what source a court must examine to find "the date on which the bankrupt ceased to be a full- or part-time student" under s. 178(1)(g)(ii). Several textual indicators, including especially the French version of s. 178(1)(g), show that this date is determined by the applicable federal, provincial, or territorial student loan legislation.

[52] In interpreting s. 178(1)(g), a court must, of course, consider both official language versions of the provision. This is because the French and English language versions of federal legislation are equally authoritative (*Constitution Act, 1867*, s. 133; *Charter*, s. 18(1); *Official Languages Act*, R.S.C. 1985, c. 31 (4th Supp.), s. 13; M. Bastarache et al., *The Law of Bilingual Interpretation* (2008), at pp. 16-32). Courts have a duty to read both official language versions of federal legislation to determine whether they have the same meaning and, if they do not, to determine which version should prevail (Sullivan, at § 5.02[5]; P.-A. Côté and M. Devinat, *Interprétation des lois* (5th ed. 2021), at para. 1125). As has been noted, "Canadians read only one version of the law at their peril" (*Canada (Citizenship and Immigration) v. Khosa*, 2009 SCC 12, [2009] 1 S.C.R. 339, at para. 38, citing Bastarache et al., at p. 32).

[53] Consequently, the interpretation of a bilingual enactment must begin with a search for the shared meaning between the two official language versions (*R. v. Daoust*, 2004 SCC 6, [2004] 1 S.C.R. 217, at para. 26, citing *R. v. Mac*, 2002 SCC 24, [2002] 1 S.C.R. 856, at para. 5). The shared meaning is generally preferred unless other

indicators of legislative intent suggest that the shared meaning is inappropriate (*Doré v. Verdun (City)*, [1997] 2 S.C.R. 862, at para. 25; *Khosa*, at paras. 38-40).

[54] The shared meaning of the French and English versions of s. 178(1)(g) indicates that the provision applies based on the date on which the bankrupt ceased to be a student under the applicable federal, provincial, or territorial legislation.

[55] The opening words of the English text of s. 178(1)(g) state that the provision applies to "any debt or obligation in respect of a loan made under the *Canada Student Loans Act*, the *Canada Student Financial Assistance Act* or any enactment of a province that provides for loans or guarantees of loans to students"; the French language version of s. 178(1)(g) similarly applies to "*toute dette ou obligation découlant d'un prêt consenti ou garanti au titre de la Loi fédérale sur les prêts aux étudiants, de la Loi fédérale sur l'aide financière aux étudiants ou de toute loi provinciale relative aux prêts aux étudiants*".

[56] However, the English and French texts of s. 178(1)(g) are structured differently. The English text has two subparagraphs, s. 178(1)(g)(i) and (ii), while the French text has one paragraph, s. 178(1)(g). In the English version, s. 178(1)(g)(i) expressly refers to "the date on which the bankrupt ceased to be a full- or part-time student, as the case may be, under the applicable Act or enactment", but the underlined words are absent from s. 178(1)(g)(ii). In the French text, the words "*au regard de la loi applicable*" qualify the whole of s. 178(1)(g).

[57] Section 178(1)(g)(i), as the Quebec Court of Appeal has correctly noted, "covers the situation where the debtor is a student on the date of the bankruptcy" (*Bataille v. Procureur général du Québec*, 2023 QCCA 169, 479 D.L.R. (4th) 492, at para. 10). An order of discharge does not release the bankrupt from student loan debts or liabilities if the bankrupt remains a student, under the applicable student loan legislation, on the date of bankruptcy.

[58] Moving to s. 178(1)(g)(ii), although this provision does not expressly refer to when the bankrupt ceased to be a student "under the applicable Act or enactment", the shared meaning rule confirms that it also operates by reference to the applicable student loan legislation, just as the words "*au regard de la loi applicable*" qualify all of s. 178(1)(g) in the French text.

[59] Where one version of bilingual legislation is broader than the other version, the narrower version reflects the shared meaning (*Canada (Transportation Safety Board) v. Carroll-Byrne*, 2022 SCC 48, at para. 72, citing *Medovarski v. Canada (Minister of Citizenship and Immigration)*, 2005 SCC 51, [2005] 2 S.C.R. 539, at para. 25, and Côté and Devinat, at para. 1131; see also *Daoust*, at para. 29; Sullivan, at § 5.03[6]). Here, the French text of s. 178(1)(g) is narrower than the English text. The entire French text is qualified by the words "*au regard de la loi applicable*", while in the English text only s. 178(1)(g)(i) is qualified by the words "under the applicable Act or enactment", leaving the possibility that the date in s. 178(1)(g)(ii) is determined on

another basis. The narrower French text eliminates this possibility and hence reflects the shared meaning.

[60] The shared meaning also reads s. 178(1)(g) harmoniously with s. 178(1.1), the financial hardship provision, by ensuring that both provisions operate based on the same date: the date the bankrupt ceased to be a student under the applicable student loan legislation (*Mallory*, at para. 69). Section 178(1.1) permits the discharge of the bankrupt from their student loan debts five years after the bankrupt "ceases to be a full- or part-time student . . . under the applicable Act or enactment", even before the seven years required under s. 178(1)(g)(ii). As a result, each of s. 178(1)(g)(i), s. 178(1)(g)(ii) and s. 178(1.1) must operate based on the same date that the bankrupt ceased to be a full- or part-time student under the applicable student loan legislation. The appellant conceded this point during oral argument (transcript, at pp. 4-5 and 27).

[61] With respect, by not considering the French text in interpreting s. 178(1)(g)(ii), the Newfoundland and Labrador Court of Appeal in *Collins* erred in ruling that "the interpretation of [s. 178(1)(g)(ii)] is not dependent on the definitions of 'full- or part-time student' in other legislation" (para. 10). Nor did the court explain how it would determine the date referred to under s. 178(1)(g)(ii). On the other hand, the British Columbia Supreme Court in *Mallory* (at paras. 69-70), the Quebec Court of Appeal in *Bataille* (at para. 10), and the British Columbia Court of Appeal in the decision under appeal (at paras. 20 and 23) did conduct a bilingual interpretation and

correctly interpreted s. 178(1)(g)(ii) as referring to the date on which the bankrupt ceased to be a student under the applicable student loan legislation.

[62] Although this conclusion alone does not resolve whether to interpret s. 178(1)(g)(ii) under the single- or multiple-date approach, a textual, contextual, and purposive analysis shows that the single-date approach is the correct interpretation.

(2) The Text and Context of Section 178(1)(g)(ii) Support the Single-Date Approach

[63] The text and context of s. 178(1)(g)(ii) support the single-date approach. This provision simply asks when the bankrupt "ceased to be", or stopped being, a full- or part-time student under the applicable student loan legislation. Under the language of s. 178(1)(g), the time to ask this question is as of "the date of bankruptcy of the bankrupt" (or, pursuant to s. 66.28(1), the date of the filing of the consumer proposal) (*Bataille*, at para. 10; see also *Mallory*, at para. 86). Section 178(1)(g)(ii) does not ask whether the bankrupt had earlier programs of study or whether the last program of study involved a student loan.

[64] Under s. 178(1)(g)(ii), the court must therefore determine whether seven years have passed between "the date on which the bankrupt ceased to be a full- or part-time student" under the applicable student loan legislation, on the one hand, and "the date [on which the] bankruptcy of the bankrupt occurred" ("*lorsque la faillite est survenue*"), on the other hand.

[65] In relation to the former date, s. 178(1)(g)(ii) uses both the definite article and the singular in English and French, "the date" and "*cette date*". This suggests that the provision refers to only one date, not multiple dates (*Mallory*, at paras. 67-68; *Damache*, at para. 27; *N.P.*, at para. 46). In addition, the word "ceased" in the English text, and "*a cessé*" in the French text, indicates finality. The ordinary meaning of "ceased" is "has come to an end" (*Oxford English Dictionary* (online)); the ordinary meaning of "*cesser*" is similarly "*[p]rendre fin, se terminer ou s'interrompre*" (*Le Petit Robert* (new ed. 2025), at p. 385).

[66] Looking back from the date of bankruptcy, as required by s. 178(1)(g), the bankrupt's student status cannot have "ceased" or ended if the bankrupt later reacquired student status under a subsequent program of study; it ends only after the last or final program of study before the date of bankruptcy. This suggests that the single-date approach is the correct interpretation of s. 178(1)(g)(ii).

[67] The French text of s. 178(1.1) also supports the single-date approach to s. 178(1)(g)(ii) (*Mallory*, at paras. 69-70). The French text of s. 178(1.1) is narrower than the English and thus reflects the shared meaning. The French text of s. 178(1.1) provides that the provision applies after the borrower "*n'est plus un étudiant . . . depuis au moins cinq ans au regard de la loi applicable*"; that is, the borrower must not have been a student under the applicable law for at least the past five years. "*[N]'est plus*" signifies finality, and "*depuis au moins*" signifies at least the last five years before the date of bankruptcy. The broader English text of s. 178(1.1) uses the expression "ceases

to be a full- or part-time student", the same expression used in s. 178(1)(g)(ii). But because s. 178(1)(g)(ii) and s. 178(1.1) must refer to the *same date* that the borrower ceased to be a full- or part-time student under the applicable student loan legislation, the shared meaning of s. 178(1.1) based on the narrower French text also reflects the meaning of s. 178(1)(g)(ii), thus supporting the single-date approach. The appellant conceded during oral argument that the French text of s. 178(1.1) posed "a difficulty when advocating for the multiple date approach" (transcript, at p. 28).

[68] Still, the appellant resists the single-date approach by highlighting that the opening words of s. 178(1)(g) refer to "any debt or obligation in respect of a loan". She argues that the use of "a loan" in the singular supports the multiple-date approach because it implies that each student loan for each program of study has its own seven-year time period. The Newfoundland and Labrador Court of Appeal relied on the same language to justify the multiple-date approach in *Collins* (at para. 11), as did the registrars in bankruptcy in *McNutt* (at para. 19), *Goulding* (at paras. 8 and 15-16), *Hildebrand* (at paras. 30-31), and *Mortimer* (at paras. 15 and 27).

[69] I disagree with this submission for three reasons.

[70] First, the multiple-date approach ignores the ordinary meaning of "debt" and "obligation" in s. 178(1)(g), which can encompass amounts owing under loans for more than one program of study. A "debt" refers to "[t]he aggregate of all existing claims against a person, entity, or state" (*Black's Law Dictionary* (12th ed. 2024), at p. 506), while an "obligation" refers to a "formal, binding agreement or

acknowledgement of a liability to pay a certain amount or to do a certain thing for a particular person or set of persons; esp., a duty arising by contract" (p. 1288; see also *Private Law Dictionary and Bilingual Lexicons: Obligations* (2003), at pp. 80 ("debt") and 210-11 ("obligation")). In addition, as noted, many student loan schemes consolidate multiple student loans into a single loan once a student begins repayment. Since the date on which a debtor ceased to be a student is assessed as of the date of bankruptcy, the debtor will generally have one consolidated loan on that date.

[71] Second, the multiple-date approach requires adding words to the text of s. 178(1)(g)(ii), while the single-date approach does not, making the single-date approach preferable (*Wilson v. British Columbia (Superintendent of Motor Vehicles)*, 2015 SCC 47, [2015] 3 S.C.R. 300, at para. 27; Sullivan, at § 7.02[2]; see also *Mallory*, at para. 66). The multiple-date approach would read into s. 178(1)(g)(ii) the words "in relation to the particular loan", so that the provision would read: "within seven years after the date on which the bankrupt ceased to be a full- or part-time student in relation to the particular loan". But, on its face, s. 178(1)(g)(ii) operates based on student status alone, regardless of whether the debtor had a student loan for the most recent program of study (*N.P.*, at paras. 35-36; *Damache*, at paras. 19-23, 27 and 31).

[72] Contrary to the reasoning of the Newfoundland and Labrador Court of Appeal in *Collins* (at paras. 9 and 18), the single-date approach does not require reading the word "finally" into s. 178(1)(g)(ii). It simply requires giving the word "ceased" its

ordinary meaning, read in context, by looking back from the date of bankruptcy (*Mallory*, at para. 68; *N.P.*, at para. 46).

[73] Third, as already explained, the multiple-date approach does not read s. 178(1)(g)(ii) and s. 178(1.1) contextually, bilingually, and harmoniously.

(3) The Single-Date Approach Promotes the Purposes or Policy Objectives of Section 178(1)(g)(ii)

[74] Finally, the single-date approach is preferable to the multiple-date approach based on a purposive analysis of s. 178(1)(g)(ii).

[75] Courts draw on a wide range of sources to determine legislative purpose, including an explicit statement of purpose in the legislation; the text, context, and scheme of the legislation; legislative history and evolution; and extrinsic evidence, such as parliamentary debates (while remaining mindful of their limited reliability and weight) (*R. v. Moriarity*, 2015 SCC 55, [2015] 3 S.C.R. 485, at paras. 31-32; *Rizzo*, at para. 35; Sullivan, at § 9.03; Côté and Devinat, at paras. 1352-60).

[76] The legislative history and parliamentary debates surrounding s. 178(1)(g) of the *BIA* show that this provision pursues several mutually supportive purposes or policy goals: (1) to reduce government losses from student loan defaults in bankruptcy; (2) to ensure the sustainability of government student loan programs for future generations of students; and (3) to give borrowers a reasonable opportunity over a

continuous period of time to capitalize on all of their education to repay their publicly funded student loans, and thus to deter opportunistic bankruptcies. The single-date approach promotes these purposes better than the multiple-date approach, and hence better reflects the purposes of s. 178(1)(g)(ii). Indeed, the multiple-date approach results in absurdity.

(a) *The Legislative History of Section 178(1)(g) Reveals Several Mutually Supportive Purposes or Policy Goals*

[77] Before 1997, the *BIA* treated student loan debts like other consumer debts, releasing the bankrupt from them in bankruptcy or under a consumer proposal, unless the court refused a discharge or the creditors withheld approval of a consumer proposal (Standing Senate Committee on Banking, Trade and Commerce, *Debtors and Creditors Sharing the Burden: A Review of the Bankruptcy and Insolvency Act and the Companies' Creditors Arrangement Act* (2003) ("Standing Senate Committee Report (2003)"), at p. 49).

[78] In September 1997, Parliament amended the *BIA* to enact a prior version of s. 178(1)(g) such that the debtor could not be released from the government student loans if the date of the bankruptcy occurred before or within two years of when the debtor ceased to be a full- or part-time student under the applicable federal or provincial student loan legislation (*An Act to amend the Bankruptcy and Insolvency Act, the Companies' Creditors Arrangement Act and the Income Tax Act*, S.C. 1997, c. 12, s. 105(2)). At the same time, Parliament enacted an earlier version of s. 178(1.1), allowing

a debtor to make a hardship application to be released from a student loan debt two years after the bankrupt ceased to be a full- or part-time student under the applicable student loan legislation (s. 105(3)).

[79] The next year, in 1998, Parliament amended s. 178(1)(g)(ii) and s. 178(1.1) by extending the time periods for both non-dischargeability and hardship applications to 10 years (*Budget Implementation Act, 1998*, S.C. 1998, c. 21, s. 103(1) and (2)).

[80] Finally, in 2005, Parliament adopted the current versions of s. 178(1)(g)(ii) and s. 178(1.1), reducing the time periods for non-dischargeability under s. 178(1)(g)(ii) to seven years and for hardship applications under s. 178(1.1) to five years (*An Act to establish the Wage Earner Protection Program Act, to amend the Bankruptcy and Insolvency Act and the Companies' Creditors Arrangement Act and to make consequential amendments to other Acts*, S.C. 2005, c. 47, ss. 107(2) and (3)).

[81] From the start, s. 178(1)(g) has pursued several related purposes or policy goals.

(i) Reducing Government Losses on Student Loan Defaults

[82] First, s. 178(1)(g) seeks to reduce the losses to federal, provincial, and territorial governments arising from bankrupts being discharged from their student loans in bankruptcy. Section 178(1)(g) was enacted specifically to address mounting student loan defaults. In testimony before the Standing Senate Committee on Banking,

Trade and Commerce in November 1996, Mr. David Tobin, Director General of the Corporate Governance Branch of Industry Canada, explained that "[t]here has been evidence to suggest that the number of defaults on students loans has been increasing. It has gone from $20 million to $60 million over the last two or three years" (*Evidence*, No. 13, 2nd Sess., 35th Parl., November 4, 1996, cited in *Mallory*, at para. 72; see also Standing Senate Committee Report (2003), at p. 48).

[83] The Quebec Court of Appeal similarly noted that [TRANSLATION] "Parliament's intention was to minimize the losses incurred by governments as a result of bankrupt debtors being released from their student debts" (*Québec (Procureur général) v. Paulin*, 2007 QCCA 1716, [2008] R.J.Q. 16, at para. 76; see also paras. 62, 65-67 and 80-81; *N.P.*, at para. 38; *Damache*, at para. 28; *Bataille*, at para. 10, fn. 10; *Procureure générale du Québec v. Augustin*, 2019 QCCQ 2399, at para. 31; Library of Parliament, at pp. 4-10).

[84] A recognized policy basis for the special treatment of student loans over other loans under s. 178(1)(g) is that governments extend student loans based on financial need and without regard to the borrower's future ability to repay the loan. In the words of the Quebec Court of Appeal in *Paulin*, [TRANSLATION] "governments are different from other creditors in the sense that, unlike lending institutions, they do not assess risks when lending to students, who have a strict right to obtain a loan if they meet the prescribed conditions" (para. 63).

[85] The single-date approach results in fewer losses to governments arising from student loan defaults in bankruptcy than the multiple-date approach, and thus better promotes this purpose or policy goal of s. 178(1)(g).

(ii) Ensuring the Sustainability of Student Loan Programs for Future Generations

[86] Second, and relatedly, s. 178(1)(g) helps ensure the sustainability of government student loan programs for future generations of students. During the second reading of Bill C-5 in 1996, which introduced the first iteration of s. 178(1)(g), the Hon. Morris Bodnar, the Parliamentary Secretary to the Minister of Industry, explained that "[s]tudents who have received financial assistance from taxpayers owe it to society and to future generations of students to reimburse the loans they have received" (*House of Commons Debates*, vol. 134, No. 50, 2nd Sess., 35th Parl., May 27, 1996, at p. 3032, cited in *Mallory*, at para. 71; see also Standing Senate Committee Report (2003), at p. 49). Section 178(1)(g) applies only to publicly funded student loan debts, but not to privately funded student loans, which reinforces the conclusion that the purpose of this provision is to help preserve the sustainability of government student loan programs for future generations.

[87] In the same vein, the Quebec Court of Appeal in *N.P.* said that s. 178(1)(g) [TRANSLATION] "enables governments to benefit from an exceptional measure to recover student loans and thus ensure the viability of student financial assistance programs" (para. 40 (emphasis added)).

[88] The single-date approach helps ensure the sustainability of student loan programs for future generations better than the multiple-date approach, and thus better promotes this purpose or policy goal of s. 178(1)(g).

(iii) Providing Borrowers With a Reasonable Time After Finishing Their Studies To Capitalize on All Their Education, Encouraging Repayment of Student Loans, and Deterring Opportunistic Bankruptcies

[89] Third, s. 178(1)(g) provides borrowers with a reasonable time after finishing their studies to capitalize on all their education and to repay their student loans. It also deters opportunistic bankruptcies. As Mr. Tobin explained to the Standing Senate Committee on Banking, Trade and Commerce:

> The provision[s] . . . would provide that if a student goes bankrupt within two years of finishing his or her studies, the student loan would not be dischargeable.
>
> . . .
>
> We are suggesting in this bill that for two years [the student loan] would be non-dischargeable. If, at the end of that two-year period, the former student, the person who owes the debt, has still not been able to find a job and still cannot pay the debt, that person can go to the court and ask that the loan be discharged. We are trying to avoid situations where someone declares bankruptcy simply to get rid of the student loan and then finds a job. If within a two-year period one is still struggling and has not found a job, then it is legitimate that they can go to the court and ask that it be discharged.

[90] The court in *Mallory*, citing the above passage and the Quebec Court of Appeal's reasons in *N.P.* (at paras. 44-46), found that "s. 178(1)(g) was enacted to discourage opportunistic bankruptcies by students who have recently completed their

studies but have not had sufficient time to capitalize on their education" (paras. 72 and 74). The courts below agreed that this was "one of the animating purposes behind the exception created for student loans in s. 178" (chambers judge's reasons, at para. 9; see also C.A. reasons, at para. 23). I agree with these conclusions.

[91] Section 178(1)(g) does not link the dischargeability period to specific student loans, but to when the borrower "ceased to be a full- or part-time student". This reflects the view that education is a cumulative asset that generally grows in economic value with each year of education. Each extra year of education involves an additional investment in human capital that should ideally enhance a borrower's ability to repay their publicly funded student loans, whenever they were advanced. This is so even if the most recent program of study did not involve a student loan. As explained by the Hon. Jerry Pickard, Parliamentary Secretary to the Minister of Industry, at the second reading of the amendments that led to the current version of s. 178(1)(g):

> . . . each year of school in the main adds a tremendous amount to students' incomes. As they become better educated and better able to enter the workforce, their potential for making dollars is extremely high compared to that of a lot of other Canadians who do not have the opportunity to go to school.
>
> . . .
>
> . . . The better educated have the benefits and ability to make higher payments and are able to pay back those student loans.
>
> (*House of Commons Debates*, vol. 140, No. 128, 1st Sess., 38th Parl., September 29, 2005, at pp. 8201-2)

[92] Section 178(1)(g) also requires a borrower to spend a continuous time period trying to repay the loan — ideally by capitalizing on their education through gainful employment — immediately before the date of bankruptcy. This recognizes that developing the economic stability needed to repay student loans often takes time. As noted in the Standing Senate Committee Report (2003), "former students may be insolvent only temporarily, and do have the ability to repay their loans because they will have higher-than-average income in the future" (p. 51).

[93] Borrowers have a special obligation to repay student loans partly because such loans are publicly funded and are extended to borrowers based on financial need rather than ordinary commercial lending considerations. As one author explains:

> Student loans are in a special category of debt; in essence it is a debt owed to all of the taxpayers of Canada. The taxpayers of Canada fund the advancement of the education of fellow Canadians, which the courts have characterized as a special indebtedness for which there is a high moral obligation for repayment.
>
> (J. R. Moses, "Student Loans — How the Bankruptcy Provisions Could Benefit from Additional Parliamentary Review", in J. Corraini and D. B. Nixon, eds., *Annual Review of Insolvency Law 2019* (2020), 25, at pp. 51-52, citing *Martin (Bankruptcy), Re*, 1997 CanLII 773 (N.S.S.C.), cited in *Handspiker (Re)*, 2018 NSSC 333, at para. 23.)

[94] As a result, s. 178(1)(g) requires that the borrower has ceased to be a student for seven years before the date of bankruptcy — meaning seven clear years immediately before the date of bankruptcy and without a return to full- or part-time student status under the applicable legislation.

[95] I therefore disagree with the view of the Newfoundland and Labrador Court of Appeal in *Collins*, that "[t]here is nothing in s. 178 to indicate that Parliament was concerned with the nature of activities the student was undertaking during the referenced seven years, including additional studies" (para. 13). Parliament was in fact acutely concerned that the borrower would capitalize on their education and repay their student loans.

[96] The single-date approach ensures borrowers are provided with reasonable time after finishing their studies to capitalize on all their education to repay their student loans and deters opportunistic bankruptcies better than the multiple-date approach. The single-date approach thus better promotes these purposes or policy goals of s. 178(1)(g) (see *N.P.*, at para. 51; *Mallory*, at paras. 74-75 and 85-86).

(b) *The Multiple-Date Approach Produces Absurd Consequences*

[97] The multiple-date approach to s. 178(1)(g)(ii) also produces absurd consequences. In some instances, the multiple-date approach would allow borrowers to obtain a discharge from their student loans even before the government has had any opportunity to recover the student loan debt.

[98] Courts should interpret legislation under the presumption that a legislature does not intend to produce absurd consequences. An interpretation of a statutory provision produces absurd consequences if, for example, it frustrates the purpose of the legislation; creates irrational distinctions; leads to ridiculous or futile consequences; is

extremely unreasonable or unfair; leads to incoherence, contradiction, anomaly, or disproportionate or pointless hardship; undermines the efficient administration of justice; or violates established legal norms such as the rule of law (*Rizzo*, at para. 27; *La Presse*, at para. 54; *R. v. Basque*, 2023 SCC 18, at para. 73; *Downes*, at para. 51; Sullivan, at §§ 10.02-10.03; Côté and Devinat, at paras. 1514-19).

[99] I agree with the Quebec Court of Appeal in *N.P.* that the multiple-date approach can readily lead to absurd consequences (para. 45). For example, a borrower could obtain a first degree funded by student loans, take a short break from their studies, resume their studies for a second degree for seven continuous years, declare bankruptcy shortly after obtaining their second degree, and obtain the discharge from the loans associated with their first degree — even though the borrower made little or no effort to capitalize on their education, and even though the government had no reasonable opportunity to recover the debt. This would defeat the purpose of s. 178(1)(g).

[100] The British Columbia Supreme Court in *Mallory* agreed with the reasoning of the Quebec Court of Appeal in *N.P.*, noting that the multiple-date approach "would mean any break in studies, however short, would trigger the start of the seven year period under s. 178(1)(g)(ii) . . . thwart[ing] the purpose of the section and Parliament's intent in passing the legislation" (paras. 68 and 75). I agree that Parliament cannot have intended this absurd result.

[101] This absurdity motivated the registrar in bankruptcy in the New Brunswick Court of Queen's Bench decision of *Cunningham (Bankrupt), Re*, 2012 NBQB 352,

397 N.B.R. (2d) 103, to refuse to apply the multiple-date approach when there was no significant separation of time between two courses of studies (paras. 19-21), even though that province's courts generally apply the multiple-date approach. The absurdity should instead have led the court to reject the multiple-date approach as flouting the purpose of s. 178(1)(g).

(c) *The Single-Date Approach Is Fair to Borrowers*

[102] The appellant and the interveners, the Canadian Alliance of Student Associations and the Canadian Association of Insolvency and Restructuring Professionals, submit that the single-date approach is unfair to borrowers and causes absurd consequences by leading to discharge periods much longer than seven years. Here, for example, the appellant completed her undergraduate degree in 1994, but because she returned to university and did not cease to be a student until 2009, the single-date approach would mean that she could not apply to be released from her student loans under s. 178(1)(g) until 2016 — 22 years after she completed her first degree. They also claim that the single-date approach creates a disincentive for continuing education and an incentive to declare bankruptcy before resuming studies.

[103] I disagree. This submission proceeds on the false premise that a borrower has a vested right to be discharged from their student loans in bankruptcy seven years after ceasing to be a student in relation to a student loan for a given program of study, and that waiting any longer is contrary to the purpose s. 178(1)(g). As already noted, this interpretation does not reflect a textual, contextual, and purposive analysis.

[104] I also disagree with the suggestion that it is unfair or produces absurd consequences to require a borrower who returns to school to capitalize on their education for seven years after ceasing to be a student, effectively "restarting the clock" under s. 178(1)(g)(ii). The claim of unfairness ignores other legislative measures that promote fairness to student loan borrowers.

[105] For example, a borrower who returns to school after earlier studies funded by student loans again benefits from a suspension of the obligation to pay interest or the principal on *all* their student loans, even if they receive no additional student loans. These benefits create a strong incentive for continuing education. After the borrower ceases to be a student, they can apply for interest relief and repayment assistance if needed. In cases of good faith conduct and financial hardship, Parliament also provided that borrowers can apply to be released from their student loan debts five years after ceasing to be a student under s. 178(1.1). Section 178(1.1) is the only provision giving courts discretion as to the application of s. 178(1), and is one of the ways, in addition to interest relief and repayment assistance, to address financial hardship concerns. Collectively, these measures show how Parliament chose to balance the interests of student loan debtors, government lenders, and taxpayers.

[106] I also recognize that students sometimes terminate their programs of study before completing them or pursue programs of study or courses that may provide little prospect of economic return. In such cases, it may be difficult for borrowers to capitalize on their education in the form of higher income. In appropriate cases,

measures such as interest relief, repayment assistance, and discretionary relief under s. 178(1.1) remain available to help borrowers manage their student loan debts.

[107] Although the appellant did not pursue her financial hardship application, she benefited from all these other measures, including interest relief between her periods of study and repayment assistance for several years after she ceased to be a student in 2009. Given these significant benefits, the single-date approach is neither unfair nor absurd.

(4) The Residual Presumption of Restrictive Interpretation Does Not Apply

[108] Because a proper application of the modern principle of interpretation leads to the conclusion that the single-date approach applies and s. 178(1)(g)(ii) is unambiguous (C.A. reasons, at para. 19), there is no need to apply the residual presumption for restrictive interpretation of s. 178(1)(g)(ii) as an exception to the fresh start principle.

[109] I therefore agree with the court in *Mallory* that, while "[i]t is correct to say that exceptions [such as s. 178(1)(g)(ii)] should be interpreted narrowly, . . . that should only be done as a last resort and only if a contextual and purposive interpretation cannot resolve the ambiguity" (para. 81). I also agree with the Quebec Court of Appeal in *N.P.*, which said that [TRANSLATION] "the general principles of interpretation must first be used before resorting to the rules of exception, where applicable" (para. 42; see also *Paulin*, at paras. 34-37). To the same effect, this Court in *Poonian* recently confirmed

that the residual presumption of restrictive interpretation in the bankruptcy discharge context under s. 178(1) "does not have primacy over other principles of statutory interpretation that clearly support a particular meaning" (para. 35; see also para. 27).

[110] By contrast, courts adopting the multiple-date approach have incorrectly begun the interpretive process by applying the presumption of restrictive interpretation to s. 178(1)(g), rather than applying it as a residual presumption only if ambiguity remains after applying the modern principle (see *Hildebrand*, at para. 34; *Mortimer*, at para. 18; *Collins*, at para. 17; *St. Dennis*, at para. 18). These courts have also given undue priority to the fresh start principle as a general purpose of the *BIA*, rather than considering the specific purposes of s. 178(1)(g), which operates as a deliberate exception to the fresh start principle (see *MediaQMI inc. v. Kamel*, 2021 SCC 23, [2021] 1 S.C.R. 899, at para. 39; Sullivan, at § 9.02; M. Mancini, "The Purpose Error in the Modern Approach to Statutory Interpretation" (2022), 59 *Alta. L. Rev.* 919, at pp. 920-22 and 926-31). As this Court has noted, "the overarching purpose of a legislative *scheme* informs, but need not be the decisive factor in the interpretation of a particular *provision* within that scheme (*R. v. Rafilovich*, 2019 SCC 51, [2019] 3 S.C.R. 838, at para. 30 (emphasis in original)).

[111] The residual presumption of restrictive interpretation therefore has no role to play in interpreting s. 178(1)(g)(ii).

(5) Conclusion

[112] Applying a textual, contextual, and purposive analysis under the modern principle, the single-date approach reflects the correct interpretation of s. 178(1)(g)(ii).

D. *Does a Student Loan Creditor Have the Burden To Prove Their Claim Before It Can Be Enforced Under Section 178(1)(g) of the BIA?*

[113] Finally, the appellant asks this Court to hold that a creditor who relies on s. 178(1)(g) after a court has approved a consumer proposal has the burden to obtain a judicial determination regarding their claim before it can be enforced. The appellant did not raise this issue before the courts below.

[114] The respondent argues that this Court should not address this new legal issue, but in any event, contends that no further judicial determination is required for it to enforce claims for student loan debts. The respondent further submits that the evidence before this Court amply meets any burden it may have to prove its claim.

[115] This Court has discretion to hear and decide new issues of law on appeal in appropriate circumstances. The Court does not exercise this discretion routinely or lightly; the test to be met is stringent (*Guindon v. Canada*, 2015 SCC 41, [2015] 3 S.C.R. 3, at paras. 21-22; *John Howard Society of Saskatchewan v. Saskatchewan (Attorney General)*, 2025 SCC 6, at para. 22). As this Court has stated, "[t]he Court is free to consider a new issue of law on the appeal where it is able to do so without procedural prejudice to the opposing party and where the refusal to do so would risk an

injustice" (*Guindon*, at para. 22, citing *Performance Industries Ltd. v. Sylvan Lake Golf & Tennis Club Ltd.*, 2002 SCC 19, [2002] 1 S.C.R. 678, at para. 33).

[116] In this case, I would exercise discretion to entertain and decide the new issue raised by the appellant. The issue is a pure question of law and has been fully argued before this Court. Not deciding the question would risk an injustice, since it would leave open what the appellant says is an essential legal issue bearing on the status of her student loans that have now been before the courts for several years.

[117] I would, however, reject the appellant's submission on the merits. As the Quebec Court of Appeal held in *N.P.*, s. 178(1)(g) operates in relation to student loan debts as a matter of law (para. 53, citing *St-Pierre v. Québec (Ministère de l'Éducation)*, [2002] R.J.Q. 205 (Sup. Ct.), and *Fontaine v. Québec (Ministère de l'Éducation, du Loisir et du Sport)*, 2009 QCCS 1482). Section 178(1) is clear that "[a]n order of discharge does not release the bankrupt from" student loan debts or liabilities until the bankrupt has ceased to be a full- or part-time student for seven years from the date of bankruptcy. Student loan claims are easily established without the need for a separate judicial determination. Beyond filing a proof of claim, a student loan creditor need not take other steps to protect their claim.

[118] The appellant's reliance on this Court's decision in *Montréal (City) v. Deloitte Restructuring Inc.*, 2021 SCC 53, [2021] 3 S.C.R. 736, is misplaced. That case involved a creditor's burden to prove debts relating to property or services obtained by false pretences or fraudulent misrepresentation under s. 19(2)(d) of the *Companies'*

Creditors Arrangement Act, R.S.C. 1985, c. C-36, which was analogous in every respect to s. 178(1)(e) of the *BIA* (paras. 24 and 25; see also *Poonian*, at para. 67). Contested allegations of fraud are often complex and inherently factual and thus require a separate judicial determination. Student loan debts, by contrast, arise under legislation, are easily established, and do not raise the same problems of proof.

[119] This conclusion is confirmed by public guidance issued by the Office of the Superintendent of Bankruptcy, which states that separate court orders are not required with regard to student loan debts under s. 178(1)(g), even though they may be needed for other debts under s. 178:

> . . . if it had been less than seven years since the bankrupt ceased to be a full- or part-time student at the time the bankruptcy was filed, then the student loan debt falls within paragraph 178(1)(g) of the BIA and is, therefore, an undischargeable debt that will not be released by an order of discharge. No further court order is needed with regard to these debts. Similarly, orders obtained prior to bankruptcy that conclusively bring a debt within section 178 do not require a further court order after the trustee's discharge.
>
> For all other debts that are alleged to fall under section 178 of the BIA, a court ruling is the only conclusive way to confirm that this is the case and the onus is on the creditor to prove that its claim falls within subsection 178(1) of the BIA. [Emphasis added.]
>
> (*Recovering a Section 178 Debt*, July 23, 2010 (online))

[120] In addition, here, the appellant acknowledged her student loan debts and led evidence on the amounts owing in her consumer proposal and application for release.

[121] I would therefore reject the appellant's argument that a student loan creditor must obtain a judicial determination regarding their claim before it can be enforced under s. 178(1)(g) of the *BIA*.

VI. Disposition

[122] I would dismiss the appeal. Since the respondent does not seek costs, I would make no order as to costs.

The reasons of Karakatsanis, Martin and Moreau JJ. were delivered by

KARAKATSANIS J. —

I. Introduction

[123] In this appeal, the Court is asked to determine the correct interpretation of a provision of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3 (*BIA*). The provision, s. 178(1)(g)(ii), governs the release of a bankrupt from their student loans on bankruptcy (or a consumer proposal) under the *BIA*. I part ways with my colleague Justice Jamal as to the correct interpretation of the section and its application.

[124] Section 178(1)(g)(ii) provides: "An order of discharge does not release the bankrupt from . . . any debt or obligation in respect of a loan made under [Canadian or provincial student loan legislation] where the date of bankruptcy of the bankrupt

occurred . . . within seven years after the date on which the bankrupt ceased to be a full- or part-time student".

[125] Courts across Canada have adopted one of two competing interpretations of this provision. British Columbia and Quebec courts favour the "single-date" approach (see, e.g., *Mallory, Re*, 2015 BCSC 5, 19 C.B.R. (6th) 195; *Quebec (Attorney General) v. N.P.*, 2011 QCCA 726), while Newfoundland and Labrador, Nova Scotia, New Brunswick, Ontario, and Saskatchewan courts have adopted the "multiple-date" approach (see, e.g., *Canada (Attorney General) v. Collins*, 2013 NLCA 17, 334 Nfld. & P.E.I.R. 318; *McNutt (Bankrupt), Re*, 2008 NSSC 166, 266 N.S.R. (2d) 180; *Mortimer (Bankrupt), Re*, 2012 NBQB 109, 386 N.B.R. (2d) 195; *St. Dennis v. Ontario (Ministry of Training, Colleges & Universities)*, 2017 ONSC 2417, 48 C.B.R. (6th) 122; *Hildebrand (Bankrupt), Re*, 2010 SKQB 321, 360 Sask. R. 128).

[126] My colleague agrees with the Court of Appeal in this case and adopts the "single-date approach," wherein an individual ceases to be a student on the most recent date when they last were a student. Under this approach, the seven-year timer under the provision is reset every time an individual becomes a student (majority reasons, at paras. 66 and 94; *Mallory*, at paras. 68-70; *N.P.*, at para. 46). This means that a return to schooling "restarts" the clock — if a debtor incurs student loans, then stops their studies, but returns to school more than seven years later, they could only be discharged from their original student loan seven years after their second period of schooling (majority reasons, at paras. 66 and 102-7; see also *N.P.*, at para. 46). This interpretation

can lead to absurd results: someone who has been out of school for much longer than the seven years cannot be released from those loans if they had just started another post-secondary program.

[127] The appellant urges this Court to adopt the alternative interpretation. This is the "multiple-date approach", under which the seven-year timer begins to run when an individual loses student status in relation to the period of study for which their student loans were incurred (see, e.g., *Collins*, at para. 22; *Hildebrand*, at para. 31; *Mortimer*, at para. 28). If an individual incurs student loans while completing one degree, the seven years begin when the debtor ceases to hold student status in relation to that loan. However, a subsequent return to schooling will not restart the clock — nor will it pause it — and the timer will continue to run during a return to schooling (see, e.g., *McNutt*, at para. 21; *St. Dennis*, at paras. 2-4, 6 and 23; *Collins*, at para. 22). This interpretation can also lead to absurd results: even a brief break between one degree and another can mean that seven years will elapse while the bankrupt remains a student with no meaningful opportunity to repay the loan.

[128] In my view, neither the single-date nor multiple-date approaches represent the correct interpretation of s. 178(1)(g)(ii) of the *BIA*. Instead, I conclude that the correct interpretation reconciles the language with both the purpose of the provision — to require a person to have a meaningful opportunity to repay the loan after they cease to be a student — and the rehabilitative purpose of the *BIA*. It reflects elements of both the single-date and multiple-date approaches and avoids the most absurd results of both.

[129] Applying the modern approach of interpretation, the words of the provision must be read harmoniously with the broader statutory context, and both the purposes of the provision and the broader purposes of the *BIA*. I agree with Jamal J.'s conclusion that the definitions in student loan legislation govern the determination of student status under s. 178(1)(g)(ii). I also agree that s. 178(1)(g)(ii) and s. 178(1.1) must operate based upon the same date. However, as he notes, this does not resolve the entire interpretation of how the section functions.

[130] The words of the provision, "any debt . . . in respect of a loan", and "within seven years after" an individual "ceased to be a . . . student", must be read together. The reference to the federal and provincial loan legislation informs not only when a person is "a student" but also the meaning of "a loan". Read together, in context, the text indicates that Parliament intended for s. 178(1)(g)(ii) to have a forward-looking perspective, to ensure there is no release from *any debt in respect of a loan* made under student loan legislation *within seven years after* the time that the individual *ceased to be a student*. In this way, there is an opportunity to repay their publicly funded student loans. I conclude the section operates as a conditional statutory bar on the discharge of the bankrupt from the student loan debt outstanding when they ceased to be a student. That condition is satisfied when the date of bankruptcy does not occur within seven years after the completion of their studies, even if they later regain student status. However, where the individual becomes a student again before the seven-year period has elapsed, the provision requires that we look forward and begin to count when they

next cease to be a student. In that case, the individual would have to wait a full seven years before they could be discharged of their student loans.

[131] Here, the record indicates that the appellant had only met the conditions of the provision once before the filing of her consumer proposal. As my colleague notes, the appellant went to post-secondary schooling multiple times, first from 1987 to 1994, then from 1994 to 1995, and then two more times, from 2002 to 2003 and from 2006 to 2009. The appellant self-funded her final period of studies. The record indicates that she completed her studies in April of 1995, and returned to school in September of 2002, a period exceeding seven years. As a result, discharge of the appellant from the student loans she incurred before September 2002 would be mandated.

[132] I would allow the appeal in part, and declare that s. 178(1)(g) does not bar release of the appellant from her student loans incurred before she ceased to be a student in April of 1995.

[133] I agree with Jamal J.'s disposition of the second issue raised by the appellant: a creditor relying on s. 178(1)(g) does not have a burden to obtain a separate judicial determination of their claim before it is enforceable under the *BIA*.

II. Analysis

[134] This appeal concerns an issue of statutory interpretation. The modern approach to statutory interpretation requires that the words of a legislative scheme "are

to be read in their entire context and in their grammatical and ordinary sense harmoniously with the scheme of the Act, the object of the Act, and the intention of Parliament" (*Rizzo & Rizzo Shoes Ltd. (Re)*, [1998] 1 S.C.R. 27, at para. 21, quoting E. A. Driedger, *Construction of Statutes* (2nd ed. 1983), at p. 87; see also R. Sullivan, *The Construction of Statutes* (7th ed. 2022), at § 2.01).

[135] Section 178(1)(g)(ii), the provision at the heart of this appeal, reads:

> **178 (1)** An order of discharge does not release the bankrupt from
>
> . . .
>
> **(g)** any debt or obligation in respect of a loan made under the *Canada Student Loans Act*, the *Canada Student Financial Assistance Act* or any enactment of a province that provides for loans or guarantees of loans to students where the date of bankruptcy of the bankrupt occurred
>
> **(i)** before the date on which the bankrupt ceased to be a full- or part-time student, as the case may be, under the applicable Act or enactment, or
>
> **(ii)** within seven years after the date on which the bankrupt ceased to be a full- or part-time student;
>
> **178 (1)** Une ordonnance de libération ne libère pas le failli :
>
> . . .
>
> **g)** de toute dette ou obligation découlant d'un prêt consenti ou garanti au titre de la *Loi fédérale sur les prêts aux étudiants*, de la *Loi fédérale sur l'aide financière aux étudiants* ou de toute loi provinciale relative aux prêts aux étudiants lorsque la faillite est survenue avant la date à laquelle le failli a cessé d'être un étudiant, à temps plein ou à temps partiel, au regard de la loi applicable, ou dans les sept ans suivant cette date;

[136] Also relevant to the scheme is s. 178(1.1):

> **(1.1)** At any time after five years after the day on which a bankrupt who has a debt referred to in paragraph (1)(g) or (g.1) ceases to be a full- or part-time student or an eligible apprentice, as the case may be, under the applicable Act or enactment, the court may, on application, order that subsection (1) does not apply to the debt if the court is satisfied that
>
> **(a)** the bankrupt has acted in good faith in connection with the bankrupt's liabilities under the debt; and
>
> **(b)** the bankrupt has and will continue to experience financial difficulty to such an extent that the bankrupt will be unable to pay the debt.
>
> **(1.1)** Lorsque le failli qui a une dette visée aux alinéas (1)g) ou g.1) n'est plus un étudiant à temps plein ou à temps partiel ou un apprenti admissible, selon le cas, depuis au moins cinq ans au regard de la loi applicable, le tribunal peut, sur demande, ordonner que la dette soit soustraite à l'application du paragraphe (1) s'il est convaincu que le failli a agi de bonne foi relativement à ses obligations découlant de cette dette et qu'il a et continuera à avoir des difficultés financières telles qu'il ne pourra pas acquitter celle-ci.

[137] I share my colleague's conclusions regarding the purposes animating s. 178(1)(g) (see paras. 5 and 76). Section 178(1)(g) was intended by Parliament to reduce government losses on student loan defaults, to ensure the sustainability of the loans program, and to provide students who leave their studies with an opportunity to repay their publicly funded student loans before declaring bankruptcy and obtaining a release from their student debt. However, in my view, the purpose of the provision must be considered in the context of the overarching rehabilitative purpose animating the *BIA*.

[138] The *BIA* is motivated by two primary purposes: the orderly and equitable distribution of the bankrupt's assets among their creditors, and the promotion of the financial rehabilitation of the bankrupt individual (*Alberta (Attorney General) v. Moloney*, 2015 SCC 51, [2015] 3 S.C.R. 327, at para. 32). This second purpose is relevant to this appeal. Under the *BIA*, the financial rehabilitation of a bankrupt individual is achieved by the discharge of the bankrupt's outstanding debts through s. 178(2) of the Act (*Moloney*, at para. 36; *Poonian v. British Columbia (Securities Commission)*, 2024 SCC 28, at para. 21). This has been described as a "fundamental purpose" and "[o]ne of the prime objects" of the *BIA*, which is "designed to permit a bankrupt to receive, after a specified period a complete discharge of all his or her debts in order that he or she may be able to integrate into the business life of the country as a useful citizen free from the crushing burden of debts" (L. W. Houlden, G. B. Morawetz and J. Sarra, *Bankruptcy and Insolvency Law of Canada* (4th ed. rev. (loose-leaf)), at §§ 1:4 and 7:69).

[139] The general rule providing for the discharge of a bankrupt's debts is qualified, however, by s. 178(1), which lists certain debts not released by discharge (*Poonian*, at para. 22). This provision is "based on an overriding social policy that certain claims should be protected against the general discharge obtained by a bankrupt" (Houlden, Morawetz and Sarra, at § 7:185). Some debts set out under s. 178(1) include, for example, fines, penalties or other similar orders imposed by a court in respect of an offence; debts or liabilities arising from a judicial decision regarding support of a spouse, former spouse, former common-law partner, or child; and debts or

liabilities arising from obtaining property or services obtained via false pretences or fraudulent misrepresentation (s. 178(1)(a), (c) and (e)). Student loan debts also fall under this provision. However, s. 178(1)(g) differs from other exceptions set out by the provision because it functions only as a *temporary* bar on release of an individual from their student loans.

[140] Section 178(1)(g)(ii) of the *BIA* was first enacted in 1997. The bar on discharge of student loans was only for two years, with the same time limit applying to the hardship relief available under s. 178(1.1) (*An Act to amend the Bankruptcy and Insolvency Act, the Companies' Creditors Arrangement Act and the Income Tax Act*, S.C. 1997, c. 12, s. 105). The enactment of s. 178(1)(g) was motivated by a desire to promote repayment of taxpayer-provided student loans. As the Parliamentary Secretary to the Minister of Industry, Minister for the Atlantic Canada Opportunities Agency and Minister of Western Economic Diversification explained in the House of Commons, "[t]he object of the legislation and the amendment is to prevent students from going through bankruptcy and wiping out their debts just after they get an education and just before they take employment" (*House of Commons Debates*, vol. 134, No. 148, 2nd Sess., 35th Parl., March 20, 1997, at pp. 9293-94).

[141] In 1998, s. 178(1)(g)(ii) was amended, raising the time during which student loans could not be discharged to 10 years (*Budget Implementation Act, 1998*, S.C. 1998, c. 21, s. 103(1)). The same amendment was made to s. 178(1.1) (*Budget Implementation Act, 1998*, s. 103(2)). The provisions were again amended in 2005,

reducing the time under s. 178(1)(g)(ii) to 7 years, and changing the number of years in s. 178(1.1) from 10 to 5 (*An Act to establish the Wage Earner Protection Program Act, to amend the Bankruptcy and Insolvency Act and the Companies' Creditors Arrangement Act and to make consequential amendments to other Acts*, S.C. 2005, c. 47, s. 107(2) and (3)).

[142] In enacting and successively amending s. 178(1)(g)(ii), Parliament was seeking a balance between the fresh start principle underlying the *BIA*, and its purpose in promoting repayment of publicly provided student loans via s. 178(1)(g)(ii).

[143] This Court has stated that the debts excepted under s. 178(1) "demonstrate Parliament's attempt to balance financial rehabilitation with other policy objectives" (*Moloney*, at para. 37). The jurisprudence of this Court has emphasized that the exceptions under s. 178(1) must be interpreted in a manner which is mindful of the importance of the rehabilitative purpose of the *BIA*. As Gascon J. explained in *Moloney*:

> In furthering financial rehabilitation, Parliament expressly selected which debts survive bankruptcy and which are discharged . . . . It did so having regard to competing policy objectives. This is a delicate exercise, because the more claims that survive bankruptcy, the more difficult it becomes for a debtor to rehabilitate . . . . [para. 79]
>
> (See also *Schreyer v. Schreyer*, 2011 SCC 35, [2011] 2 S.C.R. 605, at para. 19.)

Due to this balancing of competing objectives, this Court held in *Poonian* that "[t]he exceptions in s. 178(1)(a) through (h) must be interpreted narrowly and applied only in clear cases" (para. 26).

[144] Accordingly, both the overarching objectives of the *BIA* and the individual objectives of s. 178(1)(g) must be considered when interpreting the provision. The purpose of the specific provision must be considered in the context of the broader purpose of the *BIA*. In addition, the interpretation of the provision must reflect Parliament's balancing of objectives, and aim to give effect to both purposes.

[145] Against this backdrop, I turn to the language and structure of the provision.

[146] I agree with Jamal J. that both the English and French versions of s. 178(1)(g), along with the plain language of s. 178(1.1), must inform the interpretation of the provision (see paras. 52-53 and 60). I also agree that the definitions of "student" in the relevant federal and provincial legislative schemes determines student status under s. 178(1)(g)(ii) and s. 178(1.1) (see paras. 54-60).

[147] I acknowledge that, in certain specific circumstances, using the definitions of full- or part-time student could lead to potentially unfair results. For example, the definitions of full- and part-time student in the Alberta *Student Financial Assistance Regulation*, Alta. Reg. 298/2002, are unconnected from the freeze on the accrual of interest and repayment obligations available to students under the regulation, which instead depend on the student giving the Minister proof of enrollment (see Sch. 2, ss.

1(1)(h), (m) and (o), 24(1)(c) and 32). Moreover, under the federal legislation, enrollment in part-time studies does not permit a part-time student to benefit from the repayment freeze available for full-time student loans, even where confirmation of enrollment is submitted (see *Canada Student Financial Assistance Regulations*, SOR/95-329 (*CSFAR*), s. 11.1). Part-time student status can therefore interrupt the seven-year period even if the student is working full-time and repaying their loans. However, these anomalies are a consequence of Parliament's broad policy choice that, in relation to discharge of student loans, student status be determined by the legislation under which those loans were granted. Where the language of a statute is clear, the intent of Parliament must be given effect even if it could give rise to unfairness (*R. v. McIntosh*, [1995] 1 S.C.R. 686, at paras. 34-35).

[148] Nevertheless, like my colleague, I find that deciding how student status is to be determined under s. 178(1)(g)(ii) does not resolve the question of how Parliament intended for that provision to regulate the discharge of an individual's student loans (para. 62). The analysis of how s. 178(1)(g)(ii) functions requires a purposive interpretation: an examination of the structure and text of the provision, harmoniously with the purposes of both the Act and the provision. I turn to that now.

[149] The language used by Parliament in s. 178(1)(g)(ii) must be read together and in its entire context. The words of the provision, "any debt . . . in respect of a loan", "within seven years after" an individual "ceased to be a . . . student" must be read together. The reference to federal and provincial student loan legislation informs not

only when a person is a student, but also the meaning of "a loan" when a person "ceased" to be a student.

[150] Under the *CSFAR*, which governs federal student loans made as of August 1, 1995, student status and student loans are defined in relation to a period of studies for a particular program of studies. The *CSFAR* defines part-time and full-time student as a person "enrolled in courses" "during a confirmed period within a period of studies" (s. 2(1)). In turn, a "period of studies" is defined as "the length of time that [an] . . . educational institution considers to be a normal school year for the program of studies in which the qualifying student or the borrower is enrolled" (s. 2(1)). Finally, "program of studies" is stated to be "the series of periods of studies that is considered by the designated educational institution to be necessary to obtain a degree, certificate or diploma" (s. 2(1)). The *Canada Student Loans Act*, R.S.C. 1985, c. S-23 (*CSLA*), which govern federal student loans made before August 1, 1995, similarly define a "period of studies" as a portion of a "program of studies" (s. 2(1)).

[151] These definitions govern how student status is determined, when loans are obtained, and when repayment obligations occur. For example, in the federal legislation, loans are made for a student's confirmed periods of study (see *CSFAR*, ss. 5, 12 and 12.1; *CSLA*, s. 3). In addition, an individual ceases to be a student on the "last day of the last confirmed period" (see *CSFAR*, ss. 8(1)(a) and 12.3(a); *Canada Student Loans Regulations*, SOR/93-392 (*CSLR*), s. 4.1(1)(a)). Repayment of student loans is triggered by the loss of student status (see *CSFAR*, ss. 11.1 and 12.6; *CSLR*, s. 11).

[152] Many provincial student loan legislative schemes are structured similarly, being centred around "programs of study" at educational institutions. For example, Alberta's *Student Financial Assistance Regulation* defines a "full-time student" as an individual who is enrolled in a certain percentage of a "full-time program of study", with "program of study" being defined as a "combination of courses" considered necessary to obtain a degree, certificate, or diploma (Sch. 2, s. 1(1)(h) and (o)).[2]

[153] Accordingly, "a loan" under the relevant loan legislation is broadly understood to mean a student loan made to a student while they are enrolled in a period of studies, working toward completion of a program of studies. Because student status in turn governs how loans are distributed under the legislation, student loans must also be understood in reference to a period or program of studies. This statutory context establishes that s. 178(1)(g)(ii) applies to student loans as a student accrues them while they are enrolled in courses in a program of studies, rather than one individual consolidated student debt. Specifically, the language of the provision indicates that it relates to the loans that exist when a person ceases to be a student.

---

[2] See also *Student Financial Assistance Regulations*, N.L.R. 105/03, s. 2(d), (e), (h) and (g); *Direct Student Loan Regulations*, N.S. Reg. 342/2008, s. 2(e), (f) and (j); *Post-Secondary Student Financial Assistance Act*, S.N.B. 2007, c. P-9.315, s. 1 "qualifying student", and *General Regulation — Post-Secondary Student Financial Assistance Act*, N.B. Reg. 2007-78, ss. 3 "normal full-time course load" and "program of studies" and 17(g); *Student Financial Assistance Act General Regulations*, P.E.I. Reg. EC709/10, s. 1(h), (j), (k) and (m); *Ontario Student Grants and Ontario Student Loans*, O. Reg. 70/17, ss. 7, 9 and 23; *Student Aid Regulation*, Man. Reg. 143/2003, ss. 4, 10 and 21 to 23; *Student Financial Assistance Regulations*, R.R.N.W.T. 1990, c. S-20, s. 1(1) "full-time student" and "program of studies"; and *Student Financial Assistance Regulations*, R.R.N.W.T. (Nu.) 1990, c. S-20, s. 1(1) "full-time student" and "program of studies".

[154] Section 178(1)(g)(ii) is framed in the negative. The provision states that an individual is not released from student loans by an order of discharge, where the date of the bankruptcy of the bankrupt occurred "within seven years after the date on which the bankrupt ceased to be a full- or part-time student", or, in the French text, "*lorsque la faillite est survenue avant la date à laquelle le failli a cessé d'être un étudiant, à temps plein ou à temps partiel, . . . ou dans les sept ans suivant cette date*". The structure and language chosen by Parliament indicate that the provision functions as a statutory bar on discharge that applies until certain conditions are satisfied. The use of the word "after" indicates that Parliament intended for the provision to have a forward-looking perspective. In this respect, I disagree with the conclusion of my colleague and the Court of Appeal for British Columbia, who found that the provision looks backward, and that "the key question to ask is 'when did the bankrupt cease being a student'" and "the 'time to ask that question is the date when the assignment in bankruptcy was made'" (2023 BCCA 181, 480 D.L.R. (4th) 530, at para. 24, citing *Mallory*, at para. 86; see also majority reasons, at paras. 63-66).

[155] Rather than counting backward from the date of bankruptcy to the most recent date that an individual ceased to be a student *for the final time*, the provision directs that we look at the date that an individual ceased to be a student and the outstanding student loans at that time, then determine whether a seven-year period elapsed after that time. If so, "the date of bankruptcy of the bankrupt [did not occur] . . . within seven years after" the individual "ceased to be a . . . student". This interpretation is consistent with the *Canada Student Financial Assistance Act*, S.C.

1994, c. 28, *CSLA* and other applicable provincial student loan legislation, which contemplate multiple study periods and therefore multiple cessation dates.

[156] The language of s. 178(1.1) provides further support for this interpretation. As was stated above, these provisions must be interpreted harmoniously, in a manner which provides for the same operation between the two provisions. Section 178(1.1) states that "[a]t any time after five years after the day on which a bankrupt who has a debt referred to in paragraph (1)(g) or (g.1) ceases to be a full- or part-time student . . ., the court may, on application, order that subsection (1) does not apply to the debt". In this provision, the date that anchors the calculation is clearly the borrower's cessation date, not the date of bankruptcy, indicating a forward-looking approach.

[157] As a result, s. 178(1)(g)(ii) provides that, where a seven-year period has passed after an individual ceases to be a student, the bar to discharging the bankrupt from that loan and any previous loans outstanding at that time is no longer applicable. In that circumstance, "the date of bankruptcy" does not occur "within seven years after" the individual ceased to be a student, even if that individual later returns to school and becomes a student again in the future. Discharge would be available in relation to student loans accrued before that seven-year period, because the provision would no longer apply to those specific loans. In such circumstances, the individual would have had seven clear years to repay those loans, as intended by Parliament. In addition, a future return to schooling would not arbitrarily defeat the rehabilitative purpose of the

BIA by preventing discharge where the statutorily mandated seven-year period had elapsed.

[158] The forward-looking language of the provision also indicates that, when an individual returns to school as a full- or part-time student *before* seven years have elapsed, the clock will not continue to run, as it does in the multiple-date approach. In such a circumstance, the provision will continue to apply to loans for which the condition has not yet been met, and a full seven-year period must elapse after the new date that the individual ceased to be a student before the provision no longer applies to those loans.

[159] This interpretation of the provision best reflects the structure and language of the section, and best meets both the purpose of the provision and the Act.

[160] I do not agree with the Court of Appeal that the use of the word "ceased", or "*a cessé*" in the French text, indicates that the single-date approach is the only correct interpretation of s. 178(1)(g)(ii) (see, e.g., *Mallory*, at para. 68). As the *Oxford English Dictionary* (online) explains, to "cease" is to "stop, give over, discontinue, desist (from, formerly of, an action); to come to the end or to an intermission of a state or condition of 'being, doing, or suffering'" (emphasis added). An individual may cease, or discontinue, being a student on one date, yet later become a student again.

[161] As noted above, the text and language of s. 178(1)(g)(ii) must be interpreted in light of Parliament's intent. The interpretation must reflect Parliament's

intent in balancing the competing objectives of the provision and the *BIA*, rather than allowing one to completely supersede the other. As Sullivan explains, when conducting statutory interpretation:

> At the end of the day, after taking into account all relevant and admissible considerations, the court must adopt an interpretation that is appropriate. An appropriate interpretation is one that can be justified in terms of (a) its plausibility, that is, its compliance with the legislative text; (b) its efficacy, that is, its promotion of legislative intent; and (c) its acceptability, that is, the outcome complies with accepted legal norms; it is reasonable and just. [Footnote omitted; § 2.01[4].]

[162] The above interpretation of s. 178(1)(g)(ii) is the only one which reflects the balance sought by Parliament between the competing purposes of the *BIA* and s. 178(1)(g)(ii). By promoting opportunities for economic rehabilitation, the "fresh-start" purpose of the *BIA* is given effect. An individual may return to schooling after seven years and re-train without sacrificing their ability to avail themselves of the *BIA* in the future. Should that re-training fail to remedy their financial difficulties, they still may alleviate their debt burden by being released from their past student loans, so long as seven continuous non-student years have passed before they returned to school.

[163] However, this interpretation also aligns with the specific purposes of Parliament in enacting s. 178(1)(g)(ii) by mandating that an individual spend a seven-year period out of school before they are discharged from their student loans. This reflects the *quid pro quo* intended by Parliament, where student debtors have an opportunity to attempt repayment of their publicly provided loans before they may be released via an order of discharge.

[164] In contrast, the existing single-date and multiple-date approaches too-heavily favour either the specific goals of s. 178(1)(g)(ii), or the *BIA* as a whole.

[165] In "resetting the clock" every time an individual regains student status, the single-date approach thwarts the rehabilitative purpose of the *BIA* by placing an unduly onerous burden on student debtors — including those who have had seven years to repay a loan — and thereby imposing too-stringent barriers upon economic rehabilitation. A student who has been out of school for a decade or more would be penalized for commencing further education. This was precisely the case in *N.P.*, where the respondent had initially obtained student loans from 1980 to 1986, before returning to school from 1997 to 2000 (paras. 14-18). There, the Quebec Court of Appeal held that the single-date approach barred discharge of the respondent's first set of student loans, notwithstanding the fact that more than 10 years had elapsed between his periods of study (para. 46).

[166] On the other hand, the multiple-date approach inadequately reflects the purpose of s. 178(1)(g)(ii), as it may permit individuals who have ceased being a student for a short time between periods of study to obtain discharge even if they have been a student for most of the seven-year period. In this circumstance, the individual may have never had a real opportunity to repay their student debt due to the respite from repayment and the accrual of interest available to students under student loans legislation. The absurdity of this was recognized by the Registrar in *Cunningham (Bankrupt), Re*, 2012 NBQB 352, 397 N.B.R. (2d) 103, who declined to apply the

multiple-date approach in the circumstances of a four-month gap between periods of study, stating that "[t]his scarcely gives any reasonable period to try to realize on the asset obtained from these loan financed studies" (para. 20).

[167] The interpretation of s. 178(1)(g)(ii) I set out above avoids these absurdities. I acknowledge that it may result in circumstances where an individual must wait longer than seven years before they may be released from their student loans, such as if they return to schooling after only six years have elapsed. However, it is a necessary consequence of the language and the scheme chosen by Parliament to reflect a balance of two competing objectives. Parliament is entitled to make that choice. Finally, the legislative scheme allows for relief from the mandated seven-year period in certain circumstances, through s. 178(1.1).

[168] In sum, when s. 178(1)(g)(ii) is read in a manner that balances the purposes of the provision and the Act and gives each effect, the correct interpretation is neither the single-date nor the multiple-date approaches. Instead, in the words of Sullivan, an interpretation of the provision which allows discharge of student loans after seven continuous non-student years is appropriate due to "its compliance with the legislative text" and "its promotion of legislative intent" (§ 2.01[4]).

[169] Here, the appellant completed the first period of studies in which she incurred student loans in April of 1995. Her subsequent period of studies began in September of 2002 — more than seven years later.

III. Conclusion

[170] I would allow the appeal in part. I would overturn the Court of Appeal's conclusion that the single-date approach governs the interpretation of s. 178(1)(g)(ii). Instead, I conclude s. 178(1)(g)(ii) functions as a conditional statutory bar on discharge of an individual's student loans. That statutory bar looks forward from the date that the individual ceased to be a student, and is conditional upon the individual having ceased to be a student for a continuous seven-year period. Once that condition has been met, the provision no longer applies to those loans, and a subsequent return to schooling will not prevent an individual from being released from those student loans. However, where a return to schooling prevents a seven-year period from elapsing, the provision requires that a future period of seven years elapse before the condition is satisfied and the individual may be discharged from loans accrued before that time.

[171] I would grant the appellant's declaration in part. The statutory bar does not apply to student loans she had accrued before she ceased to be a student in April 1995. I would award costs in favour of the appellant.

Appeal dismissed, KARAKATSANIS, MARTIN *and* MOREAU JJ. *dissenting in part.*

Solicitors for the appellant: Reedman Law, Vancouver.

Solicitors for the respondent: Attorney General of Canada — Department of Justice, British Columbia Regional Office, Vancouver.

Solicitor for the intervener the Attorney General of Ontario: Attorney General of Ontario, Crown Law Office — Civil, Toronto.

Solicitor for the intervener the Attorney General of Quebec: Lavoie, Rousseau (Justice-Québec), Direction du contentieux Québec, Québec.

Solicitor for the intervener His Majesty The King in Right of the Province of British Columbia, as represented by the Minister of Finance: Ministry of the Attorney General — Legal Services Branch, Victoria.

Solicitors for the intervener the Canadian Alliance of Student Associations: Torys, Toronto; Nanda & Company, Edmonton.

Solicitors for the intervener the Canadian Association of Insolvency and Restructuring Professionals: Gowling WLG (Canada), Toronto.