

1979 BILL 75

First Session, 19th Legislature, 28 Elizabeth II

THE LEGISLATIVE ASSEMBLY OF ALBERTA

BILL 75

THE TRUST COMPANIES AMENDMENT ACT, 1979

MR. OMAN

First Reading

Second Reading

Committee of the Whole

Third Reading

Royal Assent

Bill 75
Mr. Oman

BILL 75

1979

THE TRUST COMPANIES AMENDMENT ACT, 1979

(Assented to , 1979)

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

1 The Trust Companies Act is amended by this Act.

2 Section 16(1) is amended by striking out “company” and substituting “registered provincial company and registered extra-provincial company”.

3 Section 76(1) is amended by striking out “shares” and substituting “securities”.

4 Section 128.1 is amended

(a) in subsection (1) by adding “and” at the end of clause (a), by striking out “and” at the end of clause (b) and by repealing clause (c),

(b) by repealing subsection (2)(a) and substituting the following:

(a) subsection (1)(a) applies to the new lease, and

(c) in subsection (3) by striking out “(a), (b)(i) and (c)” and substituting “(a) and (b)(i)”.

Explanatory Notes

1 This Bill will amend chapter 372 of the Revised Statutes of Alberta 1970.

2 Section 16(1) presently reads:

16(1) Every company shall furnish to the Director a certified copy of every by-law made by its directors or its shareholders or approved by its shareholders, whether the by-law is new or amends, repeals, replaces or consolidates a previous by-law, within 30 days of the passing or approval of the by-law.

3 This amendment corrects an error. Section 76(1) presently reads in part:

76(1) Every insider of a provincial company or associate or affiliate of such insider, who, in connection with a transaction relating to the capital securities of the company, makes use of any specific confidential information for his own benefit or advantage that, if generally known, might reasonably be expected to affect materially the value of such shares,

4 Section 128.1 presently reads in part:

128.1(1) Subject to the regulations, a provincial company may, with the company's own funds and its deposits and investment moneys, either alone or jointly with one or more regulated financial institutions, invest in any personal property for the purpose of leasing it if in the case of each lease,

(a) the lease is for a fixed term and cannot be terminated or cancelled by the other party to the lease during its term.

(b) the rentals under the lease will provide a net revenue sufficient

*(i) to yield to the lessor a reasonable return during the term of the lease,
and*

5 *Section 128.2 is repealed and the following is substituted:*

128.2(1) Subject to the regulations, a provincial company may, with the company's own funds and its deposits and investment moneys, make investments and loans not otherwise authorized and not prohibited by this Division.

(2) Subsection (1) shall not be construed so as to enlarge the authority conferred by this Act to invest in mortgages, charges or hypothecs or to lend on the security of real estate or leaseholds.

6 *The following is added after section 128.2:*

128.3 Subject to the regulations, a provincial company may, with the company's own funds and its deposits and investment moneys, make consumer and business loans.

7 *Section 136 is amended*

(a) by repealing subsection (1) and substituting the following:

136(1) A person applying for a loan of an amount not exceeding \$500 000 from a registered provincial company or registered extra-provincial company shall, at the time of making the application, be advised in writing by the company, on the application form or otherwise, of the approximate amount of any legal fees and disbursements and any appraisal and inspection fees.

(ii) to enable the lessor to recover the purchase price of the personal property so leased,

and

(c) the lessee under the lease is a corporation any of whose securities are qualified as investments for a provincial company under section 111(1).

(2) Where a lease entered into pursuant to subsection (1) is cancelled by the lessor by reason of the default of the lessee, a new lease may be entered into with respect to the same property and in that event

(a) subsection (1)(a) and (c) apply to the new lease and

(3) Where a lease entered into under subsection (1) or (2) expires, the lease may be renewed or a new lease of the property entered into and in that event, subsection (1)(a), (b)(i) and (c) apply to the new lease or the renewal of the lease.

5 Section 128.2 presently reads:

128.2 Subject to the regulations, a provincial company may, with the company's own funds and its deposits and investment moneys, make investments and loans not otherwise authorized by this Division.

6 Authorizes the making of loans for consumer and business purposes.

7 Section 136 presently reads in part:

136(1) Where a registered company proposes to make a loan and

(a) the amount to be advanced to the borrower is to be less than the principal amount repayable under the loan, or

(b) the principal amount repayable under the loan will include any fees or charges whether payable to the company or to any other person,

the company shall deliver to the borrower a statement at least 24 hours before the time the loan contract is signed by the borrower showing the information prescribed by the regulations.

(2) The statement referred to in subsection (1) shall be in duplicate and the company shall

(4) Every company that contravenes this section is guilty of an offence.

(1.1) A registered provincial company or registered extra-provincial company that proposes to make a loan of an amount not exceeding \$500 000 shall deliver to the borrower, at least 24 hours before the time the loan contract is signed by the borrower, a statement showing the information prescribed by the regulations if

(a) the amount to be advanced to the borrower is less than the principal amount repayable under the loan, or

(b) the principal amount repayable under the loan will include any fees, charges, commissions or expenses whether payable to the company or to any other person, other than legal fees and disbursements and appraisal and inspection fees.

(b) in subsection (2) by striking out “(1)” and substituting “(1.1)”,

(c) by repealing subsection (4) and substituting the following:

(4) Every company that contravenes this section is guilty of an offence and is liable on summary conviction to a fine not exceeding \$5000.

8 Section 145(a1) is amended by adding “or section 136(1) or (1.1)” after “section 30, subsection (2)”.

9 Section 153(7) is amended by striking out “Supreme Court” and substituting “Court of Queen’s Bench”.

10 Section 195 is amended by striking out “21” and substituting “18”.

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

8 Section 145(a1) presently reads:

145 The Lieutenant Governor in Council may make regulations

(a1) increasing any amounts of money referred to in section 8, subsection (2), or section 10, subsection (1) or section 30, subsection (2);

9 This amendment is necessary as a result of chapter 51 of the Statutes of Alberta, 1978.

10 Section 195 presently reads:

195 A person not of the full age of 21 years may deposit money with a registered trust company in his own name, and the money deposited may be repaid to him, and he may give a valid discharge therefor, notwithstanding his minority.