



# **BILL NO. 226**

*Government Bill*

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*2nd Session, 63rd General Assembly  
Nova Scotia  
69 Elizabeth II, 2020*

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## **An Act to Amend Chapter 81 of the Revised Statutes, 1989, the Companies Act**

CHAPTER 7  
ACTS OF 2020

**AS ASSENTED TO BY THE LIEUTENANT GOVERNOR  
MARCH 10, 2020**

The Honourable Patricia Arab  
*Minister of Service Nova Scotia and Internal Services*

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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 81  
of the Revised Statutes, 1989,  
the Companies Act**

Be it enacted by the Governor and Assembly as follows:

**1 Chapter 81 of the Revised Statutes, 1989, the *Companies Act*, is amended by adding immediately after Section 46 the following heading and Sections:**

REGISTER OF INDIVIDUALS WITH SIGNIFICANT CONTROL

46A (1) In this Section, “significant number of shares” means, in respect of a company,

(a) any number of shares that carry twenty-five per cent or more of the voting rights attached to all of the company’s outstanding voting shares; or

(b) any number of shares that is equal to twenty-five per cent or more of all of the company’s outstanding shares as measured by fair market value.

(2) For the purpose of this Section and Sections 46B to 46H, each of the following individuals is an individual with significant control over a company:

(a) an individual who has any of the following interests or rights, or any combination of them, in a significant number of shares of the company:

- (i) an interest as a registered owner of the shares,
- (ii) an interest as a beneficial owner of the shares, or
- (iii) direct or indirect control over the shares;

(b) an individual who has direct or indirect influence that, where exercised, would result in control in fact of the company;

(c) an individual to whom prescribed circumstances apply.

(3) Two or more individuals are each an individual with significant control over a company if, in respect of a significant number of shares of the company,

(a) an interest, right or a combination of interests or rights referred to in clause (a) of subsection (2) is held jointly by those individuals; or

(b) a right or a combination of rights referred to in clause (a) of subsection (2) is subject to any agreement or arrangement under which the right or rights are to be exercised jointly or in concert by those individuals.

46B (1) A company shall prepare and maintain, at its registered office or at any other place in the Province designated by the directors and in the form and in the

manner prescribed by the regulations, a register of individuals with significant control over the company that contains

- (a) the name, date of birth and last known address of each individual with significant control;
- (b) the jurisdiction of residence for income tax purposes of each individual with significant control;
- (c) the day on which each individual became or ceased to be an individual with significant control;
- (d) a description of how each individual is an individual with significant control over the company, including, as applicable, a description of the individual's interests and rights in respect of shares of the company;
- (e) prescribed information, if any; and
- (f) a description of each step taken in accordance with subsection (2).

(2) At least once during each financial year of the company, the company shall take reasonable steps, including any prescribed steps, to ensure that it has identified all individuals with significant control over the company and that the information in the register is accurate, complete and up-to-date.

(3) Where the company becomes aware of any information referred to in clauses (a) to (e) of subsection (1) as a result of steps taken in accordance with subsection (2) or through any other means, the company shall record that information in the register within fifteen days of becoming aware of it.

(4) Where the company requests information referred to in any of clauses (a) to (e) of subsection (1) from one of its shareholders, the shareholder shall, to the best of the shareholder's knowledge, reply accurately and completely as soon as feasible.

(5) Within one year after the sixth anniversary of the day on which an individual ceases to be an individual with significant control over the company, the company shall, subject to any Act of the Parliament of Canada or of the Legislature that provides for a longer retention period, dispose of that individual's personal information, as defined in subsection (1) of section 2 of the *Personal Information Protection and Electronic Documents Act* (Canada), that is recorded in the register.

(6) A company that, without reasonable cause, contravenes this Section is guilty of an offence and liable on summary conviction to a fine not exceeding five thousand dollars.

- (7) This Section does not apply to a company that is
  - (a) a reporting issuer under the *Securities Act*;
  - (b) listed on a designated stock exchange, as defined in subsection (1) of section 248 of the *Income Tax Act* (Canada); or
  - (c) a member of a prescribed class.

46C A company to which Section 46B applies shall take the prescribed steps if it is unable to identify any individuals with significant control over the company.

46D A company to which Section 46B applies shall disclose to the Registrar, upon request, any information in its register of individuals with significant control over the company.

46E (1) Shareholders and creditors of the company or their personal representatives, on sending to the company or its agent an affidavit in accordance with subsection (2), may on application require the company or its agent to allow the applicant access to the register of the company referred to in subsection (1) of Section 46B during the usual business hours of the company and, on payment of a reasonable fee, provide the applicant with an extract from that register.

(2) The affidavit required under subsection (1) must contain

- (a) the name and address of the applicant;
- (b) the name and address for service of the body corporate, if the applicant is a body corporate; and
- (c) a statement that any information obtained under subsection (1) will not be used except as permitted under subsection (4).

(3) Where the applicant is a body corporate, the affidavit must be made by a director or officer of the body corporate.

(4) Information obtained under subsection (1) must not be used by any person except in connection with

- (a) an effort to influence the voting of shareholders of the company;
- (b) an offer to acquire securities of the company; or
- (c) any other matter relating to the affairs of the company.

(5) A person who, without reasonable cause, contravenes subsection (4) is guilty of an offence and liable on summary conviction to a fine not exceeding five thousand dollars or to imprisonment for a term not exceeding six months, or to both.

46F (1) In this Section,

(a) “investigative body” means a police force, taxing authority or regulator;

(b) “police force” means the Provincial Police, the Royal Canadian Mounted Police, a municipal police department or another police department providing policing services in the Province;

(c) “regulator” means

(i) the Nova Scotia Securities Commission continued under the *Securities Act*,

(ii) the Financial Transactions and Reports Analysis Centre of Canada established under the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada), or

- (iii) a prescribed public officer, corporation, agency or other entity whose authority to regulate is based on a law of the Province or of Canada;
- (d) “taxing authority” means the part of the Government of the Province or of Canada responsible for administering or enforcing
  - (i) a law of the Province or of Canada that provides for the imposition or collection of a tax, royalty or duty, or
  - (ii) a prescribed law of the Province or of Canada that is related to a law referred to in subclause (i).
- (2) On request by an investigative body, a company to which Section 46B applies shall, as soon as feasible after a request is served on the company or is received by it, and in the manner specified by the investigative body,
  - (a) provide the investigative body with a copy of the company’s register of individuals with significant control over the company; or
  - (b) disclose to the investigative body any information specified by the investigative body that is in the company’s register of individuals with significant control over the company.
- (3) A taxing authority may make a request under subsection (2) only for the following purposes:
  - (a) administering or enforcing
    - (i) a law of the Province or of Canada that provides for the imposition or collection of a tax, royalty or duty, or
    - (ii) a prescribed law of the Province or of Canada that is related to a law referred to in subclause (i);
  - (b) providing information contained in the register to another jurisdiction inside or outside of Canada to assist the jurisdiction in the administration or enforcement of a law of that jurisdiction that provides for the imposition or collection of a tax, royalty or duty, if the assistance is authorized under an arrangement, written agreement, treaty or law of the Province or of Canada.
- (4) A police force may make a request under subsection (2) only for the following purposes:
  - (a) conducting an investigation in Canada
    - (i) that is undertaken with a view to a law enforcement proceeding, or
    - (ii) from which a law enforcement proceeding is likely to result;
  - (b) policing and criminal intelligence operations in Canada;
  - (c) assisting another law enforcement agency in Canada for a purpose described in clause (a) or (b);

(d) providing information contained in the register to a law enforcement agency in a jurisdiction outside of Canada to assist the agency in a law enforcement proceeding if the assistance is authorized under an arrangement, written agreement, treaty or law of the Province or of Canada.

(5) A regulator may make a request under subsection (2) only for the following purposes:

(a) administering or enforcing a law for which the regulator is responsible;

(b) assisting another agency in Canada in the administration or enforcement of a law that is similar to a law for which the regulator is responsible;

(c) providing information contained in the register to an agency outside of Canada to assist the agency in the administration or enforcement of a law that is similar to a law for which the regulator is responsible if the assistance is authorized under an arrangement, written agreement, treaty or law of the Province or of Canada.

(6) A request by an investigative body under subsection (2) must be served on the company by leaving the request at the company's registered office as shown in the last notice filed under Section 79 or sent to the company by registered mail to that registered office.

(7) Where the request is sent to the company by registered mail, the request is deemed to be received at the time it would be delivered in the ordinary course of mail, unless there are reasonable grounds for believing that the company did not receive the request at that time or at all.

(8) A company that, without reasonable cause, fails to comply with subsection (2) is guilty of an offence and liable on summary conviction to a fine not exceeding five thousand dollars.

46G (1) Every director or officer of a company who knowingly authorizes, permits or acquiesces in the contravention of subsection (1) of Section 46B by that company commits an offence, whether or not the company has been prosecuted or convicted.

(2) Every director or officer of a company who knowingly records or knowingly authorizes, permits or acquiesces in the recording of false or misleading information in the register of the company referred to in subsection (1) of Section 46B commits an offence.

(3) Every director or officer of a company who knowingly provides or knowingly authorizes, permits or acquiesces in the provision to any person or entity of false or misleading information in relation to the register of the company referred to in subsection (1) of Section 46B commits an offence.

(4) Every shareholder who knowingly contravenes subsection (4) of Section 46B commits an offence.

(5) A person who commits an offence under this Section is liable on summary conviction to a fine not exceeding two hundred thousand dollars or to imprisonment for a term not exceeding six months, or to both.

46H (1) The Governor in Council may make regulations

(a) prescribing anything that is to be prescribed pursuant to Sections 46A to 46G;

(b) defining any word or expression used but not defined in Sections 46A to 46G;

(c) respecting any matter or thing the Governor in Council considers necessary or advisable to effectively carry out the intent and purpose of Sections 46A to 46G.

(2) The exercise by the Governor in Council of the authority contained in subsection (1) is a regulation within the meaning of the *Regulations Act*.

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

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