



NATIONAL ASSEMBLY

SECOND SESSION

THIRTY-FIFTH LEGISLATURE

Bill 19
(1996, chapter 22)

An Act to amend the Financial Administration Act as regards Québec savings products

Introduced 15 May 1996
Passage in principle 3 June 1996
Passage 13 June 1996
Assented to 20 June 1996

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EXPLANATORY NOTE

This bill amends the Financial Administration Act to introduce new provisions concerning Québec savings products which allow the issue of new products in dematerialized form by means of a book based system. To that end, borrowing plans will be established by the Government and a regulatory framework will be devised to determine the conditions applicable to, and to regulate the management of, such new products.

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THE PARLIAMENT OF QUÉBEC ENACTS AS FOLLOWS:

1. The Financial Administration Act (R. S.Q., chapter A-6) is amended by inserting, after section 69, the following:

“ DIVISION VII.01

“QUÉBEC SAVINGS PRODUCTS

“69.01 The Government may, for the purposes contemplated in sections 60 and 61, authorize the issue and sale of savings products within the scope of a borrowing plan the terms and conditions and characteristics of which shall be established by the Government to the extent it deems necessary.

The borrowing plan may provide that the management, issue and sale of a savings product are to be effected by means of a book based system.

The borrowing plan may also provide for the sale of fixed-term annuities.

“69.02 The Minister shall determine the amounts and characteristics of and the other terms and conditions applicable to each issue and sale of savings products within the scope of a plan established in accordance with section 69.01.

“69.03 The Minister may effect any transaction for the purposes of a plan established in accordance with this division. He may also, if it is authorized by the plan, enter into contracts for the payment of fixed-term annuities.

For the purposes of this division, the funds making up an annuity shall be regarded as the principal of a loan.

The funds making up fixed-term annuities are exempt from seizure in the hands of the Minister as though they were fixed-term annuities transacted by insurers, provided that a beneficiary in the event of death is designated in the manner set out in the provisions of the Civil Code of Québec concerning insurance.

“69.04 For the purposes of this division, the Government may, by regulation,

(1) define the book based system and determine its mode of operation and characteristics as well as ownership and evidentiary rules concerning entries made in the system;

(2) determine conditions for participation and classes of qualifying participants and purchasers;

(3) determine the terms and conditions of assignment, transfer and payment of the securities;

(4) determine prohibitions or restrictions concerning the assignment of or the right to dispose of the securities;

(5) determine prohibitions or restrictions concerning the granting of movable hypothecs on the securities and determine conditions for the granting of such hypothecs as well as conditions for the exercise of related rights or remedies.

“69.05 A regulation under section 69.04 may specify which of its provisions may be made applicable, by decision of the Minister, to any of the savings products authorized and issued under this division.

“69.06 The information to be furnished by participants in the book based system shall be determined by the Minister in the forms he prescribes.

“69.07 Sections 63 to 68 apply to any borrowing effected under this division.”

2. This Act comes into force on 20 June 1996.