

2016

CHAPTER C-45.3

An Act respecting Credit Union Central of Saskatchewan, repealing *The Credit Union Amendment Act, 2012* and *The Credit Union Central of Saskatchewan Act, 1999* and making consequential amendments to certain Acts

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(Assented to June 30, 2016)

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

PART I Preliminary Matters

Short title

1-1 This Act may be cited as *The Credit Union Central of Saskatchewan Act, 2016*.

Interpretation

1-2(1) In this Act:

“**board**” means the board of directors of SaskCentral;

“**business day**” means a day other than a Saturday, Sunday or holiday;

“**bylaws**” means the bylaws of SaskCentral;

“**central credit union**” means a corporation organized on cooperative principles:

- (a) that is incorporated by or pursuant to an Act of a province or territory of Canada;
- (b) that has, as its principal purposes:
 - (i) to provide liquidity support to credit unions, financial cooperative credit unions or federal credit unions; and
 - (ii) to provide financial services to its members; and
- (c) whose:
 - (i) membership consists wholly or primarily of credit unions, financial cooperative credit unions or federal credit unions; or
 - (ii) directors are wholly or primarily persons elected or appointed by credit unions, financial cooperative credit unions or federal credit unions;

but does not include a deposit protection agency;

“**court**”, except in section 20-3, means the Court of Queen's Bench;

“**CUDGC**” means Credit Union Deposit Guarantee Corporation continued pursuant to section 442 of *The Credit Union Act, 1998*;

“**federal Act**” means the *Cooperative Credit Associations Act (Canada)*;

“**federal credit union**” means a federal credit union as defined in the *Bank Act*;

“**federal regulations**” means the regulations made pursuant to the federal Act;

“financial cooperative credit union” means a cooperative corporation that is incorporated, continued or registered pursuant to an Act of a province or territory of Canada providing for the incorporation, continuation or registration of credit unions or cooperatives:

- (a) whose members consist substantially of individuals; and
- (b) whose principal purpose is to receive deposits from, and make loans to, its members;

“investment share” means a share in the capital of SaskCentral that is not a membership share;

“membership share” means a share described in section 7-1;

“minister” means the member of the Executive Council to whom for the time being the administration of this Act is assigned;

“prescribed” means prescribed in the regulations;

“prudential standard” means a prudential standard approved by the registrar pursuant to section 13-1;

“registrar” means the Registrar of Credit Unions appointed pursuant to *The Credit Union Act, 1998* and includes any Deputy Registrar appointed pursuant to *The Credit Union Act, 1998*;

“SaskCentral” means Credit Union Central of Saskatchewan continued pursuant to section 3-1;

“special resolution” means a resolution passed by a majority of not less than two-thirds of the votes cast by or on behalf of the persons who are entitled to and who properly vote with respect to that resolution.

(2) Notwithstanding any other provision of this Act or the regulations or of any other Act or law, if, pursuant to *The Financial and Consumer Affairs Authority of Saskatchewan Act*, the Financial and Consumer Affairs Authority of Saskatchewan is assigned the performance of all or any of the responsibilities imposed on the registrar and the exercise of all or any of the powers given to the registrar by this Act or the regulations:

- (a) any reference with respect to those responsibilities or powers in this Act or the regulations to the registrar is to be interpreted as a reference to the Financial and Consumer Affairs Authority of Saskatchewan; and
- (b) this Act and the regulations are to be interpreted subject to the provisions of *The Financial and Consumer Affairs Authority of Saskatchewan Act*.

Registrar’s responsibilities

1-3 The registrar is responsible to the minister for the administration of this Act and the regulations.

CUDGCs responsibilities

1-4 CUDGC shall exercise the powers, fulfil the responsibilities and carry out the functions imposed on or given to CUDGC pursuant to this Act and the regulations.

PART II
Application of Federal Act

Rules respecting the application of provisions of the federal Act

2-1(1) Subject to this Act and the regulations, if this Act or the regulations declare that a provision of the federal Act applies for the purposes of this Act:

- (a) that provision applies as though it had been enacted pursuant to this Act;
 - (b) that provision is to be interpreted as subject to any necessary modification required to make it applicable for the purposes of this Act and the regulations; and
 - (c) unless a contrary intention appears in this Act or the regulations, a reference in that provision to a word or expression set out in Column 2 of Table 1 of the Schedule is to be read as a reference to the word or expression set out opposite in Column 3.
- (2) If a provision of this Act or the regulations provides for something to be done in accordance with a provision of the federal Act or the federal regulations, that provision of the federal Act or the federal regulations applies for the purposes of this Act and the regulations.
- (3) Except to the extent that they conflict with any provision of this Act or the regulations, the definitions set out in the federal Act and the federal regulations apply for the purposes of this Act and the regulations.
- (4) The Lieutenant Governor in Council may make regulations declaring that any provision of the federal Act or the federal regulations not otherwise declared to apply applies for the purposes of this Act and the regulations, with any modification that the Lieutenant Governor in Council considers appropriate.
- (5) If a provision of this Act or the regulations declares that a provision of the federal Act applies for the purposes of this Act, any regulation-making power that applies to that provision can be exercised by the Lieutenant Governor in Council for the purposes of this Act and the regulations.
- (6) Subject to subsections (7) to (10), if a provision of this Act or the regulations declares that a provision of the federal Act applies for the purposes of this Act, any provision of the federal regulations made for the purposes of that provision of the federal Act also applies.
- (7) Notwithstanding the declaration pursuant to this Act or the regulations that a provision of the federal Act or the federal regulations applies for the purposes of this Act, the Lieutenant Governor in Council may make regulations:
- (a) amending or modifying the application of the provision of the federal Act or the federal regulations in a manner the Lieutenant Governor in Council considers appropriate;

- (b) modifying or adapting provisions of the federal Act or the federal regulations for the purposes of their application in accordance with this Act and the regulations, including specifying circumstances in which provisions of the federal Act or the federal regulations apply or setting conditions or limitations on the application of the provisions;
 - (c) declaring that all or part of the provision of the federal Act or the federal regulations is not applicable and, if the Lieutenant Governor in Council considers it appropriate, substituting another rule.
- (8) Notwithstanding any other provision of this Act or the regulations, if a provision of this Act or the regulations declares that a provision of the federal Act or the federal regulations applies, the Lieutenant Governor in Council may make regulations:
- (a) exempting SaskCentral from all or part of the provision of the federal Act or the federal regulations, and prescribing any terms and conditions that SaskCentral must comply with as a condition of being exempted;
 - (b) prescribing the manner and extent of the application of provisions of the federal Act or the federal regulations for the purposes of this Act and the regulations;
 - (c) interpreting how the provision of the federal Act or the federal regulations applies for the purposes of this Act and the regulations.
- (9) Subject to the regulations, if a provision of the federal Act or the federal regulations is declared pursuant to this Act or the regulations to apply for the purposes of this Act, any other provisions in the federal Act or the federal regulations that are required to interpret or apply the provision of the federal Act or the federal regulations also apply.
- (10) Subject to any exemption made in the regulations, SaskCentral shall comply with:
- (a) a provision of the federal Act or the federal regulations that is declared pursuant to this Act or the regulations to apply for the purposes of this Act, including:
 - (i) any amendments or modifications respecting the application of the provision of the federal Act or the federal regulations that may be made in the regulations; or
 - (ii) any modifications or adaptations of the provision of the federal Act or the federal regulations that may be made in the regulations; and
 - (b) any interpretation set out in the regulations respecting how the provision of the federal Act or the federal regulations is to apply.

PART III
Credit Union Central of Saskatchewan

SaskCentral continued

3-1(1) Credit Union Central of Saskatchewan, as continued pursuant to *The Credit Union Central of Saskatchewan Act, 1999*, is continued pursuant to this Act.

- (2) SaskCentral is a central credit union that is a financial services cooperative.
- (3) SaskCentral has all of the powers, privileges and immunities provided by this Act and is subject to all the limitations and restrictions set out in this Act.
- (4) Credit Union Central of Saskatchewan may use any of the following names and each name, when used, has the same legal effect and meaning as the name "Credit Union Central of Saskatchewan":
 - (a) Saskatchewan Co-operative Credit Society Limited;
 - (b) SaskCentral.
- (5) The head office of SaskCentral is to be at the City of Regina or at any other place in Saskatchewan that SaskCentral may determine.

PART IV
Status and Powers

Status and powers

- 4-1(1)** SaskCentral has the capacity, and subject to this Act and the regulations, the rights, powers and privileges of a natural person.
- (2) SaskCentral has the capacity to carry on its business, conduct its affairs and exercise its powers in any jurisdiction outside Saskatchewan to the extent and in the manner that the laws of that jurisdiction permit.
 - (3) SaskCentral shall not:
 - (a) carry on any business or exercise any power that it is restricted by this Act or the regulations from carrying on or exercising; or
 - (b) exercise any of its powers in a manner contrary to this Act or the regulations.
 - (4) No act of SaskCentral, including any transfer of property to or by SaskCentral, is invalid by reason only that the act or transfer is contrary to this Act or the regulations.
 - (5) SaskCentral is not required to pass a bylaw in order to confer any particular power on SaskCentral or its directors.

Application of federal Act re status and powers

4-2 Sections 20 and 21 of the federal Act apply for the purposes of this Act.

PART V
Application of Other Acts

Application of other Acts

5-1(1) Subject to subsection (2), *The Securities Act, 1988*, *The Trust and Loan Corporations Act, 1997* and *The Mortgage Brokerages and Mortgage Administrators Act* do not apply to SaskCentral.

(2) *The Securities Act, 1988* applies to the issue of investment shares by SaskCentral, unless those investment shares are available exclusively to members of SaskCentral.

PART VI
Membership

Membership in SaskCentral

6-1(1) Only the following may be members of SaskCentral:

- (a) credit unions;
- (b) financial cooperative credit unions;
- (c) federal credit unions;
- (d) cooperatives incorporated, continued or registered pursuant to an Act of any province or territory of Canada or of the Parliament of Canada providing for the incorporation, continuation or registration of cooperatives;
- (e) any person or entity:
 - (i) whose business, in the opinion of the board, is conducted in accordance with credit union or cooperative principles; or
 - (ii) that is:
 - (A) a non-profit corporation;
 - (B) operated as a community or cultural association;
 - (C) a person or entity of which SaskCentral is a shareholder or member; or
 - (D) a deposit protection agency;
- (f) any other prescribed person or entity.

(2) SaskCentral shall issue at least one membership share to each member of SaskCentral.

(3) Unless approved by the board, no transfer of a membership is valid.

(4) Subject to subsection (5) and the bylaws, each member of SaskCentral has one vote on all matters to be decided by the members.

(5) Subject to the regulations, the members of SaskCentral may, by bylaw, provide that the voting rights of a member are vested in one or more delegates to be elected or appointed by the member in the manner that is provided for in the bylaws, and the delegate so elected or appointed may exercise all or any of those rights.

(6) If, in this Act or the regulations, reference is made to a meeting of members of SaskCentral and SaskCentral has passed a bylaw pursuant to subsection (5), a reference in this Act or the regulations to a meeting of members is to be interpreted as a reference to a meeting of delegates.

Classes of members

6-2 The members of SaskCentral may, by bylaw, establish one or more classes of membership, and with respect to those classes, establish:

- (a) the qualifications for and the terms and conditions applying to membership in each class;
- (b) the number of delegates to represent each class and the manner of electing or appointing those delegates;
- (c) the election, appointment or removal of directors of the board by members or delegates of particular classes; and
- (d) the election or appointment of delegates by the members of SaskCentral to take the place of the members in any or every way at meetings of the members of SaskCentral.

Admission, withdrawal and expulsion of members

6-3 The members of SaskCentral may, by bylaw, provide for the admission, withdrawal and expulsion of members and for the qualifications and conditions of membership of those members.

Bylaws binding

6-4 The bylaws are deemed to bind SaskCentral and its members to the same extent as if they:

- (a) had been signed and sealed by SaskCentral and by each member; and
- (b) contained covenants on the part of each member and the successors and assigns of each member to observe the bylaws.

Register of members

6-5 SaskCentral shall maintain a register of members in which it shall record:

- (a) the name and the last known address of the members and former members of SaskCentral;
- (b) the number of membership shares held by each member; and
- (c) the date and particulars of the issue and transfer of each membership share.

PART VII
Capital Structure

Membership shares

7-1(1) Subject to this Act, the regulations and the bylaws, membership shares of SaskCentral may be issued:

- (a) at any time and to any members of SaskCentral; and
 - (b) subject to subsection (9), for any consideration that the board may determine.
- (2) Membership shares may be issued only to members of SaskCentral.
- (3) Membership shares shall be without nominal or par value.
- (4) Members of SaskCentral shall hold the minimum number of membership shares provided for in the bylaws.
- (5) Membership shares of SaskCentral confer on the holders of the membership shares equal rights:
- (a) to receive dividends declared on membership shares; and
 - (b) to receive the remaining property of SaskCentral on dissolution.
- (6) The right to vote attaches to the membership in accordance with subsection 6-1(4) and not to a membership share.
- (7) No transfer of membership shares in SaskCentral is valid unless the transfer is approved by the board.
- (8) SaskCentral shall not designate a class of its investment shares as membership shares or any variation of membership shares.
- (9) The bylaws:
- (a) may provide for a price, or a formula to determine a price, at which membership shares are to be issued; and
 - (b) must set the terms and conditions pursuant to which membership shares may be purchased, including the manner and time of payment for the purchased membership shares.
- (10) The bylaws may provide that no membership share certificate need be issued, but if no membership share certificates are issued, SaskCentral shall issue to each member of SaskCentral who so requests a statement of the number of membership shares held by the member.

Membership share certificate

7-2 If SaskCentral issues membership share certificates, the face of the certificate must contain a statement that:

- (a) the certificate represents membership shares in SaskCentral and the number of those membership shares; and
- (b) the certificate is not transferable without the written approval of the board.

Investment shares

7-3(1) Subject to this Act, the regulations and the bylaws, with the written approval of CUDGC, the members of SaskCentral may, by bylaw, authorize SaskCentral to issue investment shares at any time and to any persons and for any consideration that the board may determine.

(2) Investment shares shall be without nominal or par value.

(3) Subject to subsection (4), SaskCentral shall not issue any investment share that confers on the holder of the investment share the right:

(a) to vote at meetings of SaskCentral otherwise than in accordance with this Act or the regulations; or

(b) to receive any of the remaining property of SaskCentral on dissolution.

(4) SaskCentral may issue an investment share that confers:

(a) on the holder of the investment share the right to appoint or to vote at an election of directors by reason of an event that has occurred and is continuing or by reason of a condition that has been fulfilled; or

(b) on the holder of the investment share, on holders of any class of investment shares or on holders of a series of investment shares the right to appoint or to vote at an election of a fixed number or a percentage of the directors.

(5) Notwithstanding subsection (4), the holders of investment shares shall not, collectively, have the right to appoint or elect more than 20% of the directors of SaskCentral.

(6) Any provision in a bylaw that purports to confer a right mentioned in subsection (3), except as allowed in subsection (4), is of no force and effect.

Classes of investment shares

7-4 The members of SaskCentral may, by bylaw, establish classes of investment shares, and with respect to those classes, establish:

(a) the designations, preferences, rights, privileges, restrictions, limitations, prohibitions and conditions attaching to the investment shares of each class; and

(b) the maximum number, if any, of investment shares of any class that SaskCentral is authorized to issue.

Investment shares issued in series

7-5(1) The members of SaskCentral may, by bylaw, subject to any limitations set out in the bylaws, authorize:

(a) the board to issue any class of investment shares in one or more series; and

(b) the board to:

(i) fix the maximum number of investment shares in each series; and

(ii) determine the designations, preferences, rights, privileges, restrictions, limitations, prohibitions and conditions attaching to the investment shares of each series.

(2) If any cumulative dividend or amount payable on return of capital with respect to a series of a class of investment shares is not paid in full, the investment shares of all series of the same class participate rateably with respect to accumulated dividends and return of capital.

(3) If voting rights are attached to any series of a class of investment shares, the investment shares of every other series of that class must have the same voting rights.

(4) No designations, preferences, rights, privileges, restrictions, limitations, prohibitions or conditions attached to a series of a class of investment shares authorized pursuant to this section confer on the series a priority with respect to dividends or return of capital over any other series of investment shares of the same class that are then outstanding.

(5) If the board exercises its authority pursuant to clause (1)(b), the board shall, before the issue of investment shares of the series, send to CUDGC particulars of the series of investment shares and a copy of the bylaw that granted the authority to the board.

One share, one vote

7-6 If voting rights are attached to an investment share issued pursuant to a bylaw passed pursuant to section 7-3, the bylaw may confer only one vote with respect to that share.

Membership shares and investment shares non-assessable

7-7 Membership shares and investment shares are non-assessable and the holders of membership shares and investment shares are not liable to SaskCentral or to its creditors with respect to them.

Consideration

7-8(1) No membership share and no investment share of any class of investment shares shall be issued until it is fully paid for in money or, with the written approval of CUDGC, in property.

(2) The bylaws may provide for a formula or procedure for valuing a member of SaskCentral or any of the member's assets or liabilities when the member, or the asset or liability, is proposed to be acquired by SaskCentral in exchange for membership shares or investment shares of SaskCentral.

Stated capital account

7-9(1) SaskCentral shall maintain a separate stated capital account for the membership shares and for each class and series of investment shares it issues.

(2) SaskCentral shall record in the appropriate stated capital account the full amount of any consideration it receives for any membership shares or investment shares it issues.

(3) Notwithstanding subsection (2), SaskCentral may, subject to subsection (4), record in the stated capital account maintained for the investment shares of a class or series any part of the consideration it receives in an exchange if it issues investment shares in exchange for:

- (a) property of:
 - (i) a person who, immediately before the exchange, did not deal with SaskCentral at arm's length within the meaning of that expression in the *Income Tax Act* (Canada); or
 - (ii) any prescribed person;
- (b) shares of or another interest in a corporation that, immediately before the exchange or because of it, did not deal with SaskCentral at arm's length within the meaning of that expression in the *Income Tax Act* (Canada) or shares of or another interest in any prescribed entity; or
- (c) property of a person or entity who, immediately before the exchange, dealt with SaskCentral at arm's length within the meaning of that expression in the *Income Tax Act* (Canada) if the person or entity, SaskCentral and all of the holders of investment shares in the class or series of investment shares so issued consent to the exchange.

(4) On the issuance of an investment share, SaskCentral may not add to the stated capital account with respect to the share an amount greater than the amount of the consideration it receives for the share.

(5) The proposed addition of an amount to a stated capital account maintained by SaskCentral with respect to a class or series of investment shares must be approved in advance:

- (a) by special resolution of the members of SaskCentral; and
- (b) if SaskCentral has issued investment shares, by separate special resolution of the holders of investment shares, the holders of the class of investment shares or the holders of the series of a class of investment shares that is affected by the special resolution, if:
 - (i) the amount to be added was not received by SaskCentral as consideration for the issue of the investment shares; and
 - (ii) SaskCentral has issued investment shares of more than one class or series that are outstanding.

(6) Subject to subsection (3), SaskCentral is deemed, for the purposes of this Act and the regulations, to have a stated capital account for its membership shares that includes each amount that has been received by SaskCentral for the membership shares.

Pre-emptive right: holders of investment shares

7-10(1) If the bylaws provide, no investment shares of any class shall be issued unless the investment shares have first been offered to the persons holding investment shares of that class, and those persons have a pre-emptive right to acquire the offered investment shares in proportion to their holdings of the investment shares of that class, at the price and on the terms that those investment shares are to be offered to others.

(2) Notwithstanding the existence of a pre-emptive right, a holder of investment shares has no pre-emptive right with respect to investment shares that are to be issued:

- (a) for a consideration other than money;
- (b) as a share dividend; or
- (c) pursuant to the exercise of conversion privileges, options or rights previously granted by SaskCentral.

(3) Notwithstanding the existence of a pre-emptive right, a holder of investment shares has no pre-emptive right with respect to investment shares to be issued if:

- (a) the issue of investment shares to the holder is prohibited by this Act or the regulations; or
- (b) to the knowledge of the board, the offer of investment shares to a holder of investment shares whose recorded address is in a country other than Canada ought not to be made unless the appropriate authority in that country is provided with information in addition to that submitted to the members of SaskCentral at the last annual meeting.

Conversion privileges

7-11(1) SaskCentral:

- (a) may issue conversion privileges, options or rights to acquire membership shares, investment shares or debt obligations of SaskCentral; and
- (b) if SaskCentral issues conversion privileges, options or rights to acquire membership shares, investment shares or debt obligations of SaskCentral, shall set out the conditions related to those privileges, options or rights:
 - (i) in the documents that evidence the conversion privileges, options or rights; or
 - (ii) in the membership shares, investment shares or debt obligations to which the conversion privileges, options or rights are attached.

(2) Conversion privileges, options and rights to acquire membership shares, investment shares or debt obligations of SaskCentral may be made transferable or non-transferable, and options and rights to acquire those shares or debt obligations may be made separable or inseparable from any shares or debt obligations to which they are attached.

(3) If SaskCentral has granted privileges to convert any membership shares, investment shares or debt obligations issued by SaskCentral into investment shares, or into investment shares of another class or series, or has issued or granted options or rights to acquire investment shares, if the bylaws limit the number of authorized investment shares, SaskCentral shall reserve and continue to reserve sufficient authorized investment shares to meet the exercise of those conversion privileges, options and rights.

Holding of own shares

7-12 Subject to sections 7-13 to 7-15, or unless permitted by the regulations, SaskCentral shall not:

- (a) hold membership shares or investment shares; or
- (b) permit any of its subsidiaries to hold more membership shares than the minimum number of membership shares provided for by a bylaw made pursuant to subsection 7-1(4) or any investment shares.

Exception for holding own shares

7-13(1) SaskCentral may hold, and may permit its subsidiaries to hold, in the capacity of a legal representative, membership shares and investment shares only if SaskCentral or the subsidiary does not have a beneficial interest in the shares.

(2) SaskCentral may hold investment shares in itself by way of a security interest for the purposes of a transaction entered into by it in the ordinary course of business that includes the lending of money.

Purchase or redemption of shares

7-14(1) Subject to subsection (2) and to its bylaws, with the written approval of CUDGC, SaskCentral may:

- (a) purchase, for the purpose of cancellation, any membership shares at a price determined in accordance with the bylaws; or
 - (b) purchase for the purpose of cancellation, any investment shares issued by it, or redeem any redeemable investment shares issued by it, at a price not exceeding the redemption price of the investment shares calculated according to a formula stated in its bylaws or according to the conditions attaching to the shares.
- (2) SaskCentral shall not make any payment to purchase any membership shares or purchase or redeem any investment shares issued by it if there are reasonable grounds for believing that:
- (a) the remaining capital of SaskCentral after the transaction would be less than that provided for by this Act or the regulations or any prudential standard made pursuant to this Act or the regulations;
 - (b) the payment would cause SaskCentral to be unable to pay its liabilities as they become due; or
 - (c) the realizable value of SaskCentral's assets after the transaction would be less than the aggregate of:
 - (i) its liabilities; and
 - (ii) the amount that would be required for payment to purchase or in liquidation for all membership shares and investment shares, the holders of which have the right to be paid before the holders of the membership shares and investment shares to be purchased or acquired.
- (3) SaskCentral may accept any membership share or investment share surrendered to it as a gift.

Application of the federal Act re conditions before acquisition

7-15(1) Subsections 80.1(1) and (2) of the federal Act apply for the purposes of this Act.

(2) If SaskCentral permits any of its subsidiaries to acquire investment shares pursuant to the purported authority of subsection (1) and one or more of the conditions prescribed for the purposes of subsection (1) were not met, are not met or cease to be met, as the case may be, then, notwithstanding subsections 4-1(4) and 7-9(2), SaskCentral shall comply with the prescribed requirements.

Cancellation of membership shares and investment shares

7-16(1) Subject to subsection (2), if SaskCentral purchases membership shares or investment shares, or fractions of investment shares, or redeems or otherwise acquires investment shares, SaskCentral shall cancel those membership shares or investment shares.

(2) If SaskCentral or any of its subsidiaries, through the realization of security, acquires any membership shares or investment shares, SaskCentral may, or may cause its subsidiary to, as the case may be, within six months after the day of the realization, sell or otherwise dispose of the membership shares or investment shares.

Reduction of capital

7-17(1) Subject to subsection (2), SaskCentral may reduce its stated capital by special resolution:

- (a) of its members; and
- (b) if an investment share is proposed to be affected by the reduction, by the holders of the investment shares.

(2) A special resolution to reduce the stated capital of SaskCentral must specify the stated capital account or accounts from which the reduction of stated capital effected by the special resolution are to be deducted.

(3) A special resolution to reduce the stated capital of SaskCentral has no effect until it is approved in writing by CUDGC.

Recovery by action

7-18(1) If any money or property was paid or distributed to a member of SaskCentral, a holder of investment shares or another person as a consequence of a reduction of stated capital made contrary to section 7-17, a creditor of SaskCentral may apply to the court for an order compelling the member, the holder of investment shares or the other person to pay the money or deliver the property to SaskCentral.

(2) No person holding membership shares or investment shares in the capacity of a personal representative and registered on the records of SaskCentral as a holder of a membership share or a holder of investment shares and described in the records as the personal representative of a named person is personally liable pursuant to subsection (1), but the named person is subject to all the liabilities imposed by that subsection.

(3) An action to enforce a liability imposed by subsection (1) may not be commenced more than two years after the date on which the act complained of took place.

(4) This section does not affect any liability that arises pursuant to section 211 of the federal Act.

Adjustment of stated capital account

7-19(1) On a purchase of membership shares by SaskCentral or a purchase, redemption or other acquisition by SaskCentral of investment shares, or fractions of the investment shares issued by it, other than membership shares or investment shares acquired through the realization of security and sold pursuant to subsection 7-16(2), SaskCentral shall deduct from the stated capital account maintained for the membership shares, or for the class or series of investment shares, so purchased, redeemed or otherwise acquired, the amount A calculated in accordance with the following formula:

$$A = \frac{B \times C}{D}$$

where:

B is the stated capital with respect to the membership shares or the investment shares of that class or series;

C is the number of membership shares or investment shares of that class or series purchased, redeemed or otherwise acquired; and

D is the number of membership shares or investment shares of that class or series outstanding immediately before the purchase, redemption or other acquisition.

(2) SaskCentral shall adjust its stated capital account or accounts in accordance with any special resolution mentioned in section 7-17.

(3) On a conversion of outstanding investment shares into investment shares of another class or series, or on a change of outstanding investment shares into investment shares of another class or series, SaskCentral shall:

(a) deduct from the stated capital account maintained for the class or series of investment shares converted or changed the amount A calculated in accordance with the following formula:

$$A = \frac{B \times C}{D}$$

where:

B is the stated capital with respect to the investment shares of that class or series;

C is the number of investment shares of that class or series converted or changed; and

D is the number of outstanding investment shares of that class or series immediately before the conversion or change; and

(b) record the result obtained pursuant to clause (a) and any additional consideration received pursuant to the conversion or change in the stated capital account maintained or to be maintained for the class or series of investment shares into which the investment shares have been converted or changed.

(4) For the purposes of subsection (3) and subject to the bylaws, if SaskCentral issues two classes of investment shares and there is attached to each class a right to convert an investment share of one class into an investment share of the other class and an investment share is so converted, the amount of stated capital attributable to an investment share in either class is the aggregate of the stated capital of both classes divided by the number of outstanding investment shares of both classes immediately before the conversion.

(5) Investment shares issued by SaskCentral and converted into investment shares of another class or series, or changed into investment shares of another class or series, become issued investment shares of the class or series of investment shares into which the investment shares have been converted or changed.

Addition to stated capital account

7-20 On a conversion of any debt obligation of SaskCentral into membership shares, or into investment shares of a class or series of investment shares, SaskCentral shall:

- (a) deduct from the liabilities of SaskCentral the nominal value of the debt obligation being converted; and
- (b) record the result obtained pursuant to clause (a) and any additional consideration received for the conversion in the stated capital account maintained or to be maintained for the membership shares or for the class or series of investment shares into which the debt obligation has been converted.

Declaration of dividend

7-21(1) The board may declare and SaskCentral may pay a dividend:

- (a) by issuing:
 - (i) fully paid membership shares or options or rights to acquire membership shares to members; or
 - (ii) fully paid investment shares or options or rights to acquire fully paid investment shares to members or holders of investment shares; and
 - (b) subject to subsection (5), in money or property.
- (2) If a dividend is to be paid in money, the dividend may be paid in a currency other than the currency of Canada.
- (3) The board shall notify CUDGC of the declaration of a dividend at least 30 days before the day fixed for its payment.
- (4) If membership shares or investment shares are issued in payment of a dividend, SaskCentral shall record in the stated capital account maintained or to be maintained for the membership shares or investment shares of the class or series issued in payment of the dividend the declared amount of the dividend stated as an amount of money.
- (5) The board shall not declare and SaskCentral shall not pay a dividend if there are reasonable grounds for believing that SaskCentral is, or the payment would cause SaskCentral to be, in contravention of any prudential standard or regulation mentioned in section 14-1 or any directive made pursuant to section 14-2.

Liability limited

7-22 Except as provided in this Act or the regulations, the members and the holders of membership shares or investment shares are not, in their capacities as members or as the holders of membership shares or investment shares, liable for any liability, act or default of SaskCentral.

Restrictions on subordinated indebtedness

7-23(1) SaskCentral shall issue subordinated indebtedness only with the written approval of CUDGC.

(2) SaskCentral shall not issue subordinated indebtedness unless the subordinated indebtedness is fully paid for in money or, with the written approval of CUDGC, in property.

(3) No person shall, in any offering document, advertisement, correspondence or literature relating to any subordinated indebtedness issued or to be issued by SaskCentral, refer to the subordinated indebtedness otherwise than as subordinated indebtedness.

(4) Any subordinated indebtedness issued by SaskCentral is deemed not to be a deposit.

PART VIII
Security Certificates and Transfers

Application of federal Act re security certificates and transfers

8-1 Sections 88 to 142 of the federal Act apply for the purposes of this Act.

PART IX
Corporate Governance

DIVISION 1
Application of Federal Act

Application of federal Act re corporate governance

9-1(1) The following provisions of the federal Act apply for the purposes of this Act:

- (a) sections 143 to 166;
- (b) sections 167 to 191;
- (c) sections 193 and 194;
- (d) sections 198 to 218;
- (e) sections 235 to 251 and section 260;
- (f) sections 265 to 267 and 278 to 290;
- (g) subsection 291(1) and sections 292 to 322;
- (h) section 432.

(2) For the purposes of this Act, sections 166.01 to 166.08 of the federal Act apply to investment shares.

DIVISION 2 Bylaws

Bylaws

9-2(1) The members of SaskCentral may, by special resolution, make, amend or repeal any bylaw that regulates the business or affairs of SaskCentral.

(2) Unless this Act or the regulations otherwise provide, the board may, by special resolution, make a bylaw or amend a bylaw of SaskCentral but only if the bylaw or amendment is not contrary to any bylaw made by the members.

(3) The board shall submit a bylaw, or an amendment to a bylaw, that is made pursuant to subsection (2) to the members at the next meeting of members, and the members may, by special resolution, confirm or amend the bylaw or amendment.

(4) If a bylaw made by the board pursuant to subsection (2) is not confirmed, with or without amendments, pursuant to subsection (3), the bylaw is repealed.

General bylaws

9-3 In addition to any other bylaws authorized by this Act or the regulations, the members of SaskCentral may make bylaws to provide for any or all of the following:

- (a) the establishment of classes of members;
- (b) the election or appointment of delegates by the members of SaskCentral to take the place of the members in any or every way at meetings of the members of SaskCentral;
- (c) methods of electing or appointing directors, the qualifications, tenure and term of office of directors and the filling of vacancies occurring on the board;
- (d) the time and place for the holding of meetings of SaskCentral and the board, the quorum at those meetings and the procedure for those meetings;
- (e) a price, or a formula to determine a price, at which membership shares are to be issued or purchased by SaskCentral;
- (f) terms and conditions pursuant to which membership shares may be purchased, including the manner and time of payment for the purchased membership shares;
- (g) subject to subsections 9-4(2) and (3), the issue of and the designations, preferences, rights, privileges, restrictions, limitations, prohibitions and conditions attaching to each class or series of investment shares;
- (h) the allotment of membership shares or investment shares and the issue and registration of certificates of shares or documents in place of those certificates;
- (i) the distribution as a patronage return of any net income arising out of the operation of SaskCentral;
- (j) the appointment, function, duties and removal of all officers and employees of SaskCentral, their remuneration and benefits, and the security, if any, to be given by them to SaskCentral;

- (k) the appointment of committees with any duties, powers and functions and the procedures for governing those committees;
- (l) subject to section 169 of the federal Act, an increase or decrease in the number of directors or the minimum or maximum number of directors;
- (m) any other matter that the members consider necessary or important for the business and affairs of SaskCentral.

Bylaws re investment shares

9-4(1) In addition to any other bylaws authorized by this Act or the regulations, the members of SaskCentral may make bylaws to:

- (a) establish classes or series within classes of investment shares;
 - (b) provide for a price, or a formula to determine a price, at which investment shares are to be issued, purchased or redeemed by SaskCentral;
 - (c) change the maximum number of investment shares of any class that SaskCentral is authorized to issue;
 - (d) change the designation of any or all of SaskCentral's investment shares, and add, change or remove any preference, right, privilege, restriction, limitation, prohibition and condition, including rights to accrue dividends with respect to any or all of SaskCentral's investment shares, whether issued or unissued;
 - (e) change the investment shares of any class or series, whether issued or unissued, into a different number of investment shares of the same class or series or into the same or a different number of investment shares of another class or series;
 - (f) divide a class of investment shares, whether issued or unissued, into series and fix the maximum number of investment shares, if any, in each series and the designations, preferences, rights, privileges, restrictions, limitations, prohibitions and conditions attached to those shares;
 - (g) authorize the board to divide any class of unissued investment shares into series and fix the maximum number of investment shares, if any, in each series and the designations, preferences, rights, privileges, restrictions, limitations, prohibitions and conditions attached to those shares; and
 - (h) authorize the board to change the designations, preferences, rights, privileges, restrictions, limitations, prohibitions and conditions attached to unissued investment shares of any series.
- (2) In the case of an amendment to the bylaws made pursuant to clause (1)(a), (c) or (d), the holders of investment shares of a class or, subject to subsection (3), of a series are, unless the bylaws provide otherwise, entitled to vote separately as a class or series on a proposal to amend the bylaws to:
- (a) increase or decrease any maximum number of authorized investment shares of that class, or increase any maximum number of authorized investment shares of a class having designations, preferences, rights, privileges, restrictions, limitations, prohibitions and conditions equal or superior to the investment shares of that class;

- (b) effect an exchange, a reclassification or a cancellation of all or part of the investment shares of that class;
 - (c) add, exchange or remove the designations, preferences, rights, privileges, restrictions, limitations, prohibitions or conditions attached to the investment shares of that class and, without limiting the generality of the foregoing:
 - (i) remove or change prejudicially rights to accrued dividends or rights to cumulative dividends;
 - (ii) add, remove or change prejudicially redemption rights;
 - (iii) reduce or remove a dividend preference or a liquidation preference;
or
 - (iv) add, remove or change prejudicially conversion rights, options, voting, transfer or pre-emptive rights or rights to acquire securities of SaskCentral or sinking fund provisions;
 - (d) increase the designations, preferences, rights, privileges, restrictions, limitations, prohibitions and conditions of any class of investment shares having preferences, rights or privileges equal or superior to the investment shares of that class;
 - (e) create a new class of investment shares equal or superior to the investment shares of that class;
 - (f) make any class of investment shares having designations, preferences, rights, privileges, restrictions, limitations, prohibitions and conditions inferior to the investment shares of that class equal or superior to the investment shares of that class; or
 - (g) effect an exchange or create a right of exchange of all or part of the investment shares of another class into the investment shares of that class.
- (3) The holders of a series of investment shares of a class are entitled to vote separately as a series pursuant to subsection (2) if that series is affected by an addition or amendment to or repeal of the bylaws in a manner different from other investment shares of the same class.

Bylaws to be filed with CUDGC and the registrar

9-5 A copy of any bylaw made pursuant to this Act or the regulations must be filed with CUDGC and the registrar not later than the earlier of:

- (a) 30 days after the making of the bylaw; and
- (b) the effective date of the bylaw.

DIVISION 3
Fundamental Changes

Subdivision 1
Amalgamation

Amalgamation

9-6(1) SaskCentral may enter into an amalgamation agreement to amalgamate with a corporation incorporated, registered or continued pursuant to *The Business Corporations Act*, a credit union, or a cooperative in accordance with this section.

(2) Before taking the steps set out in subsection (3), SaskCentral shall obtain the written approval of the minister.

(3) If SaskCentral enters into an amalgamation agreement pursuant to subsection (1):

(a) the board shall call a special meeting of members of SaskCentral and holders of investment shares to consider the amalgamation and shall send to each member and each holder of investment shares a summary of the amalgamation agreement;

(b) the holders of investment shares or of a class or series of investment shares are entitled to vote separately as a class or series with respect to an amalgamation by SaskCentral pursuant to this section;

(c) the amalgamation agreement is adopted by SaskCentral when the members of SaskCentral and the holders of investment shares approve the amalgamation by a special resolution; and

(d) if so authorized by the members and the holders of investment shares at the time of approving the amalgamation pursuant to this section, the board may abandon the amalgamation without further approval of the members and holders.

(4) If SaskCentral enters into an amalgamation agreement with a corporation incorporated, registered or continued pursuant to *The Business Corporations Act*:

(a) section 176 of *The Business Corporations Act*, other than clause (1)(a) of that section, applies;

(b) the amalgamation agreement shall provide that SaskCentral is the amalgamated corporation for the purposes of this Act.

(5) If SaskCentral enters into an amalgamation agreement with a cooperative:

(a) section 152 of *The Co-operatives Act, 1996*, other than clause (1)(a) of that section, applies; and

(b) the amalgamation agreement shall provide that SaskCentral is the amalgamated corporation for the purposes of this Act.

(6) If SaskCentral enters into an amalgamation agreement with a credit union:

(a) section 304 of *The Credit Union Act, 1998*, other than clause (1)(a) of that section, applies; and

(b) the amalgamation agreement shall provide that SaskCentral is the amalgamated corporation for the purposes of this Act.

- (7) The minister may make an order amalgamating SaskCentral pursuant to this section in accordance with the amalgamation agreement, and on the date mentioned in the order:
- (a) the corporation, cooperative or credit union, as the case may be, is amalgamated with SaskCentral and the amalgamated corporation is continued as SaskCentral pursuant to this Act;
 - (b) *The Business Corporations Act, The Co-operatives Act, 1996 or The Credit Union Act, 1998*, as the case may be, ceases to apply to the corporation, cooperative or credit union that has amalgamated with SaskCentral.
- (8) If an order is made pursuant to subsection (7), SaskCentral shall:
- (a) publish the order in the Gazette as soon as is reasonably practicable after it is made; and
 - (b) file the order with:
 - (i) the registrar; and
 - (ii) the Director of Corporations pursuant to *The Business Corporations Act*, the Registrar of Co-operatives pursuant to *The Co-operatives Act, 1996* or the registrar, as the case may be.
- (9) On the date shown in the order mentioned in subsection (7):
- (a) the amalgamation of the amalgamating corporation, cooperative or credit union, as the case may be, with SaskCentral and their continuance as SaskCentral becomes effective;
 - (b) the property of each amalgamating corporation, cooperative or credit union, as the case may be, continues to be the property of SaskCentral;
 - (c) SaskCentral continues to be liable for the obligations of each amalgamating corporation, cooperative or credit union, as the case may be;
 - (d) an existing cause of action, claim or liability to prosecution is not affected;
 - (e) a civil, criminal or administrative action or proceeding by or against an amalgamating corporation, cooperative or credit union, as the case may be, may continue by or against SaskCentral; and
 - (f) a conviction of, or any ruling, order or judgment in favour of or against, an amalgamating corporation, cooperative or credit union, as the case may be, may be enforced in favour of or against SaskCentral.

Subdivision 2
Transfer of Assets

Transfer of assets

9-7(1) A sale, lease or exchange of all or substantially all of the property of SaskCentral requires the approval of the members of SaskCentral, the holders of investment shares and the minister in accordance with this section.

(2) SaskCentral shall:

(a) send the following to each member of SaskCentral and to each holder of investment shares:

(i) a notice of a special meeting of members of SaskCentral and holders of investment shares:

(ii) a copy or summary of the agreement of sale, lease or exchange, as the case may be; and

(b) describe the rights that the members of SaskCentral and the holders of investment shares may exercise if the member or the holder of investment shares dissents.

(3) Each investment share carries the right to vote with respect to a sale, lease or exchange whether or not it otherwise carries the right to vote.

(4) The agreement of sale, lease or exchange, as the case may be, is approved when the members of SaskCentral and the holders of investment shares voting on the sale, lease or exchange have approved the sale, lease or exchange by a special resolution.

(5) If so authorized by the members of SaskCentral and the holders of investment shares at the time of approving the agreement of sale, lease or exchange pursuant to this section, the board may abandon the sale, lease or exchange without further approval of the members and holders.

(6) Unless the agreement of sale, lease or exchange is abandoned in accordance with subsection (5), within three months after the approval of the agreement of sale, lease or exchange in accordance with subsection (4), SaskCentral shall apply to the minister for approval of the agreement of sale, lease or exchange.

(7) If SaskCentral applies to the minister for approval pursuant to subsection (6), the minister may, by order, approve the agreement of sale, lease or exchange, as the case may be.

(8) An agreement of sale, lease or exchange is of no force or effect until it is approved by the minister.

Subdivision 3
Continuance

Continuance

9-8(1) Subject to subsections (6) and (7), with the prior written approval of the minister and if it is approved by the members of SaskCentral and the holders of investment shares in accordance with this section, SaskCentral may apply to the appropriate official or public body pursuant to another Act or of another jurisdiction requesting that SaskCentral be continued as if it had been incorporated pursuant to that other Act or the laws of that other jurisdiction.

- (2) SaskCentral shall:
 - (a) send a notice of a special meeting of members of SaskCentral and holders of investment shares and a summary of the application for continuance to each member and to each holder of membership shares or investment shares; and
 - (b) describe the rights that the members of SaskCentral and holders of investment shares may exercise if the member or the holder dissents.
- (3) Each investment share carries the right to vote with respect to a continuance whether or not it otherwise carries the right to vote.
- (4) An application for continuance is approved when the members of SaskCentral and holders of investment shares voting on the application have approved the continuance by a special resolution.
- (5) If so authorized by the members of SaskCentral and holders of investment shares at the time of approving an application for continuance pursuant to this section, the board may abandon the application without further approval of the members and holders.
- (6) SaskCentral shall not apply for continuance pursuant to another Act or in another jurisdiction until it establishes to the satisfaction of the registrar that the proposed continuance pursuant to that other Act or in that other jurisdiction will not adversely affect members, security holders, depositors and creditors of SaskCentral or persons entitled to the benefit of any financial services provided by SaskCentral.
- (7) SaskCentral shall not be continued as a body corporate pursuant to another Act or the laws of another jurisdiction unless those laws provide in effect that:
 - (a) the property of SaskCentral continues to be the property of the continued corporation;
 - (b) the continued corporation continues to be liable for the obligations of SaskCentral;
 - (c) an existing cause of action or claim or liability to prosecution is not affected;
 - (d) a civil, criminal or administrative action or proceeding by or against SaskCentral may continue by or against the continued corporation; and
 - (e) a conviction of, or any ruling, order or judgment in favour of or against, SaskCentral may be enforced in favour of or against the continued corporation.
- (8) On receipt of notice satisfactory to the minister that the corporation has been continued pursuant to another Act or the laws of another jurisdiction, the minister may make an order discontinuing SaskCentral pursuant to this Act.
- (9) If an order is made pursuant to subsection (8), the minister shall publish the order in the Gazette as soon as is reasonably practicable after it is made.
- (10) This Act ceases to apply to SaskCentral on the date shown in the order mentioned in subsection (8).

PART X
Ownership

Application of federal Act re ownership

10-1 Part VIII of the federal Act applies for the purposes of this Act.

PART XI
Business and Powers

Business

11-1 Subject to this Act and the regulations, SaskCentral shall not engage in or carry on any business other than the business of:

(a) providing financial services or any business that generally appertains to the business of providing financial services to any of the following:

(i) a member of SaskCentral;

(ii) a person in which SaskCentral has a substantial investment as allowed by Part XII;

(iii) another central credit union;

(iv) a credit union;

(v) a financial cooperative credit union;

(vi) a federal credit union;

(vii) a cooperative corporation;

(viii) an association;

(ix) a person controlled by a person or group of persons described in any of subclauses (i) to (viii);

(b) providing management, investment, administrative, advisory, advocacy, educational, promotional, technical, research and consultative services and related goods to any person mentioned in any of subclauses (a)(i) to (ix) or any person intending to organize or operate a business described in any of subclauses (a)(i) to (ix), in support of the financial services provided or to be provided by that person; and

(c) any additional activities set out in section 11-3.

Financial services

11-2 In the course of providing the financial services mentioned in clause 11-1(a), SaskCentral may carry on related activities, including:

(a) acting as a trustee;

(b) making loans and acquiring investments, securities and evidence of indebtedness;

(c) taking deposits;

(d) providing financing arrangements;

- (e) acting as a financial agent; and
- (f) providing investment counselling services and portfolio management.

Additional activities

11-3 In addition to the business that SaskCentral may engage in pursuant to clauses 11-1(a) and (b), SaskCentral may:

- (a) hold, manage and otherwise deal with real and personal property;
- (b) act as a custodian of property on behalf of any person mentioned in clauses 11-1(a) and (b);
- (c) act as a receiver, liquidator or sequestrator;
- (d) receive money on deposit or otherwise, on any terms as to interest and time and mode of repayment that may be agreed on, from:
 - (i) the Government of Canada, the government of a province, a territory or a municipality in Canada, or any agency of the Government of Canada or of the government of a province, a territory or a municipality in Canada; and
 - (ii) a deposit protection agency;
- (e) make loans to and investments in persons who are not members of SaskCentral;
- (f) subject to this Act and the regulations, make loans to officers and employees of SaskCentral;
- (g) with the prior written approval of the registrar, develop, design, hold, manage, manufacture, sell or otherwise deal with data transmission systems, information sites, communication devices or information platforms or portals that are used:
 - (i) to collect and provide information that is primarily financial or economic in nature;
 - (ii) to collect and provide information that relates to the business of a permitted entity; or
 - (iii) for a prescribed purpose or in prescribed circumstances;
- (h) provide the service to persons listed in subclauses 11-1(a)(i) to (ix) of collecting, processing and transmitting:
 - (i) information that is primarily financial or economic;
 - (ii) information that relates to the business of a permitted entity; or
 - (iii) any other information that the minister may, by order, specify;
- (i) provide services to its affiliates and entities in which it has a substantial investment;

- (j) act as an agent for a person listed in subclauses 11-1(a)(i) to (ix) and any member of a co-operative credit society for the provision of a financial service provided by that person, and the person may enter into an agreement with another person listed in subclauses 11-1(a)(i) to (ix) with respect to that service;
- (k) assist any credit union, federal credit union or financial cooperative credit union in the provision of any insurance service that a credit union, federal credit union or financial cooperative credit union is permitted to provide; and
- (l) provide any other prescribed services in the manner set out in the regulations.

Restriction on business activities – re deposits

11-4 SaskCentral shall not carry on the business of accepting deposits from individuals.

Application of federal Act re business and powers

11-5(1) Subsections 379(1), (2) and (4), sections 380 to 382 and sections 383 to 385 of the federal Act apply for the purposes of this Act.

(2) Paragraph 379(1)(a) of the federal Act does not apply to SaskCentral if:

- (a) the guarantee is given on behalf of one of the following:
 - (i) a member of SaskCentral;
 - (ii) another central credit union;
 - (iii) a prescribed person; and
- (b) the payment guaranteed represents the obligation of the member, other central credit union or prescribed person mentioned in clause (a) to settle for payment items in accordance with the bylaws and rules of one of the following:
 - (i) the Canadian Payments Association;
 - (ii) a prescribed person.

(3) Notwithstanding section 383 of the federal Act, SaskCentral may create a security interest in any of its property to secure an obligation of SaskCentral to:

- (a) a credit union, federal credit union or central credit union of which SaskCentral is a member; or
- (b) any other person if that person is approved by the minister.

PART XII Investments

Application of federal Act re investments

12-1 Part X of the federal Act applies for the purposes of this Act.

SaskCentral's powers re debt obligations and members' shares

12-2 For the purposes of Part X of the federal Act, SaskCentral may make a deposit in or a loan to, invest in the debt obligations of, or purchase members' shares issued by a credit union, federal credit union or a cooperative corporation that is a member of SaskCentral, and the loan, deposit, investment or purchase is deemed not to be a commercial loan.

PART XIII
Prudential Standards

Prudential standards

- 13-1(1)** CUDGC may make prudential standards that apply to SaskCentral.
- (2) A prudential standard comes into force when it has been approved by the registrar as a prudential standard.
- (3) SaskCentral shall comply with the prudential standards.

PART XIV
Capital Adequacy and Liquidity

Adequacy of capital and liquidity

- 14-1(1)** SaskCentral shall, in relation to its operations, maintain:
- (a) adequate capital; and
 - (b) adequate and appropriate forms of liquidity.
- (2) The Lieutenant Governor in Council may make regulations and CUDGC may make prudential standards respecting the maintenance by SaskCentral of adequate capital and adequate and appropriate forms of liquidity.
- (3) CUDGC may make prudential standards respecting the amount of any capital element that may be included in the calculation of the capital of SaskCentral and the deductions that are to be made from the capital elements of SaskCentral in calculating capital.
- (4) SaskCentral shall comply with:
- (a) any prudential standards respecting capital and liquidity; and
 - (b) any regulations respecting capital and liquidity.
- (5) If SaskCentral fails to maintain the capital or liquidity required by this section, in addition to any other action that CUDGC considers necessary, CUDGC may:
- (a) make an order pursuant to section 16-7; or
 - (b) in accordance with Part XVI, take control of:
 - (i) the assets of SaskCentral and the assets held under the administration of SaskCentral; or
 - (ii) SaskCentral.

Directive re capital or liquidity

- 14-2(1)** Notwithstanding that SaskCentral is complying with any prudential standards or any regulations respecting capital and liquidity, CUDGC may, in writing, direct SaskCentral:
- (a) to increase its capital; or
 - (b) to provide additional liquidity in the forms and amounts that CUDGC may require.

- (2) CUDGC may specify the period within which SaskCentral shall comply with a directive made pursuant to subsection (1).
- (3) SaskCentral shall comply with a directive of CUDGC made pursuant to subsection (1) within the period specified in that directive.
- (4) If SaskCentral fails to comply with a directive made pursuant to subsection (1), in addition to any other action that CUDGC considers necessary, CUDGC may:
- (a) make an order pursuant to section 16-7; or
 - (b) in accordance with Part XVI, take control of:
 - (i) the assets of SaskCentral and the assets held under the administration of SaskCentral; or
 - (ii) SaskCentral.

Notice of value of assets

14-3 If an appraisal of any asset held by SaskCentral or any of its subsidiaries has been made by CUDGC and the value determined by CUDGC to be the appropriate value of the asset varies materially from the value placed by SaskCentral or the subsidiary on the asset, CUDGC shall send a written notice of the appropriate value of the asset as determined by CUDGC to the following:

- (a) SaskCentral;
- (b) the auditor of SaskCentral;
- (c) the audit committee of SaskCentral.

**PART XV
Self-dealing**

Application of federal Act re self-dealing

15-1 Sections 409.1 to 430 of the federal Act apply for the purposes of this Act.

**PART XVI
Supervision and Regulation of SaskCentral**

**DIVISION 1
Examinations, Inspections and Investigations**

Agreements

16-1 For the purpose of exercising its powers, fulfilling its responsibilities and carrying out its functions pursuant to this Act and the regulations, with the prior written approval of the registrar, CUDGC may enter into an agreement with any of the following:

- (a) a government;
- (b) a government agency;
- (c) a regulatory authority;
- (d) a person inside or outside Canada.

Required information or material

16-2(1) CUDGC may direct a person to provide CUDGC with any information or material CUDGC reasonably requires for the purposes of this Act and the regulations.

(2) CUDGC may specify the period within which a person shall provide the information or materials directed to be provided pursuant to subsection (1).

Examination and inspection powers

16-3(1) At least once in each year, CUDGC shall make or cause to be made an examination of the business and affairs of SaskCentral.

(2) Notwithstanding section 16-1, CUDGC may appoint any person to carry out any function performed by it pursuant to this section or section 16-5 or to exercise any power conferred on it pursuant to this section or section 16-5 that CUDGC believes may be more conveniently carried out or exercised by that person, and the exercise of any of CUDGC's powers or the carrying out of any of its functions by that person is deemed to be the exercise or the carrying out by CUDGC.

(3) For the purposes of an examination pursuant to this section, CUDGC:

- (a) has the right to access the records and accounts of SaskCentral; and
- (b) may require any agent, trustee or representative or current or former director, officer, employee or auditor of SaskCentral to provide any information that CUDGC may require by serving a written demand on that person.

(4) Subject to subsection 16-5(4), CUDGC may:

- (a) at any reasonable time, enter any place, including the business premises of SaskCentral or any place containing any records or property required to be kept pursuant to this Act or the regulations or related to the administration of this Act or the regulations;
- (b) inspect the place mentioned in clause (a) and examine any record or property found in the place that may be relevant to the administration of this Act or the regulations;
- (c) require SaskCentral and any agent, trustee or representative or current or former director, officer, employee or auditor of SaskCentral to:
 - (i) answer any questions that may be relevant to the inspection or examination; and
 - (ii) provide CUDGC with all reasonable assistance, including using any computer hardware or software or any other data storage, processing or retrieval device or system to produce information;
- (d) make any inquiries of a person mentioned in clause (c);
- (e) require any person mentioned in clause (c) to attend at a place and time set by CUDGC;
- (f) in order to produce information, use any computer hardware or software or any other data storage, processing or retrieval device or system that is used in connection with the business or activities of SaskCentral;

- (g) after giving a receipt, remove for examination and copying anything that may be relevant to the inspection or examination, including removing any computer hardware or software or any other data storage, processing or retrieval device or system in order to produce information;
 - (h) make copies of any record or property examined; and
 - (i) retain any record or property examined that may be relevant to the administration of this Act or the regulations.
- (5) CUDGC may serve a written demand on any person, including an agent, trustee or representative or current or former director, officer, employee or auditor of SaskCentral, requiring that person to produce any records or property required to be kept pursuant to this Act or the regulations or related to the business and affairs of SaskCentral.
- (6) No person on whom a written demand is served pursuant to this section shall fail to produce the records or property mentioned in the written demand within the period and in the manner specified in the written demand.
- (7) No person shall withhold, destroy, alter, conceal or refuse to produce any records or property that CUDGC reasonably requires for the purposes of an inspection or examination pursuant to this section.
- (8) If CUDGC demands any records or property pursuant to this section, CUDGC may examine the records or property and make copies of the records as soon as is reasonably possible and, subject to clause (4)(i), promptly return the originals of the records to the person who produced them.
- (9) If CUDGC requires a person to answer questions, to produce a record or other property or to provide assistance in accordance with this section, the person shall do so in the manner and within the period specified by CUDGC.
- (10) CUDGC shall:
- (a) give a receipt for anything that is removed for examination and copying; and
 - (b) take all reasonable steps to ensure that, if a record is taken, a copy of the record is left at the premises to allow business to be carried on.
- (11) CUDGC may apply, without notice or with any notice that the court may require, to the court for an order directing an investigation to be made of SaskCentral or any of its affiliates.
- (12) In making an order pursuant to subsection (11), the court has all the powers set out in subsection 223(1) of *The Business Corporations Act*, with any necessary modification.
- (13) An inspector appointed in an order made pursuant to subsection (11) shall send a copy of any report made to CUDGC.

Confidentiality

- 16-4(1)** Except as provided in this section or the regulations, CUDGC shall not disclose any information that comes to the knowledge of CUDGC in the exercise of the powers, fulfilling of the responsibilities or carrying out of the functions of CUDGC pursuant to this Act or the regulations.
- (2) Subsection (1) applies, with any necessary modification, to any person acting on behalf of CUDGC.
- (3) Nothing in subsection (1) prevents CUDGC from disclosing any information if:
- (a) CUDGC considers it necessary to exercise its powers, fulfil its responsibilities or carry out its functions pursuant to this Act or the regulations;
 - (b) the information is provided to the registrar or a person appointed by the registrar;
 - (c) the disclosure is required for the purposes of any proceeding before a court of competent jurisdiction; or
 - (d) the information is provided to any other prescribed person in any prescribed circumstances or conditions.
- (4) If CUDGC discloses information pursuant to clause (3)(a), CUDGC may impose any terms and conditions it considers necessary to ensure the confidentiality of the information.
- (5) CUDGC or a person acting on behalf of CUDGC incurs no liability by reason only of making available information as permitted by subsection (3).

Investigation

- 16-5(1)** If a justice or a provincial court judge is satisfied by information on oath or affirmation that there are reasonable grounds to believe that an offence against this Act or the regulations has occurred and that evidence of that offence is likely to be found, the justice or the provincial court judge may issue a warrant to CUDGC to do all or any of the following:
- (a) enter and search any place or premises named in the warrant;
 - (b) stop and search any vehicle described in the warrant;
 - (c) seize and remove from any place, premises or vehicle searched anything that may be evidence of an offence against this Act or the regulations;
 - (d) carry out any other activities mentioned in subsection (2).
- (2) With a warrant issued pursuant to subsection (1), CUDGC and any person appointed by it may:
- (a) enter at any time and search any place or premises named in the warrant;
 - (b) stop and search any vehicle described in the warrant;
 - (c) open and examine the contents within any trunk, box, bag, parcel, closet, cupboard or other receptacle that CUDGC or any person appointed by it finds in the place, premises or vehicle;
 - (d) require the production of and examine any records or property that CUDGC or any person appointed by it believes, on reasonable grounds, may contain information related to an offence against this Act or the regulations;

- (e) remove, for the purpose of making copies, any records examined pursuant to this section; and
 - (f) seize and remove from any place, premises or vehicle searched anything that may be evidence of an offence against this Act or the regulations.
- (3) Subject to subsection (4), CUDGC or any person appointed by it may exercise all or any of the powers mentioned in subsection (2) without a warrant issued pursuant to subsection (1) if:
- (a) the conditions for obtaining a warrant exist; and
 - (b) CUDGC or any person appointed by it has reasonable grounds to believe that the delay necessary to obtain a warrant would result:
 - (i) in danger to human life or safety; or
 - (ii) in the loss, removal or destruction of evidence.
- (4) CUDGC or any person appointed by it shall not enter a private dwelling without a warrant issued pursuant to this section unless the occupant of the dwelling consents to the entry.

DIVISION 2 Compliance

Prudential agreement

16-6(1) In addition to any other action that CUDGC considers necessary, CUDGC may enter into an agreement, called a “prudential agreement”, with SaskCentral for the purposes of implementing any measure designed to improve the safety and soundness of SaskCentral.

(2) CUDGC shall provide a copy of any prudential agreement entered into pursuant to subsection (1) to the registrar.

Power of CUDGC to order compliance

16-7(1) In addition to any other action that CUDGC considers necessary, CUDGC may make an order pursuant to subsection (2) if in the opinion of CUDGC any of the following circumstances exists:

- (a) SaskCentral is not complying with:
 - (i) this Act or the regulations;
 - (ii) a prudential agreement entered into pursuant to section 16-6;
 - (iii) a prudential standard; or
 - (iv) an order made pursuant to this Act;
- (b) SaskCentral is committing, or is about to commit, an act that is an unsafe or unsound practice in conducting the business and affairs of SaskCentral, or is pursuing or is about to pursue any course of conduct that is an unsafe or unsound practice in conducting the business and affairs of SaskCentral;

- (c) any other state of affairs exists with respect to SaskCentral that is or may become materially prejudicial to the interests of:
 - (i) the members, security holders, depositors or creditors of SaskCentral;
 - (ii) persons entitled to the benefit of any financial services provided by SaskCentral; or
 - (iii) the owners of any assets under SaskCentral's administration;
 - (d) any prescribed circumstances.
- (2) In a circumstance mentioned in subsection (1), CUDGC may order SaskCentral to do all or any of the following:
- (a) to cease doing an act or to cease failing or neglecting to do an act;
 - (b) to comply with this Act, the regulations, any prudential agreement, any prudential standard or any order made pursuant to this Act;
 - (c) to do or refrain from doing any other thing that CUDGC considers necessary.
- (3) CUDGC shall not make an order pursuant to this section without giving SaskCentral an opportunity to be heard.
- (4) Notwithstanding subsection (3), if CUDGC considers that it is necessary to act to protect the interests of any of the persons mentioned in subclauses (1)(c)(i), (ii) and (iii), it may immediately make an order pursuant to this section without giving SaskCentral an opportunity to be heard, but shall give SaskCentral an opportunity to be heard within 15 days after the date on which CUDGC made the order.

Power of court to order compliance

- 16-8(1)** This section applies if, in the opinion of CUDGC, one of the following circumstances exists:
- (a) SaskCentral is not complying with this Act or the regulations;
 - (b) SaskCentral is not complying with a prudential agreement entered into pursuant to section 16-6;
 - (c) SaskCentral is not complying with a prudential standard;
 - (d) SaskCentral is not complying with an order made pursuant to this Act.
- (2) In a circumstance mentioned in subsection (1), in addition to any other action that CUDGC considers necessary, CUDGC may apply to the court for all or any of the following:
- (a) an order directing SaskCentral to comply with the order made pursuant to section 16-7 or restraining SaskCentral from contravening the order made pursuant to section 16-7;
 - (b) any other order, relief or remedy that CUDGC may request.
- (3) On an application pursuant to subsection (2), the court may grant the order requested and may make any other order that the court considers appropriate.

DIVISION 3
Regulatory Intervention

Disqualification of directors or senior officers

16-9(1) In this section and section 16-10, “**senior officer**” means the chief executive officer, secretary, treasurer or controller of SaskCentral or any other officer reporting directly to SaskCentral’s board or chief executive officer.

(2) This section applies only if SaskCentral:

(a) has been notified by CUDGC that this section applies to SaskCentral by reason of SaskCentral being subject to measures that are:

- (i) designed to maintain or improve its safety and soundness; and
- (ii) contained in a prudential agreement entered into pursuant to section 16-6; or

(b) is the subject of an order made pursuant to section 16-7.

(3) SaskCentral shall provide CUDGC with the name, and any other information that CUDGC may require about the background, business record and experience, of:

- (a) each person who has been nominated for election or appointment as a member of the board; and
- (b) each person who has been selected by SaskCentral for appointment as a senior officer.

(4) SaskCentral shall provide the information required pursuant to subsection (3) to CUDGC:

- (a) at least 30 days before the date or proposed date of the election or appointment; or
- (b) within any shorter period that CUDGC may specify.

(5) If CUDGC is of the opinion that, on the basis of the competence, business record, experience, conduct or character of a person, he or she is not suitable to hold that position, in addition to any other action that CUDGC considers necessary, CUDGC may, by order, disqualify the person from being elected or appointed as a director of SaskCentral or from being appointed as a senior officer.

(6) In forming an opinion pursuant to subsection (5), CUDGC shall consider whether the interests of the members, security holders, depositors and creditors of SaskCentral or of persons entitled to the benefit of any financial services provided by SaskCentral would likely be prejudiced if the person were to take office.

(7) CUDGC shall, in writing, notify the person concerned and SaskCentral of any action that CUDGC proposes to take pursuant to subsection (5) and shall give that person and SaskCentral an opportunity within 15 days after the date of the notice, or within any longer period that CUDGC allows, to make written representations to CUDGC in relation to the matter.

(8) If an order has been made pursuant to subsection (5) disqualifying a person from being elected or appointed to a position, the person shall not be, and SaskCentral shall not permit the person to be, elected or appointed to the position.

Removal of directors or senior officers

16-10(1) In addition to any other action that CUDGC considers necessary, CUDGC may, by order, remove a person from office as a director or senior officer of SaskCentral if CUDGC is of the opinion that the person is not suitable to hold that office:

- (a) on the basis of the competence, business record, experience, conduct or character of the person; or
- (b) because the person has contravened or, by action or negligence, has contributed to the contravention by SaskCentral of:
 - (i) this Act or the regulations;
 - (ii) a prudential agreement entered into pursuant to section 16-6;
 - (iii) a prudential standard; or
 - (iv) an order made pursuant to this Act.

(2) In forming an opinion pursuant to subsection (1), CUDGC shall consider whether the interests of the members, security holders, depositors and creditors of SaskCentral or of persons entitled to the benefit of any financial services provided by SaskCentral have been or are likely to be prejudiced by the person's holding office as a director or senior officer.

(3) CUDGC shall, in writing, notify the person concerned and SaskCentral of any removal order that CUDGC proposes to make pursuant to subsection (1) and shall give that person and SaskCentral an opportunity within 15 days after the date of the notice, or within any longer period that CUDGC allows, to make written representations to CUDGC in relation to the matter.

(4) If CUDGC is of the opinion that the interests of the members, security holders, depositors and creditors of SaskCentral or of persons entitled to the benefit of any financial services provided by SaskCentral would likely be prejudiced by the director or senior officer continuing to exercise the powers or carry out the duties and functions of that office during the period for making representations, CUDGC may make an order suspending the director or senior officer.

(5) A suspension order made pursuant to subsection (4) must not extend beyond 10 days after the expiration of the period for making representations.

(6) CUDGC shall, without unreasonable delay, in writing, notify the director or senior officer, as the case may be, and SaskCentral of a removal order or suspension order.

(7) The director or senior officer, as the case may be, ceases to hold that office as of the date on which the removal order pursuant to subsection (1) is made or any later date specified in the order.

(8) Within 30 days after the date of receipt of notice of a removal order given pursuant to subsection (6), or within any longer period that the court allows, the director or senior officer or SaskCentral may appeal the order to the court.

(9) In the case of an appeal pursuant to subsection (8), the court may dismiss the appeal or set aside the removal order.

(10) A removal order is not stayed by an appeal.

When CUDGC may take control

16-11(1) Subject to this Act and the regulations, if any of the circumstances described in subsection (2) exists with respect to SaskCentral, in addition to any other action that CUDGC considers necessary, CUDGC may, by order:

- (a) take control, for a period not exceeding 16 days, of the assets of SaskCentral and the assets held under the administration of SaskCentral;
- (b) unless the registrar advises CUDGC that the registrar is of the opinion that it is not in the public interest to do so:
 - (i) take control, for a period exceeding 16 days, of the assets of SaskCentral and the assets held under the administration of SaskCentral; or
 - (ii) if control of assets has been taken pursuant to clause (a), continue the control beyond the 16 days mentioned in that clause; or
- (c) take control of SaskCentral, unless the registrar advises CUDGC that the registrar is of the opinion that it is not in the public interest to do so.

(2) Control by CUDGC pursuant to subsection (1) may be taken with respect to SaskCentral if:

- (a) SaskCentral has failed to pay its liabilities or, in the opinion of CUDGC, will not be able to pay its liabilities as they become due and payable;
- (b) the assets of SaskCentral are not, in the opinion of CUDGC, sufficient to give adequate protection to its members, security holders, depositors and creditors or to persons entitled to the benefit of any financial services provided by SaskCentral;
- (c) any asset appearing on the records of SaskCentral or held under the administration of SaskCentral is not, in the opinion of CUDGC, satisfactorily accounted for;
- (d) SaskCentral has not complied with a prudential standard and, after written notice from CUDGC and after having been given an opportunity to be heard, SaskCentral continues in default of the prudential standard;
- (e) SaskCentral has breached a prudential agreement and, after written notice from CUDGC and after having been given an opportunity to be heard, SaskCentral continues in breach of the prudential agreement;
- (f) SaskCentral is unable to meet its obligations, or in the opinion of CUDGC, will not be able to meet its obligations with respect to the settling of payment items for persons for whom it provides the service of settling payment items;
- (g) the regulatory capital of SaskCentral has, in the opinion of CUDGC, reached a level or is eroding in a manner that may detrimentally affect its members, security holders, depositors and creditors or persons entitled to the benefit of any financial services provided by SaskCentral;
- (h) SaskCentral has failed to comply with:
 - (i) an order of CUDGC made pursuant to section 16-7;
 - (ii) an order of the court made pursuant to section 16-8; or

- (i) in the opinion of CUDGC, any other state of affairs exists with respect to SaskCentral that is or may become materially prejudicial to the interests of:
 - (i) the members, security holders, depositors or creditors of SaskCentral;
 - (ii) persons entitled to the benefit of any financial services provided by SaskCentral; or
 - (iii) the owners of any assets under SaskCentral's administration;
- (j) any prescribed circumstances exist.

Notice of proposed action and powers on taking control

16-12(1) CUDGC shall:

- (a) in writing notify SaskCentral:
 - (i) of any action proposed to be taken with respect to it pursuant to clauses 16-11(1)(b) and (c); and
 - (ii) of its opportunity to be heard; and
 - (b) give SaskCentral an opportunity to be heard within the period specified in the notice mentioned in clause (a), not exceeding 10 days after it receives the notice.
- (2) If, pursuant to subsection 16-11(1), CUDGC has control of the assets of SaskCentral mentioned in that section, CUDGC may do all things necessary or expedient to protect the rights and interests of:
- (a) the members, security holders, depositors or creditors of SaskCentral;
 - (b) persons entitled to the benefit of any financial services provided by SaskCentral; or
 - (c) the owners of assets under SaskCentral's administration.
- (3) If, pursuant to subsection 16-11(1), CUDGC has control of the assets of SaskCentral mentioned in that section:
- (a) SaskCentral shall not make, acquire or transfer any loan or make any purchase, sale or exchange of membership shares or securities or any disbursement or transfer of cash of any kind without the prior written approval of CUDGC or a representative designated by CUDGC; and
 - (b) no director, officer or employee of SaskCentral shall have access to any cash or securities held by or under the administration of SaskCentral unless:
 - (i) a representative of CUDGC accompanies the director, officer or employee; or
 - (ii) the access is previously authorized by CUDGC or CUDGC's representative.
- (4) Notwithstanding subsection (1), if CUDGC considers that it is necessary to protect the interests of any of the persons mentioned in subsection (2), it may immediately make an order pursuant to clause 16-11(1)(c) without giving SaskCentral an opportunity to be heard, but shall give SaskCentral an opportunity to be heard within 15 days after the date on which CUDGC made the order.

Powers of directors and officers suspended

16-13(1) If CUDGC takes control of SaskCentral pursuant to clause 16-11(1)(c), the powers, duties, functions, rights and privileges of the directors of SaskCentral and of the officers of SaskCentral responsible for its management are suspended.

(2) If CUDGC takes control of SaskCentral pursuant to clause 16-11(1)(c), CUDGC shall manage the business and affairs of SaskCentral, and in so doing CUDGC may:

(a) perform any of the duties and functions that the persons mentioned in subsection (1) were performing before the taking of control; and

(b) exercise any power, right or privilege that any person mentioned in subsection (1) had or could have exercised before the taking of control.

(3) If CUDGC takes control of SaskCentral pursuant to clause 16-11(1)(c), CUDGC may appoint one or more persons to assist in the management of SaskCentral.

(4) Subject to the regulations, if CUDGC provides financial assistance to SaskCentral, the amount of the financial assistance constitutes a claim of CUDGC against the assets of SaskCentral, except deposits, that ranks prior to all other claims against those assets.

Expiration of control

16-14(1) Control by CUDGC of SaskCentral or of the assets of SaskCentral and the assets held under the administration of SaskCentral pursuant to subsection 16-11(1) expires on the date on which CUDGC, by order, states that CUDGC is of the opinion that the circumstances leading to the taking of control by CUDGC have been substantially rectified and that SaskCentral can resume control of its business and affairs.

(2) CUDGC shall serve a copy of an order made pursuant to subsection (1) on the directors and officers who conduct the business and affairs of SaskCentral as soon as is reasonably practicable after the written order is made.

(3) If CUDGC has taken control of SaskCentral pursuant to clause 16-11(1)(c) and the control expires pursuant to subsection (1), CUDGC may direct that SaskCentral is liable for repayment of all or part of the expenses resulting from the taking of control of SaskCentral, together with any interest at the rate that is specified by CUDGC with respect to those expenses.

Powers of CUDGC while holding control

16-15(1) Subject to subsection (3), this section applies if:

(a) CUDGC has taken control:

(i) of SaskCentral; or

(ii) of the assets of SaskCentral and the assets held under the administration of SaskCentral; and

(b) CUDGC is of the opinion that the circumstances leading to the taking of control mentioned in subclause (a)(i) or (ii) have not been or are not likely to be substantially rectified and SaskCentral cannot resume control of its business and affairs.

- (2) In the circumstances mentioned in subsection (1), in addition to any other action that CUDGC considers necessary, CUDGC may:
- (a) restructure SaskCentral in accordance with subsection (4);
 - (b) liquidate and dissolve SaskCentral in accordance with subsection (5); or
 - (c) take the action mentioned in subsection (7).
- (3) Before taking any steps to restructure or liquidate and dissolve SaskCentral pursuant to subsection (2), CUDGC shall:
- (a) give SaskCentral written notice of its intention; and
 - (b) after having given SaskCentral an opportunity to be heard, obtain the written approval of the minister, which may be made on any terms and conditions that the minister may impose.
- (4) CUDGC may require SaskCentral to be restructured pursuant to subsection (2) by causing it to:
- (a) increase or decrease any maximum number of authorized investment shares of any class, or increase any maximum number of authorized investment shares of another class having rights or privileges equal or superior to the investment shares of that class;
 - (b) effect an exchange, reclassification or cancellation of all or part of the investment shares of any class;
 - (c) add, change or remove the preferences, rights, privileges, restrictions, limitations, prohibitions or conditions attached to the investment shares of any class, including:
 - (i) removing or changing prejudicially rights to accrued dividends or rights to cumulative dividends;
 - (ii) adding, removing or changing prejudicially redemption rights;
 - (iii) reducing or removing a dividend preference or a liquidation preference; or
 - (iv) adding, removing or changing prejudicially conversion privileges, options, voting, transfer or pre-emptive rights or rights to acquire securities of a credit union or sinking fund provisions;
 - (d) increase the rights or privileges of any class or series of investment shares having rights or privileges equal or superior to the investment shares of another class;
 - (e) create a new class of investment shares equal or superior to the investment shares of another class;
 - (f) make any class of investment shares having rights or privileges inferior to the investment shares of any class equal or superior to the investment shares of another class;

- (g) effect an exchange or create a right of exchange of all or part of the investment shares of another class into the investment shares of any class;
 - (h) constrain the issue, transfer or ownership of the investment shares of any class or change or remove a constraint;
 - (i) reduce its stated capital;
 - (j) sell, lease or exchange all or substantially all of the property of SaskCentral;
 - (k) amalgamate with another corporation incorporated, registered or continued pursuant to *The Business Corporations Act*, credit union or cooperative that is willing to amalgamate;
 - (l) be continued pursuant to another Act or in another jurisdiction; or
 - (m) take any prescribed action.
- (5) CUDGC may liquidate and dissolve SaskCentral pursuant to clause (2)(b), and, if it makes a decision to do so:
- (a) CUDGC shall apply to the court for an order liquidating and dissolving SaskCentral;
 - (b) CUDGC shall give notice to the registrar of CUDGC's application;
 - (c) on an application pursuant to this subsection, the court:
 - (i) may order that SaskCentral be liquidated and dissolved; and
 - (ii) has all of the powers mentioned in section 16-17;
 - (d) CUDGC may act as the liquidator of SaskCentral;
 - (e) if an order is made pursuant to subclause (c)(i), CUDGC shall publish the order in the Gazette as soon as is reasonably practicable;
 - (f) on completion of the liquidation of SaskCentral, CUDGC may request the minister to make an order dissolving SaskCentral;
 - (g) if the minister is of the opinion that CUDGC has caused SaskCentral to discharge all of its liabilities and distribute all of its assets, the minister may make an order dissolving SaskCentral; and
 - (h) SaskCentral ceases to exist on the date shown in the order made pursuant to clause (g).
- (6) Notwithstanding any other provision of this Act or the regulations, if CUDGC restructures or liquidates and dissolves SaskCentral pursuant to subsection (2):
- (a) CUDGC may exercise any of the powers and rights of the members of SaskCentral, the holders of investment shares and the board; and
 - (b) the members of SaskCentral, the holders of investment shares and the board are not entitled to exercise any of the powers and may not exercise any of the rights pursuant to this Act in connection with any action taken by CUDGC pursuant to subsection (2).

(7) In connection with the restructuring or the liquidation and dissolution of SaskCentral pursuant to subsection (2), if CUDGC is of the opinion that circumstances exist that make the *Companies' Creditors Arrangement Act* (Canada) applicable to SaskCentral:

- (a) CUDGC shall prepare a proposal for compromise or arrangement pursuant to the *Companies' Creditors Arrangement Act* (Canada) with respect to the business and affairs of SaskCentral;
- (b) CUDGC may, on behalf of SaskCentral, apply to the court pursuant to the *Companies' Creditors Arrangement Act* (Canada) to implement the proposal mentioned in clause (a);
- (c) CUDGC has the authority to cause SaskCentral to comply with any order of the court made with respect to a proposal made pursuant to clause (a).

DIVISION 4 Voluntary Liquidation and Dissolution

Voluntary liquidation and dissolution

16-16(1) Subject to subsection (2), the board may propose the voluntary liquidation and dissolution of SaskCentral.

- (2) No proceedings may be taken to liquidate and dissolve SaskCentral if SaskCentral is insolvent within the meaning of the *Bankruptcy Act* (Canada).
- (3) The board shall not take any steps to liquidate and dissolve SaskCentral until:
 - (a) the members of SaskCentral and the holders of investment shares have approved the proposal by special resolution;
 - (b) written notice of the special resolution has been given to the registrar; and
 - (c) the minister has approved the liquidation and dissolution.
- (4) The minister may, by order, approve the liquidation and dissolution of SaskCentral in accordance with the special resolution on any terms and conditions that the minister may set out in the order.
- (5) On the making of an order pursuant to subsection (4), SaskCentral shall cease to carry on business except to the extent necessary for the liquidation, but its corporate existence continues until the minister makes an order dissolving SaskCentral.
- (6) After an order is made pursuant to subsection (4), SaskCentral shall:
 - (a) immediately cause written notice of the order to be sent to each known creditor of SaskCentral;
 - (b) immediately publish the order in the Gazette;
 - (c) proceed to:
 - (i) collect its property;
 - (ii) dispose of properties that are not to be distributed in kind to its members or to holders of investment shares;

- (iii) discharge all its liabilities; and
 - (iv) do all other acts required to liquidate its business; and
 - (d) after giving the notice required pursuant to clauses (a) and (b) and adequately providing for the payment or discharge of all its liabilities, distribute its remaining property, either in money or in kind, among its members and holders of investment shares according to their respective rights.
- (7) The registrar or any interested person may, at any time during the liquidation of SaskCentral, apply to the court for an order that the liquidation be continued under the supervision of the court as provided in section 16-17, and on that application the court may:
- (a) make the order applied for; and
 - (b) make any other order it considers appropriate.
- (8) On completion of the liquidation of SaskCentral, the board may request the minister to make an order dissolving SaskCentral.
- (9) If the minister is of the opinion that SaskCentral has complied with subsection (6) and has discharged all of its liabilities and has distributed all of its assets, the minister may make an order dissolving SaskCentral.
- (10) If an order is made pursuant to section (9), the minister shall publish the order in the Gazette as soon as is reasonably practicable.
- (11) SaskCentral ceases to exist on the date shown in the order made pursuant to subsection (9).

Powers of court

16-17 In connection with the liquidation and dissolution of SaskCentral, the court may, if it is satisfied that SaskCentral is able to pay or adequately provide for the discharge of all its liabilities, make any order it considers appropriate, including the following:

- (a) an order to liquidate;
- (b) an order appointing a liquidator, with or without security, fixing the remuneration of the liquidator and replacing a liquidator;
- (c) an order:
 - (i) appointing or replacing an inspector or referee;
 - (ii) specifying the powers of inspectors or referees; and
 - (iii) fixing the remuneration of inspectors or referees;
- (d) an order determining the notice to be given to any interested person, or dispensing with notice to any person;
- (e) an order determining the validity of any claims made against SaskCentral;

- (f) an order, at any stage of the proceedings, restraining the directors and officers from:
 - (i) exercising any of their powers; or
 - (ii) collecting or receiving any debt or other property of SaskCentral, and from paying out or transferring any property of SaskCentral, except as permitted by the court;
- (g) an order determining and enforcing the duty or liability of any present or former director, officer, member of SaskCentral or holder of investment shares:
 - (i) to SaskCentral; or
 - (ii) for a liability of SaskCentral;
- (h) an order approving the payment, satisfaction or compromise of claims against SaskCentral and the retention of assets for that purpose, and determining the adequacy of provisions for the payment or discharge of liabilities of SaskCentral, whether liquidated, unliquidated, future or contingent;
- (i) an order disposing of or destroying the documents and records of SaskCentral;
- (j) on the application of a creditor, an inspector or a liquidator, an order giving directions on any matter arising in the liquidation;
- (k) after notice has been given to all interested parties, an order relieving a liquidator from any omission or default on those terms that the court considers appropriate and confirming any act of the liquidator;
- (l) an order approving any proposed interim or final distribution to members of SaskCentral or holders of investment shares in money or in property;
- (m) an order disposing of any property belonging to creditors, members of SaskCentral or holders of investment shares who cannot be found.

Continuation of actions or proceedings

16-18(1) Notwithstanding the dissolution of SaskCentral pursuant to this Act:

- (a) a civil, criminal or administrative action or proceeding by or against SaskCentral may continue as if SaskCentral had not been dissolved;
 - (b) subject to *The Limitations Act*, a civil, criminal or administrative action or proceeding may be brought against SaskCentral within two years after its dissolution as if SaskCentral had not been dissolved; and
 - (c) any property that would have been available to satisfy any judgment or order if SaskCentral had not been dissolved remains available for that purpose.
- (2) Notwithstanding the dissolution of SaskCentral, a member of SaskCentral or a holder of investment shares to whom any of its property has been distributed is liable to any person claiming pursuant to subsection (1) to the extent of the amount received by that member or holder on that distribution and, subject to *The Limitations Act*, an action to enforce that liability may be brought within two years after the date of the dissolution of SaskCentral.

Property of creditors, members or holders of investment shares who cannot be found

16-19(1) On the dissolution of SaskCentral, the portion of the property distributable to a creditor, member of SaskCentral or holder of investment shares who cannot be found shall be converted into money and paid to the Minister of Finance.

(2) A payment pursuant to subsection (1) is deemed to be in satisfaction of a debt or claim of the creditor, member or holder mentioned in subsection (1).

(3) If a person establishes that the person is entitled to any moneys paid to the Minister of Finance pursuant to this section, the Minister of Finance shall pay an equivalent amount to that person out of the general revenue fund.

PART XVII
Registrar's Powers

Agreements

17-1(1) Subject to the approval of the Lieutenant Governor in Council, the registrar may make agreements for the purposes set out in subsection (2) with any or all of the following:

- (a) CUDGC;
- (b) a government;
- (c) a government agency;
- (d) a regulatory authority;
- (e) a person inside or outside Canada.

(2) An agreement mentioned in subsection (1) may be made for the following purposes:

- (a) for the purpose of administering:
 - (i) this Act and the regulations;
 - (ii) any Act or law of another jurisdiction that is similar to this Act, including agreements authorizing the registrar to fulfil responsibilities and carry out functions on behalf of the other government, government agency, regulatory authority or person and authorizing the other government, government agency, regulatory authority or person to fulfil responsibilities and carry out functions on behalf of the registrar;
- (b) for any other purpose that the registrar is satisfied is in the public interest.

Required information or material

17-2(1) The registrar may direct a person to provide the registrar with any information or material the registrar reasonably requires for the purposes of this Act and the regulations.

(2) The registrar may specify the period within which a person shall provide the information or materials directed to be provided pursuant to subsection (1).

Registrars examination and inspection powers

17-3(1) The registrar may make or cause to be made:

- (a) an examination of the business of CUDGC; and
 - (b) with respect to the examination of the business of CUDGC, an examination of the business and affairs of SaskCentral.
- (2) Notwithstanding section 17-1, the registrar may appoint any person to carry out any function performed by the registrar pursuant to this section or to exercise any power conferred on the registrar pursuant to this section that the registrar believes may be more conveniently carried out or exercised by that person, and the exercise of any of the registrar's powers or the carrying out of any of the registrar's functions by that person is deemed to be the exercise or the carrying out by the registrar.
- (3) For the purposes of an examination pursuant to this section, the registrar:
- (a) has the right to access the records and accounts of SaskCentral and CUDGC; and
 - (b) may require any agent, trustee or representative or current or former director, officer, employee or auditor of SaskCentral or CUDGC, as the case may be, to provide any information that the registrar may require by serving a written demand on that person.
- (4) Subject to subsection (11), the registrar may:
- (a) at any reasonable time, enter any place, including the business premises of SaskCentral and CUDGC or any place containing any records or property required to be kept pursuant to this Act or the regulations or related to the administration of this Act or the regulations;
 - (b) inspect the place mentioned in clause (a) and examine any record or property found in the place that may be relevant to the administration of this Act or the regulations;
 - (c) require SaskCentral or CUDGC, as the case may be, and any agent, trustee or representative or current or former director, officer, employee or auditor of SaskCentral or CUDGC, as the case may be, to:
 - (i) answer any questions that may be relevant to the inspection or examination; and
 - (ii) provide the registrar with all reasonable assistance, including using any computer hardware or software or any other data storage, processing or retrieval device or system to produce information;
 - (d) make any inquiries of a person mentioned in clause (c);
 - (e) require any person mentioned in clause (c) to attend at a place and time set by the registrar;
 - (f) in order to produce information, use any computer hardware or software or any other data storage, processing or retrieval device or system that is used in connection with the business and affairs of SaskCentral or the business of CUDGC, as the case may be;

- (g) after giving a receipt, remove for examination and copying anything that may be relevant to the inspection or examination, including removing any computer hardware or software or any other data storage, processing or retrieval device or system in order to produce information;
 - (h) make copies of any record or property examined; and
 - (i) retain any record or property examined that may be relevant to the administration of this Act or the regulations.
- (5) The registrar may serve a written demand on any person, including an agent, trustee or representative or current or former director, officer, employee or auditor of SaskCentral or CUDGC, as the case may be, requiring that person to produce any records or property required to be kept pursuant to this Act or the regulations or related to the business and affairs of SaskCentral or the business of CUDGC, as the case may be.
- (6) No person on whom a written demand is served pursuant to this section shall fail to produce the records or property mentioned in the written demand within the period and in the manner specified in the written demand.
- (7) No person shall withhold, destroy, alter, conceal or refuse to produce any records or property that the registrar reasonably requires for the purposes of an inspection or examination pursuant to this section.
- (8) If the registrar demands any records or property pursuant to this section, the registrar may examine the records or property and make copies of the records as soon as is reasonably possible and, subject to clause (4)(i), promptly return the originals of the records to the person who produced them.
- (9) If the registrar requires a person to answer questions, to produce a record or other property or to provide assistance in accordance with this section, the person shall do so in the manner and within the period specified by the registrar.
- (10) The registrar shall:
- (a) give a receipt for anything that is removed for examination and copying; and
 - (b) take all reasonable steps to ensure that, if a record is taken, a copy of the record is left at the premises to allow business to be carried on.
- (11) The registrar or any person appointed by the registrar shall not enter a private dwelling without a warrant unless the occupant of the dwelling consents to the entry.

Restrictions on access to information of the registrar

17-4(1) Notwithstanding *The Freedom of Information and Protection of Privacy Act*, any information submitted or provided to the registrar or obtained by the registrar as a result of an inspection or examination pursuant to this Act is not open to inspection or available for access except by:

- (a) those members of the public service of Saskatchewan employed in the office of the registrar whose responsibilities require them to inspect or allow them to have access to the information; and
- (b) those persons who are authorized in writing by the registrar to inspect or to have access to the information.

(2) Unless authorized by this Act or by any other law or with the consent of the person to whom any information relates, no member of the public service of Saskatchewan employed in the office of the registrar and no person authorized by the registrar to inspect or have access to the information shall:

- (a) disclose or allow to be communicated any information obtained pursuant to this Act to any person who is not legally entitled to the information; or
- (b) allow any person who is not legally entitled to the information obtained pursuant to this Act to inspect or have access to it.

(3) Notwithstanding subsections (1) and (2), the registrar may authorize the release of, inspection of or access to the information mentioned in those subsections to or by any person employed by a government, regulatory authority, law enforcement agency or investigative body inside or outside Canada if:

- (a) the information will be used solely for the purpose of administering or enforcing an Act or law of Saskatchewan or Canada or of another jurisdiction inside or outside Canada; or
- (b) in the opinion of the registrar, it is in the public interest to allow the release, inspection or access.

(4) No person to whom information is provided pursuant to this section is compellable to give evidence concerning that information unless:

- (a) the person to whom the information relates consents; or
- (b) a court of competent jurisdiction orders the evidence to be given.

(5) On an application for an order pursuant to clause (4)(b):

- (a) the registrar and the person to whom the information relates are entitled to appear before the court mentioned in clause (4)(b) and to make submissions; and
- (b) the person seeking the order compelling the evidence has the onus of showing why it is in the public interest that the order be made.

Power of registrar to order compliance

17-5(1) The registrar may make an order to CUDGC pursuant to subsection (2) if the registrar is of the opinion that it is in the public interest or that any of the following circumstances exists:

- (a) CUDGC is not complying with or acting in accordance with this Act or the regulations;
- (b) CUDGC's activities or failure or neglect to undertake any activity will result in CUDGC not complying with this Act or the regulations;
- (c) any other state of affairs exists with respect to SaskCentral that is or may become materially prejudicial to the interests of:
 - (i) the members, security holders, depositors or creditors of SaskCentral;

- (ii) persons entitled to the benefit of any financial services provided by SaskCentral; or
 - (iii) the owners of any assets under SaskCentral's administration;
 - (d) any prescribed circumstances.
- (2) In the circumstances mentioned in subsection (1), the registrar may order CUDGC to do all or any of the following:
- (a) to cease doing an act or to cease failing or neglecting to do an act;
 - (b) to comply with this Act, the regulations or any order of the registrar;
 - (c) to do or refrain from doing any other thing that the registrar considers necessary.
- (3) The registrar shall not make an order pursuant to subsection (2) without giving CUDGC an opportunity to be heard.
- (4) Notwithstanding subsection (3), if the registrar considers that it is necessary to protect the public interest, the registrar may immediately make an order pursuant to this section without giving CUDGC an opportunity to be heard, but shall give CUDGC an opportunity to be heard within 15 days after the date on which the registrar made the order.
- (5) If the registrar has made an order pursuant to subsection (2) and the registrar is of the opinion that CUDGC has failed to comply with that order, the registrar:
- (a) may act in place of CUDGC to perform the responsibilities imposed on CUDGC in the order; and
 - (b) shall immediately provide written notice to SaskCentral that it is acting in place of CUDGC pursuant to clause (a).

Power of court to order compliance

17-6(1) If the registrar is of the opinion that CUDGC has failed to comply with an order made pursuant to section 17-5, the registrar may apply to the court for all or any of the following:

- (a) an order directing CUDGC to comply with the order made pursuant to section 17-5 or restraining CUDGC from contravening the order made pursuant to section 17-5; or
 - (b) any other order, relief or remedy that the registrar may request.
- (2) On an application pursuant to subsection (1), the court may grant the order requested and may make any other order that the court considers appropriate.

Registrar to exercise powers of CUDGC

17-7 If the registrar acts in place of CUDGC pursuant to subsection 17-5(5) or pursuant to an order made pursuant to section 17-6:

- (a) the registrar may exercise any or all of the powers, fulfil any or all of the responsibilities or carry out any or all of the functions given to CUDGC pursuant to this Act and the regulations to the extent necessary to perform the responsibilities imposed on CUDGC in the order;

- (b) the registrar shall:
 - (i) notify SaskCentral as soon as is reasonably practicable that it is exercising any or all of the powers, fulfilling any or all of the responsibilities and carrying out any or all of the functions of CUDGC pursuant to this Act and the regulations; and
 - (ii) specify the powers that it is exercising, responsibilities that it is fulfilling and functions that it is carrying out pursuant to this Act and the regulations; and
- (c) while the registrar is acting pursuant to this section, CUDGC shall not exercise any power, fulfil any responsibility or carry out any function that would be inconsistent with the powers being exercised, responsibilities being fulfilled or functions being carried out by the registrar.

Temporary suspension of functions of CUDGC

17-8(1) Notwithstanding any other Act or law, if, in the opinion of the minister, it is not in the public interest for CUDGC to continue to exercise all or any of its powers, fulfil all or any of its responsibilities or carry out all or any of its functions pursuant to this Act and the regulations, the minister may, by order, suspend all or any of those powers, responsibilities or functions for the period during which, in the opinion of the minister, that circumstance prevails.

- (2) A minister's order made pursuant to subsection (1):
 - (a) is to identify the powers, responsibilities or functions of CUDGC pursuant to this Act and the regulations that are being suspended and the date and time that those powers, responsibilities or functions are suspended;
 - (b) is to be served on CUDGC and SaskCentral as soon as is reasonably practicable after it is made; and
 - (c) is to be published in the Gazette as soon as is reasonably practicable after it is made.
- (3) The minister may, by order, revoke the suspension imposed pursuant to subsection (1) and allow CUDGC to recommence exercising, fulfilling or carrying out all or any suspended power, responsibility or function effective as at any date and time the minister considers appropriate.
- (4) An order of the minister made pursuant to subsection (3):
 - (a) is to identify the powers, responsibilities or functions of CUDGC pursuant to this Act and the regulations that are being recommenced and the date and time that the powers, responsibilities or functions are recommenced;
 - (b) is to be served on CUDGC and SaskCentral as soon as is reasonably practicable after it is made; and
 - (c) is to be published in the Gazette as soon as is reasonably practicable after it is made.
- (5) An order made pursuant to this section comes into force on the day on which it is made.
- (6) If there is any conflict between an order made pursuant to this section and a provision of this Act and the regulations or any other Act, regulations or law, the order prevails.

Registrar to exercise the powers of CUDGC

17-9(1) During the period of a suspension of CUDGC's powers, responsibilities or functions pursuant to section 17-8, the registrar shall exercise the powers, fulfil the responsibilities and carry out the functions of CUDGC pursuant to this Act and the regulations.

(2) While the registrar is acting pursuant to this section, CUDGC shall not exercise any power, fulfil any responsibility or carry out any function that would be inconsistent with the power being exercised, responsibility being fulfilled or function being carried out by the registrar.

**PART XVIII
Fees****Registrars fees**

18-1 CUDGC shall pay the prescribed fees to the registrar in conjunction with:

- (a) the administration of this Act and the regulations; and
- (b) the exercise of the powers, fulfilling of the responsibilities or carrying out of the duties of CUDGC by the registrar pursuant to:
 - (i) section 17-7; or
 - (ii) section 17-9.

**PART XIX
General****Appeal to Court of Queen's Bench**

19-1(1) A person who is directly affected by a decision or order of CUDGC or the registrar may appeal the decision to the court on a question of law only.

(2) A person who is directly affected by a decision or order of CUDGC or the registrar and who intends to appeal that decision shall file the appeal within 21 business days after the date of service of the decision or order of CUDGC or the registrar, as the case may be.

(3) A notice of appeal is to be served on:

- (a) CUDGC or the registrar, as the case may be; and
- (b) the other parties to the proceedings before CUDGC or the registrar, as the case may be.

(4) The record of an appeal pursuant to this section is to consist of:

- (a) any records or exhibits filed before CUDGC or the registrar, as the case may be;
- (b) any order made by CUDGC or the registrar, as the case may be;
- (c) any written decision of CUDGC or the registrar, as the case may be, respecting the matter that is the subject of the appeal;
- (d) the notice of appeal commencing the appeal; and
- (e) any other material that the court may require.

- (5) If an appeal is taken pursuant to this section, the court may:
- (a) dismiss the appeal;
 - (b) allow the appeal;
 - (c) allow the appeal subject to terms;
 - (d) vary the decision or order of CUDGC or the registrar, as the case may be;
 - (e) refer the matter back to CUDGC or the registrar, as the case may be, for further consideration and decision; or
 - (f) make any other order that the court considers appropriate.
- (6) Unless the court orders otherwise, the commencement of an appeal pursuant to this section does not stay the effect of the decision or order being appealed.

Power of CUDGC to review and rescind or amend orders

19-2(1) On the request of any person directly affected by a decision or order of CUDGC or on CUDGC's own initiative, CUDGC may:

- (a) review any decision or order made by CUDGC; and
- (b) if CUDGC considers that it would not be prejudicial to the interests of the members, security holders, depositors or creditors of SaskCentral or of persons entitled to the benefit of any financial services provided by SaskCentral:
 - (i) rescind the decision or order; or
 - (ii) amend the decision or order or make any additional decisions or orders for the purpose of:
 - (A) correcting the original decision or order;
 - (B) ensuring compliance with the original decision or order;
 - (C) dealing with any material change in circumstances since the original decision or order was made; or
 - (D) interpreting the original decision or order.

(2) Before rescinding or amending a decision or order or making an additional decision or order pursuant to subsection (1), CUDGC shall serve a written notice on persons directly affected by the original decision or order and on any other persons CUDGC considers interested in the original decision or order.

Power of registrar to review and rescind or amend orders

19-3(1) On the request of any person directly affected by a decision or order of the registrar or on the registrar's own initiative, the registrar may:

- (a) review any decision or order made by the registrar; and
- (b) if the registrar considers that it would not be prejudicial to the public interest:
 - (i) rescind the decision or order; or

(ii) amend the decision or order or make any additional decisions or orders for the purpose of:

- (A) correcting the original decision or order;
- (B) ensuring compliance with the original decision or order;
- (C) dealing with any material change in circumstances since the original decision or order was made; or
- (D) interpreting the original decision or order.

(2) Before rescinding or amending a decision or order or making an additional decision or order pursuant to subsection (1), the registrar shall serve a written notice on persons directly affected by the original decision or order and on any other persons the registrar considers interested in the original decision or order.

Immunity

19-4 No action or proceeding lies or shall be commenced against:

- (a) the Crown in right of Saskatchewan;
- (b) the minister;
- (c) the registrar or any person employed in the office of the registrar;
- (d) CUDGC or any person employed in the office of CUDGC;
- (e) any agent of CUDGC or the registrar; or
- (f) any person engaged, appointed or retained by CUDGC or the registrar, as the case may be, to make or conduct any audit, examination, inspection or investigation or to do any other thing pursuant to this Act or the regulations;

if the person mentioned in clause (a), (b), (c), (d), (e) or (f) is acting pursuant to the authority of this Act or the regulations, for anything in good faith done, caused, permitted or authorized to be done, attempted to be done or omitted to be done by that person or by any of those persons pursuant to or in the exercise or supposed exercise of any power conferred by this Act or the regulations or in the carrying out or supposed carrying out of any order made pursuant to this Act or the regulations or any responsibility imposed by this Act or the regulations.

CUDGC, the registrar and others not compellable to give evidence

19-5(1) In this section, “CUDGC” or the “registrar” includes:

- (a) a person employed in the office of CUDGC or the registrar, as the case may be;
- (b) any representative of CUDGC or the registrar, as the case may be; and
- (c) any person engaged, appointed or retained by CUDGC or the registrar, as the case may be, to make or conduct any audit, examination, inspection or investigation or to do any other thing pursuant to this Act or the regulations.

(2) Except in the case of a prosecution respecting a contravention of this Act or the regulations, the minister, CUDGC and the registrar are not compellable to give evidence in a court or in a proceeding of a judicial nature to which the minister, CUDGC or the registrar is not a party concerning any information obtained by him or her or that came to his or her attention in the exercise of the powers, fulfilling of the responsibilities or carrying out of the functions of the minister, CUDGC or the registrar pursuant to this Act or the regulations.

Service

19-6(1) Unless otherwise provided in this Act or the regulations, any notice or other document that is required to be served pursuant to this Act or the regulations or in any proceeding or matter under the jurisdiction or control of CUDGC or the registrar, as the case may be, must be served:

- (a) by personal service made:
 - (i) in the case of an individual, on that individual;
 - (ii) in the case of a partnership, on any partner; or
 - (iii) in the case of a corporation, on any officer or director of the corporation;
- (b) by registered mail addressed to the last address of the person to be served known to CUDGC or the registrar, as the case may be;
- (c) by any other prescribed means;
- (d) in any case where CUDGC or the registrar, as the case may be, is satisfied that it is not practicable to effect service by any of the means mentioned in clauses (a) to (c), by any method that CUDGC or the registrar, as the case may be, may direct; or
- (e) in the case of a notice to the public, or to persons who are too numerous to be served individually, by publishing the notice in any manner that CUDGC or the registrar, as the case may be, may direct.

(2) A notice or document sent by registered mail is deemed to have been served on the fifth business day following the date of its mailing unless the person to whom it was mailed establishes that, through no fault of his or her own, the person did not receive the notice or document or received it at a later date.

(3) Service of a notice or document by any means prescribed pursuant to clause (1)(c) is to be proved in the prescribed manner.

(4) A notice or document required to be served on CUDGC or the registrar, as the case may be, may be served:

- (a) by leaving it at the office of CUDGC or the registrar, as the case may be, with any person appearing to have authority to accept the notice or document;
- (b) by registered mail addressed to the office of CUDGC or the registrar, as the case may be; or
- (c) by any other prescribed means.

(5) If CUDGC or the registrar, as the case may be, is unable to effect service by the methods set out in subsection (1) after making reasonable efforts to do so, CUDGC or the registrar, as the case may be, may serve a notice or document by publishing it in a newspaper of general circulation in the area in which the person to be served was last known to reside.

(6) Any person entitled to be served a notice or document may at any time waive, in writing, service of the notice or document.

(7) Service of any notice or document may be proved by affidavit or oral evidence of the person claiming to have served it.

PART XX
Offences and Penalties

Offences and penalties

20-1(1) No person shall:

- (a) refuse or fail to provide information required by this Act or the regulations, or provide false information to a person acting pursuant to this Act or the regulations;
- (b) fail to comply with an order of the court made pursuant to this Act or the regulations; or
- (c) contravene any provision of this Act or the regulations or an order or directive of the minister, the registrar or CUDGC made pursuant to this Act or the regulations.

(2) Every person who contravenes any provision of subsection (1) is guilty of an offence and is liable on summary conviction:

- (a) for a first offence:
 - (i) in the case of an individual, to a fine not exceeding \$5,000, to imprisonment for a term not exceeding one year or to both;
 - (ii) in the case of a corporation, to a fine not exceeding \$100,000;
- (b) in the case of a second or subsequent offence:
 - (i) in the case of an individual, to a fine not exceeding \$10,000, to imprisonment for a term not exceeding one year or to both;
 - (ii) in the case of a corporation, to a fine not exceeding \$500,000.

Directors, etc., of corporations

20-2 If a corporation commits an offence pursuant to this Act, any officer, director or agent of the corporation who directed, authorized, assented to, acquiesced in or participated in the commission of the offence is guilty of the offence and liable on summary conviction to the penalty provided for the offence whether or not the corporation has been prosecuted or convicted.

Compliance orders and restitution

20-3(1) If the court convicts a person of an offence, the court may, in addition to any penalty it may impose, do all or any of the following:

- (a) order that person to comply with the provision of this Act or the regulations with respect to which that person was convicted;
- (b) if the court is satisfied that monetary benefits have accrued to the convicted person or another person associated with or related to the convicted person:
 - (i) order the convicted person to pay an additional fine in an amount equal to the amount of the monetary benefits;
 - (ii) order the convicted person to pay compensation or make restitution to any person to whom the monetary benefits should be paid.

(2) If the person who is convicted does not pay the amount ordered pursuant to subclause (1)(b)(ii) within the period specified by the court or, if no period is specified, within 20 business days, the order may be enforced by the registrar in the same manner as an order of the court.

Limitation on prosecution

20-4 No prosecution for a contravention of this Act or the regulations is to be commenced more than two years from the date the facts on which the alleged contravention is based first came to the knowledge of the registrar.

PART XXI
Regulations

Regulations

21-1 The Lieutenant Governor in Council may make regulations:

- (a) defining, enlarging or restricting the meaning of any word or expression used in this Act but not defined in this Act;
- (b) respecting what SaskCentral may or may not do with respect to the provision of services and goods mentioned in clauses 11-1(a) and (b);
- (c) imposing terms and conditions with respect to the provision of services and goods mentioned in clauses 11-1(a) and (b), including imposing a requirement for the prior written approval of the registrar;
- (d) prescribing any matter or thing required or authorized by this Act to be prescribed in the regulations.
- (e) respecting any other matter or thing that the Lieutenant Governor in Council considers necessary to carry out the intent of this Act;

PART XXII
Repeal, Transitional, Consequential Amendments and Coming into Force

DIVISION 1
Repeal

S.S. 2012, c.9 repealed

22-1 *The Credit Union Amendment Act, 2012* is repealed.

S.S. 1999, c.01 repealed

22-2 *The Credit Union Central of Saskatchewan Act, 1999* is repealed.

DIVISION 2
Transitional

Transitional

22-3(1) In this section, “**central**” means Credit Union Central of Saskatchewan as continued pursuant to section 3 of *The Credit Union Central of Saskatchewan Act, 1999*.

(2) Those persons who were members of the board of central on the day before the coming into force of section 1 of this Act:

- (a) constitute the members of the board; and
- (b) hold office for the remainder of the terms for which they were elected or appointed pursuant to *The Credit Union Central of Saskatchewan Act, 1999*, as that Act existed on the day before the coming into force of section 1 of this Act, or until they sooner resign or are replaced pursuant to this Act.

(3) Other than the person appointed pursuant to clause 453(1)(a) of *The Credit Union Act, 1998* and the person named in clause 453(1)(c) of *The Credit Union Act, 1998*, as those clauses existed before the coming into force of section 22-4 of this Act, those persons who were members of the board of CUDGC on the day before the coming into force of section 22-4 of this Act:

- (a) constitute the members of the board of CUDGC; and
- (b) hold office until they resign or until they are replaced pursuant to section 453.2 of *The Credit Union Act, 1998*.

(4) On continuance of central pursuant to section 3-1 of this Act:

- (a) SaskCentral has all the powers, privileges and immunities provided by this Act and is subject to all the limitations and restrictions provided in this Act;
- (b) the property of central continues to be the property of SaskCentral;
- (c) SaskCentral continues to be liable for central's obligations that were incurred before the coming into force of section 1 of this Act;
- (d) any cause of action or claim by or against central or any liability of central to prosecution is not affected by the continuance;
- (e) a civil, criminal or administrative action or proceeding by or against central may continue by or against SaskCentral;
- (f) a conviction of, or any ruling, order or judgment in favour of or against central may be enforced in favour of or against SaskCentral;
- (g) any right or privilege held by or available to, or any liability or obligation with respect to the security of, a person who was the holder of a membership share or security issued by central on the day before the coming into force of section 1 of this Act is continued and may be exercised in accordance with this Act;

- (h) a person who was a member of central on the day before the coming into force of section 1 of this Act continues as a member of SaskCentral with the rights, privileges and restrictions provided by this Act;
 - (i) until January 15, 2019 or until they are sooner replaced pursuant to this Act, the bylaws of central continue as the bylaws of SaskCentral and are deemed to comply with this Act; and
 - (j) a reference to the *Cooperative Credit Associations Act* (Canada) in a contract or policy of SaskCentral is deemed to be a reference to *The Credit Union Central of Saskatchewan Act, 2016*.
- (5) Every approval, order, direction, undertaking, exemption, forbearance, guideline or other instrument to which central is subject pursuant to the federal Act is continued, valid and enforceable as if made pursuant to this Act until it is cancelled or replaced pursuant to this Act.

DIVISION 3 Consequential Amendments

S.S. 1998, c.C-45.2 amended

22-4(1) *The Credit Union Act, 1998* is amended in the manner set forth in this section.

(2) Clause 2(1)(n) is repealed and the following substituted:

“(n) ‘**Credit Union Central**’ means Credit Union Central of Saskatchewan continued pursuant to *The Credit Union Central of Saskatchewan Act, 2016*”.

(3) The following section is added after section 442:

“**CUDGC not an agent of the Crown**

442.1 CUDGC is not an agent of the Crown”.

(4) Subsection 443(2) is amended by adding “and Credit Union Central” after “credit unions”.

(5) The following clauses are added after clause 444(o):

“(p) exercising its powers, fulfilling its responsibilities and carrying out its functions with respect to Credit Union Central pursuant to *The Credit Union Central of Saskatchewan Act, 2016*;

“(q) conducting any other business that is prescribed in the regulations”.

(6) Section 445 is amended:

(a) by renumbering it as subsection 445(1);

(b) in subclause (1)(h)(ii) by adding “and Credit Union Central” after “credit union”;

(c) by adding the following clause after clause (1)(q):

“(q.1) engaging in any other activity that is prescribed in the regulations”; **and**

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

“(2) CUDGC may do all other things that CUDGC considers reasonably necessary or desirable to perform the activities specified in *The Credit Union Central of Saskatchewan Act, 2016*”.

(7) The following subsection is added after subsection 448(1):

“(1.1) CUDGC shall determine the amount and manner of collecting any assessment from Credit Union Central that is necessary or desirable to supervise Credit Union Central”.

(8) Section 453 is repealed and the following substituted:**“Board of directors**

453 The business and affairs of CUDGC are to be managed by a board of directors appointed in accordance with section 453.2”.

(9) The following sections are added after section 453:**“Selection committee**

453.1(1) A selection committee consisting of an equal number of individuals selected by each of Credit Union Central and the minister shall select individuals for appointment to the board.

(2) Subject to subsection (3), the selection committee shall appoint individuals who meet the criteria for competency and experience that are established by the board to ensure sufficient expertise to carry out its functions.

(3) The selection committee shall not appoint any individual who is:

- (a) associated with Credit Union Central or any credit union;
- (b) employed in the public service of Saskatchewan or by a Crown corporation.

“Composition of board, term of office, etc.

453.2(1) The board is to consist of:

- (a) the deputy minister, or the nominee of the deputy minister, of the ministry presided over by the minister;
- (b) the Deputy Minister of Finance or the nominee of the Deputy Minister of Finance;
- (c) five individuals appointed by the selection committee pursuant to subsection 453.1(2).

(2) A member appointed pursuant to clause (1)(c) holds office for a term not exceeding three years and until a successor is appointed.

(3) A member is eligible for reappointment.

(4) A vacancy in the membership of the board does not impair the power of the remaining members of the board to act.

(5) The members of the board shall elect a chairperson and vice-chairperson from among their number.

(6) Sections 93, 97, 104, 105, 109, 112, 113, 114, 116 and 117 apply to the board, with any necessary modification”.

(10) The following section is added after section 458:**“Fees**

458.1 The Lieutenant Governor in Council may, by regulation, prescribe fees to be paid by CUDGC to the registrar for the exercise of the registrar's functions pursuant to this Act”.

(11) The following section is added after section 472:**“Non-application of certain sections**

472.1 Sections 458 to 460 and 462 to 472 do not apply to:

- (a) the business of CUDGC described in clause 444(p); or
- (b) the activities of CUDGC described in subsection 445(2)”.

S.S. 2012, c.F-13.5, section 2 amended

22-5 Section 2 of *The Financial and Consumer Affairs Authority of Saskatchewan Act* is amended:

(a) by adding the following clause after clause (e):

“(e.1) ‘**Credit Union Central**’ means Credit Union Central of Saskatchewan continued pursuant to *The Credit Union Central of Saskatchewan Act, 2016*”;

(b) by adding the following subclause after subclause (g)(i):

“(i.1) operating Credit Union Central”; **and**

(c) by adding the following subclause after subclause (h)(iii):

“(iii.1) *The Credit Union Central of Saskatchewan Act, 2016*”.

S.S. 1988-89, c.S-42.2, section 2 amended

22-6 Clause 2(1)(m.1) of *The Securities Act, 1988* is repealed and the following substituted:

“(m.1) ‘**Credit Union Central of Saskatchewan**’ means Credit Union Central of Saskatchewan continued pursuant to *The Credit Union Central of Saskatchewan Act, 2016*”.

S.S. 2009, c.S-46.002, section 9 amended

22-7 Clause 9(1)(c) of *The Seizure of Criminal Property Act, 2009* is amended by striking out “Credit Union Central” and substituting “Credit Union Central of Saskatchewan”.

DIVISION 4
Coming into Force

Coming into force

22-8 This Act comes into force on proclamation.

Schedule

TABLE 1
[Clause 2-1(1)(c)]

Item	Column 2	Column 3
1.	“another association”	“an association”
2.	“any association”	“SaskCentral”
3.	<p>other than in the following provisions:</p> <p>paragraph 167(2)(f);</p> <p>paragraph 235(3)(b);</p> <p>subparagraph 299(1)(a)(i);</p> <p>paragraph 390(1)(a);</p> <p>paragraphs 410(1.1)(b) and (e); and</p> <p>paragraph 419(1)(a.1);</p> <p>“association”, “an association”, “the association” or “associations”</p>	“SaskCentral”
4.	“association or of an association that controls, or has a significant interest in, the association”	“retail association or of SaskCentral, if SaskCentral controls, or has a significant interest in, the retail association”
5.	“association referred to in subsection (1) with the association or other entity”	“association referred to in subsection (1) with SaskCentral or the other entity”
6.	“an association that has issued, is about to issue or is in the process of issuing”	“SaskCentral, if SaskCentral has issued, is about to issue or is in the process of issuing”
7.	“An association that, under subsection (4), controls an entity,”	“If SaskCentral, pursuant to subsection (4), controls an entity, SaskCentral”
8.	“An association with more than twenty-five million dollars of regulatory capital”	“If SaskCentral has more than \$25 million of regulatory capital, SaskCentral”
9.	“An association with twenty-five million dollars or less of regulatory capital”	“If SaskCentral has \$25 million or less of regulatory capital, SaskCentral”
10.	“associations that own such shares or interests”	“SaskCentral”
11.	“by an association that is authorized”	“by SaskCentral if SaskCentral is authorized”
12.	in subsections 236(1) and 390(5.1), “Canada”	“Saskatchewan”

13.	in paragraph 94(b), “ <i>Canadian Cooperative Credit Associations Act</i> ”	“ <i>The Credit Union Central of Saskatchewan Act, 2016</i> ”
14.	“classes of associations”	“SaskCentral”
15.	“Governor in Council”	“Lieutenant Governor in Council”
16.	“guidelines”	“prudential standards”
17.	other than in paragraph 170(g), “Her Majesty in right of Canada”	“Government of Saskatchewan”
18.	“If any of the issued shares of a distributing association”	“If SaskCentral is a distributing association, and any of the issued shares of SaskCentral”
19.	“If the association is a distributing association” or “if the association is a distributing association”	“If SaskCentral is a distributing association”
20.	“in respect of a security of a distributing association”	“with respect to a security of SaskCentral, if SaskCentral is a distributing association”
21.	“In the case of an association that is not a distributing association”	“If SaskCentral is not a distributing association”
22.	“in the case of any particular association”	“in the case of SaskCentral”
23.	“in the case of any particular association that”	“if SaskCentral”
24.	“Minister”	“minister”
25.	“No association and no guarantor of an obligation of an association may”	“SaskCentral may not and no guarantor of an obligation of SaskCentral may”
26.	“No association or person acting on behalf of an association”	“SaskCentral does not incur and no person acting on behalf of SaskCentral”
27.	“No association or person acting on its behalf”	“SaskCentral does not incur and no person acting on behalf of SaskCentral”
28.	“No association shall”	“SaskCentral shall not”
29.	“No insider may knowingly sell, directly or indirectly, a security of a distributing association or of any of the distributing associations”	“If SaskCentral is a distributing association, no insider may knowingly sell, directly or indirectly, a security of SaskCentral or of any of SaskCentral’s”
30.	in paragraph 94(d), “number and class of shares”	“number and class of investment shares”
31.	“or the associations or other entities”	“or the entities”

32.	in section 96, “shares”	“investment shares”
33.	in section 249, “subsection 77(1)”	“subsection 7-11(1) of <i>The Credit Union Central of Saskatchewan Act, 2016</i> ”
34.	other than in section 432, “Superintendent”	“CUDGC”
35.	in section 432, “Superintendent”	“registrar and CUDGC”
36.	other than in subsection 216(1), “that association”	“SaskCentral”
37.	“that association with the association”	“that association with SaskCentral”
38.	in paragraph 406(3)(c) and subsection 418(5), “under section 233.5”	“pursuant to section 9-7 of <i>The Credit Union Central of Saskatchewan Act, 2016</i> ”
39.	“with respect to a distributing association”	“with respect to SaskCentral, if SaskCentral is a distributing association”
40.	“with respect to a particular association”	“with respect to SaskCentral”

