



# **BILL NO. 97**

*Government Bill*

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*2nd Session, 63rd General Assembly  
Nova Scotia  
68 Elizabeth II, 2019*

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

CHAPTER 13  
ACTS OF 2019

**AS ASSENTED TO BY THE LIEUTENANT GOVERNOR  
APRIL 12, 2019**

The Honourable Karen Casey  
*Minister of Finance and Treasury Board*

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*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 Subsection 5(1) of Chapter 4 of the Acts of 1994, the *Credit Union Act*, as enacted by Chapter 11 of the Acts of 2004, is amended by**

- (a) striking out “ten” in the first line and substituting “fifty”; and**
- (b) striking out “nineteen” in the first line of clause (a) and substituting “eighteen”.**

**2 Clause 6(4)(b) of Chapter 4 is amended by striking out “, or both” in the fifth line and substituting “or electronically, or any two or all three”.**

**3 Chapter 4 is further amended by adding immediately after Section 19 the following Section:**

19A A credit union shall act in accordance with the directives of the Corporation.

**4 The heading immediately before Section 22 of Chapter 4 is amended by adding “, BRANCHES” immediately after “OFFICE”.**

**5 (1) Subsection 22(5) of Chapter 4 is repealed.**

**(2) Chapter 4 is further amended by adding immediately after Section 22 the following Section:**

22A A credit union may establish, relocate or close branch offices of the credit union as prescribed.

**6 Section 24 of Chapter 4 is amended by adding immediately after subsection (3) the following subsection:**

(3A) Notwithstanding subsections (1), (2) and (3), a credit union may not disclose a residential address or any other information protected by privacy legislation kept by the credit union under clauses 23(1)(c), (d) and (e).

**7 Subsection 32(1) of Chapter 4, as amended by Chapter 11 of the Acts of 2004, is further amended by striking out “doubtful” in the second line and substituting “impaired”.**

**8 Section 49 of Chapter 4 is amended by adding immediately after subsection 49(2) the following subsection:**

(3) A credit union shall establish and adhere to liquidity policies for the credit union consistent with the regulations governing adequate liquidity.

**9 Section 51 of Chapter 4 is amended by striking out “doubtful” in the second line and substituting “impaired”.**

**10 Section 52 of Chapter 4 is amended by adding immediately after subsection (2) the following subsection:**

(3) A credit union shall establish and adhere to equity policies for the credit union consistent with the regulations governing equity.

**11 (1) 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 other members defined in accordance with this Act and the charter by-laws of the credit union.

**(2) Subsection 56(2) of Chapter 4 is amended by striking out “The” in the first line and substituting “Subject to the charter by-laws of the credit union, the”.**

**(3) Subsection 56(3) of Chapter 4 is amended by striking out “nineteen” in the first line and substituting “eighteen”.**

**12 Section 59 of Chapter 4 is repealed and the following Section substituted:**

59 Membership in a credit union may be terminated, withdrawn or refused in accordance with the charter by-laws of the credit union.

**13 (1) Subsection 71(1) of Chapter 4 is amended by striking out “nineteen” in the first line and substituting “eighteen”.**

**(2) Subsection 71(2) of Chapter 4 is amended by adding “subsection (3) and” immediately after “to” in the first line.**

**(3) Section 71 of Chapter 4 is further amended by adding immediately after subsection (2) the following subsection:**

(3) An individual authorized pursuant to subsection 72(1) may vote on behalf of a body corporate or association the individual is authorized to represent and, where the individual is a member, on the individual’s own behalf as well.

**14 Section 75 of Chapter 4 is amended by adding “, electronically” immediately after “ballot” in the last line.**

**15 (1) Subsection 77(1) of Chapter 4 is amended by striking out “a member” in the third line and substituting “at least three members”.**

**(2) Subsection 77(2) of Chapter 4 is amended by striking out “A member” in the first line and substituting “The members referred to in subsection (1)”.**

**16** Subsection 78(1) of Chapter 4, as amended by Chapter 11 of the Acts of 2004, is further amended by striking out “Twenty-five” in the first line and substituting “The lesser of five per cent of the membership at the end of the last fiscal year and two hundred fifty”.

**17** Subsection 82(1) of Chapter 4, as amended by Chapter 11 of the Acts of 2004 and Chapter 49 of the Acts of 2010, is further amended by striking out “of Canada who is nineteen” in the first line and substituting “or permanent resident of Canada who is eighteen”.

**18** Section 83 of Chapter 4 is amended by adding immediately after subsection (6) the following subsection:

(7) Notwithstanding anything in this Section, a director appointed as part of an amalgamation agreement may serve such term provided for in the amalgamation agreement.

**19** Clause 84(1)(b) of Chapter 4 is amended by adding “the articles or charter by-laws or” immediately after “with” in the second line.

**20** Subsection 85(1) of Chapter 4 is amended by striking out “The” in the first line and substituting “Unless the articles or charter by-laws otherwise provide, the”.

**21** Subsection 86(1) of Chapter 4 is amended by

(a) striking out “a meeting of members called for the purpose of removing” in the second and third lines of clause (b) and substituting “an intended action to remove”; and

(b) striking out “a meeting of directors or members at which another person is to be appointed or elected” in the second and third lines of clause (c) and substituting “an intended action to appoint or elect another person”.

**22** Subsection 87(1) of Chapter 4 is amended by striking out “Subject” in the first line and substituting “Unless the articles or charter by-laws otherwise provide, subject”.

**23** Subsection 105(2) of Chapter 4, as amended by Chapter 30 of the Acts of 2015, is further amended by striking out “generally accepted accounting principles” in the fourth and fifth lines and substituting “International Financial Reporting Standards”.

**24** Subsection 116(2) of Chapter 4, as amended by Chapter 30 of the Acts of 2015, is further amended by striking out “generally accepted auditing standards” in the fourth and fifth lines and substituting “International Financial Reporting Standards”.

**25** Section 122 of Chapter 4 is amended by

(a) adding “or the Corporation” immediately after “Superintendent” in the first and in the second lines; and

(b) striking out “the auditor” in the first line and substituting “an auditor of a credit union”.

**26 Section 157 of Chapter 4, as amended by Chapter 11 of the Acts of 2004, is further amended by adding immediately after clause (pb) the following clause:**

(pc) issue or withdraw directives with respect to an intervention system;

**27 Chapter 4 is further amended by adding immediately after Section 157 the following Section:**

157A The Corporation shall act in accordance with the directives of the Superintendent.

**28 Subsection 160(1) of Chapter 4, as amended by Chapter 11 of the Acts of 2004, Chapter 36 of the Acts of 2007 and Chapter 49 of the Acts of 2010, is further amended by striking out “nineteen” in the first line and substituting “eighteen”.**

**29 Section 189 of Chapter 4, as amended by Chapter 49 of the Acts of 2010, is further amended by**

(a) adding “(1)” immediately after the Section number; and

(b) adding immediately after subsection (1) as numbered by clause (a) the following subsection:

(2) The Central shall act in accordance with the directives of the Superintendent.

**30 Subsection 210(1) of Chapter 4, as amended by Chapter 49 of the Acts of 2010, is further amended by**

(a) adding “or permanent resident” immediately after “citizen” in the first line; and

(b) striking out “nineteen” in the second line and substituting “eighteen”.

**31 Clause 215(b) of Chapter 4 is amended by adding “or former member” immediately after “member” in subclause (i).**

**32 Subsection 218(3) of Chapter 4 is amended by adding immediately after clause (a) the following clause:**

(aa) an order reinstating a former member as a member or a former director as a director or instating a person who was refused membership;

**33 Section 225 of Chapter 4 is further amended by**

(a) adding “(2)” immediately after the Section number;

(b) adding immediately before subsection (2) the following subsection:

(1) For the purpose of this Section, “prudential standards” means the principles and minimum requirements adopted by the Superintendent for corporate governance, level of liquidity and equity that contribute to sound and prudent operations of the Central and the Corporation to manage exposure to risk.

- (c) striking out “and” immediately after clause 2(c);
- (d) striking out the period at the end of clause 2(d) and substituting a semi-colon; and
- (e) adding immediately after clause 2(d) the following clauses:
  - (e) may issue directives to the Central including directives with respect to the prudential standards of the Central;
  - (f) may issue directives to the Corporation including directives with respect to the prudential standards of the Corporation;
  - (g) may vary the liquidity reserves required for a credit union by the regulations if an application by the credit union for a variation has been reviewed and recommended by the Corporation and, in the opinion of the Superintendent, the outcome is consistent with the purpose of this Act;
  - (h) may delegate oversight of the operations of the Central to a third party; and
  - (i) may recover from the Central costs associated with the supervision of the Central.

**34 Chapter 4 is further amended by adding immediately after Section 225 the following Section:**

225A(1) Notwithstanding the *Freedom of Information and Protection of Privacy Act* and the *Personal Information International Disclosure Protection Act*, the Superintendent may provide information to and receive information from other governmental or regulatory authorities, both in Canada and outside of Canada, approved by the Superintendent to facilitate the exchange of information pursuant to this Act and the regulations.

(2) The Superintendent is exempt from the disclosure of information obtained pursuant to subsection (1) if the Superintendent determines the information should be maintained in confidence.

**35 Subsection 248(1) of Chapter 4 is amended by adding “electronically to the person at the latest electronic mail address of the person as shown in the records of the credit union or the Central,” immediately after “sent” in the sixth line.**

**36 Subsection 257(1) is amended by**

- (a) adding immediately after clause (e) the following clause:
  - (ea) respecting the notice and consultation required before a credit union may close a branch office;
- (b) adding “, and policies governing adequate liquidity,” immediately after “reserves” in the first line of clause (o);
- (c) striking out “doubtful” in the first line of clause (q) and substituting “impaired”; and

**(d) adding “, and policies governing equity,” immediately after “equity” in the first line of clause (r).**

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

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