NCA Commercial Law Syllabus

(Based on the Official November 2025 NCA Syllabus)

PART I: SECURED TRANSACTIONS

Chapter 1: Background to the Personal Property Security Act

- Purpose and structure of secured transactions law
- Meaning of debtor, secured party, collateral and security interest
- Personal Property Security Act, R.S.O. 1990, c. P.10
- Personal Property Security Regulations, R.R.O. 1990, Reg. 912

Chapter 2: Application of the PPSA

- Conditional sale agreements
- Chattel mortgages
- Accounts under section 1(1)
- Commercial consignments under section 2(a)
- Chattel leases and leases for a term of more than one year
- Application of section 2(c)
- Assignment of accounts receivable
- Sections 2(b) and 40(2)

Prescribed cases:

- *National Trailer Convoy of Canada v. Bank of Montreal*
- *Joseph Group of Companies v. Pickles Tents and Awnings Ltd.*
- *Grosvenor Park Media v. Arc Productions*
- *Re Toyerama*
- *Re Stephanians Persian Carpets*
- *Newcourt Credit Group v. G.A. Finance*
- *Re Connacher Oil and Gas*
- *Re Doran*
- *Continental Shed Rentals v. Trustee in Bankruptcy*
- *Dimmitt and Owens Financial v. Big V Pharmacies*

Chapter 3: Attachment of a Security Interest

- Meaning and legal effect of attachment
- Requirements for attachment
- Enforceability of a security interest against the debtor
- Sections 11 and 19

Prescribed case:

- *Credit Suisse Canada v. 1133 Yonge St. Holdings*

Chapter 4: Perfection of a Security Interest

- Meaning and purpose of perfection
- Perfection by registration of a financing statement
- Sections 23, 28(5), 45, 46(5) and 51
- Lapse of registration
- Sections 48(1), (2), (3) and (5), 30(6) and 69
- Errors in a financing statement
- Sections 46(4), 46.1, 46.2 and 46.3
- Perfection by possession of collateral
- Section 22

Prescribed cases:

- *Heidelberg Graphic Equipment v. Arthur Anderson Inc.*
- *Bank of Nova Scotia v. Royal Bank*
- *Asklepeion Restaurants v. 791259 Ontario Ltd.*
- *Thomas v. Input Capital Corp.*
- *Re Lambert*
- *Fairbanx Corp. v. Royal Bank of Canada*
- *Re Dzarzinskas*
- *Re M.C. United Masonry*

Chapter 5: Personal Guarantees

- Liability under a personal guarantee
- Relationship between a guarantee and the secured obligation
- Rights and duties of a secured party in possession
- Section 17

Prescribed cases:

- *First City Capital v. Hall*
- *Toronto-Dominion Bank v. McCowan*
- *Bank of Nova Scotia v. Antoine*

Chapter 6: Property Acquired in the Future

- After-acquired property
- Sections 12(1) and 45(4)
- Attachment to property acquired after the security agreement
- Future advances
- Sections 1(1), 13, 30(3), 30(4) and 38

Prescribed cases:

- *Joseph Group of Companies v. Pickles Tents and Awnings Ltd.*
- *Re West Bay Sales and Hitachi*

Chapter 7: Priority Rules

- General priority rule under section 30(1)
- Priority between perfected security interests
- Priority based on the order of registration or perfection
- Judgment creditors under section 20(1)(a)(ii)
- Effect of non-perfection against a trustee in bankruptcy under section 20(1)(b)
- Effect of non-perfection against a transferee for value under section 20(1)(c)
- Buyers in the ordinary course of the seller's business
- Sections 28(1) and 28(1.1)
- Purchase-money security interests
- Sections 1(1), 33(1), 33(2) and 33(3)
- Super-priority requirements for a purchase-money security interest

Prescribed cases:

- *B.M.P. and Daughters Investment Corp. v. 941242 Ontario Ltd.*
- *Sperry v. CIBC*
- *CIBC v. Otto Tim Enterprises*
- *Re CMHC*
- *Re Giffen*
- *Royal Bank v. Cutler Forest Products*
- *Royal Bank v. Dawson Motors*
- *Robert Simpson Company v. Shadlock*
- *Fairlane Boats v. Leger*
- *Ford Motor Credit v. Centre Motors*
- *Camco Inc. v. Olsen Realty*
- *Unisource Canada v. Laurentian Bank*
- *Re 1151162 Ontario Ltd.*
- *First City Capital v. Arthur Anderson Inc.*

Chapter 8: Security Interests Excluded from the PPSA

- Statutory and common law liens
- Exclusion under section 4(1)(a)
- Difference between a lien and a PPSA security interest

Prescribed case:

- *Commercial Credit Corp. v. Harry Shields*

Chapter 9: Default—Rights and Remedies Under the PPSA

- Meaning and consequences of default
- Seizure of collateral
- Sections 59(5), 63(5), 64(3) and 65
- Secured party's duty to act in good faith and in a commercially reasonable manner
- Disposition of collateral after default
- Notice requirements
- Sections 57.1, 59(1), 62, 63(1), 63(2) and 64
- Receivership
- Sections 60 and 63(7)(g)
- Powers and responsibilities of a receiver
- Difference between receivership and bankruptcy
- Effect of bankruptcy on secured and unsecured creditors

Prescribed cases:

- *Canadian Imperial Bank of Commerce v. Haley*
- *Donnelly v. International Harvester Credit Corp.*
- *Royal Bank v. HCB Thickson Ltd.*
- *Standard Trust Co. v. Turner Crossing Inc.*
- *Re Plante*

PART II: PENALTIES AND LIQUIDATED DAMAGES

Chapter 10: Penalties and Liquidated Damages

- Purpose of an agreed damages clause
- Meaning of stipulated damages
- Difference between liquidated damages and a penalty
- Genuine pre-estimate of anticipated loss
- Extravagant, unconscionable or punitive amounts
- Importance of the substance of the clause rather than its label
- Difficulty of estimating loss
- Consequences of a valid liquidated damages clause
- Consequences of an unenforceable penalty
- Recovery of ordinary proven damages where the stipulated amount is penal

Prescribed cases:

- *H.F. Clarke Ltd. v. Thermidaire Corp. Ltd.*
- *Clydebank Engineering v. Don Ramos*
- *Cellulose Acetate v. Widnes*
- *Campbell Discount v. Bridge*

Chapter 11: Economic Analysis of Penalties and Liquidated Damages

- Economic benefits of stipulated damages
- Certainty and allocation of contractual risk
- Reduction of litigation and proof-related costs
- Compensation for losses that are difficult to prove
- Economic costs of excessive stipulated damages
- Overdeterrence of breach
- Incentive and opportunity to induce breach
- Comparison of three possible legal approaches:
    - enforcement of all stipulated damages clauses;
    - non-enforcement of all stipulated damages clauses; and
    - selective enforcement of reasonable clauses
- Economic justification for distinguishing liquidated damages from penalties
- Reasonableness as the central practical criterion

Prescribed reading:

- *Clarkson et al., "Liquidated Damages v. Penalties: Sense or Nonsense"* (1978)

PART III: SALE OF GOODS

Chapter 12: Introduction to the Sale of Goods Act

- Sale of Goods Act, R.S.O. 1990, c. S.1
- Purpose and application of the SGA
- Meaning of goods
- Meaning of property or ownership in goods
- Meaning of buyer, seller and contract of sale
- Difference between a sale and an agreement to sell
- Existing and future goods
- Deliverable state
- Contracts for goods and contracts for services
- Primary-purpose test for mixed contracts
- Specific goods under section 1(1)
- Ascertained goods
- Unascertained goods

Prescribed case:

- *Ter Neuzen v. Korn*

Chapter 13: Rules for Determining the Passing of Property

- Meaning and importance of passing of property
- Difference between ownership, possession, delivery and payment
- Effect of ownership on risk, creditors and remedies
- Requirement that unascertained goods must first be ascertained
- Section 17
- Intention of the parties
- Section 18
- Contractual terms, conduct and surrounding circumstances

Section 19, Rule 1

- Unconditional contract
- Specific goods in a deliverable state
- Property passing when the contract is made
- Effect of postponed payment or delivery

Section 19, Rule 2

- Seller required to put specific goods into a deliverable state
- Completion of the required work
- Notice to the buyer

Prescribed case:

- *Jerome v. Clements Motor Sales*

Section 19, Rule 3

- Specific goods already in a deliverable state
- Weighing, measuring, testing or another act required to determine the price
- Completion of the act and notice to the buyer

Section 19, Rule 4

- Goods delivered on approval
- Goods delivered on sale or return
- Buyer's approval or adoption of the transaction
- Retention beyond the agreed return period
- Retention beyond a reasonable time

Section 19, Rule 5(1)

- Unascertained or future goods sold by description
- Goods matching the contractual description
- Deliverable state
- Unconditional appropriation
- Express or implied assent
- Assent given before or after appropriation
- Effect of appropriation on ownership and risk

Prescribed cases:

- *Wardar's Import and Export v. Norwood*
- *Caradoc Nurseries v. Marsh*
- *Pullman Trailmobile v. Hamilton Transport*
- *Pignataro v. Gilroy*
- *Hayes Brothers v. Canadian Permanent Trust*
