

2001

CHAPTER 12

An Act to amend *The Credit Union Act, 1998*

(Assented to June 28, 2001)

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

Short title

1 This Act may be cited as *The Credit Union Amendment Act, 2001*.

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

2 *The Credit Union Act, 1998* is amended in the manner set forth in this Act.

Section 2 amended

3 **Subclause 2(1)(x)(ii) is amended by striking out “*The Trust and Loan Corporations Act*” and substituting “*The Trust and Loan Corporations Act, 1997*”.**

Section 98 amended

4 **Subsection 98(2) is amended by adding “mentioned in subclause 2(1)(hh)(i) or (ii)” after “officer”.**

Section 99 amended

5 **Subsection 99(3) is repealed and the following substituted:**

“(3) The conduct review committee shall:

(a) establish procedures for the review of transactions with related parties of the credit union to which Part XI applies and review the effectiveness of those procedures to ensure that the credit union is complying with Part XI;

(b) review all proposed transactions with related parties of the credit union in accordance with Part XI;

(c) review the practices of the credit union to ensure that any transaction with related parties of the credit union that may have a material effect on the stability or solvency of the credit union is identified; and

(d) provide timely reports to the board with respect to the matters described in clauses (a) to (c) and Part XI as required.

“(4) Where the board fails to appoint a conduct review committee, the board shall act as the conduct review committee”.

New heading

6 The heading preceding section 119 is struck out and the following substituted:

**“DIVISION 4
Officials and Bonding”.**

New section 119

7 Section 119 is repealed and the following substituted:

“Officials

119(1) A credit union shall have:

- (a) a president and a vice-president of the board;
- (b) a chief executive officer or a general manager; and
- (c) a secretary.

(2) Subject to the bylaws, no person shall be the president or vice-president of the board unless the person is a director of the credit union”.

Section 170 repealed

8 Section 170 is repealed.

Section 173 amended

9(1) Subsection 173(1) is amended:

- (a) in the portion preceding clause (a) by striking out “subsection (2) and”;**
- (b) by striking out “or” after clause (a);**
- (c) by adding “or” after clause (b); and**
- (d) by adding the following clause after clause (b):**

“(c) an entity that is a related party of the credit union only as a result of any of the following persons having a substantial investment in that entity:

- (i) a director or senior officer of the credit union;
- (ii) the spouse, or a child who is less than 18 years of age, of a director or senior officer of the credit union”.

(2) Subsections 173(2) to (4) are repealed.

(3) Subsection 173(6) is amended by striking out “mentioned in clause 170(b)” and substituting “on the security of a mortgage of the principal residence of a related party”.

Section 174 amended**10(1) Subsection 174(1) is repealed and the following substituted:**

“(1) A credit union may, subject to the prior positive review of the conduct review committee, subsection (4) and the standards of sound business practice, with respect to a related party of the credit union mentioned in subsection 173(1):

- (a) make, take an assignment of or otherwise acquire a loan to the related party;
- (b) make a guarantee on behalf of the related party;
- (c) make an investment in the securities of the related party; or
- (d) accept an assurance or security from the related party”.

(2) Subsection 174(2) is repealed.**(3) Subsection 174(3) is amended:**

- (a) by striking out “or” after clause (b);
- (b) by adding “or” after clause (c); and
- (c) by adding the following clause after clause (c):
 - “(d) accept an assurance or security from the related party”.

(4) Subsection 174(4) is amended:

- (a) by repealing clause (a) and substituting the following:
 - “(a) the principal amount of all outstanding loans to all related parties of the credit union mentioned in subsection 173(1) that are held by the credit union and its subsidiaries”;
- (b) by striking out “and” after clause (b);
- (c) by adding “and” after clause (c); and
- (d) by adding the following clause after clause (c):
 - “(d) the sum of all outstanding assurances and security accepted by the credit union and its subsidiaries on behalf of all related parties of the credit union mentioned in subsection 173(1)”.

(5) Subsection 174(5) is repealed and the following substituted:

“(5) The value of a transaction within the meaning of section 169 is not to be included in the calculation of the aggregate of loans, guarantees, investments, assurances and security mentioned in subsection (4)”.

Section 178 amended

11 Section 178 is amended by striking out “approval is required pursuant to subsection 174(1) without having obtained the approval” and substituting “a prior positive review is required pursuant to subsection 174(1) without having received a prior positive review from the conduct review committee”.

Section 179 amended

12 Subsection 179(1) is amended by adding “has not received a prior positive review from the conduct review committee or that” after “transaction that”.

Section 290 amended

13 Clause 290(a) is amended by striking out “*The Trust and Loan Corporations Act*” and substituting “*The Trust and Loan Corporations Act, 1997*”.

Section 311 amended

14 Subsection 311(1) is amended by striking out “*The Trust and Loan Corporations Act*” and substituting “*The Trust and Loan Corporations Act, 1997*”.

Section 415 amended

15 Subsection 415(2) is amended in the portion preceding clause (a) by striking out “docuement” and substituting “document”.

Section 435 amended

16 Section 435 is amended by striking out “*The Trust and Loan Corporations Act*” and substituting “*The Trust and Loan Corporations Act, 1997*”.

Section 460 amended

17 Clause 460(2)(b) is amended by striking out “infomation” and substituting “information”.

Schedule, Part 2 amended

18 Part 2 of the Schedule is amended:

(a) by striking out “26(2)(d)” opposite *The Business Corporations Act* and substituting “261(2)(d)”; and

(b) by striking out “subclause 3(m)(i) and” opposite *The Trustee Act*.

Coming into force

19 This Act comes into force on assent.