



BILL NO. 50

Government Bill

*1st Session, 59th General Assembly
Nova Scotia
53 Elizabeth II, 2004*

An Act to Amend Chapter 4 of the Acts of 1994, the Credit Union Act

CHAPTER 11
ACTS OF 2004

**AS ASSENTED TO BY THE LIEUTENANT GOVERNOR
MAY 20, 2004**

The Honourable Kerry Morash
Minister of Environment and Labour

*Halifax, Nova Scotia
Printed by Authority of the Speaker of the House of Assembly*

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**An Act to Amend Chapter 4
of the Acts of 1994,
the Credit Union Act**

Be it enacted by the Governor and Assembly as follows:

- 1 Section 3 of Chapter 4 of the Acts of 1994, the *Credit Union Act*, is amended by**
 - (a) striking out “Registrar” in the third line of clause (i) and substituting “Superintendent”; and**
 - (b) striking out clause (x).**

- 2 Section 5 of Chapter 4 is repealed and the following Section substituted:**
 - 5 (1) Any ten or more individuals, no one of whom
 - (a) is less than nineteen years of age; or
 - (b) has the status of an undischarged bankrupt,may apply for incorporation as a credit union by sending to
 - (c) the Superintendent, in duplicate, articles of incorporation, a notice of registered office in the prescribed form and the proposed charter by-laws; and
 - (d) the Corporation, a proposed business plan.
 - (2) Upon receipt of a proposed business plan pursuant to clause (1)(d), the Corporation shall review the proposed business plan and make a recommendation to the Superintendent with respect to the proposed incorporation.
 - (3) The recommendation referred to in subsection (2) is not binding on the Superintendent.

- 3 Subsection 10(3) of Chapter 4 is amended by striking out “, provided that the words “credit union” or “caisse populaire”, as the case may be, are included in such name” in the fourth, fifth and sixth lines.**

- 4 Clause 12(1)(d) of Chapter 4 is amended by striking out ““Loan” or”.**

- 5 Section 18 of Chapter 4 is repealed.**

- 6 (1) Subsection 32(1) of Chapter 4 is amended by striking out “prescribed by them and approved by the members of the credit union at a general meeting” in the last three lines and substituting “approved by the resolution of the directors”.**
 - (2) Subsection 32(2) of Chapter 4 is repealed.**

7 Section 35 of Chapter 4 is amended by striking out “the directors and confirmed at a general meeting of members of the credit union” in the third, fourth and fifth lines and substituting “a resolution of the directors”.

8 Subsection 56(1) of Chapter 4 is repealed and the following subsection substituted:

(1) The membership of a credit union consists of its incorporators and those persons whose applications for membership are approved by the board of directors or approved in the manner authorized by the board of directors in accordance with this Act and the charter by-laws of the credit union.

9 (1) Subsection 62(1) of Chapter 4 is amended by striking out “ordinary by-laws or” in the fourth line.

(2) Subsection 62(4) of Chapter 4 is repealed.

10 Section 66 of Chapter 4 is amended by adding “and vote at the meeting” immediately after “members” in the second line.

11 (1) Subsection 67(5) of Chapter 4 is amended by

(a) striking out “(a)” in the first line of clause (a);

(b) striking out “; and” in the last line of clause (a) and substituting a period; and

(c) striking out clause (b).

(2) Section 67 of Chapter 4 is further amended by adding immediately after subsection (5) the following subsection:

(6) Copies of the information referred to in subsection (5) shall be made available at the registered office of the credit union at least ten days before the meeting referred to in subsection (5).

12 (1) Subsection 69(2) of Chapter 4 is repealed and the following subsections substituted:

(2) A credit union shall give notice of the meeting at which a proposal is to be presented.

(2A) A member submitting a proposal shall provide a statement outlining the intent of the proposal in sufficient detail to permit members reviewing the proposal to form a reasonable judgement regarding the proposal.

(2B) Copies of a proposal referred to in subsection (1) and any supporting information shall be made available at the registered office of the credit union at least ten days before the meeting at which the proposal will be considered.

(2) Subsection 69(4) of Chapter 4 is repealed.

(3) Subsection 69(5) of Chapter 4 is amended by

- (a) adding “, (2A), (2B)” immediately after “(2)” in the second line; and**
- (b) striking out clause (a) and substituting the following clause:**

(a) the proposal is not submitted to the credit union at least sixty days before the first anniversary date of the previous annual meeting of the members;

13 (1) Subsection 78(1) of Chapter 4 is amended by striking out “or percentage of members as the charter” in the third line and substituting “as the”.

(2) Section 78 of Chapter 4 is further amended by adding immediately after subsection (1) the following subsections:

(1A) The members referred to in subsection (1) shall identify themselves by providing to the directors their names, addresses and signatures.

(1B) The requisition referred to in subsection (1) shall include information with sufficient detail as to why the requisition is being made so that the directors and the members may form a reasonable judgement as to the intent of the requisition.

14 (1) Subsection 82(1) of Chapter 4 is amended by adding immediately after clause (c) the following clause:

(ca) a member who is in arrears for more than ninety days under a debt obligation to a credit union;

(2) Section 82 of Chapter 4 is further amended by adding immediately after subsection (2) the following subsection:

(3) Within a period specified by the Central,

(a) a person elected or appointed for the first time as a director of a credit union; or

(b) where required by the Central, every director of a credit union who has not completed a director training program,

shall complete a credit union director training program determined by the Central.

15 Subsection 89(6) of Chapter 4 is amended by striking out “of the credit union” in the second line and substituting “participating in the meeting”.

16 Subsection 90(4) of Chapter 4 is amended by adding immediately after clause (b) the following clause:

(ba) hire or establish the terms of employment of the general manager of the credit union;

17 Section 106 of Chapter 4 is repealed and the following Section substituted:

106 A credit union shall, at least ten days before each annual meeting of members of the credit union,

(a) send a copy of the documents referred to in Section 105 to the Superintendent and the Corporation; and

(b) make a copy of the documents referred to in Section 105 available to members at the registered office of the credit union.

18 Clause 119(1)(a) of Chapter 4 is amended by striking out “ten” in the third line and substituting “fifteen”.

19 Section 120 of Chapter 4 is repealed.

20 Section 157 of Chapter 4 is amended by

(a) adding “or determine” immediately after “arrange” in the first line of clause (o); and

(b) adding immediately after clause (p) the following clauses:

(pa) make arrangements with other jurisdictions to provide services or share and exchange resources as may be mutually agreed;

(pb) establish and maintain an intervention system;

21 (1) Subsection 160(1) of Chapter 4 is amended by

(a) striking out “person” in the first line and substituting “citizen or permanent resident of Canada and resident of the Province”; and

(b) adding immediately after subclause (d)(i) the following subclause:

(ia) a credit union, or

(2) Section 160 of Chapter 4 is further amended by adding immediately after subsection (3) the following subsection:

(4) Notwithstanding anything contained in this Section, a person referred to in clause (1)(b) or (c) shall not be a board member of the Corporation unless at least two years has passed since the person ceased to be an employee, director or officer of a credit union or the Central or the person ceased to be an employee of the Corporation, as the case may be.

22 Section 161 of Chapter 4 is amended by adding “and may be re-appointed for such maximum number of consecutive terms as is determined in the by-laws of the Corporation” immediately after “appointed” in the fourth and fifth lines.

23 Subsection 165(1) of Chapter 4 is amended by adding “appointed” immediately after “the” the first time it appears in the first line.

24 Clauses 166(2)(g) and (h) are repealed and the following clauses substituted:

(g) respecting the maximum number of consecutive terms that a member of the board may hold office;

(h) respecting the manner in which a credit union may represent that it is a contributor to the deposit insurance fund by authorizing and controlling the use by credit unions of marks, signs, advertisements or other devices indicating that deposits with credit unions are insured by the Corporation;

25 Section 178 of Chapter 4 is repealed and the following Section substituted:

178 Sections 92, 93, 95 to 102, 105, 107, 109, 110, 112, 113 and 118 to 123 apply, with the necessary changes, to the Corporation.

26 Section 203 of Chapter 4 is amended by adding immediately after subsection (3) the following subsection:

(4) A delegate may vote by proxy at a meeting of the Central as provided for in the charter by-laws of the Central.

27 Section 207 of Chapter 4 is amended by adding immediately after clause (e) the following clauses:

(ea) the right of delegates to vote by proxy;

(eb) the establishment of a credit committee and an audit committee;

28 Section 210 of Chapter 4 is amended by adding immediately after subsection (2) the following subsection:

(3) Within a period specified by the Central,

(a) a person elected or appointed for the first time as a director of the Central; or

(b) where required by the Central, every director of the Central who has not completed a director training program,

shall complete a director training program as determined by the Central.

29 Section 211 of Chapter 4 is repealed and the following Section substituted:

211 With the exception of Sections 80, 82 and 91 and clause 96(3)(e), Part VII and, with the exception of subsection 109(1) and Section 120, Part VIII apply, with the necessary changes, to the Central.

30 Section 243 of Chapter 4 is amended by adding immediately after subsection (2) the following subsection:

(3) A supervisor shall meet with the members of the credit union that has been placed under supervision to explain the supervision and the rationale for any action taken by the supervisor pursuant to subsection (1).

31 This Act comes into force on such day as the Governor in Council orders and declares by proclamation.
