

No. 127

1st Session, 15th Legislature, Alberta
12 Elizabeth II

BILL 127

A Bill respecting the Establishment and Operation of the
Alberta Investment Fund

HON. MR. HINMAN

Explanatory Note

1. General. This Bill will establish the Alberta Investment Fund with authority to sell savings certificates and investment certificates and to invest the proceeds in the manner set out in the Bill.

2. Purpose of the Alberta Investment Fund.

3. Establishment of the Alberta Investment Fund as a corporation to be managed by a board of directors.

BILL

No. 127 of 1964

An Act respecting the Establishment and Operation of the
Alberta Investment Fund

(Assented to _____, 1964)

HER MAJESTY, by and with the advice and consent of
the Legislative Assembly of the Province of Alberta,
enacts as follows:

1. This Act may be cited as "*The Alberta Investment Fund Act*".

2. The purpose of this Act is to provide a means of attracting the savings of residents of Alberta, and others, into a fund to supply capital for investment to promote industrial and commercial development in Alberta.

3. (1) A corporation is hereby established with the name of the Alberta Investment Fund.

(2) The affairs of the corporation shall be conducted by a board of directors which shall consist of

- (a) the Provincial Treasurer, who shall be the president,
- (b) the Deputy Provincial Treasurer, who shall be the vice-president, and
- (c) not more than five other persons appointed by the Lieutenant Governor in Council, to hold office during pleasure.

(3) Where one or more vacancies occur on the board, the remaining directors may exercise all the powers of the board so long as a quorum of the board remains in office.

(4) The Provincial Treasurer and any directors who are members of the public service of the Province shall serve without remuneration but the corporation may pay the other directors such remuneration as may be determined by the Lieutenant Governor in Council.

(5) The directors are entitled to be paid by the corporation reasonable travelling and living expenses while absent from their ordinary place of residence in the course of their duties.

(6) The corporation may employ such employees and agents as it considers necessary for the conduct of its business.

4. Terms and conditions applicable to savings certificates.

5. Investment of the proceeds from the sale of savings certificates.

(7) The corporation may make by-laws respecting the calling of meetings of the board and the quorum and conduct of business thereat, the duties and conduct of the directors, employees and agents and generally as to the conduct of the affairs of the corporation.

Savings Certificates

4. (1) The corporation may receive deposits of money from any person and issue, in respect of such deposits, savings certificates registered in the name of the depositor or his nominee, in accordance with this Act.

(2) Savings certificates may be issued in such denominations, and for such terms as the corporation determines, and shall bear interest payable at the rates and at the times fixed by the Lieutenant Governor in Council.

(3) Unless sooner redeemed, savings certificates are redeemable and cease to bear interest at the expiration of five years from the date of issue.

(4) Savings certificates are redeemable at the demand of the registered owner, on thirty days' notice in writing.

(5) Savings certificates redeemed before maturity shall be redeemed at the rate of interest prescribed by the Lieutenant Governor in Council.

(6) The Province of Alberta guarantees to the registered owner, due payment of the principal and interest on savings certificates in accordance with the terms of this Act.

(7) The guarantee, in such form and manner as the Lieutenant Governor in Council may approve, may be endorsed upon the savings certificates issued by the corporation and may be signed on behalf of Her Majesty by the Provincial Treasurer, or by the Deputy Provincial Treasurer or by such other person as the Lieutenant Governor in Council may designate.

5. (1) The moneys received pursuant to section 4 may be invested as follows:

- (a) in bonds, debentures and other securities issued by any city, town, village, county, municipal district, hospital district, school division or school district in the Province;
- (b) in bonds, debentures and other securities issued or guaranteed by the Government of Canada, or by any province in Canada;
- (c) in bonds, debentures and other securities issued by established industrial or commercial enterprises carrying on business in the Province;
- (d) in first mortgages on industrial, commercial and residential property in the Province.

6. Terms and conditions applicable to investment certificates.

7. Investment of proceeds from sale of investment certificates.

8. Restriction on mortgage investments.

(2) Not more than forty per cent of the moneys received pursuant to section 4 shall be invested at any one time in bonds, debentures, securities or mortgages under clauses (c) and (d) of subsection (1).

Investment Certificates

6. (1) The corporation may receive deposits of money from any person and issue, in respect of such deposits, investment certificates registered in the name of the depositor or his nominee in accordance with this Act.

(2) Investment certificates may only be issued in denominations of one hundred dollars or in multiples thereof.

(3) Investment certificates may be transferred at the office of the corporation, or at such other offices as the corporation may authorize, if accompanied by an executed transfer in the form prescribed by the board of directors.

(4) Dividends shall be paid on investment certificates to the registered owners, at regular intervals at the times, in the manner, and subject to subsection (5), in the amounts determined by the corporation.

(5) The Province of Alberta guarantees the payment of a minimum dividend to the registered owners of investment certificates at an annual rate of three and one-half per cent of the face value of the certificate.

(6) The guarantee, in such form and manner as the Lieutenant Governor in Council may approve, may be endorsed upon investment certificates issued by the corporation and may be signed on behalf of Her Majesty by the Provincial Treasurer or the Deputy Provincial Treasurer or such other person as the Lieutenant Governor in Council may designate.

(7) The corporation may from time to time declare a limit on the total amount of deposits for which the corporation will issue investment certificates.

7. The money received pursuant to section 6 may be invested as follows:

- (a) in bonds, debentures and other securities issued or guaranteed by the Government of Canada or any province in Canada;
- (b) in shares, bonds, debentures and other securities of established companies carrying on business in the Province;
- (c) in first mortgages on industrial, commercial and residential properties in the Province.

8. No mortgage shall be purchased for more than sixty per cent of the appraised value of the mortgaged property.

9. Audit of the books and accounts of the corporation.

10. An annual report is to be prepared and laid before the Legislative Assembly.

11. Lieutenant Governor in Council may make regulations for the purposes of the Act.

12. Temporary loans.

13. Self-explanatory.

14. The Savings Certificates Act is repealed.

15. Commencement of Act.

9. (1) The Provincial Auditor or his nominee shall from time to time and at least once every year audit the books and accounts of the corporation.

(2) At the end of the months of June and December in every year, the Provincial Auditor shall as soon as practicable

- (a)** determine the total value of the investments made pursuant to section 7 as of the close of the last day of business in each of the two months,
- (b)** determine as of that time the estimated value of each investment certificate in a denomination of one hundred dollars, and
- (c)** make public, in such manner as he thinks fit, the estimated value determined under clause **(b)**.

10. (1) The corporation shall annually, after the end of each fiscal year, prepare a report of the activities of the corporation during that fiscal year, including an audited financial statement.

(2) The Provincial Treasurer shall lay a copy of the report before the Legislative Assembly within fifteen days after the commencement of the next ensuing session.

11. The Lieutenant Governor in Council may make regulations for carrying out this Act according to its intent and supplying any deficiency therein and without restricting the generality of the foregoing may make regulations

- (a)** regulating the sale of certificates and the purchase of securities,
- (b)** limiting or setting maximums upon investment in different classes of securities and in the securities of different types of public and commercial organizations, and
- (c)** limiting the maximum amount that may be held by any person in savings certificates and investment certificates.

12. With the approval of the Lieutenant Governor in Council, the Provincial Treasurer may from time to time make temporary loans to the corporation out of the General Revenue Fund of the Province.

13. *The Securities Act, 1955* and *The Investment Contracts Act* do not apply to the corporation.

14. *The Savings Certificates Act*, being chapter 301 of the Revised Statutes, is hereby repealed, but the repeal does not operate so as to affect the liability of the Province with respect to savings certificates issued under that Act.

15. This Act comes into force on the first day of August, 1964.

No. 127

FIRST SESSION
FIFTEENTH LEGISLATURE
12 ELIZABETH II
1964

BILL

An Act respecting the Establishment
and Operation of the Alberta
Investment Fund

Received and read the

First time

Second time

Third time

HON. MR. HINMAN
