



NATIONAL ASSEMBLY

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Bill 213

(Private)

An Act to amend the Act respecting the Mouvement des caisses Desjardins

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(Private)

AN ACT TO AMEND THE ACT RESPECTING THE MOUVEMENT DES CAISSES DESJARDINS

WHEREAS La Caisse centrale Desjardins du Québec (“the Caisse centrale”) is governed by the provisions of the Act respecting the Mouvement des caisses Desjardins (1989, chapter 113), amended by chapter 4 of the statutes of 1990, chapter 111 of the statutes of 1993, chapter 77 of the statutes of 1994 and chapter 69 of the statutes of 1996;

Whereas the provisions of the Act respecting the Mouvement des caisses Desjardins applicable to the Caisse centrale must be amended mainly to enable it to establish subsidiaries for the purpose of providing financial services, to extend credit to natural persons and to allow the application of international capitalization standards to the Caisse centrale;

THE PARLIAMENT OF QUÉBEC ENACTS AS FOLLOWS :

1. The Act respecting the Mouvement des caisses Desjardins (1989, chapter 113), amended by chapter 4 of the statutes of 1990, chapter 111 of the statutes of 1993, chapter 77 of the statutes of 1994 and chapter 69 of the statutes of 1996, is again amended by adding the following paragraph at the end of section 23 :

“Sections 487 to 503, adapted as required, apply to the subsidiaries of the Caisse centrale carrying on activities in Québec, except where they are governed by the Securities Act (R.S.Q., chapter V-1.1).”

2. Section 29 of the said Act is amended by replacing “and any other legal person including any cooperative body or national or international cooperative institution” in the second, third and fourth lines of the first paragraph by “as well as any other legal person, partnership or group, including any cooperative body or national or international cooperative institution”.

3. Section 42 of the said Act is amended by replacing “persons from whom it may receive deposits” in subparagraph 3 of the first paragraph by “to any person, except savings and credit unions governed by the Savings and Credit Unions Act”.

4. Section 49 of the said Act is replaced by the following section :

“49. The first paragraph of section 403 of the Savings and Credit Unions Act (R.S.Q., chapter C-4.1) is replaced, for the Caisse centrale, by the following paragraph:

“403. The Caisse centrale shall not acquire or hold, directly or indirectly, more than 30% of the assets of a legal person or shares in any number that permits it to exercise voting rights in excess of 30% of all voting rights attached to the total issued shares of the legal person or to elect more than one-third of the directors of the legal person, except for a subsidiary whose principal activity is to provide financial services or services related thereto.”

5. The said Act is amended by inserting the following section after section 50:

“50.0.1. The provisions of this Act and the Savings and Credit Unions Act do not limit the powers of the Caisse centrale to realize on security by the acquisition of property or otherwise.

However, within a reasonable time limit, given market conditions, the Caisse centrale shall take the necessary measures to comply with the provisions of this Act or the Savings and Credit Unions Act with respect to investments.”

6. Section 54 of the said Act is amended

(1) by adding “, the items that constitute it and the proportion of those items in relation to one another” at the end of the first paragraph;

(2) by striking out the second paragraph.

7. Section 55 of the said Act is repealed.

8. Section 56 of the said Act is replaced by the following section:

“56. Where the Inspector General considers that the capital base of the Caisse centrale is inadequate in view of its transactions or does not comply with the written instructions referred to in section 54, the Inspector General may order the Caisse centrale to adopt within the time limit prescribed and for the reasons indicated by the Inspector General, a compliance program describing the appropriate measures to be implemented within the time indicated therein.”

9. Section 81 of the said Act is amended by adding the following paragraphs at the end:

“The winding-up of the Caisse centrale does not prevent the termination in accordance with their terms of all eligible financial contracts concluded by it or the setting off of an amount payable under or in connection with all eligible financial contracts.

The Inspector General shall determine, by written instructions to the Caisse centrale, the eligible financial contracts referred to in this section.”

10. This Act comes into force on 19 June 1999.

