

CHAPTER 84

Credit Unions Act

Title. **1.** This Act may be cited as the *Credit Unions Act*. R.S. 1948, c. 82, s. 1.

Interpretation

**Interpre-
tation.**

- 2.** In this Act, unless the context otherwise requires,
- “central credit union” means a credit union in which membership is restricted to credit unions and other corporations;
 - “constitution” means those provisions of the constitution and rules of a credit union which are governed by sections 3 to 8;
 - “constitution and rules” means the constitution and the rules of a credit union as defined by this section;
 - “credit union” means a credit union incorporated under this Act;
 - “director” includes any person occupying such position by whatever name called, other than a member of a credit committee or supervisory committee;
 - “document” includes notice, order, summons, and other legal process and registers;
 - “extraordinary resolution” means a resolution passed by a majority of not less than three-fourths of such members entitled to vote as are present in person at a general meeting of which notice specifying the intention to propose the resolution as an extraordinary resolution has been duly given;
 - “Inspector” means the Inspector of Credit Unions appointed pursuant to this Act;
 - “member” means a member of a credit union;
 - “Minister” means the Attorney-General;
 - “Registrar” means the Inspector of Credit Unions;
 - “rules” means the rules, regulations, or by-laws of a credit union for the time being in force. R.S. 1948, c. 82, s. 2; 1951, c. 19, s. 2.

Constitution and Rules

Purposes. **3.** A credit union may be formed under this Act for the purpose of raising a fund by the subscriptions of the members and by such other means as this Act provides, and of making loans thereout to the members in accordance with the provisions of this Act. R.S. 1948, c. 82, s. 3.

Name. **4. (1)** The name of a credit union shall consist of the words “credit union” preceded by some word or words approved by the Registrar.

(2) No person, firm, or corporation shall carry on business under any name which includes, or adopt any new name including, the words “credit union” in that or any similar arrangement, except a credit union

to which this Act applies, but a co-operative association in which only credit unions may be members and having been incorporated with not less than ten members may have "credit union" as part of its name; and subsection (1) of section 4 of the *Co-operative Associations Act* shall not apply to such co-operative association. No such co-operative association shall include in its name the word "company" or the word "limited."

(3) Every person, firm, or corporation which violates the provisions of subsection (2) is liable, on summary conviction, to a penalty not exceeding one hundred dollars. R.S. 1948, c. 82, s. 4.

Change
of name.

5. (1) A credit union may, by extraordinary resolution and with the approval of the Registrar signified in writing, change its name.

(2) Where a credit union changes its name, the Registrar shall enter the new name on the register in place of the former name, and shall issue under his seal of office a certificate that the credit union has changed its name, stating therein the new name, and, if he thinks it advisable, shall, at the cost of the credit union, publish in the Gazette a notice of the change.

(3) The change of name shall not affect any rights or obligations of the credit union or render defective any legal proceedings by or against the credit union, and any legal proceedings that might have been continued or commenced against it by its former name may be continued or commenced against it by its new name. R.S. 1948, c. 82, s. 5.

Capital.

6. The capital of a credit union shall consist of an unlimited number of shares of the denomination of five dollars each. R.S. 1948, c. 82, s. 6.

Liability of
members.

7. The liability of a member shall be limited to the amount unpaid on the shares held by him. R.S. 1948, c. 82, s. 7.

Operation
outside
Province
prohibited.

8. No credit union shall carry on business outside the Province except that a credit union, with the consent of the Inspector, may become a member of, buy shares in, deposit with, or borrow from a central credit union or co-operative credit society or other like institution incorporated in Canada. R.S. 1948, c. 82, s. 8; 1951, c. 19, s. 3.

Rules.

9. (1) The rules of a credit union shall contain provisions in respect of the several matters mentioned in the First Schedule, set forth in the order therein specified as nearly as may be.

(2) The Minister may from time to time prescribe rules not inconsistent with this Act for use by all credit unions, and the Inspector shall inform every credit union of the contents of every rule so prescribed, and thereupon the rule applies to it, but no right or obligation of the credit union shall be affected by the prescription of the rule.

(3) A credit union may by extraordinary resolution alter or add to its rules, but no alteration or new rule shall take effect until the Inspector has approved the alteration or new rule, and the Inspector may refuse

to approve an alteration or new rule where it appears to him that it does not clearly express what this Act requires or is unfair in any respect. R.S. 1948, c. 82, s. 9.

Incorporation

Application
for incorpo-
ration.

10. (1) Any ten or more persons desiring to form a credit union shall make and subscribe in triplicate the constitution and rules of the credit union according to Form 1 in the Second Schedule, and shall deliver the same to the Registrar with a notice of the situation of the registered office and a list of the persons named under section 27 as the first directors of the credit union.

(2) The Inspector shall be satisfied that the subscribers and proposed directors are residents of the Province and are qualified to establish and conduct a credit union, and that the formation of the proposed credit union will be for the convenience and advantage of the public. R.S. 1948, c. 82, s. 10.

Incorpo-
ration.

11. (1) If the constitution and rules appear to the Registrar to comply with this Act and the Inspector approves the application, the Registrar shall issue under his seal of office a certificate showing that the credit union is incorporated. One copy of the constitution and rules shall be returned to the applicants certified as having been registered by him.

(2) A certificate of incorporation given by the Registrar in respect of a credit union is conclusive evidence that the requirements of this Act in respect of incorporation have been complied with, and that the credit union is duly incorporated according to the provisions of this Act. R.S. 1948, c. 82, s. 11.

Effect of in-
corporation.

12. (1) From the date of the certificate of incorporation the subscribers to the constitution and rules, and such other persons as may from time to time become members of the credit union, are a body politic and corporate by the name therein described, having perpetual succession and a common seal, with the powers and subject to the provisions in this Act contained, and with power to purchase, take on lease or in exchange, hire, or otherwise acquire and hold any real and personal property and any rights or privileges that the directors may think necessary or convenient for the purposes of the credit union.

(2) The constitution and rules bind the credit union and its members to the same extent as if they had respectively been signed and sealed by each member and contained covenants on the part of each member, his heirs, executors, and administrators to observe all the provisions of the constitution and rules, subject to the provisions of this Act. R.S. 1948, c. 82, s. 12; 1951, c. 19, s. 4.

Powers

Deposits.

13. (1) A credit union may receive from its members only money on deposit and may allow interest thereon, subject to the following conditions:—

- (a) Moneys received on deposit and all securities representing any investment thereof shall not be liable for or used to pay any other obligation of the credit union:
- (b) The claims of members entitled as depositors rank equally with the claims of the other creditors of the credit union against all its other assets, notwithstanding the special security for depositors provided by clause (a):
- (c) The credit union shall at all times have on hand in lawful money of Canada or on deposit with a bank or with a central credit union at least twenty-five per centum of all deposits which are withdrawable on demand:
- (d) All deposits paid by the credit union into a bank or with a central credit union shall be placed in a separate account, and the accounts and transactions relating to moneys received on deposit shall be kept separate and distinct from the general business of the credit union.

(2) The Minister may make such regulations as may seem advisable to define or determine for the purposes of this section what is a deposit or when a deposit is withdrawable on demand. R.S. 1948, c. 82, s. 13.

Borrowing.

14. (1) A credit union may borrow and raise money in such manner as it thinks fit, and in particular by the issue of debentures, and may secure the payment of any such money by mortgage or charge on its real or personal property, including sums unpaid on its shares.

(2) The total amount at any time outstanding of money so borrowed by a credit union shall not exceed twenty-five per centum of the value of its assets, exclusive of sums unpaid on its shares and of the value of property of the credit union already mortgaged or charged by it.

(3) The rules of a credit union shall state whether or not the credit union shall be authorized to borrow, and to what extent and in what manner, and that no issue of debentures shall be made without the sanction of an extraordinary resolution. R.S. 1948, c. 82, s. 14.

Negotiable instruments.

15. For the purposes of this Act, a credit union may draw, make, accept, endorse, discount, execute, and issue promissory notes, bills of exchange, and other negotiable or transferable instruments. R.S. 1948, c. 82, s. 15.

Investments.

16. (1) A credit union may invest any of its funds not required for making loans, other than moneys received on deposit under section 13,

- (a) either alone or jointly with other corporate bodies incorporated under this Act, the *Societies Act* or the *Co-operative Associations Act*

- (i) in real estate to be used in whole or in part as a place for conducting the business of the credit union;
 - (ii) with the consent of the Inspector, in fully paid shares of a corporate body whose principal object is the ownership or management of real estate, if such real estate is to be used in whole or in part as a place for conducting the business of the credit union;
- but the total investment of a credit union under this clause shall not, without the consent of the Inspector, exceed ten per centum of the amount paid up on its outstanding shares;
- (b) by way of deposit in a bank or with a central credit union;
 - (c) in any securities of the Government of Canada or of the Province, or securities the principal and interest of which are guaranteed by the Government of Canada or of the Province;
 - (d) in fully paid shares of other credit unions to an amount not exceeding in the aggregate ten per centum of the amount fully paid up on its own outstanding shares, but the investment of a credit union in the shares of another credit union under this clause shall not, without the consent of the Inspector, exceed ten per centum of the amount fully paid up on the outstanding shares of such other credit union;
 - (e) in fully paid shares of a co-operative association that has as members only credit unions to the number of not fewer than ten; but the amount of money invested pursuant to this clause shall not exceed five dollars; but this sum may be increased by twenty-five dollars for every one thousand shares of the credit unions that are fully paid up.

(2) If at the end of its fiscal year the operations of a credit union have shown a profit, that credit union may pay dues in respect of membership in a co-operative association in which only credit unions may be members.

(3) Moneys received on deposit under section 13 not required for making loans to its members shall be invested only in the manner provided by clauses (b) and (c) of subsection (1).

(4) A credit union may use moneys received from the sale of shares to pay the costs of incorporation and setting up the credit union, not exceeding one hundred dollars; and any moneys so used shall be replaced in annual instalments out of profits within three years. R.S. 1948, c. 82, s. 16; 1954, c. 5, s. 2; 1955, c. 16, s. 2.

Power to sue
and contract.

17. (1) A credit union may sue and be sued, contract and be contracted with, in its corporate name.

(2) Contracts on behalf of a credit union may be made as follows:—

- (a) Any contract which, if made between private persons, would be by law required to be in writing and under seal may be

made on behalf of the credit union in writing under the common seal of the credit union, and may in the same manner be varied or discharged:

(b) Any contract which, if made between private persons, would be by law required to be in writing, signed by the persons to be charged therewith, may be made on behalf of the credit union in writing by any person acting under its authority, express or implied, and may in the same manner be varied or discharged:

(c) Any contract which, if made between private persons, would by law be valid although made by parol only and not reduced into writing, may be made by parol on behalf of the credit union by any person acting under its authority, express or implied, and may in the same manner be varied or discharged.

(3) All contracts made, varied, or discharged according to this section are, so far as concerns the form thereof, effectual in law and binding on the credit union and all other parties thereto. R.S. 1948, c. 82, s. 17.

Loans.

18. (1) A credit union may make loans only to its members and only for a provident, productive, or merchandising purpose.

(2) The directors from time to time shall review and determine policy with respect to loans, including the amount available for loans, the amount available (if any) for long-term loans, and the rate of interest to be charged, and the directors shall notify the credit committee of the policy determined.

(3) The directors shall not have the power to reject loans approved by the credit committee, and the credit committee shall have the sole power to approve loans in accordance with the policy determined by the directors, but no loan shall be granted until it has been authorized by a majority of the credit committee.

(4) The credit committee from time to time shall notify the directors of the number and nature of applications for loans.

(5) No loan of any amount exceeding two hundred dollars shall be made without security therefor in addition to the obligation or covenant of the borrower, except that the Inspector may authorize a credit union, on application by it, to make loans exceeding the sum of two hundred dollars, but not exceeding the sum of four hundred dollars, without security therefor other than the covenant of the borrower; and in giving such authority the Inspector may impose such conditions as he deems advisable.

(6) No loan shall be made without the approval of at least two-thirds of the directors and the credit committee

(a) to a director or member of a credit committee or supervisory committee, or any officer or employee, if the amount of the loan exceeds by more than two hundred dollars the total value of his shares; or

(b) to a credit union or body corporate, and in this case the consent of the Inspector in writing shall be first obtained.

(7) The rate of interest on a loan shall not exceed one per centum for each month, inclusive of all charges for making the loan, and shall be payable only on the unpaid balance.

(8) A borrower may repay his loan in whole or part on any day on which the office of the credit union is open for business.

(9) A person who, directly or indirectly, receives a loan contrary to the provisions of this Act or of the rules, and a treasurer and a member of the directorate or of the credit committee who participates in making the loan, knowing that it is contrary to the provisions of this Act or of the rules, are jointly and severally liable to the credit union in a sum equal to the amount of the loan and any interest accrued thereon, which amount may be recovered by civil action in any Court of competent jurisdiction with full costs of suit by the credit union or a member of the credit union on behalf of the credit union; but no such action may be brought after two years after the date of the granting of the loan. R.S. 1948, c. 82, s. 18; 1951, c. 19, s. 5; 1954, c. 5, s. 3; 1955, c. 16, s. 3.

Administration

Registered
office.

19. Every credit union shall have a registered office in the Province to which all communications and notices may be addressed, and shall file with the Registrar notice of every change in its situation. R.S. 1948, c. 82, s. 19.

Publication
of name.

20. Every credit union shall,

- (a) unless excused by the Inspector, paint or affix, and keep painted or affixed, its name on the outside of every office or place in which its business is carried on, in a conspicuous place, in letters easily legible;
- (b) have its name engraved in legible characters on its seal;
- (c) have its name mentioned in legible characters in all notices, advertisements, and other official publications of the credit union, and in all bills of exchange, promissory notes, endorsements, cheques, and orders for money or goods purporting to be signed by or on behalf of the credit union, and in all bills of parcels, invoices, receipts, and letters of credit of the credit union. R.S. 1948, c. 82, s. 20.

Membership.

21. (1) The members of a credit union shall be the subscribers of the constitution and rules, and those persons admitted to membership therein according to the rules, who have a common bond of occupation or association, or form a group within a community in a certain neighbourhood or rural or urban district.

(2) Subject to the provisions of the rules,

- (a) a person under the age of twenty-one years but above the age of sixteen years may be admitted as a member, and is subject

- to all the obligations and shall enjoy all the rights of membership, including the right to borrow, except that he does not have the right to be a director or member of the credit committee or supervisory committee;
- (b) any credit union or body corporate may be admitted to membership and may be represented by some person authorized on its behalf;
 - (c) a person under the age of sixteen years may, on application made by his parent or guardian, be admitted as a junior member. A junior member is subject to all the obligations and shall enjoy all the rights of a member, with the following exceptions: He shall not have the right to vote, or the right to be a director or a member of the credit committee or of the supervisory committee, and he shall not have the right, unless his parent or guardian consents, to withdraw from membership in the credit union or to withdraw money on deposit or to borrow from the credit union. Where the Inspector is satisfied that there is difficulty in getting in touch with the parent or guardian, the Inspector may, if he deems it advisable, give consent instead of the parent or guardian, and in that case the consent of the parent or guardian is not required;
 - (d) junior members attaining the age of sixteen years may be enrolled as qualified members without additional registration;
 - (e) a person under the age of twenty-one years is *sui juris* for the purposes of this section. R.S. 1948, c. 82, s. 21; 1951, c. 19, ss. 6, 7; 1954, c. 5, ss. 4, 5.

Termination
of member-
ship.

22. (1) Subject to the provisions of the rules,

- (a) a member may withdraw from a credit union unless he is a director or a member of the credit committee or supervisory committee;
- (b) where a member is charged with conduct detrimental to the credit union he may be expelled from membership by extraordinary resolution. The member making the charge shall lodge with the directors full particulars thereof in writing signed by him, and the member charged shall be furnished by them with a copy of the particulars at least two weeks previous to the meeting. The notice calling the meeting shall state that the charge has been made and specify the names of the members concerned.

(2) A member so withdrawing or expelled is entitled to a refund of the amount paid up on his shares, but an expelled member shall not be again admitted to membership except by extraordinary resolution.

(3) Where a member who is the holder of fewer than five paid-up shares does not during any fiscal year subscribe and pay in full for at least one other share, the directors may in their discretion serve upon

him notice in writing that he is required within one month from the date of service to subscribe and pay in full for one share; and if the member fails to comply with the requirement the directors may in their discretion cancel the membership. The credit union shall thereupon serve upon the person whose membership has been cancelled notice of the cancellation; and shall refund to him all money paid by that person for shares, together with accrued dividends, if any. R.S. 1948, c. 82, s. 22.

Register of
members.

23. (1) Every credit union shall keep at its registered office

- (a) a register of members, a register of directors, a register of members of the supervisory committee, and a register of the members of the credit committee. Every register shall be open to inspection by any member free of charge and to any other person on payment of a fee of twenty-five cents;
- (b) a record showing
 - (i) the names, addresses, and occupations of the members, the number of shares held by them respectively, and the amount paid on any such share;
 - (ii) the date at which the name of any person was entered on the register of members;
 - (iii) the date at which any person ceased to be a member;
 - (iv) the names, addresses, and occupations of directors, officers, and members of supervisory and credit committees, and the dates upon which they respectively commenced and ceased to act.

(2) Every register and record kept pursuant to this section shall be prima facie evidence of the facts stated in such register or record. R.S. 1948, c. 82, s. 23.

Shares.

24. (1) Subject to the provisions of the rules, a member may hold any number of shares in a credit union; but no shares shall be issued jointly.

(2) Shares in a credit union are personal estate.

(3) All shares shall be paid for in cash, except where shares are issued for the purposes of section 49, and no shares shall be issued at a discount, and no commission or other compensation shall be paid in consideration of the subscription for or sale of any share.

(4) Shares may be payable in instalments and may, in accordance with the rules, be cancelled or forfeited for default in payment and shall be forfeited if the moneys paid thereon have been applied under subsection (7). Any amount paid on a share forfeited under this section shall likewise be forfeited and be the property of the credit union.

(5) A credit union may, if authorized by the rules, redeem its shares.

(6) No member shall receive any dividend on his shares, except in proportion to the amount paid up thereon.

(7) A credit union has a lien on the shares and deposits of a member for a debt due, owing, or accruing due to it by him, and the lien

extends to any dividend or bonus on his shares or interest credited to the member in respect of moneys deposited by him, and may be enforced by applying any moneys paid on shares or on deposit to any payment in arrears under the debt.

(8) Subject to the rules, a fully paid share may be transferred by a member, and a partly paid share or a share on which any payment is in arrear or a share on which the credit union has a lien may also be transferred with the consent of the directors, but a share of a director or a member of the credit committee or supervisory committee is not transferable.

(9) Every person whose name is registered in the register of members is entitled to a certificate of membership, under the seal of the credit union, and also to a pass-book specifying the share or shares held by him and the amount paid up thereon, and such other information as may be prescribed by the rules; and the certificate and pass-book are prima facie evidence of his membership and of his title to the share or shares. R.S. 1948, c. 82, s. 24; 1951, c. 19, ss. 8, 9.

Shares or
deposits held
as security.

25. (1) Where shares of a member are held as security for a loan, no payment for the redemption of the shares shall be made to that member if the value of the shares held by the member is thereby reduced to less than the amount outstanding on the loan.

(2) Notwithstanding subsection (1), shares of a member may be applied, without notice, to the payment of that member's delinquent loan.

(3) For the purpose of subsection (2), a loan shall be deemed to be delinquent where any amount of principal or interest as provided for in the original loan is in arrears for more than three months. 1955, c. 16, s. 4.

Voting
rights.

26. (1) No member shall have more than one vote, except that in the case of an equality of votes the chairman at any general meeting shall, both on a show of hands and ballot, have a casting or second vote.

(2) No member may vote by proxy. R.S. 1948, c. 82, s. 26.

Directors.

27. (1) The first directors of a credit union shall be determined in writing by a majority of the subscribers of the constitution and rules, and shall hold office until the first general meeting, and thereafter the directors shall be appointed in accordance with the rules.

(2) A credit union shall have at least five directors, and no person is eligible to be a director unless he is a member.

(3) The office of director shall be vacated if a director ceases to be a member, and for such other reasons as the rules may specify.

(4) Subject to this Act and the rules, the business of a credit union shall be managed by the directors, who may exercise all the powers of the credit union.

(5) No director shall, as such, receive any remuneration.

(6) The acts of a director or manager are valid notwithstanding any defect that may afterwards be discovered in his appointment or qualification.

(7) Every meeting of directors shall be held in the Province. R.S. 1948, c. 82, s. 27.

Credit committee and supervisory committee.

28. (1) A credit union shall have a credit committee of not fewer than three persons and a supervisory committee of three persons, but the membership of the supervisory committee may, with the consent of the Inspector, be increased to five, and section 27, except subsection (4) thereof, applies mutatis mutandis.

(2) A director may also be a member of the credit committee, but neither a director nor a member of the credit committee shall be a member of the supervisory committee. R.S. 1948, c. 82, s. 28.

Functions of supervisory committee.

29. (1) The supervisory committee shall as the auditors of the credit union make or, without detracting from their own responsibilities, cause to be made by a chartered accountant or other person approved by the Inspector at least an annual examination of its accounts, and shall make a report to the members on those accounts and on every balance-sheet laid before the credit union in general meeting during its tenure of office, and the report shall state

- (a) whether or not the committee has obtained all the information and explanations it has required; and
- (b) whether in its opinion the balance-sheet referred to in the report is properly drawn up so as to exhibit a true and correct view of the state of the credit union's affairs according to the best of its information and the explanations given to it, and as shown by the books of the credit union.

The committee shall specially report in what respects it finds the books, documents, accounts, or vouchers incorrect, unvouched, or not in accordance with law.

(2) The committee shall make an inspection of the affairs of the credit union at least quarterly, and shall at such time audit its accounts and submit a written report, in duplicate, within thirty days to the Inspector on a form provided by him.

(3) The committee may at any time call a general meeting to consider a report made by it or any matter arising out of the conduct of the affairs of the credit union.

(4) The committee has a right of access at all times to all the books, documents, accounts, and vouchers of the credit union, and is entitled to require from the directors and officers any information or explanation necessary for the performance of its duty as auditors.

(5) Notwithstanding anything herein contained, the Inspector may, for cause, and at the expense of the credit union, appoint a chartered accountant or certified general accountant as auditor for the credit union and may require such reports from him as he may deem necessary, and

the auditor so appointed has all the powers and rights conferred on the supervisory committee by this section and is charged with the same duties as those given to the supervisory committee by this section, but no such appointment shall detract from the responsibilities of the supervisory committee. R.S. 1948, c. 82, s. 29; 1955, c. 16, s. 5; 1957, c. 17, s. 2.

General
meetings.

30. (1) The first general meeting of a credit union shall be held within one month after the date of incorporation.

(2) A general meeting of the credit union shall thereafter be held during the month of January, February, or March, in each year on such date as the rules may provide; but if the general meeting is not held in any of these months, the Inspector may authorize the holding of the general meeting required by this section in such month as he may prescribe.

(3) The rules may provide for semi-annual or other periodic meetings.

(4) The directors may, whenever they think fit, and shall, upon a written requisition signed by not less than one-twentieth in number of the members, call a special general meeting. A requisition shall set forth the object of the meeting and be deposited at the registered office. If the directors do not within seven days after the deposit of the requisition call the meeting the requisitionists may themselves convene a meeting.

(5) Seven days' notice at the least of every annual general meeting and of every general meeting at which an extraordinary resolution is to be proposed shall be given to every member, and, in the case of any other general meeting, seven days' notice at the least, or such longer notice as is prescribed by the rules, shall be given to every member. The notice shall specify the place, the day, and the hour of meeting, and, in the case of special business, shall specify the general nature of that business.

(6) Every general meeting shall be held in the Province. R.S. 1948, c. 82, s. 30.

Balance-
sheets and
reports to
annual
meeting.

31. (1) At every annual general meeting the directors shall lay before the credit union

- (a) a balance-sheet in a form to the satisfaction of the Inspector fully disclosing the financial position of the credit union, and signed on behalf of the board by two of the directors and made up to the thirty-first day of December in each year;
- (b) a general statement of income and expenditure for the financial period ending upon the date of the balance-sheet;
- (c) the report of the supervisory committee, which shall be read before the meeting, and a reference to the report shall be inserted at the foot of the balance-sheet;
- (d) a report of the directors on the affairs of the credit union, which shall be read before the meeting; and

(e) such further information as the rules may require; and the reports of the directors and supervisory committee shall be open to inspection by any member.

(2) Every member shall be supplied free of charge by the credit union with a copy of the last balance-sheet for the time being, and also with copies of the reports of the directors and auditors and the profit and loss account, subject to payment therefor, if the rules so require, of a charge not exceeding ten cents for every hundred words.

(3) A copy of the last profit and loss account and balance-sheet for the time being, together with the reports of the directors and supervisory committee, shall be continuously displayed in a conspicuous place in the registered office of the credit union. R.S. 1948, c. 82, s. 31.

Filing of
copies of
balance-sheet
and statement
of income and
expenditure.

32. Every credit union shall, prior to the date of the annual general meeting, file with the Registrar two copies of the balance-sheet and general statement of income and expenditure, signed by the secretary or a director as of the thirty-first day of December in the preceding year. R.S. 1948, c. 82, s. 32.

Filing of other
particulars.

33. Within one week after the date of the annual general meeting, the credit union shall file with the Registrar

- (a) the names, addresses, and occupations of the directors, the members of the credit committee, the members of the supervisory committee, and the treasurer;
- (b) the apportionment of net earnings for the year as passed at the immediately preceding annual general meeting. R.S. 1948, c. 82, s. 33.

Reserve fund.

34. (1) At the end of each fiscal year there shall be set aside twenty per centum of the net earnings for the year, or such further amount as may be authorized at the annual meeting, as a reserve fund until that fund is equal to twenty per centum of the share capital paid up at the end of the year.

Apportion-
ment of re-
mainder of
net earnings.

(2) The remainder of the net earnings may be apportioned by the members at the annual general meeting in their discretion and distributed as follows:—

- (a) By payment of a dividend on the share capital paid up to the end of the preceding fiscal year, but not exceeding six per centum per annum, or the amount recommended by the directors, whichever is less:
- (b) By paying a dividend to members who have paid interest to the credit union during the preceding year, the dividend to be proportional to the interest paid:
- (c) By paying additional remuneration to any servant of the credit union or by setting aside an amount for the promotion of thrift and for education in co-operative principles:
- (d) By retaining the remainder (if any) as undistributed earnings.

(3) No apportionment may be made under clause (a), (b), or (c) of subsection (2) without the approval of the Inspector where the delinquent loans of the credit union exceed ten per centum of the amount out on loan to members, and for the purpose of this subsection a loan shall be deemed delinquent where any amount of principal or interest, as provided for the original loan, is in arrears for more than three months.

Disposition
of reserve
fund.

(4) The reserve fund shall be used only for paying losses of the credit union arising from bad loans or investments, and shall be separately invested in the manner provided by clauses (b) and (c) of subsection (1) of section 16. R.S. 1948, c. 82, s. 34; 1954, c. 5, s. 6.

Minutes and
books of
account
to be kept.

35. (1) The directors shall cause minutes to be made in books, provided for the purpose

(a) of all appointments of officers made by them;

(b) of the names of the directors present at each meeting of directors;

(c) of all resolutions and proceedings at all meetings of the credit union or the directors.

(2) The credit committee and the supervisory committee shall, mutatis mutandis, keep the like records of their proceedings as are prescribed by subsection (1).

(3) The directors shall cause true accounts to be kept

(a) of all sums of money received and expended and the matter in respect of which such receipt and expenditure takes place; and

(b) of the assets and liabilities of the credit union.

(4) All minute-books and books of accounts shall be kept at the registered office of the credit union. R.S. 1948, c. 82, s. 35.

Security by
officers.

36. Every officer of a credit union who receives or has charge of moneys or control or custody of securities of the credit union shall, before entering on his duties, give such security as may from time to time be thought advisable by the directors according to the rules. R.S. 1948, c. 82, s. 36.

Disputes.

37. Every dispute arising out of the affairs of a credit union, between a member thereof or any person aggrieved who has for not more than six months ceased to be a member, or any person claiming through such member or person aggrieved, or claiming under the rules, and the credit union or a director or a member of the credit committee or supervisory committee, shall be decided by arbitration, which shall be under the *Arbitration Act*, unless the rules prescribe some other method; and the decision so made is binding on all parties, and may be enforced on application to a County Court, and unless the rules otherwise provide there is no appeal from such decision. R.S. 1948, c. 82, s. 37.

Extraordi-
nary resolu-
tions to be
filed.

38. Every credit union shall file with the Registrar, in triplicate according to Form 2 in the Second Schedule, every extraordinary resolution passed for any purpose mentioned in this Act, and he shall register

one copy, transmit one copy to the Inspector, and return the third copy certified as having been filed. R.S. 1948, c. 82, s. 38.

Authenti-
cation of
returns.

39. Every notice, return, or resolution required to be filed with the Registrar shall be authenticated by an officer of the credit union. R.S. 1948, c. 82, s. 39.

Constitution,
rules, and
certificates
available.

40. The credit union shall have at its registered office, available to members, a copy of its constitution and rules, including the certificate of incorporation of the credit union and any other certificate issued to it by the Registrar under this Act, and shall furnish a copy thereof to any member applying therefor and paying such sum as may be prescribed by the directors. R.S. 1948, c. 82, s. 40.

Inspection

Inspector to
be appointed.

41. (1) The Lieutenant-Governor in Council may appoint an Inspector of Credit Unions either in accordance with the provisions of the *Civil Service Act* or otherwise.

(2) In addition to any other duty imposed by this Act the Inspector shall secure information and advise as to the establishment and operation of credit unions, make such report to the Minister respecting credit unions, and perform such other duties as the Minister may require.

(3) The Lieutenant-Governor in Council may appoint a Deputy Inspector of Credit Unions and such officers and clerks and employees as he may deem necessary for the due administration of this Act, and may prescribe their respective duties; and any appointment may be in accordance with the provisions of the *Civil Service Act* or otherwise. R.S. 1948, c. 82, s. 41.

Inspection of
credit unions.

42. Every credit union carrying on business is subject to inspection by the Inspector, and the Inspector shall once in each year, and may at any time when in his opinion it is necessary or expedient, visit and examine personally, or by an officer or clerk authorized by him, every credit union, and on every examination investigation shall be made of its books, accounts, assets, securities, documents, and affairs, the condition and resources of the credit union generally, and as to whether the requirements of its constitution and rules and of law have been complied with in the administration of its affairs; and upon the examination inquiries may be made from any of its officers, members, or employees. R.S. 1948, c. 82, s. 42.

Inquiry by
Inspector
or Registrar.

43. The Inspector and the Registrar are hereby authorized to address to any credit union or any officer or employee thereof, or to any person whose name appears upon its books as a member, depositor, or borrower, any inquiry connected with its affairs, and it shall be the duty of every credit union or person so addressed to reply promptly to the inquiry, and, if so required, in writing. R.S. 1948, c. 82, s. 43.

Powers of
Inspector in
certain cir-
cumstances.

44. (1) If it appears to the Inspector from an examination made, or from any information or report received by him respecting a credit union, that the credit union has failed to comply with any provision of this Act, or that it is conducting business in an unsafe or unauthorized manner, or has failed to meet its obligations, or has refused to submit its books, accounts, securities, documents, or affairs for examination by him, or has prevented or obstructed an examination, he

(a) may by order under his hand, addressed to and served on the credit union,

(i) direct that the credit union comply with the provisions of this Act and discontinue any unsafe or unauthorized practice; or

(ii) direct that the directors of the credit union forthwith call a special general meeting for the consideration of the Inspector's report;

(b) if he deems the matter of sufficient importance, shall report the matter to the Minister.

Powers of
Minister.

(2) Upon receiving a report from the Inspector as provided by clause (b) of subsection (1), the Minister, by order under his hand, addressed to and served on the credit union, to take effect as of the date fixed by the order, may order any or all of the following:—

(a) Suspension of the right of the credit union to accept applications for shares or loans:

(b) Suspension of the right to redeem any shares or make any return of moneys paid for shares:

(c) Prohibition of the return of any moneys held on deposit.

Lifting of
suspensions,
etc.

(3) The Inspector may lift the suspensions provided for in clauses (a) and (b) of subsection (2), or withdraw the prohibition provided for in clause (c) of that subsection to the extent and upon such terms and conditions as he may deem advisable.

Offences.

(4) Failure to comply with the directions provided for under clause (a) of subsection (1) or any order provided for under subsection (2) is an offence against this Act. R.S. 1948, c. 82, s. 44.

Dissolution

Revocation
of incorpo-
ration.

45. Where a credit union has fewer than ten members, or on other sufficient cause being shown, and upon such conditions and subject to such provisions as may be deemed proper, the Lieutenant-Governor in Council may revoke and cancel the incorporation of any credit union and declare the credit union to be dissolved. R.S. 1948, c. 82, s. 45.

Winding-up.

46. The provisions of the *Companies Act* relating to the winding-up of companies shall, mutatis mutandis, apply to a credit union under this Act; but wherever those provisions prescribe a special resolution, an extraordinary resolution shall be sufficient under this Act. R.S. 1948, c. 82, s. 46.

Surrender of
certificate.

47. A credit union may by extraordinary resolution surrender its certificate of incorporation, and the Registrar may, after being satisfied that sufficient notice of the intention of the credit union has been given, and that no debts or liabilities of the credit union are outstanding, accept the surrender of the certificate and cancel it, and fix a date from which the credit union shall be dissolved. R.S. 1948, c. 82, s. 47.

Removal of
credit union
from register.

48. The provisions of the *Companies Act* relating to the removal from the register of companies defunct or in default shall apply, mutatis mutandis, to a credit union which has failed for any period of two years to send or file any return, notice, or document required to be made, filed, or sent to the Registrar pursuant to this Act, or where the Registrar has reasonable cause to believe that a credit union is not in operation. R.S. 1948, c. 82, s. 48.

Amalgama-
tion of credit
unions.

49. (1) Any two or more credit unions may amalgamate and form a new credit union by passing extraordinary resolutions which shall authorize their respective directors, or some of them, to subscribe jointly a constitution and rules according to Form 1 in the Second Schedule, and to comply in other respects with section 10, and may for that purpose authorize such alterations in regard to name and capital as may be necessary.

(2) After the issue of a certificate of incorporation to the new credit union the former credit unions stand dissolved, and all property and rights of such credit unions pass to and are vested in the new credit union without any further act or deed, but no amalgamation under this section shall affect the rights of any creditor, and the new credit union is liable for all debts and obligations of the former credit unions.

(3) Upon production of such evidence as may be required, the estate and interest of the former credit unions in any land as registered under the *Land Registry Act* shall be registered in the name of the new credit union, but the new credit union is exempt from payment of any fees computed according to the value of such estate or interest. R.S. 1948, c. 82, s. 49.

Miscellaneous

Inspection of
documents.

50. (1) Any persons may inspect the documents relating to a credit union and kept by the Registrar under this Act on payment of a fee of twenty-five cents for each inspection, and may require a copy or extract of any document or part thereof on payment for the copy or extract of ten cents for each folio, and of a further fee not exceeding one dollar if such copy or extract is required to be certified as a true copy.

(2) A copy of or extract from any document kept and filed or registered at the office of the Registrar, certified to be a true copy under the hand and seal of the Registrar, is in all legal proceedings admissible in evidence as of equal validity with the original document, and it is not

necessary to prove the handwriting, seal of office, or official position of the person certifying the same. R.S. 1948, c. 82, s. 50.

Service of documents.

51. A document may be served on a credit union by leaving it at or mailing it by registered post to the registered office of the credit union as recorded under this Act, or by serving an officer of the credit union. R.S. 1948, c. 82, s. 51.

Obstruction of inspection an offence.

52. Every credit union or person who neglects or refuses to be examined under section 42 or to answer any inquiry made under section 43, or makes an answer which is untrue in any particular, and every association which neglects or refuses to produce or submit its books, accounts, securities, documents, or affairs for examination or inspection under the provisions aforesaid is guilty of an offence against this Act. R.S. 1948, c. 82, s. 52.

False statement an offence.

53. Every person who wilfully subscribes or makes or orders or allows to be subscribed or made any false statement or entry in the books of a credit union, or in any document required to be sent to the Registrar or Inspector, or any false report or statement as to the condition of the credit union is guilty of an offence against this Act. R.S. 1948, c. 82, s. 53.

Violation of Act an offence.

54. Every credit union or person who carries on business contrary to or fails to comply with or violates any provision of this Act or regulation made thereunder is guilty of an offence against this Act. R.S. 1948, c. 82, s. 54.

Offence of officer deemed offence of credit union.

55. Every offence against this Act committed by any officer, agent, or employee of a credit union shall be deemed to be the offence of the credit union, and the credit union is answerable for and liable to the penalty for such offence; but nothing in this section absolves the actual offender from guilt or penalty in respect of the offence. R.S. 1948, c. 82, s. 55.

When officers and others guilty of offence.

56. Every officer, agent, or employee of a credit union who knowingly and wilfully authorizes or permits any act, default, or refusal in respect of which the credit union is by this Act declared to be guilty of an offence against this Act is also guilty of an offence against this Act. R.S. 1948, c. 82, s. 56.

Penalty for offences.

57. Every credit union and every person guilty of an offence against this Act for which no penalty is specifically provided is liable, on summary conviction, to a penalty not exceeding one hundred dollars. R.S. 1948, c. 82, s. 57.

Limitation of time for information.

58. Every information shall be laid within twelve months from the time when the matter of the information arose. R.S. 1948, c. 82, s. 58.

- Fees.** **59.** There shall be paid to the Registrar in respect of the several matters mentioned in the Third Schedule the several fees therein specified, and such fees shall be by him paid into the Provincial Treasury. R.S. 1948, c. 82, s. 59.
- Rules.** **60.** The Lieutenant-Governor in Council may from time to time make rules and regulations for carrying out the purpose of this Act, including matters in respect whereof no express or only partial or imperfect provision has been made. R.S. 1948, c. 82, s. 60.
- Forms.** **61.** The Lieutenant-Governor in Council may alter or add to the forms in the Second Schedule. R.S. 1948, c. 82, s. 61.
- Exemption from Securities Act.** **62.** Every credit union is exempt from the provisions of the *Securities Act*. R.S. 1948, c. 82, s. 62.
- Municipal Act.** **63.** Division (4) of Part IX and sections 442, 443, and 444 of the *Municipal Act* do not apply to credit unions. 1957, c. 17, s. 3.
- Method of giving notice.** **64.** Any notice to a member shall be deemed sufficiently given if mailed in a postage prepaid envelope addressed to the member at the address given by him to the credit union and shall be deemed received by the member upon the day following the day upon which the notice is posted. R.S. 1948, c. 82, s. 63.
- Trust Companies Act not applicable.** **65.** The *Trust Companies Act* does not apply to a credit union. R.S. 1948, c. 82, s. 64.

Central Credit Unions

- Application to central credit unions.** **66.** Notwithstanding the other provisions of this Act, sections 67 to 76 apply only to central credit unions. R.S. 1948, c. 82, s. 65; 1955, c. 16, s. 6.
- Central credit unions.** **67.** Ten or more credit unions may form a central credit union in the same manner as a credit union may be formed under section 10. R.S. 1948, c. 82, s. 66.
- Rules of central credit unions.** **68.** The rules of a central credit union shall conform as nearly as practicable to the rules prescribed by section 9, but may be varied in any manner that is approved by the Inspector. R.S. 1948, c. 82, s. 67.
- Loans to members.** **69.** A central credit union may make loans to members of any amount without security other than the covenant or obligation of the borrower. R.S. 1948, c. 82, s. 68.
- Loans to member credit unions.** **70.** A central credit union may, without the approval of the Inspector, make loans to a member that is a credit union, and may, with the approval of the credit committee and the Inspector, make loans to any other member, notwithstanding the provisions of subsection (6) of section 18. R.S. 1948, c. 82, s. 69; 1951, c. 19, s. 11.

Investment and borrowing powers of central credit union.

71. Notwithstanding the provisions of clauses (a) and (c) of subsection (1) of section 13, a central credit union may

- (a) invest any moneys received on deposit in any securities of the Government of Canada or of the Province, or securities the principal and interest of which are guaranteed by the Government of Canada or of the Province; and
- (b) borrow, raise, and repay money in such manner as it sees fit, and secure the payment of such money by charge on securities held pursuant to clause (a), but the total amount at any time outstanding of moneys so secured shall not exceed seventy-five per centum of moneys held on deposit. 1951, c. 19, s. 12.

Notice for meeting.

72. In the case of a central credit union the notice required for a general meeting shall be fourteen days. R.S. 1948, c. 82, s. 70.

Directors.

73. No person may be a director of a central credit union or a member of the supervisory committee of the central credit union or a member of the credit committee of the central credit union unless he is a member of a credit union. R.S. 1948, c. 82, s. 71.

Annual meeting.

74. The annual meeting of a central credit union may be held at such time as is prescribed by the rules. R.S. 1948, c. 82, s. 72.

Requisition for general meeting.

75. In the case of a central credit union the minimum number of members for the requisition for a general meeting as provided by subsection (4) of section 30 shall be one-tenth of the members of the central credit union. R.S. 1948, c. 82, s. 73.

Co-operative Credit Associations Act.

76. Notwithstanding the other provisions of this Act, a central credit union which, in compliance with section 8, has become a member of an association within the meaning of the *Co-operative Credit Associations Act*, being chapter 28 of the Statutes of Canada, 1953, shall have the power and capacity to accept all powers, privileges, and immunities conferred upon it by the said *Co-operative Credit Associations Act*; and during such time as such central credit union is invested with powers, privileges, and immunities under the *Co-operative Credit Associations Act*, any restrictions, regulations, or limitations imposed upon such central credit union or its powers by this Act which are inconsistent with or repugnant to the provisions of the said *Co-operative Credit Associations Act* do not apply to such central credit union, save and except sections 42, 43, and 44 of this Act, which continue to apply. 1955, c. 16, s. 7.

Credit Union Reserve Board

Credit Union Reserve Board.

77. (1) There shall be a board to be called the "Credit Union Reserve Board," and herein referred to as the "Board," to administer the Credit Union Provincial Reserve Fund mentioned in section 78.

(2) The Board shall consist of five members, who shall be appointed by the Lieutenant-Governor in Council, and at least three of whom shall be representative of credit unions:

(3) Each member shall hold office for one year or until his successor is appointed, but any person may be reappointed. An appointment to fill a vacancy caused by death, resignation, or any cause rather than effluxion of time shall be for the unexpired term.

(4) Four members constitute a quorum of the Board, and the concurrence of at least three members is necessary for every decision of the Board.

(5) The fiscal year of the Board ends on the thirtieth day of November.

(6) The Board is a body corporate, and shall elect its own chairman and vice-chairman, and shall appoint such other officers and employees as it may determine, and may, subject to the approval of the Lieutenant-Governor in Council, adopt by-laws for its government, and shall pay from the Credit Union Provincial Reserve Fund the expenses of its operations.

(7) The members of the Board shall serve without remuneration from the Credit Union Provincial Reserve Fund, but are entitled to be reimbursed their out-of-pocket expenses (if any) therefrom.

(8) The operation of the Credit Union Provincial Reserve Fund by the Board is subject to annual inspection by the Inspector of Credit Unions. 1958, c. 12, s. 2.

Credit Union
Provincial
Reserve
Fund.

78. (1) The Board shall establish a fund to be called the "Credit Union Provincial Reserve Fund," and hereinafter referred to as the "Fund."

(2) The Fund shall constitute all moneys received by the Board pursuant to assessments made under section 79 and all interest or dividends on moneys deposited or invested by the Board. 1958, c. 12, s. 2.

79. (1) Subject to subsection (2), the Board shall in every year assess and levy upon all credit unions, other than central credit unions, such sum (if any) as the Board determines, not exceeding one-fifth of one per centum of the total of each credit union's share capital and money on deposit with it at the end of its preceding fiscal year. Assessments shall be determined on the basis of the audited statements filed by credit unions with the Inspector pursuant to this Act. The first assessment shall be based on the fiscal year of credit unions immediately preceding the establishment of the Board.

(2) Assessments for the Fund shall be continued in accordance with this section until the Fund is equal to one per centum, or such lesser per centum as the Board may determine, of the total share capital of and money on deposit with all credit unions incorporated under this Act, except central credit unions, and thereafter the Board shall maintain the

Fund at such sum, and the Board shall make such assessments on or repayments out of the Fund to individual credit unions as may be required from time to time to maintain the Fund at such sum.

(3) Each credit union shall pay to the Board the amount of any assessment and levy made on it by the Board within the time specified by the Board in the notice of assessment.

(4) If any assessment or part thereof is not duly paid in accordance with the terms of the assessment and levy, the amount due is a debt payable by the credit union to the Board and is recoverable as such. 1958, c. 12, s. 2.

Assets of
Fund vested
in contrib-
uting credit
unions.

80. Subject to payment out of the Fund of moneys authorized by the Board, the assets of the Fund, together with all income, are at all times vested in the credit unions contributing to the Fund in proportion to their respective total contributions to the Fund, but the Board may distribute to the contributing credit unions the net income (if any) from time to time in said proportion if it sees fit. 1958, c. 12, s. 2.

Investment
of surplus.

81. The moneys in the Fund not required for other authorized purposes may be invested, in whole or in part, in any or all of the following manners:—

- (a) In investments authorized for trustees under the *Trustee Act*;
 - (b) In shares of a central credit union up to three per centum of the Fund's assets; and
 - (c) By deposit in a central credit union or a chartered bank.
- 1958, c. 12, s. 2.

Disposition
of Fund.

82. (1) The Board may, in its discretion, make payments from the Fund for the purpose of making loans, advances, or a grant-in-aid to a credit union that, in the opinion of the Board, is in financial difficulty and requires assistance from the Fund in order to maintain its solvency and to meet claims of its members for withdrawal of their deposits or redemption of their shares, if the Board, upon reasonable and proper grounds appearing from the information, returns, and statements furnished with the application for financial aid, is reasonably satisfied that

- (a) the credit union applying for financial aid is about to be wound up or liquidated; and
 - (i) that, without financial aid being given from the Fund, an unreasonable delay will ensue, upon winding-up or liquidation of the credit union, in the repayment to the members thereof of the whole of their deposits in and substantially the whole of the moneys invested by them in shares of the credit union; or
 - (ii) that the giving of financial aid from the Fund to the credit union will prevent the winding-up or liquidation of the credit union, and that such prevention will be to the benefit of

the members of the credit union, and that money paid to the credit union by the Board from the Fund will be repaid; or

- (b) because of the relocation, serious disruption or closure of an occupation or industry upon which the majority of the members of the credit union are dependent for their livelihood

(i) there is imminent an abnormal increase in the demand for withdrawal from the credit union of deposits or for redemption of shares; and

(ii) the liquid assets of the credit union will be insufficient to meet the demand without unreasonable delay; and

(iii) the giving of financial aid from the Fund will expedite the ability of the credit union to meet the said demand to an extent satisfactory to the Board; and

(iv) any and all payments made from the Fund to or for the credit union or members thereof will be fully repaid, together with interest and any other charges which may be made under this Act, within such period as the Board may fix; and

(v) the need of the credit union for financial aid from the Fund is not likely to recur before such repayment is complete; and

(vi) the credit union will not be wound up or liquidated before such repayment is complete.

(2) The limitation on the borrowing power of a credit union under the provisions of subsection (2) of section 14 of this Act does not apply to any borrowing by a credit union from the Fund for the purposes defined in this section. 1958, c. 12, s. 2.

Security
for grant.

83. (1) Where a credit union is entitled to seek assistance from the Board, the Board may, as a condition of granting assistance to the credit union or the members thereof, require the credit union to assign its book debts and pledge its other assets to the Board for such time as the Board deems adequate, or, where the credit union is in the process of dissolution, until dissolution is completed, or the Board may require the credit union to absolutely assign all or any of the book debts, promissory notes, chattel mortgages, real-property mortgages, or other hypothecations or pledges, or certificates or documents evidencing the same, and securities held in the name of the credit union, to the Board in consideration of the assistance granted.

(2) Where a credit union makes application to the Board for a loan, advance, or grant from the Fund, the Board may, as a condition of making any loan, advance, or grant, recommend to the Attorney-General that an administrator of the affairs of the credit union be appointed during the whole or such portion of the time the credit union receives assistance from the Fund.

(3) Upon receipt of such a recommendation by the Board, the Attorney-General may, after undertaking such inquiries and investigation

as he sees fit, including a report from the Inspector, and if he is satisfied that it is desirable that an administrator be appointed, appoint any person whom he sees fit as administrator, and a person appointed as an administrator shall serve without remuneration, unless his appointment specifically provides therefor, in which event such remuneration is payable by the applicant credit union.

(4) Any person appointed as an administrator of a credit union under this section has all the powers of the credit union and of the directors, officers, credit committee, and supervisory committee during the term of his appointment, and is subject to inspection by the Inspector, and shall report to the Inspector regularly as the Inspector requires, and upon his discharge from such appointment shall fully account to the Attorney-General for his administration of the credit union, which accounting shall be in such form and before such person or persons as the Attorney-General may designate, and upon accounting in accordance therewith such person shall be released from all claims (if any) by the credit union or any member thereof, or any person claiming by, through, or under such credit union or any such member. 1958, c. 12, s. 2.

Powers
of Board.

84. The Board may

- (a) borrow such sums of money for its purposes as it may deem necessary;
- (b) draw, make, accept, endorse, execute, and issue promissory notes, bills of exchange, warrants, and other negotiable and transferable instruments;
- (c) appoint such officers and employees as it deems necessary for the purposes of the Board, and determine the remuneration which shall be paid to employees from the Fund;
- (d) pay from the Fund all other expenses necessarily incurred in carrying out the purposes of the Board;
- (e) sue or be sued, plead or be impleaded, contract and be contracted with;
- (f) make rules, subject to the approval of the Lieutenant-Governor in Council, regarding the operation and administration of the Fund;
- (g) do all other things incidental or conducive to the attainment of its purposes. 1958, c. 12, s. 2.

Fidelity
bond.

85. The Board shall require each officer and each employee handling money belonging to the Fund to furnish a fidelity bond in such amounts as the Inspector may fix. 1958, c. 12, s. 2.

Books of
account.

86. (1) The Board shall keep a proper set of books of account, and all transactions of the Board shall be clearly entered therein.

(2) The Board shall keep minutes of its proceedings at all meetings. 1958, c. 12, s. 2.

Audit of
books of
account.

87. (1) The Board shall annually appoint a competent and qualified person or firm to audit the books of account for the Board for the current fiscal year.

(2) Upon receipt of the auditor's report, the Board shall forthwith send to B.C. Credit Union League and B.C. Central Credit Union a copy thereof, and shall send to the Inspector of Credit Unions a copy thereof, together with such further statement of the affairs of the Board as the Inspector may require.

(3) The Board shall from time to time furnish to any credit union requesting the same a copy of the last audited statement.

(4) The Board shall annually, after the thirtieth day of November and before the thirty-first day of December in each year, send to each credit union a statement of the estimated value of the equity of such credit union in the Fund, and the figure so furnished to the credit union by the Board shall be used by the credit union to value its equity in the Fund for the purposes of its balance-sheet at the end of the credit union's fiscal year. 1958, c. 12, s. 2.

Protection
of Board
members.

88. No action shall be brought against any person who acts or purports to act as a member of the Board appointed under or pursuant to this Act for anything done by him in good faith in the performance or intended performance of his duties. 1958, c. 12, s. 2.

SCHEDULES

FIRST SCHEDULE

(Section 9)

MATTERS TO BE PROVIDED FOR BY THE RULES OF A CREDIT UNION

1. The place where the registered office will be situate.
2. Terms of admission to and termination of membership.
3. Provisions as to withdrawal, redemption, forfeiture, and transfer of shares.
4. Provisions as to deposits.
5. Provisions respecting applications for and granting of loans.
6. Provisions for the appointment and removal of directors, managers, members of the credit committee and supervisory committee and other officers, and their respective powers and duties.
7. Provisions as to borrowing.
8. Mode of convening and holding general meetings, and right of voting.
9. Provision for the audit of accounts by the supervisory committee.
10. Mode of application of profits.
11. Provision for the use and custody of the seal.
12. Provisions as to the alteration of the rules.

SECOND SCHEDULE

 FORM 1
 (Section 10)

CONSTITUTION AND RULES OF THE CREDIT UNION

Constitution

1. The Credit Union (hereinafter referred to as the "Credit Union") is formed under the *Credit Unions Act* for the purpose of raising a fund by the subscriptions of the members and by such other means as the Act provides, and of making loans thereout to the members in accordance with the provisions of the Act.

2. The capital of the Credit Union consists of an unlimited number of shares, of the denomination of five dollars each.

3. The liability of a member of the Credit Union is limited to the amount unpaid on the shares held by him.

4. The registered office of the Credit Union shall be situate at its chief place of business, and notice of its address shall be given to every member.

Rules

[Here set forth in numbered clauses the rules providing for the matters specified in the First Schedule, following the order of that Schedule as nearly as may be, and any other rules.]

 FORM 2
 (Section 38)

CREDIT UNIONS ACT

At an extraordinary general meeting of the members of the Credit Union, duly convened and held at _____ on the _____ day of _____, 19____, the following extraordinary resolution was duly passed:—

Certified a true copy this _____ day of _____, 19____.

(Signature)-----

THIRD SCHEDULE

(Section 59)

TABLE OF FEES

1. For filing or registering—

(a) Original constitution and rules and issuing a certificate of incorporation	\$10.00
(b) Every certificate other than a certification of incorporation....	1.50
(c) Any extraordinary resolution	1.50

(d) Any resolution, notice, list, return, or other document required by this Act	\$1.50
(e) Notice of change of address	1.50
2. For reinstating a credit union that has been suspended under the Act.....	10.00
3. For each search50
4. For publication in the Gazette according to the scale of charges in force under the <i>Public Printing Act</i> . R.S. 1948, c. 82, s. 75; 1954, c. 5, s. 7; 1959, c. 77, s. 2.	

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