

1994 BILL 55

Second Session, 23rd Legislature, 43 Elizabeth II

THE LEGISLATIVE ASSEMBLY OF ALBERTA

BILL 55

LOAN AND TRUST CORPORATIONS
AMENDMENT ACT, 1994

THE PROVINCIAL TREASURER

First Reading

Second Reading

Committee of the Whole

Third Reading

Royal Assent

BILL 55

1994

LOAN AND TRUST CORPORATIONS AMENDMENT ACT, 1994

(Assented to _____, 1994)

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

Amends SA
1991 cL-26.5

1 The Loan and Trust Corporations Act is amended by this Act.

*2 Section 17(2) is amended by striking out "made under" and
substituting "made".*

3 Section 32(2) is repealed and the following is substituted:

(2) A power of attorney under this section shall be signed
by the proper officers of the corporation in the presence of
a witness.

*4 Section 67(1) is amended by striking out "subsection (3)" and
substituting "subsection (4)".*

5 Section 169 is amended

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

(b) make a personal loan to

(i) an officer or a prescribed employee of the
corporation,

Explanatory Notes

- 1 Amends chapter L-26.5 of the Statutes of Alberta, 1991.
- 2 Section 17(2) presently reads:

(2) No application shall be made under subsection (1) unless it has been authorized by a special resolution of the provincial corporation.
- 3 Section 32(2) presently reads:

(2) A power of attorney under this section
 - (a) shall be signed by the proper officers of the corporation in the presence of a witness, and*
 - (b) shall be accompanied by the statutory declaration of the witness referred to in clause (a) in the prescribed form.*
- 4 Corrects subsection reference error.
- 5 Section 169(1)(b) presently reads:

169(1) Subject to the prior approval of the board of directors of a provincial corporation, the corporation or its subsidiary may
 - (b) make a personal loan to*
 - (i) an officer or a prescribed employee of the corporation,*

- (ii) the spouse of an officer of the corporation, or
- (iii) a relative of, or a relative of the spouse of, an officer of the corporation who has the same home as the officer

if the loan qualifies as an investment under section 199 and, except in the case of a loan to an officer or prescribed employee of the corporation, the loan is at fair market rate,

(b) by adding the following after subsection (1):

(1.1) For the purposes of subsection (1)(b)(i), “officer” and “prescribed employee” include a director who is also an officer or prescribed employee.

6 Section 211(3) is repealed.

7 The following is added after section 223:

Continuance
in another
jurisdiction

223.1(1) Subject to subsection (8), a provincial corporation may, if

- (a) the proposed continuance is approved by the shareholders in accordance with this section, and
- (b) the Minister approves the proposed continuance on being satisfied that the continuance will not adversely affect the depositors, security holders or creditors of the provincial corporation or the persons in respect of whom the provincial corporation acts in a fiduciary capacity,

apply to the appropriate official or public body of another jurisdiction requesting that the provincial corporation be continued in that other jurisdiction as if it had been incorporated under the laws of that other jurisdiction.

(2) The directors of the provincial corporation shall submit the proposed continuance to a meeting of the holders of voting shares of the corporation for approval.

(3) The directors shall give notice of the meeting and particulars of the proposed continuance

- (ii) *the spouse of an officer of the corporation, or*
 - (iii) *a relative of, or a relative of the spouse of, an officer of the corporation who has the same home as the officer*
- if the loan qualifies as an investment under section 199 and*
- (iv) *except in the case of a loan to an officer or prescribed employee of the corporation, the loan is at fair market rate, and*
 - (v) *the loan is fully secured, other than by promissory note,*

6 Section 211(3) presently reads:

(3) A common trust fund shall not include any money held in a trust established exclusively for a savings plan registered under the Income Tax Act (Canada).

7 Allows a provincial corporation to move to another jurisdiction.

- (a) in accordance with section 85 to the shareholders entitled to vote on the agreement, and
- (b) to the Minister at least 21 days before the meeting.

(4) If at the meeting the holders of at least 50% of the voting rights attached to the issued and outstanding voting shares of the provincial corporation are present in person or represented by proxy and the proposed continuance is approved by a resolution carried by at least a 75% majority of the voting rights at the meeting, the secretary of the corporation shall issue a certificate to that effect.

(5) The directors of the provincial corporation may, if authorized by the shareholders at the time of approving a proposed continuance under this section, abandon the application without further approval of the shareholders.

(6) On receipt of notice satisfactory to him that the provincial corporation has been continued under the laws of another jurisdiction, the Minister shall file the notice and issue letters patent of discontinuance in the prescribed form.

(7) On the date shown in the letters patent of discontinuance, the provincial corporation becomes an extra-provincial body corporate as if it had been incorporated under the laws of the other jurisdiction.

(8) A provincial corporation may not be continued as a body corporate under the laws of another jurisdiction unless those laws provide in effect that

- (a) the property of the provincial corporation continues to be the property of the body corporate,
- (b) the body corporate continues to be liable for the obligations of the provincial corporation,
- (c) an existing cause of action, claim or liability to prosecution is unaffected by the continuance,
- (d) a civil, criminal or administrative action or proceeding pending by or against the provincial corporation may be continued to be prosecuted by or against the body corporate, and
- (e) a conviction against, or ruling, order or judgment in favour of or against, the provincial corporation may be enforced by or against the body corporate.

8 Section 266(1) is amended by adding the following after clause (j):

(j.1) the Minister's refusal to approve a proposed continuance under section 223.1,

9 Sections 7 and 8 come into force on Proclamation.

8 Gives right to appeal Minister's refusal to approve a continuance.

9 Coming into force.