

SIXTH SESSION

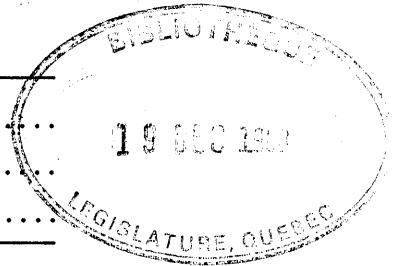
THIRTY-FIRST LEGISLATURE

NATIONAL ASSEMBLY OF QUÉBEC

Bill 192

An Act to amend the Act respecting the
Confédération des caisses populaires et
d'économie Desjardins du Québec

First reading
Second reading
Third reading



M. ELIE FALLU

L'ÉDITEUR OFFICIEL DU QUÉBEC

1980

EXPLANATORY NOTES

This bill amends certain provisions of the Act respecting La Confédération des caisses populaires et d'économie Desjardins du Québec. The amendments have to do with the Confederation, the Société d'investissement Desjardins and the Caisse centrale Desjardins.

Regarding the Confederation, the bill amends certain internal management provisions to allow smoother operations.

As to the Société d'investissement Desjardins, the bill changes the site of its head office, specifies its objects, increases its powers, modifies its capital stock structure and enables it to increase the number of its directors. It also repeals certain special provisions regarding the internal management of the Company.

As to the central union, the bill makes certain other provisions of the Savings and Credit Unions Act inapplicable to it. It also grants new powers to the board of directors of the central union.

Lastly, the bill corrects technical details in several sections.

Bill 192

An Act to amend the Act respecting the Confédération des caisses populaires et d'économie Desjardins du Québec

HER MAJESTY, with the advice and consent of the National Assembly of Québec, enacts as follows:

1. Section 1 of the Act respecting the Confédération des caisses populaires et d'économie Desjardins du Québec (1971, c. 80), amended by section 2 of chapter 90 of the statutes of 1979, is again amended by replacing the words and figures "Savings and Credit Unions Act (Revised Statutes, 1964, chapter 293)" in the second and third lines by the words and figures "Savings and Credit Unions Act (R.S.Q., c. C-4)".

2. Section 2 of the said act, amended by section 1 of chapter 102 of the statutes of 1978, is again amended by replacing the figure "103" in the first line of the second paragraph by the figure "130".

3. Section 6 of the said act is amended by adding, at the end, the following paragraph:

"The by-law may also provide for the creation of any other offices and determine the powers and duties of their holders and the conditions of their eligibility. Every such office shall be filled by the board of directors."

4. Section 7 of the said act is amended by replacing the figure "16" in the fifth line of the third paragraph by the figure "15".

5. Section 8 of the said act is amended by replacing the words "general manager" in the first paragraph by the words "general manager or have any other title to designate that office".

6. Section 9 of the said act, amended by section 2 of chapter 102 of the statutes of 1978, is again amended

(1) by replacing the figure "77" in the fourth line of subsection 1 by the figure "78";

(2) by replacing the words and figures "23 and 24 of the Special Corporate Powers Act (Revised Statutes, 1964, chapter 275)" in the last three lines of paragraph *c* of subsection 1 by the words and figures "28 and 29 of the Special Corporate Powers Act (R.S.Q., c. P-16)".

7. Section 9*b* of the said act, enacted by section 2 of chapter 78 of the statutes of 1975, is amended by replacing the words and figures "Savings and Credit Unions Act (Revised Statutes, 1964, chapter 293)" in the first three lines by the words "Savings and Credit Unions Act".

8. Section 10 of the said act is amended by replacing the word "Lévis" in the last line by the word "Montréal".

9. Section 11 of the said act is amended by replacing the reference "(Revised Statutes, 1964, chapter 271)" in the last two lines by the reference "(R.S.Q., c. C-38)".

10. Section 12 of the said act is replaced by the following section:

"12. The purpose of the Company is to promote the development of industrial or commercial undertakings, whether of a cooperative nature or not, and thus promote the economic progress of Québec."

11. Section 13 of the said act is amended by adding, after paragraph *b*, the following paragraph:

"(c) grant a loan or guarantee the payment, in whole or in part, of a financial undertaking."

12. Section 14 of the said act is replaced by the following section:

"14. The authorized capital stock of the Company is composed of an unlimited number of common shares without par value.

The directors of the Company may make a by-law to increase the capital stock of the Company by creating shares contemplated in section 146 of the Companies Act. Such a by-law is subject to the procedure established in sections 155 to 157 of that act."

13. Sections 15 to 17 of the said act are repealed.

14. Section 18 of the said act, replaced by section 3 of chapter 78 of the statutes of 1975, is again replaced by the following section:

“18. The Company’s business is administered by a board of not less than nine directors.

However, the by-laws of the Company may provide for a greater number of directors but not more than seventeen.

It is not necessary to be a shareholder to be a director of the Company.”

15. Section 19 of the said act is repealed.

16. Section 20 of the said act is amended by striking out the word “also” in the second line.

17. Section 21 of the said act is amended by replacing the figure and words “114 of the Savings and Credit Unions Act” in the last two lines of the second paragraph by the figures and words “141 of the Savings and Credit Unions Act (R.S.Q., c. C-4)”.

18. Section 22 of the said act is amended by replacing the figures and word “138, 141 and 165” in the third line by the figures and word “142, 145 and 169”.

19. Section 23 of the said act, enacted by section 2 of chapter 46 of the statutes of 1979, is amended by replacing, in the second and third lines, the expression “Caisse centrale Desjardins du Québec” by the expression ““La Caisse centrale Desjardins du Québec””.

20. Section 26 of the said act, enacted by section 2 of chapter 46 of the statutes of 1979, is amended

(1) by replacing, in the second and third lines of the first paragraph, the words and figures “(Revised Statutes, 1964, chapter 293)” by the words and figure “(R.S.Q., c. C-4)”;

(2) by replacing the second paragraph by the following paragraph:

“Nevertheless, paragraph *d* of section 4, paragraph *d* of section 43, sections 54 to 66, paragraph *g* of section 83, section 84, sections 86 to 88, sections 93 to 105 and section 129 of the said act do not apply to the central union.”

21. Section 27 of the said act, enacted by section 2 of chapter 46 of the statutes of 1979, is amended

(1) by replacing, in the first two lines of the French text, the expression "Loi des caisses d'épargne et de crédit" by the expression "Loi sur les caisses d'épargne et de crédit";

(2) by replacing paragraph *e* by the following paragraph:

"(e) notwithstanding the Civil Code, hypothecate, mortgage, pledge or convey and transfer its moveable or immoveable property, present or future, to secure the payment of such bonds, or give part only of these securities for the same purposes; and constitute the above mentioned hypothec, mortgage, pledge or conveyance and transfer by trust deed, in accordance with sections 28 to 30 of the Special Corporate Powers Act (R.S.Q., c. P-16) or in any other manner;"

22. Section 28 of the said act, enacted by section 2 of chapter 46 of the statutes of 1979, is replaced by the following section:

"28. The first five lines and subparagraph *a* of the first paragraph of section 83 of the Savings and Credit Unions Act are replaced, for the central union, by the following:

"83. With the exception of its loans and deposits, the investments of the central union shall be made

(a) in bonds or other evidences of indebtedness issued or guaranteed by a government or one of its agencies, by a municipal or school corporation in Québec, by the School Council of the Island of Montreal, by a *fabrique* in Québec, or by an ecclesiastical, religious or cemetery corporation in Québec;"

23. Section 29 of the said act, enacted by section 2 of chapter 46 of the statutes of 1979, is replaced by the following section:

"29. Subparagraph *e* of the first paragraph of section 83 of the said act is replaced, for the central union, by the following subparagraph:

"(e) in bonds or other evidences of indebtedness issued by persons other than those contemplated in subparagraph *e*;"

24. Section 30 of the said act, enacted by section 2 of chapter 46 of the statutes of 1979, is replaced by the following section:

"30. Sections 137 to 139 of the said act are replaced, for the central union, by the following sections:

"137. In addition to the investments which this act authorizes it to make through the application of section 144, the investments that the central union may make include investments in real estate in Canada, provided that the total investment of the union in such real estate does not exceed twenty per cent of its assets.

“138. The central union may also acquire and hold fully paid shares of any chartered bank, savings bank, trust company, insurance company or mutual funds company incorporated in Canada and of any bank the majority of the common shares of which are held by cooperative institutions.

“139. The central union may also acquire fully paid shares issued by a corporation incorporated in Canada,

(a) if the corporation which issued them has, during each of the five years preceding the acquisition, earned and paid on its outstanding preferred shares a dividend at least equal to the specified rate; and

(b) if such corporation has, during each of the five years preceding the acquisition, earned and paid on its common shares a dividend of at least four per cent of their book value.” ”

25. Section 31 of the said act, enacted by section 2 of chapter 46 of the statutes of 1979, is amended

(1) by inserting the words “federations that are” between the word “The” and the word “members” in the first line;

(2) by adding the following paragraph:

“The board of directors of the central union may also admit as members the corporations listed in Schedule A, on the conditions determined in the by-law.”

26. Section 36 of the said act, enacted by section 2 of chapter 46 of the statutes of 1979, is amended by replacing, in the second line of the second paragraph of the French text, the words “Loi des caisses d’épargne et de crédit” by the words “Loi sur les caisses d’épargne et de crédit”.

27. Section 37 of the said act, enacted by section 2 of chapter 46 of the statutes of 1979, is amended

(1) by replacing, in the first two lines of the first paragraph of the French text, the words “Loi des caisses d’épargne et de crédit” by the words “Loi sur les caisses d’épargne et de crédit”;

(2) by striking out the last paragraph.

28. The said act is amended by inserting, after section 39, the following sections:

“39.1 The board of directors may declare an interest on shares; it shall then fix the date of payment thereof.

“39.2 In no case may an interest be paid or declared on shares where the central union is or would thereby become insol-

vent or where the paid-up capital is or would thereby be broken into.

"39.3 The members of the board of directors who, knowingly, authorize the payment of interest on shares in contravention of section 39.2 are jointly and severally liable for the sums not recovered.

"39.4 The board of directors may, by by-law, order the creation of a surplus account or of any other account or reserve that it considers appropriate.

"39.5 The board of directors may, out of the annual surplus, pay a rebate to the members contemplated in sections 31 and 32 pro rata to their operations with the central union."

29. The said act is amended by inserting, after section 43, the following section:

"43.1 The central union must furnish to the Minister the financial statements prescribed by regulation of the Government."

30. The said act is amended by inserting, after section 45, the following section:

"45.1 The Government, by regulation, may

(a) determine the nature, form and content of the financial statements that the central union must present, and the time when it must present them;

(b) determine the methods to be followed in evaluating the assets and liabilities of the central union.

No regulations under this section may be adopted except on prior notice of thirty days setting out their text and published in the *Gazette officielle du Québec*.

The regulations come into force on the day of publication in the *Gazette officielle du Québec* of a notice indicating that they have been adopted by the Government or, if amended by it, on the day of publication of their final text, or on any later date fixed in the notice or in the final text."

31. The capital stock of the Société d'investissement Desjardins is modified as follows:

(a) the 400 000 preferred shares of a par value of \$100 each, comprising 381 955 unissued shares and 18 045 shares issued and subsequently redeemed, are cancelled, as are 9 522 unissued Class A common shares of a par value of \$100 each and 162 683 unissued Class B common shares of a par value of \$100 each, consequently reducing the capital stock from \$100 000 000 to \$42 779 500;

(b) the 478 Class A common shares of a par value of \$100 each that have been issued are changed into and redesignated as 478 common shares without par value;

(c) the 427 317 Class B common shares of a par value of \$100 each that have been issued are changed and converted into 427 317 common shares without par value;

(d) the limit imposed on the number of common shares that may be issued is suppressed, so that on the date of the coming into force of this act, the capital stock of the company is composed of an unlimited number of common shares without par value including 427 795 issued and fully paid shares.

32. This act comes into force on the day of its sanction, except section 29, which will come into force on the date to be fixed by government proclamation.