



NATIONAL ASSEMBLY

FIRST SESSION

THIRTY-SIXTH LEGISLATURE

Bill 85

An Act to amend the Savings and Credit Unions Act

Introduction

**Introduced by
Mr Bernard Landry
Minister of Finance**

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EXPLANATORY NOTES

The object of this bill is to allow savings and credit unions, federations and the confederation to acquire or transfer claims except in the cases prescribed by regulation of the Government. It facilitates the transfer of assets and the acquisition of securities between credit unions and legal persons forming part of the same group as well as La Caisse centrale Desjardins du Québec, insofar as such transfers or acquisitions need not be approved by the board of directors of the credit unions.

The bill proposes to allow the Inspector General of Financial Institutions to prescribe accounting standards that include particular requirements, or requirements different from those applicable according to generally accepted accounting principles, in respect of the financial statements of credit unions, La Caisse centrale Desjardins du Québec, the federations and the confederation.

Lastly, credit unions, federations and the confederation will be authorized to hypothecate their property for purposes other than those already provided for by law where such purposes are authorized by the Inspector General and, in the case of an affiliated credit union, by the federation.

LEGISLATION AMENDED BY THIS BILL :

- Savings and Credit Unions Act (R.S.Q., chapter C-4.1);
- Act to replace the Act respecting La Confédération des caisses populaires et d'économie Desjardins du Québec (1989, chapter 113).

Bill 85

AN ACT TO AMEND THE SAVINGS AND CREDIT UNIONS ACT

THE PARLIAMENT OF QUÉBEC ENACTS AS FOLLOWS :

1. Section 213 of the Savings and Credit Unions Act (R.S.Q., chapter C-4.1), amended by section 517 of chapter 37 of the statutes of 1998, is again amended by replacing paragraph 8 by the following paragraph :

“(8) acquire or transfer claims, except in the cases prescribed by regulation of the Government;”.

2. Section 220 of the said Act is amended

(1) by inserting “not referred to in paragraph 6 of section 217” after “party” in the second line of the first paragraph ;

(2) by replacing “in the case of a transfer of assets *en bloc* authorized by the Inspector General as part of a reorganization or where the transfer is a condition inherent in a contract entered into under paragraph 8 of section 213 or paragraph 11 of section 364” at the end of the second paragraph by “where the transaction is authorized by the federation with which the credit union is affiliated or, if it is not affiliated, by the Inspector General”.

3. Section 263 of the said Act is amended

(1) by inserting the following subparagraph after subparagraph 4 of the first paragraph :

“(5) for any other purpose authorized by the Inspector General and, where applicable, by the federation with which the credit union is affiliated.” ;

(2) by replacing “such security” in the first line of the second paragraph by “security for any of the purposes referred to in subparagraphs 1 to 4 of the first paragraph” ;

(3) by adding the following paragraph at the end :

“An authorization given by the Inspector General under subparagraph 5 of the first paragraph may include conditions and restrictions and may apply to a group of credit unions.”

4. The said Act is amended by inserting the following section after section 303 :

“303.1. The financial statements referred to in paragraph 4 of section 303 shall be prepared in accordance with generally accepted accounting principles.

However, the Inspector General may, in respect of the financial statements he indicates and where the Inspector General considers it expedient, prescribe accounting standards that include particular requirements or requirements different from those applicable according to generally accepted accounting principles.”

5. Section 364 of the said Act is amended by striking out paragraph 11.

6. Section 438 of the said Act is amended by inserting the following paragraph after the first paragraph :

“The Inspector General may, in respect of the financial statements he indicates and where the Inspector General considers it expedient, prescribe accounting standards that include particular requirements or requirements different from those applicable according to generally accepted accounting principles.”

7. The said Act is amended by inserting the following section after section 481 :

“481.1. The financial statements of a confederation shall be prepared in accordance with generally accepted accounting principles.

However, the Inspector General may, in respect of the financial statements he indicates and where the Inspector General considers it expedient, prescribe accounting standards that include particular requirements or requirements different from those applicable according to generally accepted accounting principles.”

8. Section 516 of the said Act is amended by inserting the following paragraph after paragraph 5.1 :

“(5.2) determine, for the purposes of paragraph 8 of section 213, the cases where a credit union or federation may not acquire or transfer claims;”.

9. Section 74 of the Act to replace the Act respecting La Confédération des caisses populaires et d'économie Desjardins du Québec (1989, chapter 113) is amended by adding “, subject to the accounting standards prescribed by the Inspector General under the second paragraph of section 303.1 of the Savings and Credit Unions Act” at the end of subparagraph 2 of the first paragraph.

10. This Act comes into force on *(insert here the date of assent to this Act)*.