



CHAPTER 92

An Act to amend the Security Frauds Prevention Act, 1930

[Assented to, the 4th of April, 1931]

HIS MAJESTY, with the advice and consent of the Legislative Council and of the Legislative Assembly of Quebec, enacts as follows:

1. Section 21 of the Security Frauds Prevention Act, R. S., c. 1930, (Revised Statutes, 1925, chapter 228A, as enacted ^{228A, s. 21,} by the act 20 George V, chapter 88) is amended:

a. By inserting therein after the word: "accountant", in the first line of sub-paragraph *a* of subsection 1 thereof, the following words: "or firm of accountants";

b. By replacing the words: "in the employ", in the first line of the second paragraph of subsection 2 thereof, by the words: "a salaried employee";

c. By inserting therein, after the word: "him", in the fourth line of the first paragraph of subsection 3 thereof, the following words: "but the executive committee may from time to time revoke such allotment and appoint other brokers' auditors in the place of those already appointed";

d. By replacing the second paragraph of subsection 3 thereof by the following:

"The expenses of every audit, report or statement ^{Expenses of} paid to the brokers' auditor by a stock exchange shall be ^{audit.} subject to repayment forthwith by the person or company whose business is audited, and until such repayment is made the stock exchange shall have a lien upon the seat belonging to or controlled by such person or company so indebted to such stock exchange.";

e. By adding thereto, after subsection 5 thereof, the following subsection:

Duties of
brokers'
auditor.

"5a. In making any audit, report or statement under the provisions of this section, every brokers' auditor shall conform to such instructions as may be given to him from time to time by the executive committee.";

f. By inserting therein, after the word: "audit", in the first line of subsection 6 thereof, the following words: ", report or statement";

g. By replacing subsection 7 thereof by the following:

Statements;
etc.

"7. The brokers' auditor during or upon the completion of every audit under the provisions of this section shall furnish the executive committee with such statements, reports and information in respect of the business and affairs of the person whose affairs are being or have been audited as may be required from time to time by the said committee, and shall in addition specially report to such committee any particular information which may be required under the by-laws, rules or regulations of the exchange and any further information which the brokers' auditor deems it to be in the public interest so to report.";

Offence.

h. By inserting therein, after the word: "act", in the ninth line of subsection 8 thereof, the following words: "Failure by any person who is a member of any stock exchange to comply with any requirement of any person so designated by an executive committee shall constitute an offence.";

i. By adding thereto, after subsection 10 thereof, the following subsection:

Suspension
and expulsion
of mem-
bers of stock
exchanges.

"11. The executive committee may suspend for such period as it shall determine, or may expel any person who is a member of a stock exchange, whenever such person withholds, destroys, conceals or refuses to give information reasonably required by the auditor for the purpose of his audit and report on the affairs of such person, or fails to comply with any requirement of the said committee under the provisions of this section, or of any person designated by it under the provisions of subsection 8 hereof."

R. S., c.
228A, s. 22,
am.

2. Section 22 of the said act is amended:

a. By inserting therein, after the word: "accountant", in the fourth and fifth lines thereof, the following words: "satisfactory to the Registrar";

b. By inserting therein, after the word: "statement", in the eleventh line thereof, the following words: "or additional information".

3. Section 23 of the said act is amended:R. S., c.
228a, s. 23.
am.

a. By inserting therein, after the word: "securities", in the thirteenth line thereof, the following words: "or the customers' equities or rights";

b. By inserting therein, after the word: "securities", in the fifteenth line thereof, the words: "or equities or rights";

c. By adding thereto, after the word: "act", in the third line of the third paragraph thereof, the following words: "Any agreement inconsistent with the provisions of this section shall be null and void."

4. Section 24 of the said act is amended by striking out *Id.*, s. 24, the word: "half", in the second line of sub-paragraph c^{am.} of the first paragraph thereof.

5. This act shall come into force on the date which it may please the Lieutenant-Governor in Council to fix by proclamation. ^{Coming into force.}