

Money Judgment Enforcement Act reaches Royal Assent

On October 26, 2023, the *Money Judgement Enforcement Act* (the “**Act**”) received royal assent. The Act is expected to replace the *Court Order Enforcement Act*, RSBC 1996, c.78 (“**COEA**”) by 2025.

The new legislation is intended to make it easier for creditors to recover the money they are owed following judgement from the civil court or tribunal. In particular, the Act creates a universal registry for judgements, expands the scope of properties that can be seized, and simplifies the procedures for creditors to seize or garnish a debtor’s property or account.

At the same time, the Act also protects debtors from facing unreasonably harsh consequences previously imposed by the COEA. Notably, the Act removes the possibility of imprisonment for default of payment and creates new exemptions for persons earning income below minimum levels, as set by regulation. Overall, the new Act attempts to create a more equitable and efficient collections process by allowing creditors to obtain compensation in a timely manner while ensuring debtors are not deprived of reasonable rights.

Some of the key changes are as follows:

1. UNIVERSAL REGISTRY AND CIVIL ENFORCEMENT OFFICERS

The Act will allow creditors to register their judgments into the Money Judgement Registry (the “**Registry**”), which will be a public and searchable database. Once the judgement is registered, that creditor will have equivalent priority as creditors that have registered their interest through the Personal Property Registry. Registration will also allow creditors to enforce the money judgement by simply instructing the civil enforcement officers

to seize and sell the properties outlined in the Registry. This will eliminate the need to take the judgement to the B.C. Supreme Court and seek additional court orders for enforcement.

Creditors will have to be mindful of the 2-year limitation period from the date of judgement to register the judgement, but in essence, these changes will offer a more straightforward, efficient and cost effective means to enforce on money judgements.

2. EXPANDED SCOPE OF ELIGIBLE PROPERTY

Unlike the COEA, which specifies certain interests subject to enforcement, the Act implements a presumption of “universal exigibility”, which means that every type of property that the debtor has interest in may be subject to enforcement, unless specifically exempt under the Act. This includes property or interest that is acquired after the registration of the money judgement.

The Act also allows creditors to enforce a judgment against co-owned property. When a real property is held in joint tenancy with a non-debtor, the creditor may seize the property in its entirety, (including the interests of non-debtor co-owners), or convert it into a tenancy in common and dispose of it for the purpose of satisfying the debt. This can have important consequences for the non-debtor co-owner, as the registration over the debtor’s interest continues even after the debtor dies.

3. SIMPLIFIED PROCEDURES

Under the current regime, creditors must make a new court application for each method of collection. This means that if the creditor wishes

to seize and sell property and garnish wages, they have to make separate applications for each collection effort. However, the Act will now allow creditors to enforce multiple collection methods with a single instruction to the civil enforcement officer outlining the options the creditor wants to pursue, as well as allow continual garnishment of the debtor's account until the creditor withdraws the notice of seizure.

4. PROTECTIONS FOR DEBTORS

Notwithstanding the changes making collection easier for creditors, the Act also implements several provisions to ensure debtors are not unnecessarily prejudiced. First, the Act now prohibits imprisonment for default in payment of a money judgement. Second, in addition to existing exemptions in the COEA, the Act provides

for new exemptions for food, money received by the debtor as compensation for loss of future income and future medical expenses from personal injury claims, pets, and burial plots. Third, exemptions for income that form the minimum amount reasonably required to support the debtor and his or her dependents, as prescribed by the regulations.

The Act marks a significant change to the collections process and is intended to make collecting on judgments an easier and more cost-effective process, however, we will have to wait until 2025 to determine if the Act plays out as intended. If you have any questions regarding obtaining or enforcing money judgments please get in touch with [Karina Alibhai](#), [Nicola Virk](#) or any other member of our Commercial Litigation Group.



[Karina Alibhai](#)
Associate
kalibhai@harpergrey.com
604.895.2317



[Nicola Virk](#)
Associate
nvirk@harpergrey.com
604.895.2310



[Kelley Cho](#)
Articling Student
kcho@harpergrey.com
604.895.2317

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