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# NATIONAL ASSEMBLY

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SECOND SESSION

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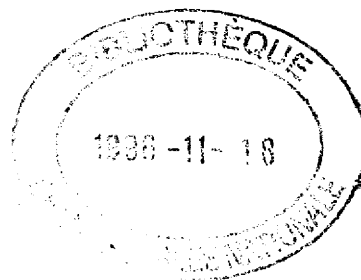
Bill 69

## **An Act to amend the Savings and Credit Unions Act**

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### **Introduction**

**Introduced by  
Mr Bernard Landry  
Minister of Finance**



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## **EXPLANATORY NOTES**

*The object of this bill is to modify the administrative structures of credit unions and of federations of credit unions. It abolishes the credit committees of credit unions and renames their boards of supervision as "boards of audit and ethics". Such boards are also assigned additional functions. At the federation level, boards of supervision and ethics committees are to be merged to form boards of audit and ethics.*

*A further object of this bill is to enhance the responsibilities of a credit union as regards compliance with the management standards and rules of ethics adopted by a federation or a confederation. Confederations become authorized to adopt standards concerning any administrative or financial matter, whenever the interests of affiliated federations and their affiliated credit unions so require. Moreover, the procedure for adopting such standards is simplified. Federations and confederations will be required to ensure that the standards they adopt are complied with.*

*In addition, federations and confederations are given increased powers of intervention in the affairs of credit unions, particularly as regards the issuance of instructions to, and the temporary administration of, a credit union.*

*This bill also facilitates the joint marketing of products and services within a network by authorizing a confederation to act as a mandatary of affiliated credit unions and by permitting two or more entities belonging to such a network to invest in the same enterprise.*

*Finally, the bill contains amendments for harmonization with the Civil Code of Québec and amendments for concordance.*

## **LEGISLATION AMENDED BY THIS BILL :**

- Savings and Credit Unions Act (R.S.Q., chapter C-4.1);
- Act to replace the Act respecting La Confédération des caisses populaires et d'économie Desjardins du Québec (1989, chapter 113).

# Bill 69

## AN ACT TO AMEND THE SAVINGS AND CREDIT UNIONS ACT

### THE PARLIAMENT OF QUÉBEC ENACTS AS FOLLOWS:

**1.** Chapter I of Title II of the Savings and Credit Unions Act (R.S.Q., chapter C-4.1), comprising sections 9 and 10, is repealed.

**2.** Section 14 of the said Act is amended by replacing the words “establishes to his satisfaction that it has fulfilled all its obligations toward the federation” in the fourth and fifth lines by the words “has fulfilled all its obligations toward the federation or has made an agreement with the federation establishing the terms and conditions of performance of those obligations”.

**3.** Section 19 of the said Act is replaced by the following section:

**“19.** The Inspector General shall not accept a change of affiliation of a credit union unless the credit union has fulfilled all its obligations toward the federation with which it is affiliated or has made an agreement with that federation establishing the terms and conditions of performance of those obligations.”

**4.** Section 20 of the said Act is replaced by the following section:

**“20.** The name of a credit union shall not

- (1) contravene the Charter of the French language (chapter C-11);
- (2) include an expression which the law or the regulations reserve for another person or prohibit credit unions from using;
- (3) include an expression that evokes an immoral, obscene or offensive notion;
- (4) incorrectly indicate the credit union’s juridical form or fail to indicate such form where so required by law;
- (5) falsely suggest that the credit union is a non-profit group;
- (6) falsely suggest that the credit union is, or is related to, a public authority mentioned in the regulations;
- (7) falsely suggest that the credit union is related to another person, partnership or group, in particular having regard to the cases and criteria determined by regulation;
- (8) lead to confusion with a name used by another person, partnership or group in Québec, in particular having regard to the criteria determined by regulation; or
- (9) be liable, in whatever manner, to mislead third persons.

The name of a credit union shall not contain the term “association” or “partnership”.”

**5.** Section 22.1 of the said Act is replaced by the following section:

**“22.1.** The Inspector General shall refuse to deposit in the register articles containing a name which is not in conformity with subparagraphs 1 to 6 of the first paragraph and the second paragraph of section 20 and with sections 21 and 22.”

**6.** Section 25.1 of the said Act is replaced by the following section:

**“25.1.** Any interested person may, on payment of the fee prescribed by regulation, apply to the Inspector General for the issue of an order directing a credit union to change its name if it is not in conformity with the first paragraph of section 20.”

**7.** Section 26 of the said Act is amended by replacing the words “corporate name” in the second line by the words “name as stated in its articles”.

**8.** Section 33 of the said Act is amended

(1) by replacing the words “a place of business” in the first line by the words “an establishment”;

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

“(2) a person of full age under protective supervision or a person totally or partially deprived of the exercise of his civil rights;”;

(3) by adding, after paragraph 3, the following paragraph:

“(4) a person convicted, in the past five years, of an offence or an indictable offence involving fraud or dishonesty, unless he has obtained a pardon.”

**9.** Section 36 of the said Act is amended by replacing the words “has given its consent to the use of the proposed corporate name” in the third line of subparagraph 6 of the first paragraph by the words “consents to the undertaking by the federation affiliated with it to admit the credit union as a member and to the use of the proposed name”.

**10.** Section 40 of the said Act is amended by striking out the words “within the meaning of the Civil Code of Québec” in the third line.

**11.** Section 43 of the said Act is amended by replacing the words “person, including a partnership, who or which” in the first line by the words “natural person who” and by striking out the words “or which” in the third line.

**12.** Section 44 of the said Act is amended by replacing the words “, of the board of supervision and of the credit committee” in the first and second lines

of subparagraph 4 of the first paragraph by the words “and of the board of audit and ethics”.

**13.** Section 45 of the said Act is amended by replacing the words “, of the board of supervision and of the credit committee” in the second and third lines of paragraph 1 by the words “and of the board of audit and ethics”.

**14.** Section 46 of the said Act is amended

- (1) by replacing the words “one of the directors who will be” in the first line of the second paragraph by the words “the person”;
- (2) by adding, at the end, the following paragraph:

“The by-law shall also be submitted for approval to La Confédération des caisses populaires et d’économie Desjardins du Québec where the federation with which the credit union is affiliated is affiliated with that confederation.”

**15.** Section 47 of the said Act is amended by replacing the word “director” in the second line by the word “person”.

**16.** Section 48 of the said Act is amended

- (1) by replacing the word “director” in the first line of paragraph 1 by the word “person”;
- (2) by inserting, after paragraph 3, the following paragraph:

“(3.1) where applicable, a certified copy of the resolution of La Confédération des caisses populaires et d’économie Desjardins du Québec approving the articles of amendment;”.

**17.** Section 55 of the said Act is amended

- (1) by replacing the words “, of the board of supervision and of the credit committee” in paragraphs 2 and 3 by the words “and of the board of audit and ethics”;
- (2) by inserting, after paragraph 6, the following paragraph:

“(6.1) the consent to the amalgamation given by La Confédération des caisses populaires et d’économie Desjardins du Québec where the federation that has undertaken to admit the amalgamated credit union as a member is affiliated with that confederation, and, where section 22 applies, the confederation’s consent to the proposed name;”;

- (3) by replacing paragraph 7 by the following paragraph:

“The agreement may also set out any other provision relating to the organization and management of the amalgamated credit union.”

**18.** Section 56 of the said Act is amended by replacing the words “a director who will be” in the second line by the words “the person”.

**19.** Section 59 of the said Act is amended by replacing the words “director of each of the amalgamating credit unions who is authorized for that purpose” in the second and third lines by the words “person authorized for that purpose by each of the amalgamating credit unions”.

**20.** Section 60 of the said Act is amended

(1) by replacing the word “directors” in the second line of subparagraph 1 of the first paragraph by the word “persons”;

(2) by inserting, after subparagraph 7 of the first paragraph, the following subparagraph:

“(7.1) where applicable, a certified copy of the resolution of La Confédération des caisses populaires et d’économie Desjardins du Québec stating that it consents to the amalgamation and to the use of the proposed name;”.

**21.** Section 90 of the said Act is amended

(1) by inserting the words “or a group” after the word “partnership,” in the first line;

(2) by replacing the words “a place of business” in the first line of paragraph 1 by the words “an establishment”.

**22.** Section 92 of the said Act is amended

(1) by inserting the words “or any group” after the word “partnership,” in the first line of the first paragraph;

(2) by adding, at the end, the following paragraph:

“However, the rights and obligations of a member who ceases to meet the conditions set out in paragraph 1 of section 90 following an amalgamation of credit unions or following a change in the territory or in the group described in the articles of the credit union are maintained.”

**23.** Section 109 of the said Act is amended by replacing the words “, or of a member of the board of supervision or of the credit committee,” in the third and fourth lines by the words “or of a member of the board of audit and ethics”.

**24.** Section 111 of the said Act is amended by inserting the words “entitled to vote on such resolutions” after the word “members” in the first line of the first paragraph.

**25.** Section 112 of the said Act is amended by replacing the words “, credit committee and board of supervision” in the first and second lines of paragraph 3 by the words “and of the board of audit and ethics”.

**26.** Section 113 of the said Act is amended by replacing the words “board of supervision” in the first line by the words “board of audit and ethics”.

**27.** Section 114 of the said Act is amended

(1) by inserting, after the first paragraph, the following paragraph:

"The requisition must specify the matters in respect of which a special meeting is required.";

(2) by replacing the words "board of supervision" in the second line of the second paragraph by the words "board of audit and ethics".

**28.** Section 117 of the said Act is amended by replacing the words "or decided at a special meeting" in the second line by the words "at a special meeting. The matters specified in the requisition must also be stated in the notice, with an indication of those which may be decided by the meeting".

**29.** The heading of Division I of Chapter XIII of Title II of the said Act is replaced by the following heading:

**"PROVISIONS COMMON TO THE BOARD OF DIRECTORS AND  
THE BOARD OF AUDIT AND ETHICS".**

**30.** Section 118 of the said Act is amended by replacing the words " , the credit committee and the board of supervision" in the second line by the words "and the board of audit and ethics".

**31.** Section 119 of the said Act is amended

(1) by replacing the words " , of the credit committee and of the board of supervision" in the first and second lines of the first paragraph by the words "and of the board of audit and ethics";

(2) by replacing the words "the members elected at the organization meeting or elected following an increase in the number of members of those organs" in the second and third lines of the third paragraph by the words "elected members".

**32.** Section 123 of the said Act is amended by replacing the word "special" in the first line of the first paragraph by the word "general".

**33.** Section 124 of the said Act is amended by replacing the words " , the credit committee or the board of supervision" in the third and fourth lines by the words "and of the board of audit and ethics".

**34.** Section 133 of the said Act is amended by adding, at the end of the second paragraph, the following sentence: "The management of routine business cannot, however, be made subject to such authorization."

**35.** Section 134 of the said Act is amended

(1) by inserting the words "rules of ethics, standards," before the word "orders" in the fourth line of paragraph 1 ;

(2) by replacing the words "credit committee and the board of supervision" in the first line of paragraph 2 by the words "board of audit and ethics" and by replacing the words "they require to carry out their functions" in the second line of that paragraph by the words "it requires to carry out its functions";

(3) by replacing paragraph 5 by the following paragraph:

“(5) determine the rate of interest on savings and preferred shares and the rate applicable to any extension of credit;”;

(4) by replacing the words “civil and employer’s liabilities” in the second line of paragraph 7 by the words “provide the credit union with civil liability insurance and directors’ and officers’ liability insurance”.

**36.** Section 135 of the said Act is amended by adding the words “or more than fifteen” after the word “five” in the second line.

**37.** Section 137 of the said Act is amended

(1) by striking out the words “or who represents a legal person, including a partnership, that is a member of the credit union,” in the second and third lines;

(2) by replacing the words “credit committee or board of supervision” in the first line of paragraph 3 by the words “board of audit and ethics”;

(3) by replacing paragraph 5 by the following paragraph:

“(5) a person of full age under protective supervision or a person totally or partially deprived of the exercise of his civil rights;”;

(4) by adding, after paragraph 6, the following paragraph:

“(7) a person convicted, in the past five years, of an offence or an indictable offence involving fraud or dishonesty, unless he has obtained a pardon.”

**38.** Section 139 of the said Act is amended

(1) by replacing the words “board of supervision” in the third line of the first paragraph by the words “board of audit and ethics”;

(2) by inserting the words “a standard established under this Act and approved by the Government,” after the word “thereunder,” in the second line of paragraph 1.

**39.** Section 140 of the said Act is amended by replacing the words “board of supervision” in the second and third lines of the first paragraph by the words “board of audit and ethics”.

**40.** Section 144 of the said Act is amended by inserting the words “absent or is” after the word “is” in the fourth line.

**41.** Section 149 of the said Act is amended by replacing the second paragraph by the following paragraph:

“Moreover, the director general, whether or not he is a member of the board of directors, must withdraw from any meeting at which his conditions of employment are being discussed.”



**42.** The heading of Division III of Chapter XIII of Title II of the said Act and sections 154 to 167, which that division comprises, are replaced by the following:

**“EXECUTIVE COMMITTEE AND AD HOC COMMITTEES**

**“154.** If so authorized by by-law of the credit union, the board of directors may form an executive committee composed of not fewer than three directors, including the president, vice-president or secretary of the credit union.

The number of members of the executive committee must not exceed half the number of directors.

**“155.** The executive committee shall exercise the powers of the board of directors to the extent determined by by-law of the credit union.

**“156.** In the event of a vacancy on the executive committee, the directors may appoint a substitute for the remainder of the term of office.

**“157.** Sections 128 to 132 and 150 to 153, adapted as required, apply to the executive committee.

**“158.** The board of directors may form ad hoc committees to examine particular matters.

An ad hoc committee shall be composed of not fewer than three members. It may comprise officers, employees and members of the credit union.

**“159.** The board of directors shall determine the functions and powers of ad hoc committees. In addition, it may authorize committees to use any information relevant to the fulfilment of their mandate.

The members of ad hoc committees are bound by the same rules of ethics as those applicable to the officers.

**“160.** Ad hoc committees shall exercise their powers and functions under the direction of the board of directors and shall report their findings and submit their recommendations to the board.”

**43.** The heading of Division IV of Chapter XIII of Title II of the said Act is replaced by the following heading:

**“BOARD OF AUDIT AND ETHICS”.**

**44.** Section 168 of the said Act is amended

(1) by replacing the words “board of supervision” in the first line of the first paragraph by the words “board of audit and ethics”;

(2) by inserting the word “standards,” before the word “orders” in the first line of subparagraph 4 of the second paragraph;

(3) by replacing the words “ethics committee which are applicable to the credit union” in the first and second lines of subparagraph 5 of the second

paragraph by the words “board of audit and ethics of the federation or credit union, as the case may be.”.

**45.** Section 169 of the said Act is amended by replacing the words “board of supervision” in the first line of the first paragraph by the words “board of audit and ethics”.

**46.** Section 170 of the said Act is amended

(1) by replacing the words “board of supervision” in the first lines of the first and second paragraphs by the words “board of audit and ethics”;

(2) by replacing the words “of the ethics committee set out in sections 355 and 357” in the second line of the first paragraph by the words “provided for in sections 360.1 and 360.3”.

**47.** Section 171 of the said Act is amended by inserting the words “or five” after the word “three”.

**48.** Section 172 of the said Act is amended

(1) by striking out the words “or who represents a legal person, including a partnership, that is a member of the credit union” in the first three lines;

(2) by striking out the words “or a member of the credit committee” in paragraph 3;

(3) by replacing paragraph 5 by the following paragraph:

“(5) a person of full age under protective supervision or a person totally or partially deprived of the exercise of his civil rights;”;

(4) by adding, after paragraph 6, the following paragraph:

“(7) a person convicted, in the past five years, of an offence or an indictable offence involving fraud or dishonesty, unless he has obtained a pardon.”

**49.** Section 174 of the said Act is replaced by the following section:

**“174.** Every member of the board of audit and ethics who resigns for reasons relating to the conduct of the affairs of the credit union shall declare his reasons in writing to the credit union, sending a copy of his declaration to the federation with which the credit union is affiliated or, if it is not affiliated, to the Inspector General,

(1) where he has grounds to believe that such course of action is in contravention of a provision of this Act, a government regulation thereunder, a standard established under this Act and approved by the Government, a provision of any other Act or an order or written instruction of the Inspector General;

(2) where he has grounds to believe that such course of action may have an adverse effect on the financial position of the credit union.

A board member who in good faith makes such a declaration shall not thereby incur any civil liability.”

**50.** Section 176 of the said Act is amended by replacing the words “Two members” by the words “The majority of the members”.

**51.** Section 178 of the said Act is amended by adding the following paragraph:

“In such a case, the board may ask the federation with which the credit union is affiliated for written instructions.”

**52.** Section 179 of the said Act is amended

(1) by replacing the words “of the credit union or any member of the credit committee” in the first and second lines of the first paragraph by the words “or officer of the credit union or request that the federation with which the credit union is affiliated intervene to that effect”;

(2) by replacing the words “be heard” in the eighth and ninth lines of the first paragraph by the words “present observations”;

(3) by adding, after the word “case” in the fourth line of the second paragraph, the following words: “as well as the Inspector General in the case of the suspension of an officer”.

**53.** The said Act is amended by inserting, after section 179, the following section:

**“179.1.** An officer who is suspended loses the right to be convened to, attend and vote at meetings of any board of which he is a member.

The officer also loses, for as long as the suspension is in effect, the right to act in the capacity of officer of the credit union, of the federation with which the credit union is affiliated, of the confederation with which the federation is affiliated or of any legal person belonging to the same group.

The suspension of an officer does not affect the date of termination of his term of office.”

**54.** Section 180 of the said Act is replaced by the following section:

**“180.** The board of audit and ethics shall report its observations to the board of directors and may, if it considers it appropriate, make recommendations to the board of directors.

The board shall also report its observations to the board of audit and ethics of the federation with which the credit union is affiliated. The observations may pertain to the measures taken by the credit union to ensure that the standards applicable to it are complied with.

The board of audit and ethics of the federation must also be notified, as soon as practicable, of any cases where the rules of ethics were not observed. In the case of an unaffiliated credit union, the Inspector General must be notified.”

**55.** The said Act is amended by inserting, after section 180, the following section:

**“180.1.** If the board of directors of a credit union fails to resolve a conflict of interest or to apply a rule of ethics, the board of audit and ethics may act in its stead or request that the federation with which the credit union is affiliated intervene to that effect, in accordance with the intervention procedure provided for in the rules of ethics applicable to it.”

**56.** Section 181 of the said Act is amended by inserting the word “standards,” before the word “orders” in the first line of subparagraph 3 of the first paragraph.

**57.** Section 183 of the said Act is amended by adding, at the end, the following paragraph:

“The report shall make particular mention of the measures taken by the credit union to prevent or resolve conflicts of interest.”

**58.** Section 187 of the said Act is amended by replacing the words “, of the credit committee and of the board of supervision” in the first and second lines of the second paragraph by the words “and of the board of audit and ethics”.

**59.** Section 188 of the said Act is replaced by the following section:

**“188.** Every employee who extends credit is bound by the same rules of ethics as is an officer.”

**60.** Section 189 of the said Act is amended by replacing the word “deemed” by the word “presumed”.

**61.** Section 191 of the said Act is amended by inserting the words “rules of ethics, standards,” before the word “orders” in the fifth line of the second paragraph.

**62.** Section 196 of the said Act is amended by replacing the words “ethics committee or, as the case may be, by the board of supervision” in the third line by the words “board of audit and ethics of the credit union or federation, as the case may be”.

**63.** Section 200 of the said Act is amended by replacing the words “jointly and severally” in the second line by the word “solidarily”.

**64.** Section 201 of the said Act is replaced by the following section:

**“201.** Officers of a credit union who permit an investment or an extension of credit in contravention of this Act, of the regulations or by-laws or of the standards applicable to it under this Act are solidarily liable for any resulting losses to the credit union.”

**65.** Section 203 of the said Act is amended by replacing the words “board of supervision” in the second line by the words “board of audit and ethics”.

**66.** Section 205 of the said Act is amended by replacing the words “shares issued by a legal person or less than 10% of the voting rights attached to such shares” in the second and third lines of the third paragraph by the words “securities issued by an enterprise or of the voting rights attached to such securities”.

**67.** Section 206 of the said Act is amended by adding, at the end, the following sentence: “The disclosure of interest by the officer must be mentioned in the minutes of the meeting.”

**68.** Section 210 of the said Act is amended by replacing the words “, of the credit committee and of the board of supervision” in the second and third lines by the words “and of the board of audit and ethics”.

**69.** Section 214 of the said Act is amended by inserting the words “of Transport” after the word “Minister” in the first line of paragraph 2.

**70.** Section 219 of the said Act is amended by replacing the words “ethics committee or the board of supervision” in the third line by the words “board of audit and ethics of the credit union or federation”.

**71.** Section 220 of the said Act is amended by replacing the words “board of supervision” in the fourth line of the first paragraph by the words “board of audit and ethics”.

**72.** Section 221 of the said Act is amended by replacing the words “board of supervision” in the second line of the second paragraph by the words “board of audit and ethics”.

**73.** Section 239 of the said Act is amended  
(1) by replacing the word “by-laws” in the first line by the word “standards”;  
(2) by replacing the word “by-law” in the second line by the word “standards”.

**74.** Section 248 of the said Act is amended by replacing the word “by-laws” in the second line by the word “standards”.

**75.** Section 251 of the said Act is repealed.

**76.** Section 252 of the said Act is replaced by the following section:

**“252.** No credit union may extend credit to any of its officers or to any person who is an associate of any of its officers except to the extent determined by the rules of ethics and in accordance with the credit standards applicable to the credit union.”

**77.** Section 253 of the said Act is repealed.

**78.** Section 254 of the said Act is amended by replacing the reference to sections “251 to 253” by a reference to section “252”.

**79.** Section 255 of the said Act is amended by adding, at the end, the following sentence: “In addition, every credit union shall comply with the standards adopted under this Act.”

**80.** Section 257 of the said Act is amended

(1) by replacing the words “prescribed by by-law of the federation with which it is affiliated. The by-law” in the fifth and sixth lines of the first paragraph by the words “established in the standards of the federation with which it is affiliated. The standards”;

(2) by striking out the second paragraph.

**81.** Section 258 of the said Act is amended by striking out the third paragraph.

**82.** Section 259 of the said Act is repealed.

**83.** Section 260 of the said Act is amended by inserting the words “the assets or of” after the words “30% of” in the third line of the second paragraph.

**84.** Section 262 of the said Act is amended by replacing the first paragraph by the following paragraph:

“**262.** No affiliated credit union may make any investment under paragraph 5 of section 256 or section 257 except in compliance with the standards of the federation concerning the adequacy of its capital base. Nor may any affiliated credit union make deposits into the investment fund of the federation with which it is affiliated if the capital base of that federation is not consistent with the requirements set out in section 389.”

**85.** Section 265 of the said Act is amended by replacing the word “by-laws” in the third and in the fifth lines by the word “standards”.

**86.** Section 266 of the said Act is amended by replacing the word “by-laws” in the second line of the third paragraph by the word “standards”.

**87.** Section 270 of the said Act is amended by inserting the words “the standards” after the word “and” in the first line.

**88.** Section 271 of the said Act is amended by replacing the words “by the by-laws” in the third line of the first paragraph by the words “the standards”.

**89.** Section 272 of the said Act is amended by replacing the words “by the by-laws” in the third line of the second paragraph by the words “in the standards”.

**90.** Section 274 of the said Act is amended by replacing the words “credit committee, of the board of supervision” in the second line of paragraph 3 by

the words "executive committee, of the board of audit and ethics, of ad hoc committees".

**91.** Section 277 of the said Act is amended by replacing the word "by-laws" in the second line of the second paragraph by the word "standards" and by inserting, after the word "and" in the third line of that paragraph, the words "with the standards".

**92.** Section 293 of the said Act is amended by replacing the words "board of supervision" in the second line of the second paragraph by the words "board of audit and ethics".

**93.** Section 303 of the said Act is amended by replacing paragraph 8 by the following paragraph:

"(8) the report of activities of the board of audit and ethics and, where applicable, the report of a special committee formed at the request of the general meeting."

**94.** Section 314 of the said Act is amended by replacing the words "and the costs of winding-up" in the first and second lines of the first paragraph by the words ", the costs of winding-up and the shares referred to in section 581".

**95.** Section 328 of the said Act is amended by replacing the words "the third paragraph of section 46" in the second line of the second paragraph by the words "the third and fourth paragraphs of section 46".

**96.** Section 337 of the said Act is amended by inserting the words "any group and any natural person recommended by a credit union with which it is affiliated," after the word "partnership," in the first line of the second paragraph.

**97.** Section 338 of the said Act is amended by inserting the words "and standards" after the word "by-laws" in paragraph 2.

**98.** Section 341 of the said Act is amended by replacing the words "registered or certified" in the second line of the first paragraph by the word "priority".

**99.** The heading of Division I of Chapter VI of Title III of the said Act is amended by replacing the words ", EXECUTIVE COMMITTEE AND ETHICS COMMITTEE" by the words "AND EXECUTIVE COMMITTEE".

**100.** Section 345 of the said Act is amended

(1) by replacing the words "credit committee or of the board of supervision" in the first line of subparagraph 4 of the second paragraph by the words "board of audit and ethics";

(2) by replacing subparagraph 6 of the second paragraph by the following subparagraph:

“(6) a person of full age under protective supervision or a person totally or partially deprived of the exercise of his civil rights;”;

(3) by adding, after subparagraph 7 of the second paragraph, the following subparagraph :

“(8) a person convicted, in the past five years, of an offence or an indictable offence involving fraud or dishonesty, unless he has obtained a pardon.”;

(4) by inserting, after the second paragraph, the following paragraph :

“The federation shall determine by by-law the number of directors, which shall not be less than five.”

**101.** Section 350 of the said Act is amended by adding, at the end, the following sentence: “However, such a by-law cannot apply to the adoption of standards as provided for in this Act.”

**102.** Section 352 of the said Act is amended by replacing the reference to section “152” by a reference to section “153”.

**103.** Sections 353 to 357 of the said Act are replaced by the following sections:

**“353.** The board of directors of a federation may, at the request of the board of audit and ethics of a credit union affiliated with it, suspend any employee or officer of the credit union, pursuant to the provisions of section 179. It may, on its own initiative and in accordance with the same procedure, suspend an officer who does not fulfil his obligations.

Where the suspended officer holds the office of general manager, the federation may designate a replacement for the duration of the suspension.

**“354.** The board of directors of a federation may in addition, at the request of the board of audit and ethics of a credit union affiliated with it, intervene in respect of that credit union to resolve a conflict of interest or to apply a rule of ethics, in accordance with the intervention procedure established in the rules of ethics.”

**104.** The heading of Division II of Chapter VI of Title III of the said Act and sections 358 to 360, comprised in that division, are replaced by the following:

#### “AD HOC COMMITTEES

**“358.** The board of directors of a federation may form ad hoc committees to examine particular matters.

An ad hoc committee shall be composed of not fewer than three members. It may comprise officers and employees of the federation and of the credit unions affiliated with it.



The members of ad hoc committees are bound by the same rules of ethics as those applicable to officers.

**“359.** The board of directors shall determine the functions and powers of ad hoc committees. In addition, it may authorize committees to use any information relevant to the fulfilment of their mandate.

**“360.** Ad hoc committees shall exercise their powers and functions under the direction of the board of directors and shall report their findings and recommendations to the board.”

**105.** The heading of Division III of Chapter VI of Title III of the said Act is replaced by the following heading:

**“BOARD OF AUDIT AND ETHICS”.**

**106.** The said Act is amended by inserting, after the heading of Division III of Chapter VI of Title III, the following sections:

**“360.1.** The board of audit and ethics of a federation shall, in addition to the functions it exercises under other provisions of this Act, adopt rules relating to the protection of the interests of the federation, the credit unions affiliated with it and their members in accordance with the policies of the confederation with which the federation is affiliated, where that is the case.

The rules shall concern, in particular, the procedure governing contracts with restricted parties, the conditions applicable to the credit extended to them, the disclosure requirements of the federation, credit unions affiliated with it and restricted parties, the protection of confidential information held by the federation and credit unions affiliated with it in respect of their members, and the conduct required of the federation and credit unions affiliated with it in cases where their interest or that of a legal person belonging to the same group as the federation is in conflict with that of the members of the credit unions.

The rules shall also set out the procedure which the board of audit and ethics of a credit union or a federation or the board of directors of a federation must follow when intervening to a conflict of interest or applying rules of ethics in respect of the credit union or the federation, as the case may be. The intervention procedure applicable to a federation must, in addition, be consistent with the policies of the confederation with which it is affiliated, where that is the case.

**“360.2.** The rules of ethics adopted by the board of audit and ethics must be submitted for approval to the board of directors of the federation, which may not amend them.

Within 30 days of the approval of such rules, the federation shall transmit a copy to the Inspector General and, where applicable, to the confederation with which it is affiliated.

**“360.3.** The board of audit and ethics shall each year transmit to the Inspector General, within two months of the closing date of the fiscal year of the federation, a report of its activities in matters of ethics up to that date.

The report shall indicate the cases where the rules of ethics were not observed by the federation and the credit unions affiliated with it.

**“360.4.** The board of audit and ethics shall also report to the confederation with which the federation is affiliated on the measures taken by the federation and the credit unions affiliated with it to ensure that the standards applicable to them are complied with.

**“360.5.** The board of audit and ethics may make observations and recommendations respecting the application of the rules of ethics to the federation and the credit unions affiliated with it.

It shall also give its opinion on any question submitted to it by an officer, the board of directors or the board of audit and ethics of a credit union and by an officer or the board of directors of the federation and, where applicable, the confederation with which it is affiliated.”

**107.** Section 361 of the said Act is amended

(1) by replacing the words “board of supervision” in the first line by the words “board of audit and ethics”;

(2) by striking out the words “, unless he is the general manager,” in the first line of paragraph 2;

(3) by striking out the words “or a member of the credit committee” in paragraph 3;

(4) by replacing paragraph 5 by the following paragraph:

“(5) a person of full age under protective supervision or a person totally or partially deprived of the exercise of his civil rights;”;

(5) by adding, after paragraph 6, the following paragraph:

“(7) a person convicted, in the past five years, of an offence or an indictable offence involving fraud or dishonesty, unless he has obtained a pardon.”;

(6) by adding, at the end, the following paragraph:

“The directors, officers or employees of a legal person referred to in the first paragraph of section 469.1, a holding company controlled by the confederation with which the federation is affiliated, where that is the case, the legal persons controlled by that company and, if the federation is affiliated with La Confédération des caisses populaires et d'économie Desjardins du Québec, La Caisse centrale Desjardins du Québec, and the shareholders holding 10% or more of the voting rights attached to the shares of the legal persons belonging to the same group as the federation may not be members of the board of audit and ethics.”

**108.** Section 362 of the said Act is repealed.

**109.** Section 363 of the said Act is amended by replacing the words “board of supervision” in the first line by the words “board of audit and ethics”.

**110.** Section 364 of the said Act is amended

(1) by adding the words “and practise sound and prudent management” after the word “objects” at the end of paragraph 1;

(2) by replacing paragraph 3 by the following paragraph:

“(3) enter into an agreement with the board of directors of a credit union affiliated with it entrusting the federation with the supervision, direction or administration of the affairs of the credit union for a specified period;”;

(3) by replacing the words “provisional administrator or” in the first line of paragraph 6 by the words “temporary or provisional administrator or as the”;

(4) by replacing the words “jointly and severally” in the fourth line of paragraph 14 by the word “solidarily”.

**111.** Section 365 of the said Act is amended

(1) by replacing the word “by-law” in the first line of the first paragraph by the words “the adoption of standards”;

(2) by replacing the word “by-laws” in the first line of the second paragraph by the word “standards”.

**112.** Section 366 of the said Act is amended

(1) by replacing the words “pass by-laws” in the first line by the words “adopt standards”;

(2) by adding, at the end, the following paragraph:

“A federation must adopt standards applicable to the credit unions affiliated with it concerning any subject referred to in subparagraph 2 of the first paragraph where the interest of the federation and the credit unions affiliated with it so requires.”

**113.** Section 367 of the said Act is amended by replacing the word “by-laws” in the first line by the word “standards”.

**114.** Section 368 of the said Act is replaced by the following section:

**“368.** A federation not affiliated with a confederation may adopt standards applicable to the credit unions affiliated with it concerning the adequacy of their liquid assets.

An affiliated federation or an unaffiliated federation may, in addition, adopt standards applicable to the credit unions affiliated with it concerning the adequacy of their general reserve.”

**115.** Section 369 of the said Act is replaced by the following section:

**“369.** A federation may, in adopting by-laws or standards under this Act, establish various classes of credit unions or transactions and prescribe terms and conditions applicable to each class.

Such by-laws and standards may in addition determine, according to the provisions contained therein, the measures that may be taken or the consequences that may result from failure to apply them.

An internal management by-law of the federation may be rendered effective by the board of directors before it is adopted by the general meeting, provided it is ratified at the next meeting. Failing such ratification, the by-law is repealed by operation of law.”

**116.** Section 370 of the said Act is amended by inserting the words “and standards” after the word “by-laws” in the first line.

**117.** Section 371 of the said Act is amended

(1) by replacing the words “the financial position of a credit union affiliated with it” in the first and second lines of the first paragraph by the words “a credit union affiliated with it does not practise sound and prudent management, that it contravenes the rules of ethics, that it failed to resolve a conflict of interest, that its financial position”;

(2) by inserting, after the first paragraph, the following paragraph:

“The federation may in addition give written instructions to a credit union at the request of the board of audit and ethics of the credit union.”;

(3) by replacing the words “the first paragraph” in the third line of the second paragraph by the words “this section”.

**118.** Section 373 of the said Act is amended by replacing the words “regarded as” in the first line of the second paragraph by the words “deemed to be”.

**119.** The said Act is amended by inserting, after section 375, the following section:

**“375.1.** A federation shall engage in such examinations and investigations into the internal affairs and activities of the credit unions affiliated with it as are necessary to assess the quality of their management and ensure that the standards applicable to them are complied with.”

**120.** Section 377 of the said Act is amended by adding, at the end, the following paragraph:

“The federation shall also carry out such an inspection at the request of the board of audit and ethics of a credit union.”

**121.** Section 378 of the said Act is amended by inserting the words “and with the standards” after the word “regulations” in the fourth line.

**122.** Section 379 of the said Act is amended

(1) by inserting the words “or examinations and investigations” after the word “inspection” in the first line of the first paragraph;

(2) in the French text, by adding the words “ou des examens et recherches” after the word “inspection” in the second line of subparagraph 1 of the first paragraph;

(3) by adding the words “or conflicts of interest involving its officers” after the word “union” in the second line of subparagraph 2 of the first paragraph;

(4) by replacing subparagraph 3 of the first paragraph by the following subparagraph:

“(3) seek or require any information or document relating to the application of this Act or concerning the credit union, conflicts of interest involving its officers or legal persons belonging to the same group as the federation with which the credit union is affiliated.”;

(5) by inserting the words “or the examinations and investigations” after the word “inspection” in the third line of the second paragraph.

**123.** Section 382 of the said Act is amended by replacing the words “, credit committee and board of supervision” in the second and third lines by the words “and board of audit and ethics”.

**124.** Section 383 of the said Act is amended by replacing the words “, the credit committee and the board of supervision” in the second line by the words “and the board of audit and ethics”.

**125.** The said Act is amended by inserting, after section 385, the following sections:

**“385.1.** A federation may, with the authorization of the Inspector General, suspend the powers of the board of directors or the board of audit and ethics of a credit union affiliated with it for a maximum period of 30 days and appoint an administrator to temporarily exercise the responsibilities of the board, where the federation has reason to believe

(1) that property has been misappropriated or there is an inexplicable deficiency in the property;

(2) that there has been a grievous offence or serious lapse in the performance of obligations on the part of an officer of the credit union or its board of directors;

(3) that control over the property of the credit union is insufficient to adequately protect the rights of its members.

The Inspector General may designate the director and, on request, may extend the period specified in the first paragraph.

**“385.2.** Before exercising its powers under section 385.1, the federation shall give the members of the board of directors or board of audit and ethics

whose powers are to be suspended an opportunity to present observations, unless the urgency of the situation warrants that the suspension be applied without delay.

**“385.3.** The administrator cannot be prosecuted by reason of any act done in good faith in the performance of his duties.

**“385.4.** The administrator shall, as soon as practicable, submit to the federation and to the Inspector General, a detailed report of his findings together with his recommendations.

**“385.5.** The costs, fees and expenses of the temporary administration are chargeable to the administered credit union.”

**126.** Section 388 of the said Act is amended by replacing the words “by-laws to fix the amount of the” in the second line by the words “standards to determine the amount of”.

**127.** Section 389 of the said Act is amended by striking out the words “, by by-law,” in the first line of the third paragraph.

**128.** Section 398 of the said Act is amended by striking out the words “with respect to the powers exercised by their credit committees” in the third and fourth lines of the second paragraph.

**129.** Section 403 of the said Act is amended

(1) by replacing the word “shares” in the second line of the first paragraph by the word “assets”;

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

“A federation is deemed to hold the voting rights attached to the shares issued by a legal person and any portion of the assets of a legal person where such shares or such assets are held by a legal person belonging to the same group as the federation and by the credit unions affiliated with it. However, the federation is not deemed to hold any interest held by the confederation with which it is affiliated in a legal person referred to in the first paragraph of section 469.1 or in a holding company controlled by that confederation or any interest held by the holding company.”;

(3) by replacing the words “shares of a legal person or shares in any number that permits” in the third and fourth lines of the third paragraph by the words “assets of a legal person or shares in any number that permit” and by replacing the word “shares” in the ninth line of that paragraph by the word “assets”;

(4) by replacing the words “shares of a legal person or shares that permits” in the third line of the fourth paragraph by the words “assets of a legal person or shares that permit”.

**130.** Sections 406 and 407 of the said Act are repealed.

**131.** Section 411 of the said Act is amended by replacing the words “board of supervision” in the fourth line by the words “board of audit and ethics”.

**132.** Section 414 of the said Act is amended by replacing the word “by-laws” in the second line of the second paragraph by the word “standards”.

**133.** Section 419 of the said Act is amended by replacing the word “regulations” in the third line by the word “standards”.

**134.** Section 425 of the said Act is amended by replacing the word “by-laws” in the third line of the second paragraph by the word “standards”.

**135.** Section 426 of the said Act is amended by inserting the words “and standards” after the word “by-laws” in the third line.

**136.** Section 428 of the said Act is amended by replacing the word “by-laws” in the third and fourth lines by the word “standards”.

**137.** Section 442 of the said Act is amended

(1) by replacing the reference to sections “154 to 183” in the second line of the second paragraph by a reference to sections “168 to 178, 182, 183”;

(2) by replacing the reference to sections “353, 354, 356 to 363” in the fourth line of the second paragraph by a reference to sections “360.1 to 363”.

**138.** Section 448 of the said Act is amended by inserting, after the first paragraph, the following paragraph:

“The confederation, by by-law, shall determine the number of directors, which shall not be less than five.”

**139.** Section 449 of the said Act is amended by adding, at the end, the following paragraphs:

“A confederation may also develop and provide any service for the benefit of the members of the credit unions affiliated with the federations that are affiliated with it. Where a confederation adopts, by a two-thirds majority of the votes cast by the members of its board of directors, a resolution for the development or provision of such a service, such federations and credit unions are presumed to be parties to an agreement in order to benefit from the advantages resulting from the service.

However, a federation or a credit union may withdraw from the agreement by forwarding to the confederation a copy of a resolution to that effect passed by its board of directors.”

**140.** The said Act is amended by inserting, after section 449, the following section:

**“449.1.** A confederation may, in addition, act as a mandatary of a federation affiliated with it or a credit union affiliated with such a federation, and, as mandatary, the confederation shall have all the powers that may be exercised by a credit union or a federation.”

**141.** Section 450 of the said Act is amended by replacing the fourth and fifth paragraphs by the following paragraphs:

“A confederation may adopt standards applicable to the federations affiliated with it and to the credit unions affiliated with the federations concerning the adequacy of their liquid assets.

A confederation may also adopt standards applicable to the federations affiliated with it concerning the adequacy of their capital stock and general reserve.”

**142.** Section 451 of the said Act is amended by replacing the word “by-laws” in the first line by the word “standards”.

**143.** Section 452 of the said Act is amended by striking out subparagraphs 2, 3, 5 and 6 of the second paragraph.

**144.** Section 456 of the said Act is amended by replacing the words “by-laws of a confederation adopted under section 450 or 451 shall be submitted of” in the first and second lines by the words “standards of a confederation adopted under section 450 or 451 shall be submitted to”.

**145.** The said Act is amended by inserting, after section 456, the following sections:

**“456.1.** A confederation shall adopt standards applicable to the federations affiliated with it and to the credit unions affiliated with such federations in respect of any financial or administrative matter where required in the interest of the confederation and of the federations affiliated with it together with the credit unions affiliated with those federations.

**“456.2.** A confederation may make recommendations to the federations affiliated with it and to the credit unions affiliated with such federations to promote and maintain sound and prudent financial and administrative practices.

The confederation may also establish policies on any matter relating to ethics.”

**146.** Section 457 of the said Act is amended

(1) by replacing the words “a by-law under section 365, exercise the regulatory power under that section” in the second and third lines of the first paragraph by the words “a by-law or, as the case may be, standards under section 365 or the second paragraph of sections 366, 368 and 369, or to amend the by-law or the standards, exercise that power itself”;

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



“Any by-law or standard adopted under the first paragraph is deemed to be a by-law or standard of the federation, and the federation may, with the authorization of the confederation, amend, replace or repeal it.”

**147.** The said Act is amended by inserting, after section 457, the following section:

**“457.1.** A confederation may, after giving notice to a federation affiliated with it of its intention to intervene in respect of a credit union affiliated with that federation, exercise the powers referred to in sections 353 and 354, paragraph 3 of section 364, sections 371, 375.1 and 385.1, where the federation refuses or neglects to do so.”

**148.** Section 458 of the said Act is amended by replacing the word “by-laws” in the first line by the word “standards”.

**149.** Section 459 of the said Act is amended

(1) by inserting the words “or standards” after the word “by-laws” in the first line;

(2) by replacing the words “standards appropriate” in the fourth line by the words “terms and conditions applicable”;

(3) by adding, at the end, the following paragraphs:

“Such by-laws and standards may in addition determine, according to the provisions contained therein, the measures that may be taken or the consequences that may result from failure to apply them.

An internal management by-law of the confederation may be rendered effective by the board of directors before it is adopted by the general meeting provided it is ratified at the next meeting. Failing such ratification, the by-law is repealed by operation of law.”

**150.** The said Act is amended by inserting, after section 460, the following section:

**“460.1.** A confederation shall engage in such examinations and investigations into the internal affairs and the activities of the federations affiliated as are necessary to assess the quality of their management and ensure that the standards applicable to them are complied with.”

**151.** Section 462 of the said Act is amended by adding, at the end, the following paragraph:

“It shall also carry out such an inspection at the request of the board of audit and ethics of the federation or a credit union affiliated to the federation.”

**152.** Section 463 of the said Act is amended by replacing the words “and the regulations” in the fifth line by the words “, the regulations and the standards”.

**153.** Section 464 of the said Act is amended

(1) by inserting the words “, examination or research” after the word “inspection” in the first line of the first paragraph;

(2) by adding the words “, examination or research” after the word “inspection” at the end of subparagraph 1 of the first paragraph;

(3) by replacing the words “or federation” in the second line of subparagraph 2 of the first paragraph by the words “, federation or conflicts of interest involving their officers”;

(4) by replacing subparagraph 3 of the first paragraph by the following subparagraph:

“(3) seek or require any information or document relating to the application of this Act or concerning the credit union, the federation, conflicts of interest involving their officers or legal persons who are members of the same group.”;

(5) by inserting the words “carrying out the inspection, examination or research” after the word “person” in the second line of the second paragraph.

**154.** Section 465 of the said Act is amended by replacing the words “, the credit committee and the board of supervision” in the second and third lines of the first paragraph by the words “and the board of audit and ethics”.

**155.** Section 466 of the said Act is amended by replacing the words “, the credit committee or the board of supervision” in the second line by the words “or the board of audit and ethics”.

**156.** Section 470 of the said Act is amended by inserting the words “, except with the authorization of the Inspector General for the period he determines,” before the word “acquire” in the second line of the third paragraph.

**157.** Section 471 of the said Act is amended by inserting the words “directly or indirectly” after the word “hold” in the third line.

**158.** Section 473 of the said Act is amended by replacing the words “Civil Code of Lower Canada” in the fourth and fifth lines by the words “Civil Code of Québec”.

**159.** Section 475 of the said Act is amended by replacing the words “jointly and severally” in the third and fourth lines by the word “solidarily”.

**160.** Section 490 of the said Act is amended by replacing the words “and the regulations” in the fifth line by the words “, the regulations and the standards”.

**161.** Section 492 of the said Act is amended by replacing the words “board of supervision” in the first and second paragraphs by the words “board of audit and ethics”.

**162.** Section 501 of the said Act is amended

(1) by replacing the words “any delay to allow a hearing” in the third line of the first paragraph by the words “the granting of any time to the person concerned to enable him to present observations”;

(2) by replacing the words “within six days of receipt thereof” in the third line of the second paragraph by the words “upon receiving it, present observations to the Inspector General”.

**163.** Section 504 of the said Act is amended

(1) by replacing the words “, the credit committee or the board of supervision” in the second and third lines of the first paragraph by the words “or the board of audit and ethics”;

(2) by replacing the word “by-laws” in the second line of subparagraph 1 of the first paragraph by the word “standards”;

(3) by replacing the words “, of the credit committee or of the board of supervision” in the second and third lines of subparagraph 7 of the first paragraph by the words “or the board of audit and ethics”.

**164.** Section 505 of the said Act is amended

(1) by replacing the figure “501” in the first line of the first paragraph by the figure “504”;

(2) by replacing the words “, of the credit committee or of the board of supervision” in the second and third lines of the first paragraph by the words “or the board of audit and ethics”.

**165.** Section 511 of the said Act is amended

(1) by replacing the words “, of the credit committee or of the board of supervision”, wherever they appear, by the words “or the board of audit and ethics”;

(2) by replacing the words “or confederation” in the fourth and fifth lines of the second paragraph by the words “, confederation or a legal person belonging to the same group”.

**166.** Section 516 of the said Act is amended by adding, after paragraph 18, the following paragraphs:

“(19) identify the public authorities referred to in subparagraph 6 of the first paragraph of section 20;

“(20) determine, for the purposes of subparagraph 7 of the first paragraph of section 20, the cases where the name of a credit union may falsely suggest that it is related to another person, partnership or group;

“(21) determine the criteria to be taken into account for the purposes of subparagraphs 7 and 8 of the first paragraph of section 20.”

**167.** Section 518 of the said Act is amended

(1) by replacing the words “by-law under section 365, exercise the regulatory power under that section” in the second and third lines of the first paragraph by the words “by-law or, as the case may be, standards under section 365, the

second paragraph of sections 366 and 369 or section 368, or to amend the by-law or the standards, exercise that power itself, by regulation”;

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

“Any government regulation hereunder is deemed to be a by-law or, as the case may be, a standard of the federation, and the federation may, with the authorization of the Government, amend, replace or repeal it.”

**168.** Section 519 of the said Act is replaced by the following section:

“**519.** The Government may, 60 days after transmitting a formal notice to a confederation requiring it to adopt by-laws or, as the case may be, standards under section 451, 452, 456.1 or 457, or to amend such by-laws or standards, exercise that power itself, by regulation.

Any government regulation hereunder is deemed to be a by-law or, as the case may be, a standard of the confederation, and the confederation may, with the authorization of the Government, amend, replace or repeal it.”

**169.** Section 539 of the said Act is amended by replacing the word “deemed” in the third paragraph by the word “presumed”.

**170.** The said Act is amended by replacing the words “corporate name” by the word “name”, adapted as required, in the following provisions:

- (1) the heading of Chapter III of Title II;
- (2) the first and second paragraphs of section 21;
- (3) sections 22, 23, 24, 25 and 27;
- (4) subparagraphs 1 and 5 of the first paragraph of section 34;
- (5) section 49;
- (6) paragraph 1 of section 55;
- (7) paragraph 5 of section 274;
- (8) paragraph 1 of section 303;
- (9) the heading of Chapter II of Title III;
- (10) section 333;
- (11) the heading of Chapter II of Title IV;
- (12) section 445.

In addition, section 21 of the said Act is amended by replacing the words “corporate name or firm name” in the fourth line of the second paragraph by the word “name”.

**171.** The said Act is amended by striking out the word “social” in the expression “siège social” in the French text of the following provisions:

- (1) the heading of Chapter IV of Title II;
- (2) section 28;
- (3) the first paragraph of section 29;
- (4) the first and second paragraphs of section 30;
- (5) subparagraph 2 of the first paragraph of section 34;
- (6) subparagraph 4 of the first paragraph of section 36;
- (7) paragraph 1 of section 55;

- (8) subparagraph 5 of the first paragraph of section 60;
- (9) section 132;
- (10) the portion before paragraph 1 and paragraph 1 of section 274;
- (11) the portion before paragraph 1 of section 275;
- (12) paragraph 1 of section 303;
- (13) the first paragraph of section 312;
- (14) the third paragraph of section 313;
- (15) the first paragraph of section 404.

**172.** The said Act is amended by replacing the words “surname, given name” and “surname and given name” by the word “name” in the following provisions:

- (1) subparagraph 4 of the first paragraph of section 34;
- (2) subparagraph 2 of the first paragraph of section 36;
- (3) paragraph 1 of section 45;
- (4) paragraph 2 of section 55;
- (5) section 141;
- (6) section 190;
- (7) section 247;
- (8) paragraph 4 of section 274;
- (9) paragraph 2 of section 303;
- (10) the second paragraph of section 312.

In addition, section 274 of the said Act is amended by striking out the words “or the surname and given name” in paragraph 5.

**173.** The said Act is amended by inserting the words “absent or” before the word “unable” in the following provisions:

- (1) section 146;
- (2) the second paragraph of section 282;
- (3) section 434.

**174.** The said Act is amended by replacing the words “to be heard” and “to make representations” by the words “to present observations”, in the following provisions:

- (1) the portion before paragraph 1 of section 97;
- (2) the last sentence of the first paragraph of section 179;
- (3) the third paragraph of section 204;
- (4) the third paragraph of section 218;
- (5) the second paragraph of section 227;
- (6) the second paragraph of section 231;
- (7) the second paragraph of section 238;
- (8) the second paragraph of section 264;
- (9) the first paragraph of section 323;
- (10) the second paragraph of section 389;
- (11) the second paragraph of section 395;
- (12) the third paragraph of section 398;
- (13) the second paragraph of section 429;
- (14) the third paragraph of section 450;
- (15) the first paragraph of section 485;

(16) the second paragraph of section 500;

(17) the first paragraph of section 505.

In addition, section 505 of the said Act is amended by replacing the words “to be heard” in the second paragraph by the words “to present observations”.

**175.** The said Act is amended, in the English text,

(1) by replacing the words “board of supervision” by the words “board of audit and ethics” in the following provisions:

— section 171;

— the first paragraph of section 173;

— sections 175 and 178;

— the first line of the first paragraph of section 179;

— the first paragraph of section 181;

— sections 182 and 183;

(2) by replacing the words “board of supervision” by the word “board” in the following provisions:

— the second paragraphs of sections 168 and 173;

— the sixth line of the first paragraph and the second paragraph of section 179;

— the second paragraph of section 181.

**176.** Section 24 of the Act to replace the Act respecting La Confédération des caisses populaires et d'économie Desjardins du Québec (1989, chapter 113) is amended by replacing the words “217 and 251” in the first paragraph of section 8 of the Savings and Credit Unions Act replaced by the said section 24 by the words “137, 172, 179.1, 217, 379, 385.3, 464 and 511”.

**177.** The Government may, by order, to facilitate the application of this Act, establish, before (*insert here the date occurring 18 months after the date of coming into force of this section*), any necessary transitional measures relating to the structure and administration of credit unions, federations and confederations. Such an order shall come into force on the date of its publication in the *Gazette officielle du Québec* or on any later date fixed therein.

**178.** The provisions of this Act come into force on the date or dates to be fixed by the Government.