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Does the Federal Court have Jurisdiction to Review a Decision of an Insolvency Trustee?

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Case Commented On: *GCMR Contracting Inc v MNP Ltd*, [2026 FC 468 \(CanLII\)](#)

In *GCMR Contracting Inc v MNP Ltd*, [2026 FC 468 \(CanLII\)](#), the Federal Court considered whether it has jurisdiction to hear an appeal of a decision by an insolvency trustee to approve or disallow a creditor's claims. In a short decision, the judge determined that the Federal Court did not have such jurisdiction.

In this case, the Applicant, GCMR Contracting Inc, sought judicial review at the Federal Court of a decision of the Insolvency Trustee, MNP Ltd. The trustee had disallowed the Applicant's creditor's claim pursuant to section 135(2) of the *Bankruptcy and Insolvency Act*, [RSC 1985, c B-3 \(BIA\)](#).

The Court referred to section 183(1) of the *BIA*, which enumerates the courts with jurisdiction over bankruptcy matters. Finding only provincial superior courts listed, the judge turned to section 17(6) of the *Federal Courts Act*, [RSC 1985, c F-7 \(FCA\)](#). This provision establishes that where an Act of Parliament confers jurisdiction on a provincial court, the Federal Court has jurisdiction only if the Act expressly confers it, which section 183 of the *BIA* does not.

Commentary

Under section 135(2) of the *BIA*, an insolvency trustee may disallow a creditor's claim, right, or security. The trustee's decision is final unless an applicant appeals it to "the court" (section 135(4)). The provision does not mention the Federal Court.

The proper path for the applicant in this case would have been to proceed under section 37 of the *BIA*, which allows a bankrupt, any creditor, or any other person "aggrieved by any act or decision of the trustee" to apply to "the court". The proper court is found in section 183(1) of the *BIA*.

Section 183(1) vests jurisdiction over bankruptcy and other proceedings in the *BIA* in provincial superior courts. Although it does not grant them exclusive jurisdiction, it confers jurisdiction on "the following courts" then exhaustively lists the superior courts of each province and territory with insolvency jurisdiction, without mentioning the Federal Court. According to the *FCA*, the *BIA* must expressly confer jurisdiction on the Federal Court before that Court can assume it. Section 17(6) of the *FCA* states:

If an Act of Parliament confers jurisdiction in respect of a matter on a court constituted or established by or under a law of a province, the Federal Court has no jurisdiction to entertain any proceeding in respect of the same matter unless the Act expressly confers that jurisdiction on that court.

See, for example, section 14.02(5) of the *BIA*, which expressly gives authority to the Federal Court to review decisions by the Superintendent of Bankruptcy to sanction trustees. It is the only time the *BIA* grants such authority to the Federal Court.

For a discussion on the exclusion of the Federal Court from insolvency legislation and the implications for modern insolvency law, see Jeremy Opolsky and Mike Noel, “A Framework for Resolving Jurisdictional Clashes Between Provincial Insolvency Courts and the Federal Courts of Canada” IIC-Art Vol 14-7.

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