

1967 Bill 85

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Fifth Session, 15th Legislature, 15 Elizabeth II

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THE LEGISLATIVE ASSEMBLY OF ALBERTA

## **BILL 85**

**An Act to authorize agreements between the Province and the Canada Deposit Insurance Corporation and to amend The Trust Companies Act, 1960**

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THE ATTORNEY GENERAL

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First Reading .....

Second Reading .....

Third Reading .....

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# BILL 85

1967

An Act to authorize agreements between the Province and the Canada Deposit Insurance Corporation and to amend The Trust Companies Act, 1960

(Assented to , 1967)

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

1. (1) The Attorney General, on behalf of the Province, may enter into agreements with the Canada Deposit Insurance Corporation under the *Canada Deposit Insurance Corporation Act* for any purpose in connection with the issuing of policies of deposit insurance under that Act to trust companies incorporated in Alberta and registered under *The Trust Companies Act, 1960* or *The Trust Companies Act, 1967*.

(2) An agreement made pursuant to subsection (1) may contain an undertaking by the Province to indemnify the Canada Deposit Insurance Corporation for any loss to that Corporation occurring by reason of its obligation to make payment in respect of any deposit insured by a policy of deposit insurance, where that obligation arises during the period specified in the agreement for that purpose.

2. *The Trust Companies Act, 1960* is amended by adding the following section after section 68a:

68b. The Lieutenant Governor in Council may make regulations authorizing provincial companies to apply for and obtain policies of deposit insurance issued under the *Canada Deposit Insurance Corporation Act*, and empowering provincial companies to do anything that they are required or permitted to do under that Act or the by-laws of the Canada Deposit Insurance Corporation.

3. This Act comes into force on the day upon which it is assented to.

## **Explanatory Notes**

**1.** The Canada Deposit Insurance Corporation Act (passed by Parliament on February 17, 1967) permits provincial trust companies to voluntarily obtain deposit insurance from the Canada Deposit Insurance Corporation. The Corporation must approve a provincial trust company before issuing a policy of deposit insurance to it and that Act contemplates that approval would be given only after the Corporation had examined the affairs of the applicant company. The federal Government has recently indicated that the Corporation will be prepared to approve a provincial company before such an examination if in the meantime the Province will agree to indemnify the Corporation for any losses to it, in accordance with subsection (2). This Bill will authorize the Province to enter into an agreement containing such an undertaking.

**2.** Section 139 (e) of the proposed Trust Companies Act, 1967 (Bill 60) will authorize regulations to permit provincial trust companies to obtain deposit insurance under the Canada Deposit Insurance Corporation Act.

Bill 60, if passed, will not come into force until May 1, 1967. The purpose of the new section 68b is to enable provincial trust companies to obtain deposit insurance sooner than May 1, 1967, that is, after this Bill is assented to.