

2022 Bill 13

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THE LEGISLATIVE ASSEMBLY OF ALBERTA

BILL 13

FINANCIAL INNOVATION ACT

THE PRESIDENT OF TREASURY BOARD AND MINISTER OF FINANCE

First Reading

Second Reading

Committee of the Whole

Third Reading

Royal Assent

BILL 13

2022

FINANCIAL INNOVATION ACT

(Assented to , 2022)

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

Part 1
Interpretation and Application

Interpretation

1(1) In this Act,

- (a) “applicant” means an entity that has applied for a certificate of acceptance under section 4;
- (b) “articles” means

- (i) articles as defined in the *Business Corporations Act*,
 - (ii) articles as defined in the *Credit Union Act*,
 - (iii) an instrument of incorporation as defined in the *Loan and Trust Corporations Act*,
 - (iv) for a limited partnership within the meaning of the *Partnership Act*, a partnership agreement and a certificate of limited partnership,
 - (v) for an ordinary partnership, a partnership agreement, and
 - (vi) any similar document made under the equivalent legislation of another jurisdiction in Canada;
- (c) “certificate of acceptance” means a certificate of acceptance issued by the Minister under section 6(1) and includes any amendments;
- (d) “corporate partner” means, with respect to an entity that is a partnership, a partner that is a corporation;
- (e) “corporation” means any body corporate with or without share capital, and wherever and however incorporated;
- (f) “entity” means a corporation incorporated by or under, or a partnership formed under, the laws of Alberta or another jurisdiction in Canada;
- (g) “examiner” means an examiner appointed under section 20;
- (h) “Information and Privacy Commissioner” means the Information and Privacy Commissioner appointed under the *Freedom of Information and Protection of Privacy Act*;
- (i) “innovative” means, with respect to each product or service of an entity to be offered in the Regulatory Sandbox, a new product or service or a new adaptation or a material improvement of an existing product or service;
- (j) “Minister” means the Minister determined under section 16 of the *Government Organization Act* as the Minister responsible for this Act;

- (k) “partnership” means an ordinary partnership or limited partnership, consisting only of corporate partners, and excludes a limited liability partnership;
 - (l) “person” includes a partnership;
 - (m) “personal information” means personal information as defined in the *Freedom of Information and Protection of Privacy Act* or the *Personal Information Protection Act*, or both, as applicable;
 - (n) “record” means record as defined in the *Personal Information Protection Act*;
 - (o) “Regulatory Sandbox” means the controlled regulatory environment established under this Act that allows a Sandbox Participant to develop or test the viability of an innovative financial product or service;
 - (p) “Sandbox Participant” means an entity that has been issued and holds a valid certificate of acceptance under this Act and for the purposes of sections 15, 16 and 22 includes a former Sandbox Participant;
 - (q) “service” includes the means of providing a service.
- (2)** For the purposes of this Act, a person has a material interest in an entity if
- (a) in relation to an entity that is a corporation, the person holds or is the beneficial owner of 10% or more of any class of the issued and outstanding shares of the corporation,
 - (b) in relation to an entity that is a partnership, the person holds or is the beneficial owner of 10% or more of any class of the issued and outstanding shares of a corporate partner of the partnership, or
 - (c) the circumstances prescribed by the regulations apply.
- (3)** For the purposes of this Act,
- (a) a person controls a corporation if securities of the corporation to which are attached more than 50% of the votes that may be cast to elect directors of the corporation are held or beneficially owned by the person and the votes attached to

those securities are sufficient, if exercised, to elect a majority of the directors of the corporation,

- (b) a person controls a partnership if more than 50% of the beneficial interest, however designated, into which the entity is divided is held or beneficially owned by that person and the person is able to direct the affairs of the entity,
- (c) notwithstanding clauses (a) and (b), a person controls an entity if the person has, in relation to the entity, any direct or indirect influence that, if exercised, would result in control in fact of the entity, and
- (d) an entity that controls another entity is deemed to control any entity that is controlled or deemed to be controlled by the other entity.

(4) For the purposes of determining a beneficial ownership or interest,

- (a) a security or other interest is beneficially owned by a person when it is held directly or through a personal representative or other intermediary for the use or benefit of that person other than as a security interest,
- (b) a person is deemed to beneficially own securities that are beneficially owned by a corporation controlled by that person,
- (c) where a person beneficially owns shares of a corporation, the person is deemed to beneficially own that proportion of shares of every other corporation that is beneficially owned by the first mentioned corporation and that is equal to the proportion of shares of the first mentioned corporation that is beneficially owned by the person,
- (d) where clauses (b) and (c) apply to a person, only the clause under which the person is deemed to beneficially own more securities applies to the person, and
- (e) if a person owns securities in a corporation that itself owns securities in another corporation, in determining the person's beneficial ownership of securities in the other corporation for the purposes of clause (b) or (c), the securities of the other corporation that are owned by the corporation shall not be considered.

Purpose

2 The purpose of this Act is to establish a Regulatory Sandbox framework that allows a Sandbox Participant to develop or test the viability of innovative financial products or services with the benefit of specified time-limited regulatory exemptions while maintaining and promoting consumer protection and protection of personal information.

Relationship to other Acts

3(1) If an exemption granted in a certificate of acceptance issued under this Act is inconsistent or in conflict with a provision of another enactment referred to in section 8(1)(a) or (2), the exemption prevails unless

- (a) the other Act or a regulation under that Act, or
- (b) a regulation under this Act

expressly provides that the other Act or regulation, or a provision of it, prevails despite this Act or an exemption granted under this Act.

(2) An exemption from the *Personal Information Protection Act* or any regulations under that Act granted under section 8(3), extended under section 9(5) or added or amended under section 10(4) prevails notwithstanding the *Personal Information Protection Act*.

Part 2 Regulatory Sandbox

Application to enter Regulatory Sandbox

4(1) An entity may apply for a certificate of acceptance for entry into the Regulatory Sandbox if the entity

- (a) has a physical presence in Alberta as set out in the regulations,
- (b) is in the business of providing a financial product or service,
- (c) plans to offer an innovative financial product or service, and
- (d) provides a proposed business plan that includes a description of the entity's plans for testing a financial product or service in the Regulatory Sandbox and for exiting the Regulatory Sandbox.

(2) An application under subsection (1) shall be in the form and manner determined by the Minister and include any supporting records

or information specified by the Minister and the prescribed application fee.

(3) The Minister may require the applicant to provide any additional records or information the Minister considers necessary to consider the application.

Information and Privacy Commissioner

5(1) If as part of an application under section 4 an applicant requests an exemption from any provision of the *Personal Information Protection Act* or any regulations under that Act, the Minister shall provide the application or that part of the application to the Information and Privacy Commissioner.

(2) If the Information and Privacy Commissioner receives a request under subsection (1), the Information and Privacy Commissioner may require the applicant to provide any additional records or information that the Information and Privacy Commissioner considers necessary directly to the Information and Privacy Commissioner.

(3) The Information and Privacy Commissioner shall review the request received under this section, or any subsequent information received under this Act, and may

- (a) approve an exemption under section 8(3)(b),
- (b) agree to terms, conditions and restrictions under section 8(3)(c),
- (c) approve an extension of an expiry date under section 9(5)(b),
- (d) approve an addition, amendment or revocation of an exemption or a revocation of a certificate of acceptance that includes an exemption under section 10(4)(b), or
- (e) withdraw an approval under section 10(5).

(4) The Information and Privacy Commissioner may delegate to any person any duty, power or function of the Information and Privacy Commissioner under this Act, except the power to delegate.

(5) A delegation under subsection (4) must be in writing and may contain any conditions or restrictions the Information and Privacy Commissioner considers appropriate.

Certificate of acceptance

6(1) On receipt of a completed application under section 4, the Minister shall consider the application and may issue a certificate of acceptance if, in the Minister's opinion, the applicant

- (a) meets the eligibility criteria set out in section 4(1),
- (b) will offer a financial product or service that provides a net benefit to the public,
- (c) has directors and officers or, if applicable, has directors and officers of its corporate partners, that are fit as to character and as to competence,
- (d) demonstrates reasonable consumer protection arrangements,
- (e) will operate in a safe and sound manner, and
- (f) meets any additional criteria prescribed by the regulations.

(2) The Minister may refuse to issue a certificate of acceptance if the applicant, a director, officer or corporate partner of the applicant or a person with a material interest in the applicant,

- (a) has provided a record or information under section 4 that omits a material fact or contains a false statement of a material fact,
- (b) has been charged with or convicted of a criminal offence,
- (c) has failed to comply with or has been found to have contravened an enactment referred to in section 8 or comparable legislation of another jurisdiction in Canada,
- (d) has committed an offence under the *Securities Act* or is or has been subject to a cease trade order under that Act or comparable legislation of another jurisdiction in Canada,
- (e) has been the subject of an investigation by a government department, government agency, regulatory body or professional organization, or
- (f) is bankrupt or insolvent.

(3) A certificate of acceptance shall set out

- (a) any exemptions, terms, conditions and restrictions granted or imposed by the Minister under section 8,
- (b) the issue date of the certificate of acceptance, and
- (c) the expiry date of the certificate of acceptance established under section 9.

Approval timelines

7(1) An application is complete when the Minister is satisfied that all records and information required under section 4 have been received by the Minister.

(2) The Minister shall decide whether or not to issue a certificate of acceptance within 90 days following receipt of a completed application and

- (a) provide the applicant with the certificate of acceptance, or
- (b) notify the applicant that a certificate of acceptance will not be issued.

(3) Subject to subsection (4), the Minister may, in writing and on notice to the applicant, extend the period set out in subsection (2) for one additional 90-day period.

(4) If the applicant requests an exemption from any provision of the *Personal Information Protection Act* or any regulations under that Act,

- (a) the Minister may, in writing and on notice to the applicant, extend the period set out in subsection (3) for a 2nd additional period determined by the Minister, and
- (b) the Minister may consider that request for exemption separately from the rest of the application.

Exemptions, terms, conditions and restrictions

8(1) The Minister may in a certificate of acceptance

- (a) exempt a Sandbox Participant from some or all of the provisions of the following Acts and any regulations under those Acts on terms, conditions and restrictions that the Minister considers appropriate:
 - (i) *ATB Financial Act*;

- (ii) *Credit Union Act*;
 - (iii) *Financial Consumers Act*;
 - (iv) *Loan and Trust Corporations Act*;
 - (v) an Act prescribed by the regulations that relates to the financial sector or financial services,
- (b) exempt a Sandbox Participant from any part of section 15 or 16 or any other provision of this Act prescribed by the regulations, and
- (c) impose any terms, conditions and restrictions on a Sandbox Participant's certificate of acceptance that the Minister considers appropriate, including
- (i) a requirement to engage qualified and expert third party consultants or auditors,
 - (ii) transaction limits, such as number of customers,
 - (iii) capital requirements,
 - (iv) insurance requirements,
 - (v) security or surety requirements,
 - (vi) risk management policies and procedures,
 - (vii) a consumer complaints mechanism, or
 - (viii) other consumer protection requirements, including any disclosure required under section 14.
- (2)** The Minister may, with the agreement of the Minister responsible for the *Consumer Protection Act*, exempt a Sandbox Participant from any provision of that Act or any regulations under that Act on terms, conditions and restrictions agreed to jointly by both Ministers.
- (3)** The Minister may exempt a Sandbox Participant from any provision of the *Personal Information Protection Act* or any regulations under that Act
- (a) with the agreement of the Minister responsible for that Act,

- (b) with the prior written approval of the Information and Privacy Commissioner, and
- (c) on terms, conditions and restrictions agreed to jointly by both Ministers and the Information and Privacy Commissioner.

(4) Where an Act prescribed by the regulations referred to in subsection (1)(a)(v) is not the responsibility of the Minister, the Minister may, with the agreement of the Minister responsible for that Act, exempt a Sandbox Participant from any provision of that Act or any regulations under that Act on terms, conditions and restrictions agreed to jointly by both Ministers.

Expiry and extension of expiry date of certificate of acceptance

9(1) The Minister shall establish an expiry date for a certificate of acceptance of not more than 24 months from the issue date.

(2) Not less than 3 months prior to the expiry date of a certificate of acceptance, a Sandbox Participant may apply to the Minister for an extension of the expiry date in the form and manner determined by the Minister.

(3) Subject to subsections (4), (5) and (6), the Minister may extend the expiry date of a certificate of acceptance up to a maximum of 12 months if, in the opinion of the Minister, it is reasonable to provide an extension.

(4) The Minister shall not extend the expiry date of a certificate of acceptance that has an exemption from a provision of the *Consumer Protection Act* or any regulations under that Act without the agreement of the Minister responsible for that Act.

(5) The Minister shall not extend the expiry date of a certificate of acceptance that has an exemption from a provision of the *Personal Information Protection Act* or any regulations under that Act without

- (a) the agreement of the Minister responsible for that Act, and
- (b) the prior written approval of the Information and Privacy Commissioner.

(6) Where an Act prescribed by the regulations referred to in section 8(1)(a)(v) is not the responsibility of the Minister, the Minister shall not extend the expiry date of a certificate of acceptance that has an

exemption from a provision of that Act or any regulations under that Act without the agreement of the Minister responsible for that Act.

Amendment or revocation of certificate of acceptance

10(1) Subject to subsections (3), (4) and (6), the Minister may, at any time, issue to a Sandbox Participant a revised certificate of acceptance that

- (a) reflects a new expiry date extended under section 9(3),
- (b) adds, amends or revokes any exemptions, terms, conditions and restrictions on a Sandbox Participant's certificate of acceptance that the Minister considers appropriate, or
- (c) reflects the revocation of an exemption for which the Information and Privacy Commissioner has withdrawn an approval under subsection (5).

(2) The Minister may revoke a certificate of acceptance in cases where a Sandbox Participant, a director, officer or corporate partner of the Sandbox Participant or person with a material interest in a Sandbox Participant

- (a) has not complied with this Act or the Sandbox Participant's certificate of acceptance,
- (b) has provided a record or information under this Act that omits a material fact or contains a false statement of a material fact,
- (c) has been charged with or convicted of a criminal offence,
- (d) has failed to comply with or has been found to have contravened any enactment referred to in section 8 or comparable legislation of another jurisdiction in Canada,
- (e) has committed an offence under this Act,
- (f) has committed an offence under the *Securities Act* or is or has been subject to a cease trade order under that Act or comparable legislation of another jurisdiction in Canada,
- (g) has been the subject of an investigation by a government department, government agency, regulatory body or professional association,
- (h) is bankrupt or insolvent,

- (i) has contravened an order of the Minister made under section 25(1),
- (j) is or has engaged in conduct that, in the opinion of the Minister, is contrary to the public interest in relation to this Act, or
- (k) has done or failed to do anything prescribed by the regulations.

(3) The Minister may only add, amend or revoke an exemption, or revoke a certificate of acceptance that includes an exemption, from a provision of the *Consumer Protection Act* or any regulations under that Act, or terms, conditions and restrictions relating to that exemption, with the agreement of the Minister responsible for that Act.

(4) The Minister may only add, amend or revoke an exemption, or revoke a certificate of acceptance that includes an exemption, from a provision of the *Personal Information Protection Act* or any regulations under that Act, or terms, conditions and restrictions relating to that exemption, with

- (a) the agreement of the Minister responsible for that Act, and
- (b) the prior written approval of the Information and Privacy Commissioner.

(5) The Information and Privacy Commissioner may, at any time, withdraw a written approval referred to in section 8(3)(b) to an exemption from a provision of the *Personal Information Protection Act* or any regulations under that Act, and on receiving notice of the withdrawal, the Minister shall revoke the exemption as soon as possible.

(6) Where an Act prescribed by the regulations referred to in section 8(1)(a)(v) is not the responsibility of the Minister, the Minister may only add, amend or revoke an exemption, or revoke a certificate of acceptance that includes an exemption, from a provision of that Act or any regulations under that Act with the agreement of the Minister responsible for that Act.

(7) If the Minister revokes a certificate of acceptance, the Minister shall as soon as possible provide notice in writing to the former Sandbox Participant.

(8) The effective date of the revocation of the certificate of acceptance is the date specified by the Minister on the notice of the revocation.

Voluntary exit from Regulatory Sandbox

11(1) A Sandbox Participant may exit the Regulatory Sandbox prior to the expiry date of the Sandbox Participant's certificate of acceptance by providing written notice to the Minister in the form and manner determined by the Minister.

(2) On receipt of written notice under subsection (1), the Minister shall cancel the certificate of acceptance and shall notify in writing the former Sandbox Participant of the cancellation.

(3) The effective date of the cancellation of the certificate of acceptance is the date specified by the Minister on the notice of cancellation.

Effect of exit from Regulatory Sandbox

12(1) An entity ceases to be a Sandbox Participant on the

- (a) expiry date of a Sandbox Participant's certificate of acceptance under section 9,
- (b) effective date of the revocation of a Sandbox Participant's certificate of acceptance under section 10(8), or
- (c) effective date of the cancellation of a Sandbox Participant's certificate of acceptance under section 11(3).

(2) Once an entity ceases to be a Sandbox Participant, the entity's certificate of acceptance is no longer valid, the entity is no longer entitled to operate under the certificate of acceptance and any rights, privileges and obligations that were conferred on the entity as a Sandbox Participant cease, except for those obligations set out in section 14(h) or (i), 15 or 16, Part 4 or as specified by the Minister.

Part 3 Administrative Provisions

Publication of information by Minister or Information and Privacy Commissioner

13(1) Subject to subsection (2), the Minister shall publish the following information on a government website or by any other means the Minister considers appropriate:

- (a) the name of each Sandbox Participant that has been issued a certificate of acceptance;
- (b) a description of each Sandbox Participant and the product or service being offered or to be offered in the Regulatory Sandbox by the Sandbox Participant;
- (c) a list of exemptions provided to each Sandbox Participant;
- (d) any terms, conditions and restrictions imposed by the Minister on a Sandbox Participant's certificate of acceptance;
- (e) the expiry date of each Sandbox Participant's certificate of acceptance;
- (f) any amendment, revocation or cancellation of a certificate of acceptance.

(2) The Minister may withhold the publication of any information referred to in subsection (1)(d) including any related amendment if, in the opinion of the Minister, publication may contain commercially sensitive information or expose a Sandbox Participant to undue risk.

(3) The information published under subsection (1) shall be made available to the public until one year after the expiry, revocation or cancellation of the relevant certificate of acceptance.

(4) Any information published by the Minister under this section may also be published by the Information and Privacy Commissioner in any manner the Information and Privacy Commissioner considers appropriate.

Disclosure by Sandbox Participant

14 The Minister may at any time require a Sandbox Participant to provide the following information in the form and manner determined

by the Minister directly to a consumer or to any other person specified by the Minister:

- (a) the name and a description of the Sandbox Participant;
- (b) whether the Sandbox Participant has been issued a certificate of acceptance under this Act and the expiry date of the certificate of acceptance;
- (c) a description of the financial product or service being offered or to be offered in the Regulatory Sandbox;
- (d) a description of the Regulatory Sandbox framework;
- (e) any exemptions provided by the Minister to the Sandbox Participant;
- (f) any terms, conditions and restrictions imposed by the Minister on a Sandbox Participant's certificate of acceptance;
- (g) contact information for the Sandbox Participant and the relevant office of the Government of Alberta for the purpose of filing a consumer complaint;
- (h) if a Sandbox Participant's certificate of acceptance has been revoked or cancelled;
- (i) any other information that, in the Minister's opinion, is reasonable to provide.

Annual return and supporting information

15(1) A Sandbox Participant shall prepare an annual return in the form and manner determined by the Minister in respect of

- (a) each year the Sandbox Participant's certificate of acceptance is valid, and
- (b) the year immediately following the expiry, cancellation or revocation of the Sandbox Participant's certificate of acceptance.

(2) An annual return shall be provided to the Minister not later than 3 months following each annual anniversary date of the Sandbox Participant's certificate of acceptance.

(3) An annual return shall include

- (a) a description of the Sandbox Participant and the product or service offered in the Regulatory Sandbox,
- (b) a summary of the Sandbox Participant's operations in Alberta during
 - (i) the time the entity operated as a Sandbox Participant, and
 - (ii) the year immediately following the expiry, revocation or cancellation of the certificate of acceptance,

and

- (c) any other records or information specified by the Minister.

(4) The Sandbox Participant shall provide to the Minister a copy of the following information within the specified times:

- (a) the audited financial statements of the Sandbox Participant, or unaudited financial statements if audited financial statements are not available, within 3 months following the relevant fiscal year end
 - (i) for each fiscal year that ends while the certificate of acceptance is valid, and
 - (ii) for the fiscal year that ends in the year following the expiry, revocation or cancellation of the certificate of acceptance;
- (b) the report of the Sandbox Participant's auditor, if any, for the financial statements referred to in clause (a), within 3 months following the date of the auditor's report;
- (c) a copy of the resolution of the directors or proceedings of the partners approving the annual return, if any, within 3 months following the date of the resolution or proceedings.

(5) The Sandbox Participant shall provide to the Minister

- (a) any records or information required as part of a Sandbox Participant's terms, conditions and restrictions, within the time required in the certificate of acceptance, and
- (b) any other records or information relating to the Sandbox Participant's certificate of acceptance requested by the Minister, within the time required by the Minister.

Records

16(1) A Sandbox Participant shall maintain the following records:

- (a) articles, bylaws and, if applicable, any unanimous shareholder agreements, including all amendments to them;
- (b) minutes of general meetings, including resolutions of the directors or proceedings of the partners;
- (c) minutes of its board, committee and partner meetings, including resolutions passed;
- (d) a current list of the names, the latest known residential addresses and any mailing addresses of all persons who are or have been during the duration of the certificate of acceptance directors or officers or directors of officers of corporate partners, with the dates on which each directorship or office commenced and, where applicable, ended;
- (e) financial statements, including any auditor's reports;
- (f) records produced in the ordinary course of business, including but not limited to contracts and advertising materials;
- (g) any additional records as required by the Minister.

(2) The records referred to in subsection (1) shall

- (a) relate to the period commencing with the Sandbox Participant's application under this Act and ending one year from the expiry, revocation or cancellation of the Sandbox Participant's certificate of acceptance, and
- (b) be maintained for 5 years from the expiry, revocation or cancellation of the Sandbox Participant's certificate of acceptance.

Notification

17(1) A Sandbox Participant shall notify the Minister, in writing, if the Sandbox Participant intends to make material changes to a financial product or service being offered in the Regulatory Sandbox at least 10 days prior to making those changes.

(2) A Sandbox Participant shall notify the Minister, in writing, within 10 days of becoming aware of any of the following:

- (a) the Sandbox Participant, a director, officer or corporate partner of the Sandbox Participant or a person with a material interest in the Sandbox Participant becomes bankrupt or is about to become bankrupt;
- (b) the Sandbox Participant, a director, officer or corporate partner of the Sandbox Participant or a person with a material interest in the Sandbox Participant becomes insolvent or is about to become insolvent;
- (c) the Sandbox Participant or a corporate partner of the Sandbox Participant is dissolved or is in the process of dissolution;
- (d) there are material changes to the business or affairs of the Sandbox Participant or any of its corporate partners;
- (e) the Sandbox Participant, a director, officer or corporate partner of the Sandbox Participant or person with a material interest in the Sandbox Participant
 - (i) has been charged with or convicted of a criminal offence,
 - (ii) has failed to comply with or has been found to have contravened an enactment referred to in section 8 or comparable legislation of another jurisdiction in Canada,
 - (iii) has committed an offence under this Act,
 - (iv) has committed an offence under the *Securities Act* or is or has been subject to a cease trade order under that Act or comparable legislation of another jurisdiction in Canada, or
 - (v) has been the subject of an investigation by a government department, government agency, regulatory body or professional association;
- (f) there have been changes to the articles, bylaws or a unanimous shareholder agreement of the Sandbox Participant;
- (g) a person with a material interest in, or a person in control of, the Sandbox Participant has changed;
- (h) there are any complaints filed by customers of the Sandbox Participant to the Sandbox Participant in relation to this Act;
- (i) circumstances prescribed by the regulations.

(3) If an exemption has been granted from a provision of the *Personal Information Protection Act* or any regulations under that Act, the Minister shall, as soon as possible, notify the Information and Privacy Commissioner of

- (a) any relevant information that the Minister is notified of under subsection (1) or (2),
- (b) the cancellation of an entity's certificate of acceptance, and
- (c) any other information the Minister becomes aware of under this Act that may be materially relevant to that exemption.

(4) Except where this Act or the regulations provide otherwise, where a notice or other document is to be provided to a person by the Minister under this Act, the notice or document may be provided to the person by personal service, electronic means, registered or regular mail or in any other manner prescribed by the regulations.

Confidentiality of information

18(1) Subject to this section and unless otherwise provided for in this Act or the regulations, where the Minister collects or produces records or information, including personal information, in the course of administering or enforcing this Act, the Minister shall not

- (a) disclose the records or information, or
- (b) permit a person to access or inspect the records or information.

(2) Subject to this section and unless otherwise provided for in this Act or the regulations, where the Information and Privacy Commissioner collects or produces records or information, including personal information, in the course of exercising the Information and Privacy Commissioner's authority under this Act, the Information and Privacy Commissioner shall not

- (a) disclose the records or information, or
- (b) permit a person to access or inspect the records or information.

(3) The Minister may in any manner disclose to the following persons or allow a specified person to access or inspect records or information referred to in subsection (1) if the Minister considers the disclosure,

access or inspection necessary for one or more of the following purposes:

- (a) for the proper administration or enforcement of this Act and any other enactment that applies to an applicant, Sandbox Participant or former Sandbox Participant,
 - (i) to persons acting under the Minister's direction or authority,
 - (ii) to persons acting under the direction or authority of a Minister of another department of the Government of Alberta,
 - (iii) to the Government of Canada or the government of a province or territory of Canada, or to an agency of those governments, and
 - (iv) subject to the regulations, to a government or to an agency of a jurisdiction with which the Minister has entered into a reciprocal agreement under section 19;
 - (b) for a purpose relating to this Act, to the Information and Privacy Commissioner;
 - (c) for any purpose, to the applicant, Sandbox Participant or former Sandbox Participant that the records or information relates to;
 - (d) for the purpose of enabling the auditor of a Sandbox Participant to fulfil the auditor's functions, to that auditor;
 - (e) for the purpose of complying with a subpoena, warrant or order issued or made by a court, person or body having jurisdiction in Alberta to compel the production of information or with a rule of court binding in Alberta that relates to the production of information, to that court, person or body;
 - (f) for law enforcement purposes, to a law enforcement authority;
 - (g) for a purpose prescribed by the regulations to a person prescribed by the regulations.
- (4)** Subject to subsection (5), a person to whom records or information is disclosed, or who is authorized to access or inspect records or information in accordance with subsection (3)(a), (b), (d), (f) or (g),

shall comply with subsection (1) in respect of the records or information.

(5) Subsection (4) does not apply to a further disclosure, access or inspection made by the person to whom records or information is disclosed under that subsection

- (a) for a purpose referred to in subsection (3), or
- (b) to a person acting under that person's direction or authority.

(6) Where, for the purpose of the administration of this Act, the Minister receives records or information from, or is authorized to access or inspect records or information by, the Government of Canada, the government of a province or territory of Canada or an agency of those governments, or a government or agency with which the Minister has entered into a reciprocal agreement under section 19, the Minister shall not disclose the documents or information other than with the written consent of that government or agency.

(7) Duties that apply to a person under this section apply to a person acting under the direction or authority of that person or to a person who receives or has access to records or information as the result of any relationship with that person.

(8) The Information and Privacy Commissioner may disclose any records or information collected or produced under this Act

- (a) to the Minister, to a Minister of another department of the Government of Alberta or to a person acting under the direction or authority of one of those Ministers, for the purposes of this Act,
- (b) to persons acting under the Information and Privacy Commissioner's direction or authority for the purposes of this Act, or
- (c) to the applicant, Sandbox Participant or former Sandbox Participant that the records or information relates to.

(9) This section prevails to the extent of any inconsistency or conflict with the *Freedom of Information and Protection of Privacy Act*.

Reciprocal agreements

19(1) Subject to the regulations, the Minister may enter on behalf of the Government of Alberta into reciprocal agreements with other governments that have a regulatory sandbox framework, or agencies of those other governments

- (a) to streamline the application process under this Act for sandbox participants authorized to operate in those other jurisdictions,
- (b) to enable a Sandbox Participant to qualify for streamlined requirements under the other jurisdiction's regulatory sandbox framework, and
- (c) for any other purpose prescribed by the regulations.

(2) If a reciprocal agreement has been entered into with another jurisdiction under subsection (1), the Minister may exempt an entity that is a participant in that other jurisdiction's regulatory sandbox from section 4(1)(a) and (d) and any provision prescribed by the regulations for the purposes of streamlining that entity's application under this Act.

Part 4 Examinations, Enforcement and Offences

Appointment of examiner

20 The Minister may appoint a person as an examiner to conduct an examination under this Part.

Demand for records or information

21 The Minister or an examiner may direct the Sandbox Participant or former Sandbox Participant, a director, officer or corporate partner of the Sandbox Participant or former Sandbox Participant, a person with a material interest in the Sandbox Participant or former Sandbox Participant or any customer or former customer of the Sandbox Participant or former Sandbox Participant to provide or produce any records or information within a specified time for any purpose related to an examination or for the purpose of inquiring and facilitating inquiries into

- (a) a Sandbox Participant's condition and ability to meet its obligations,

- (b) the conduct by a Sandbox Participant of its business or affairs,
- (c) the Sandbox Participant's exit from the Regulatory Sandbox, or
- (d) any complaint made by a customer or former customer of a Sandbox Participant or former Sandbox Participant that relates to the period during which the Sandbox Participant was operating under a valid certificate of acceptance.

Examination

22(1) For the purposes of the administration of this Act, the Minister or an examiner may examine any aspect of the business or affairs of a Sandbox Participant to determine

- (a) if the Sandbox Participant is or was following sound business and financial practices while operating under the Sandbox Participant's certificate of acceptance,
- (b) the procedures and standards of the management of the Sandbox Participant while operating under the Sandbox Participant's certificate of acceptance, and
- (c) if the Sandbox Participant is or was in compliance with this Act, the regulations, any order under this Act and any term, condition or restriction imposed on a Sandbox Participant's certificate of acceptance.

(2) For the purposes of determining whether a Sandbox Participant is or was in compliance with an exemption from a provision of the *Personal Information Protection Act* or any regulations under that Act or terms, conditions or restrictions relating to that exemption, the Information and Privacy Commissioner may conduct an examination under this section or demand records or information under section 21, and while doing so,

- (a) the Information and Privacy Commissioner and any person acting under the direction or authority of the Information and Privacy Commissioner has the powers of an examiner under this section and section 21, and
- (b) sections 23 and 24 apply to the Information and Privacy Commissioner and any person acting under the direction or authority of the Information and Privacy Commissioner as an examiner.

(3) For the purposes of an examination, the Minister or examiner may at all reasonable times

- (a) inspect or examine records or information of or in the possession of the Sandbox Participant or its corporate partners relating to the business or affairs or the matter in question,
- (b) make copies of or take extracts of records, and
- (c) examine property of the Sandbox Participant or its corporate partners or any records or information relating to the Sandbox Participant or its corporate partners, an examination of which may assist the Minister or examiner in ascertaining the information that is or should be in the records of the Sandbox Participant.

(4) The Minister or examiner may at all reasonable times communicate to the Sandbox Participant or its corporate partners orally or in writing any findings made during the examination and any conclusions and recommendations based on those findings.

(5) Where the Minister or examiner believes on reasonable grounds that the records or information described in subsection (3) are likely to be found in any premises or place, the Minister or examiner may at any reasonable time

- (a) subject to subsection (6), enter into the premises or place, and
- (b) require the owner or manager of the premises or place and any other person on the premises or at the place to give the Minister or examiner all reasonable assistance and to make reasonable efforts to answer all proper questions relating to the examination and, for that purpose, require the owner or manager to attend at the premises or place with the Minister.

(6) Subject to subsections (7) and (8), when the premises or place referred to in subsection (5) is a dwelling house, the Minister or examiner shall not enter the dwelling house without the consent of the occupant of the dwelling house.

(7) If the Minister or examiner is not given consent to enter a dwelling house, the Minister or examiner may apply to the Court of Queen's Bench for an order authorizing the Minister or examiner to enter the dwelling house to carry out the examination under this Part.

- (8) On hearing an application, the Court of Queen's Bench may deny the application or do one or more of the following:
- (a) authorize the Minister or examiner to enter the dwelling house and carry out the examination;
 - (b) direct any occupant to assist the Minister or examiner in any manner as the Court of Queen's Bench prescribes;
 - (c) restrain any person from impeding the Minister or examiner from entering the dwelling house or from carrying out the Minister's or examiner's duties;
 - (d) make the order subject to any terms or conditions that the Court of Queen's Bench considers appropriate in the circumstances;
 - (e) award costs in respect of the matter.
- (9) An examination under this section may be made
- (a) while a Sandbox Participant's certificate of acceptance is valid, and
 - (b) up to 5 years following the expiry, revocation or cancellation of a Sandbox Participant's certificate of acceptance.

Hindering Minister or examiner

23 A person shall not hinder or interfere with the Minister or an examiner doing anything that the Minister or examiner is authorized to do under sections 21 and 22 or attempt to prevent the Minister or examiner from doing that thing and, notwithstanding any other law to the contrary, a person shall, unless the person is unable to do so, do everything the person is required to do under sections 21 and 22.

Protection from liability

24 No action lies against the Minister or an examiner, or any person lawfully assisting that person, for any act done, or alleged neglect or default occurring, in good faith in the course of exercising powers or carrying out duties under the examination.

Minister's orders

25(1) The Minister may order, in writing and without any advance notice, a Sandbox Participant or other person to cease any act or course of conduct or to perform any act that, in the Minister's opinion, is necessary to remedy a situation where, in the Minister's opinion, a Sandbox Participant or other person is committing any act or pursuing any course of conduct that

- (a) is in contravention of this Act or the regulations or a direction made under this Act or the regulations,
- (b) is in contravention of a Sandbox Participant's certificate of acceptance, including any terms, conditions and restrictions imposed under section 8,
- (c) places the Sandbox Participant in a position where it is carrying on business in an unsound manner,
- (d) might reasonably be expected, if continued, to result in a contravention of this Act or the regulations,
- (e) might prejudice or adversely affect the interests of a Sandbox Participant's customers,
- (f) holds the person out to the public as having been issued a certificate of acceptance when that person has not been issued a certificate of acceptance, or
- (g) relates to matters or circumstances prescribed by the regulations.

(2) The Minister shall provide the Sandbox Participant or other person notice of an order issued under subsection (1) as soon as possible.

Reconsideration of Minister's orders

26(1) A Sandbox Participant or other person named in an order made under section 25 may, within 15 days after the date of the order, request reconsideration of the order by providing the Minister with written notice setting out the reasons for the request and the relevant facts.

(2) The Minister shall, on receipt of written notice in subsection (1), provide an opportunity for the Sandbox Participant or other person to provide additional information within the period specified by the Minister.

(3) An order made under section 25 remains in effect until the Minister has reconsidered the Minister's decision under subsection (4).

(4) The Minister shall, as soon as possible after receiving the information referred to in subsections (1) and (2), reconsider the order and may confirm, vary or revoke the order.

(5) Subject to this section, a decision, direction or order of the Minister under this Act is final.

Representations prohibited

27(1) A person shall not hold itself out to be a Sandbox Participant if the person does not hold a valid certificate of acceptance.

(2) A Sandbox Participant shall not make any statement or representation that

- (a) its solvency or financial standing, or a product or service it offers in the Regulatory Sandbox, is vouched for by the Crown in right of Alberta or the Minister, or
- (b) except as provided by another enactment, the repayment by the Sandbox Participant of any consideration received by the Sandbox Participant from a customer is guaranteed by the Crown in right of Alberta.

False or misleading information

28(1) A Sandbox Participant or other person shall not

- (a) provide false or misleading records or information to the Minister,
- (b) provide to the Minister a report, return, notice or other record that
 - (i) contains a false statement of a material fact, or
 - (ii) omits to state a material fact that is necessary to make a statement contained in the report, return, notice or other record not misleading in the light of the circumstances in which it is made,
- (c) make any representation or disclosure under this Act that is false or misleading, or

(d) make a false or misleading entry, or omit any material fact, in any record required to be kept by this Act or the regulations.

(2) A person shall not knowingly record any false information.

General prohibitions

29(1) A person shall not destroy, alter, conceal, withhold, remove or otherwise dispose of records or information

(a) to avoid providing records or information required by or under this Act or in any proceeding relating to it, or

(b) that is required by this Act or the regulations to be kept by a Sandbox Participant or entity or direct or authorize any such act.

(2) A Sandbox Participant or other person shall comply with an order or direction of the Minister and the terms, conditions and restrictions of a certificate of acceptance.

(3) A Sandbox Participant or other person shall not take any action against a person who makes a report in good faith to the Minister or to the auditor of a Sandbox Participant in the performance of a duty or the exercise of a power given to the person by this Act.

Offences and penalties

30(1) A person is guilty of an offence if the person

(a) contravenes any provision of this Act or the regulations or an order or direction made under this Act or the regulations, or

(b) contravenes any term, condition or restriction imposed on a Sandbox Participant's certificate of acceptance.

(2) A person who is convicted of an offence in subsection (1) is liable to a fine of not more than

(a) \$100 000 for the first conviction, and

(b) \$200 000 for each subsequent conviction.

(3) Every person who is guilty of an offence under this Act is liable on conviction for each day or part of a day on which the offence occurs or continues.

(4) Where a corporation commits an offence under this Act, any director or officer of the corporation who directed, authorized, assented to, acquiesced in or participated in the commission of the offence is guilty of the offence and is liable to the punishment provided for the offence, whether or not the corporation has been prosecuted for or convicted of the offence.

Due diligence defence

31 A person is not guilty of an offence if the facts that constituted the offence were unknown to the person and in the exercise of due diligence could not have been known to the person.

Certificate as evidence

32 A certificate of the Minister or a person lawfully acting on the Minister's behalf, or a certified copy of it, stating

- (a) that an entity has or has not been issued a certificate of acceptance,
- (b) that exemptions, terms, conditions or restrictions have been imposed on a Sandbox Participant's certificate of acceptance and providing the details thereof,
- (c) that a person has been appointed as an examiner under section 20, or
- (d) that any other circumstances prescribed by the regulations apply

shall, in the absence of proof to the contrary, be received as evidence of the contents of the certificate without any proof that the certificate was signed by the person purporting to sign it or of the appointment of the person signing it.

Part 5 Regulations and Coming into Force

Regulations

33 The Lieutenant Governor in Council may make regulations

- (a) respecting circumstances for which a person has a material interest in an entity for the purposes of section 1(2)(c);

- (b) respecting Acts or regulations that prevail for the purposes of section 3(1) despite an exemption;
- (c) respecting an entity's physical presence in Alberta for the purposes of section 4(1)(a);
- (d) prescribing the application fee for the purpose of section 4(2);
- (e) respecting additional criteria for the purposes of section 6(1)(f);
- (f) prescribing additional Acts for which an exemption may be granted under section 8(1)(a)(v);
- (g) respecting provisions of this Act that may not be exempted under section 8(1)(b);
- (h) respecting additional matters for which a certificate of acceptance may be revoked under section 10(2)(k);
- (i) respecting circumstances for the purposes of section 17(2)(i);
- (j) respecting the manner of providing notice or other documents for the purposes of section 17(4), including to a person by the Minister or to the Minister by a person and when notice or other documents are considered to be received;
- (k) respecting the confidentiality, collection, use or disclosure of records or information for the purposes of section 18;
- (l) respecting the disclosure, access or inspection of records by a government or agency for the purposes of section 18(3)(a)(iv);
- (m) prescribing purposes and persons for the purpose of section 18(3)(g);
- (n) respecting reciprocal agreements under section 19(1);
- (o) respecting provisions from which an entity is exempt for the purposes of section 19(2);
- (p) respecting matters and circumstances for the purposes of section 25(1)(g) for which the Minister may make an order;
- (q) respecting other circumstances for the purposes of section 32(d);
- (r) defining any word or expression used but not defined in this Act.

Deficiency regulations

34(1) The Lieutenant Governor in Council may make regulations

- (a) respecting matters coming under this Act that the Lieutenant Governor in Council considers
 - (i) are not provided for or are insufficiently provided for in this Act, or
 - (ii) are necessary or advisable in connection with the implementation of this Act;
- (b) remedying any confusion, difficulty or impossibility in applying any provisions of this Act.

(2) A regulation made under subsection (1) is repealed 5 years after the regulation comes into force or on the date specified in the regulation, whichever is earlier.

(3) The repeal of a regulation under subsection (2) does not affect anything done, incurred or acquired under the authority of the regulation before the repeal of the regulation.

(4) A regulation made under subsection (1) that is in force on or after the repeal of this section remains in force until it is repealed in accordance with subsection (2).

(5) A regulation may not be made under subsection (1) extending the 5-year period set out in subsection (2).

(6) This section is repealed 5 years after this section comes into force, but the repeal does not affect anything done, incurred or acquired under the authority of a regulation made under subsection (1) before the repeal of this section.

Coming into force

35 This Act comes into force on Proclamation.

RECORD OF DEBATE

Stage	Date	Member	From	To
		Interventions	From	To
Stage	Date	Member	From	To
		Interventions	From	To
Stage	Date	Member	From	To
		Interventions	From	To
Stage	Date	Member	From	To
		Interventions	From	To
Stage	Date	Member	From	To
		Interventions	From	To
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		Interventions	From	To