

(2) for a period not exceeding one year, it acquires all or part of the shares of a legal person whose activities are exclusively commercial or industrial.

The voting rights attached to the shares of the legal person referred to in subparagraphs 1 and 2 of the first paragraph may enable the financial services cooperative to elect more than one-third of the directors of that legal person.

7. The provisions of the first paragraph of section 475 of the Act respecting financial services cooperatives do not apply:

(1) to the acquisition by a holding company of the shares of another holding company referred to in paragraph 2 of section 2;

(2) to the acquisition of shares of a legal person whose activities are exclusively commercial or industrial;

(3) to the acquisition of shares of a legal person carrying out a joint venture, made in accordance with section 5;

(4) to the acquisition of shares of a legal person, made in accordance with section 6.

8. This Regulation comes into force on the date of coming into force of sections 468 to 475, subparagraphs 13 and 14 of the first paragraph of section 599 and section 689 of the Act respecting financial services cooperatives.

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Gouvernement du Québec

O.C. 692-2001, 6 June 2001

An Act respecting financial services cooperatives (2000, c. 29)

Investments of a security fund

Regulation respecting investments of a security fund

WHEREAS under section 517 of the Act respecting financial services cooperatives (2000, c. 29) a fund may only make the investments authorized by government regulation;

WHEREAS under subparagraph 17 of the first paragraph of section 599 of the Act, the Government may, by regulation, determine the cases, conditions and restrictions applicable to the investments of a security fund;

WHEREAS in accordance with sections 10 and 11 of the Regulations Act (R.S.Q., c. R-18.1), the text of the draft Regulation was published in the *Gazette officielle du Québec* of 18 April 2001, with a notice that upon the expiry of 45 days following that publication the Government could make the Regulation;

WHEREAS it is expedient to make the Regulation without amendment;

IT IS ORDERED, therefore, upon the recommendation of the Minister of Finance:

THAT the Regulation respecting investments of a security fund, attached to this Order in council, be made.

JEAN ST-GELAIS,
Clerk of the Conseil exécutif

Regulation respecting investments of a security fund

An Act respecting financial services cooperatives (2000, c. 29, ss. 517 and 599, 1st par., subpar. 17)

1. A security fund may invest in the following:

(1) demand deposits;

(2) day loans;

(3) demand loans guaranteed by securities having a credit rating at least equivalent to an R-1L or A rating according to the criteria of the Dominion Bond Rating Service Limited;

(4) deposit certificates whose term does not exceed five years;

(5) guaranteed investment certificates issued by a bank or institution registered with the Régie de l'assurance-dépôts du Québec, other than a credit union that is a member of the fund, or with the Canada Deposit Insurance Corporation;

(6) negotiable and insubordinate debt securities issued by a bank listed in Schedule 1 or Schedule 2 to the Bank Act (S.C., 1991, c. 46) and having a credit rating at least equivalent to an R-1L or A rating according to the criteria of the Dominion Bond Rating Service Limited;

(7) securities issued or guaranteed irrevocably and unconditionally by the Gouvernement du Québec or the Government of Canada;

(8) securities issued or guaranteed irrevocably and unconditionally by the Government or a hydroelectric corporation of a Canadian province other than Québec and having a credit rating at least equivalent to an R-1L or A rating according to the criteria of the Dominion Bond Rating Service Limited;

(9) securities issued or guaranteed irrevocably and unconditionally by the Government of the United States of America;

(10) securities issued by a legal person established in the public interest incorporated under the Statutes of Québec;

(11) negotiable and subordinate debt securities, issued by a bank listed in Schedule 1 or Schedule 2 to the Bank Act (S.C., 1991, c. 46) and having a credit rating at least equivalent to an R-1L or A rating according to the criteria of the Dominion Bond Rating Service Limited;

(12) negotiable debt securities issued by a legal person established in the private interest and having a credit rating at least equivalent to an R-1L or A rating according to the criteria of the Dominion Bond Rating Service Limited;

(13) mutual funds of Canadian or American money markets;

(14) mutual funds of Canadian or American bond or mortgage markets;

(15) mutual funds of shares issued on the Canadian market or on the market of another country that is a member of the Organisation for Economic Co-operation and Development;

(16) subordinate shares or debt securities issued by credit unions whose capital base does not reach the amount prescribed in the standards of the federation;

(17) derivatives;

(18) shares issued on the Canadian market or on the market of another country that is a member of the Organisation for Economic Co-operation and Development; and

(19) hedge funds.

2. The security fund may not make investments that exceed a value representing 30% of its assets according to its most recent auditing in subordinate shares or debt securities issued by the credit unions of its group.

3. The security fund may not make investments that exceed a value representing 5% of its assets according to its most recent auditing in securities issued by the same legal person and referred to in paragraphs 11, 12 and 18 of section 1.

4. The security fund may not make investments that exceed a value representing 25% of its assets according to its most recent auditing in securities referred to in paragraphs 11, 12, 15 and 18 of section 1 and in securities of mutual funds of Canadian or American bond or mortgage markets.

For the purposes of this section, the mutual funds of bond markets are those made up of bonds issued by legal persons established in the private interest.

5. A security fund may not make investments in legal persons or corporations controlled by the federation or the credit unions of its group.

Notwithstanding the foregoing, the security fund may carry out the transactions referred to in paragraphs 1, 2 and 17 of section 1 with a bank, the Caisse centrale Desjardins or the Fédération des caisses Desjardins du Québec, where it is part of the same group as those credit unions.

6. This Regulation will come into force on the date of coming into force of sections 487 to 547, subparagraph 17 of the first paragraph of section 599 and section 689 of the Act respecting financial services cooperatives.

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Gouvernement du Québec

O.C. 693-2001, 6 June 2001

An Act respecting the Mouvement Desjardins
(2000, c. 77)

Mouvement Desjardins

— Certain transitional measures or other useful measures conducive to the application of the Act

Regulation respecting certain transitional measures or other useful measures conducive to the application of the Act respecting the Mouvement Desjardins

WHEREAS under section 69 of the Act respecting the Mouvement Desjardins (2000, c. 77), the Government may, by regulation, provide for any other transitional measures or other useful measures conducive to the application of this Act;