



NATIONAL ASSEMBLY

FIRST SESSION

THIRTY-FOURTH LEGISLATURE

Bill 116

An Act to again amend the Financial Administration Act

Introduction

JAN 9 1990

**Introduced by
Mr Gérard D. Levesque
Minister of Finance**

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EXPLANATORY NOTES

This bill amends the Financial Administration Act to confirm the power of the Minister of Finance to acquire options, futures contracts and other financial instruments determined by the Government and to render such transactions incontestable before the courts. It authorizes the Minister to dispose of such instruments, allows the Government to designate the persons who will have the power to sign documents relating to any such transaction, and proposes that the charges and expenses incurred be treated as charges and expenses relating to the management of the consolidated revenue fund.

Finally, it authorizes the Government to establish a borrowing plan and enables the Minister of Finance to conclude the transactions provided for within the framework of the plan.

Bill 116

An Act to again amend the Financial Administration Act

THE PARLIAMENT OF QUÉBEC ENACTS AS FOLLOWS:

1. The Financial Administration Act (R.S.Q., chapter A-6) is amended by inserting, after section 36, the following sections:

“36.1 Where he considers it appropriate for the proper management of the consolidated revenue fund, the public debt and any sinking funds of which management has been entrusted to him under this Act or any other general or special Act, the Minister may acquire, hold, invest in or conclude

- (a) options and futures contracts;
- (b) currency exchange agreements;
- (c) interest rate exchange agreements;

(d) any other instrument or contract of a financial nature determined by the Government.

The Minister may dispose of the instruments, contracts and investments referred to in this section or terminate, according to their terms, contracts or agreements made in accordance with this section upon such conditions and for such amounts as he considers the most advantageous.

Any document relating to a transaction to which this section applies may be signed in the name of the Minister by any person designated by the Government.

The charges and expenses incurred under this section shall be charges and expenses relating to the management of the consolidated

revenue fund within the meaning of section 30, with the exception of those incurred for a sinking fund, which shall be payable out of that fund.

“36.2 Every transaction to which section 36.1 applies is valid, and its validity cannot be contested if the documents relating to it bear the signature of the Minister or of a person designated by the Government in accordance with section 36.1, except where the cause of invalidity is established by the terms of the transaction.

Payments made by reason of such a transaction are also valid, and their validity cannot be contested except to the extent provided for in the first paragraph.”

2. Section 62 of the said Act is amended by inserting, after the first paragraph, the following paragraph:

“Such loans may also be effected within the framework of a borrowing plan authorized by the Government, of which the maximum amount and the characteristics and limits considered necessary by the Government in relation to the loans effected under the plan shall be established by the Government. The Government may then generally authorize the Minister to conclude any borrowing transaction under the plan, to establish amounts and other characteristics thereof, and to agree to the terms and conditions relating to each transaction, including those relating to the currency of payment and registration of the securities.”

3. This Act comes into force on the date or dates to be fixed by the Government.