



NATIONAL ASSEMBLY

FIRST SESSION

THIRTY-EIGHTH LEGISLATURE

Bill 27

(2007, chapter 18)

**An Act to amend the Act respecting
financial services cooperatives**

**Introduced 23 October 2007
Passed in principle 31 October 2007
Passed 8 November 2007
Assented to 9 November 2007**

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EXPLANATORY NOTES

The purpose of this bill is to amend the Act respecting financial services cooperatives to enable the board of directors of a credit union to admit a person although that person has ceased to meet the conditions relating to a characteristic common to all members, which conditions are set out in the articles of the credit union. The bill specifies that the number of such members must not exceed the limits determined by the federation or, in the absence of such limits, 3% of the total number of credit union members.

In addition, the bill allows the payment of dividends to persons that ceased to be members of the credit union during the fiscal year concerned.

Furthermore, the bill provides that a credit union must hold a special meeting on the requisition of the number of members determined in accordance with the standards adopted by the federation. In the absence of standards to that effect, that number is equal to 2% of the total number of credit union members.

Lastly, the bill contains consequential provisions.

LEGISLATION AMENDED BY THIS BILL:

– Act respecting financial services cooperatives (R.S.Q., chapter C-67.3).

Bill 27

AN ACT TO AMEND THE ACT RESPECTING FINANCIAL SERVICES COOPERATIVES

THE PARLIAMENT OF QUÉBEC ENACTS AS FOLLOWS:

1. Section 84 of the Act respecting financial services cooperatives (R.S.Q., chapter C-67.3) is amended by replacing “members” in subparagraph 5 of the first paragraph by “persons and partnerships that were members of the cooperative during the fiscal year”.

2. Section 197 of the Act is amended by replacing “A person” in the first line of the first paragraph by “Subject to section 200.1, a person”.

3. The Act is amended by inserting the following section after section 200:

“200.1. The board of directors of a credit union may, in accordance with the standards of the federation, admit as a member a natural person who is a former member of the credit union and has ceased to meet the conditions relating to a common characteristic set out in the articles of the credit union, if the person re-applies for membership within the period set by the federation.

The number of members who do not meet the conditions relating to a common characteristic must not exceed the limits determined by federation standards. In the absence of standards to that effect, that number must not exceed 3% of the total number of credit union members.”

4. Section 223 of the Act is amended by replacing the first paragraph by the following paragraph:

“223. The credit union must hold a special meeting on the requisition of a minimum number or percentage of members determined in accordance with the standards adopted by the federation. In the absence of standards to that effect, that number is equal to 2% of the total number of credit union members.”

5. Section 369 of the Act is amended by adding the following paragraph at the end:

“(13) the period within which a natural person may apply, under section 200.1, for membership in a credit union after the person has ceased to meet the conditions relating to a common characteristic set out in the articles of the credit union in accordance with the second paragraph of section 10.”

6. Section 370 of the Act is amended

(1) by inserting the following paragraphs after paragraph 1:

“(1.1) for the purposes of section 200.1, the conditions under which a natural person may be admitted as a member by the board of directors after the person has ceased to meet the conditions relating to a common characteristic set out in the articles of the credit union in accordance with the second paragraph of section 10;

“(1.2) the limits that apply to the number of credit union members who do not meet the conditions relating to a common characteristic;”;

(2) by inserting the following paragraph after paragraph 3:

“(3.1) the minimum number or percentage of members required to requisition a special meeting of credit union members;”.

7. This Act comes into force on 9 November 2007.