

BILL

No. 47 of 1931

An Act respecting Trust Companies.

(Assented to _____, 1931.)

HIS 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 Trust Companies Act, 1931.*"

2. In this Act, unless the context requires a contrary meaning—

- (a) "Accountant" shall mean a member of the Institute of Chartered Accountants of Alberta or any person approved by the Provincial Auditor as being qualified and competent to audit the books and accounts of a trust company,
- (b) "Chief agency" shall mean the principal office or place of business in Alberta of a trust company which has its head office out of Alberta,
- (c) "Extra-Provincial trust company" shall mean a trust company other than one incorporated under the laws of Alberta or the laws of the North-West Territories;
- (d) "Head office" shall mean the place where the chief executive officers of the trust company transact its business,
- (e) "Minister" shall mean the member of the Executive Council for the time being charged with the administration of this Act,
- (f) "Provincial trust company" shall mean a trust company incorporated under the laws of Alberta,
- (g) "Trust company" shall mean a company constituted or operated for the purpose of acting as trustee, agent, executor, administrator, receiver, liquidator, assignee, guardian of a minor's estate or committee of the estate of a mentally diseased person or of the estate of a mentally defective person.

3. Hereafter no trust company shall be incorporated in the Province otherwise than by an Act of the Legislature of the Province.

4. Every trust company heretofore incorporated under the laws of Alberta or the laws of the North-West Territories which is upon the coming into force of this Act *bona fide* carrying on business as a trust company in the Province shall become registered pursuant to this Act within three months from the coming into force of this Act.

5. Every trust company incorporated otherwise than under the laws of Alberta or the laws of the North-West Territories which is upon the coming into force of this Act *bona fide* carrying on business as a trust company in Alberta, shall become registered pursuant to this Act within three months of the coming into force of this Act.

6. Hereafter no trust company shall carry on business as a trust company in Alberta unless it has been first registered pursuant to this Act.

7. Every application for registration of a trust company under this Act shall be made to the Minister in writing under the seal of the company and such application shall set out the address of its head office and of its chief agency, the names and addresses of its directors, the names and addresses of its officers in control of its operations in the Province, a statement certified by an accountant as to its assets and liabilities and such other information as the Minister may from time to time require, and shall be accompanied by a certified copy of its instrument of incorporation and of its articles of association and by-laws, if any.

8.—(1) No trust company shall be registered unless it is shown that it is solvent and that it has not issued debentures.

(2) No trust company shall be registered unless it is shown that its capital has been subscribed to an amount of not less than two hundred and fifty thousand dollars, and that there has been paid up in respect of such subscribed capital a sum of not less than seventy-five thousand dollars, and that the capital so subscribed is not impaired so as to make the amount thereof less than the amounts aforesaid.

9. The Minister may in his discretion grant or refuse any application for registration or may in the case of a trust company which has the power to issue debentures grant the application upon condition that no debentures shall be issued so long as the trust company carries on business in Alberta.

10. Upon the granting of any application, the Minister shall cause to be issued a certificate of registration and such certificate shall be accepted for all purposes, and in all courts as *prima facie* evidence that the trust company is duly registered under this Act.

11.—(1) A registered trust company shall be eligible for appointment by any Court as a trustee, executor, administrator, assignee, receiver, liquidator, guardian of the estate of a minor, guardian or committee of the estate of a person who is mentally diseased or mentally defective, and shall have the power to accept any such office and shall not be required to furnish security for so doing.

(2) In the case of any will, deed or other instrument creating a trust which provides for the appointment of two or more natural persons as trustees, a trust company may be appointed as the sole trustee thereunder, and thereupon such trust company shall, acting alone, have all the powers, duties and authorities which are by the terms of the will, deed or other instrument conferred upon the trustees named or provided for therein, whether acting together or otherwise.

12.—(1) A registered trust company may, upon being approved by the Lieutenant Governor in Council, be appointed as the public administrator for a judicial district pursuant to section 46 of *The Judicature Act*.

(2) The Lieutenant Governor in Council may at any time revoke any approval given pursuant to this section in respect of any trust company.

13.—(1) A judge of the Supreme Court may from time to time and at any time, upon it being made to appear to him that it is proper so to do, upon the application of any interested person and upon such notice to the trust company and other interested persons as he may direct, appoint an accountant to investigate the affairs, assets, liabilities and management of any trust company.

(2) The accountant so appointed shall report in writing as to the investigation made by him to the judge and to the Minister.

(3) The costs of any such application and of any investigation made pursuant to this section shall be taxed and allowed by the judge, and shall be payable by the applicant or the trust company as the judge may in his discretion direct.

(4) Upon making any agreement pursuant to this section, the judge may order the applicant to furnish such security as he may deem sufficient for the payment of the costs of any such investigation.

14.—(1) The Lieutenant Governor in Council may from time to time appoint an accountant to investigate the affairs, assets, liabilities and management of any trust company, and such person shall report to the Minister the result of his investigation.

(2) The expense of any investigation made pursuant to this section shall be taxed and allowed by the Minister and the amount so allowed shall be paid by the trust company forthwith to the Minister.

15. Any accountant appointed to conduct any investigation pursuant to this Act, whether by a judge of the Supreme Court or by the Lieutenant Governor in Council, shall possess all the powers which may be conferred upon commissioners under *The Public Inquiries Act*.

16. The Lieutenant Governor in Council, upon being satisfied by the report, upon any investigation of a trust company made pursuant to any of the provisions of this Act, that such trust company is not *bona fide* carrying on the business of a trust company or that such company is insolvent or that the manner in which its affairs are managed is irregular or is calculated to jeopardize the interests of persons dealing with such company, then and in every such case the Lieutenant Governor in Council may cancel the registration of such company under this Act, and hereafter such company cannot be again registered under this Act unless approved by the Lieutenant Governor in Council, and then subject to any terms or conditions which may be attached to such approval.

17. Every registered trust company shall—

- * (a) keep proper books and records of all its business and transactions;
- (b) make annual returns to the Minister in the prescribed forms,
- (c) furnish the Minister with any information he may require as to its affairs, assets, liabilities and management in such manner and form and to such extent as he may require.

18.—(1) Every extra-provincial trust company shall, within thirty days of alteration of its memorandum of association, articles of association, or by-laws, file with the Minister a correct copy of any such alterations.

(2) A provincial trust company may by resolution passed at a meeting of its shareholders called for the purpose, of which at least fourteen days' notice in writing has been sent by mail to each shareholder at his last known address, make new articles of association or by-laws or amend the same, provided always—

- (a) that a copy of any such resolution certified under the seal of the trust company shall be filed with the Minister; and
- (b) that no such resolution shall have any force or effect until the Minister has by writing, under his hand, certified that the same is approved by him.

19. The liability of a trust company to persons interested in an estate held by the company as executor, administrator, trustee, receiver, assignee, agent, liquidator, guardian or committee as aforesaid, shall be the same as if the estate

had been held by a private person in the like capacity, and the trust company shall have the same powers in respect of the estate as if it were a private person in the like capacity.

20.—(1) Every trust company shall, on or before the first day of March in each year, prepare and transmit by registered post to the Minister a statement setting forth, as of the preceding thirty-first day of December, or the end of the preceding financial year of the company, as the case may be, the capital stock of the company, the portion thereof paid up, a list of the company's shareholders, the assets of the company which are its absolute property, and liabilities in respect thereof, the liabilities of the company to the public in its trust capacity, the investments and holdings of the company on trust account, and such other details as the form hereinafter mentioned and the Minister may require.

(2) The statement shall be in the form of Schedule B to this Act, and shall be signed and declared by the president or vice-president and by the manager or secretary as in the form prescribed.

(3) The Minister may make such changes in the form of the statement (whether such changes are of general application or are in the opinion of the Minister necessary to meet the circumstances of any particular case) as he may deem best adapted to elicit any information considered necessary or desirable, and the form as changed shall be signed and declared as heretofore prescribed.

(4) In the case of a trust company which is incorporated by the Legislature of any Province of Canada other than Alberta and which is required by the law of the Province by which it is incorporated to file annual returns of a generally similar nature to the returns required to be made by this section, the Minister may in his discretion accept in lieu of the returns required by this section a copy of the returns made in and pursuant to the Statutes of such other Province, provided that such copy is certified to be a true and correct copy of the original return by the secretary of the company and is delivered to the Minister within thirty days after the date upon which the original return is made.

21. Every director, officer and servant of the company who omits, neglects or refuses to produce for examination to an accountant appointed under this Act to investigate the affairs and management of the company all books and documents in his custody or control when required by such accountant so to do, shall be guilty of an offence and liable on summary conviction to a penalty not exceeding fifty dollars and costs.

22. Every company which makes any default in complying with any of the requirements of section 20 of this Act shall be guilty of an offence, and shall be liable on summary conviction to a penalty of twenty dollars for each day during which such default continues.

23.—(1) No corporation shall make use of the word "trust" either alone or in conjunction with any other words in the name under which it carries on business unless it is registered as a trust company pursuant to this Act, and no other person shall use the word "trust" either alone or in conjunction with any other words in the name, firm name or style under which he carries on any business.

(2) Any corporation and each of the directors or each of the executive officers of a corporation which makes use of the word "trust" in contravention of the provisions of this section, and every person other than a corporation who makes use of the word "trust" in contravention of the provisions of this section shall each be guilty of an offence, and shall be liable upon summary conviction therefor to a penalty, in case the defendant is a corporation, of not more than one thousand dollars and costs, and in any other case, to a penalty of not more than two hundred and fifty dollars and costs, and in default of payment, to imprisonment for a term of not more than three months.

24. No trust company shall be authorized to become or be appointed guardian of the person of an infant or committee of the person of a lunatic.

25. The Lieutenant Governor in Council may appoint a Registrar who shall, subject to the control and direction of the Minister, have the same powers and duties in relation to the administration of this Act as are by this Act conferred upon the Minister.

26. The Lieutenant Governor in Council may from time to time make regulations as to the procedure to be followed in relation to any matter or thing required to be done pursuant to this Act and prescribe the fees payable for registration, filing of documents and certificates.

27. *The Trust Companies Act, being chapter 167 of the Revised Statutes of Alberta, 1922, is hereby repealed.*

No 47.

FIRST SESSION
SEVENTH LEGISLATURE
21 GEORGE V
1931

B I L L

An Act respecting Trust Companies

Received and read the

First time..... ..

Second time

Third time.

HON. MR LYMBURN

EDMONTON
W. D. McLEAY, Printer
A. D. 1931

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