

# Legislative Bulletin

Policy and Advocacy Report – Credit Union Central of Canada

April 2010 – Vol. 2

The *Legislative Bulletin* reports on federal legislative developments of possible interest to Centrals and their credit unions. The descriptions of legislation in the *Legislative Bulletin* are necessarily brief and may not address all issues that might affect the credit union system. Please contact Jan Hopper ([hopperj@cucentral.com](mailto:hopperj@cucentral.com)) at Credit Union Central of Canada should you have any questions about the federal legislation or wish further information. Copies of the legislation mentioned in the *Bulletin* are available at the parliamentary website: [www.parl.gc.ca](http://www.parl.gc.ca).

## Parliament Resumes

The Third Session of the 40<sup>th</sup> Parliament commenced with the Speech from the Throne on March 3<sup>rd</sup>. Readers are reminded that Government bills introduced in the previous session have to be reintroduced. However, private members' business before the House of Commons, Senate and their respective Committees are instantly reinstated at the stage they were at in the previous session.

## New This Issue

The Government has introduced C-9, the Budget Implementation Act, 2010, a 24-part piece of omnibus legislation, which seeks to enact measures contained in the federal budget delivered on March 4<sup>th</sup>, including historic provisions to enact a federal charter for credit unions.

In addition, there have also been a few Private Members' Bills and Senate Public Bills introduced or reintroduced relevant to the financial services industry since Parliament resumed. Unlike Government Bills, these bills, sponsored by individual MPs and Senators, generally do not progress through both the House and Senate to receive Royal Assent. An update on these bills will be included in future issues of the *Legislative Bulletin* if there is any legislative progress to report.

## Government Bills – House of Commons

### C-9 An Act to implement certain provisions of the budget tabled in Parliament on March 4, 2010 and other measures

Government Bill C-9 contains 24 parts to enact the provisions of the 2010 Federal Budget. Five parts are of particular concern to credit unions.

Part 17 amends the *Bank Act* and other acts to enable credit unions to continue and operate as federal credit unions under the *Bank Act*.

Part 12 creates the *Payment Card Networks Act*, the purpose of which is to regulate national payment card networks and the commercial practices of payment card network operators.

Part 13 provides the Financial Consumer Agency of Canada with a broader oversight role to allow it to verify compliance with ministerial undertakings and directions. The amendments also increase the Agency's ability to undertake research, including research on trends and emerging consumer protection issues.

Part 14 amends the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* to confer on the Minister of Finance the power to issue directives imposing measures with respect to certain financial transactions.

Part 16 amends the *Canada Deposit Insurance Corporation Act* to allow the Governor in Council to specify when a bridge institution will assume a federal member institution's deposit liabilities and allow the Canada Deposit Insurance Corporation to make by-laws with respect to information and capabilities it can require of its member institutions.

#### Legislative Progress:

1 <sup>st</sup> Reading in the House of Commons	March 29, 2010
Passed 2 <sup>nd</sup> Reading vote and referred to Standing Committee on Finance	April 19, 2010

## Private Members' Bills – House of Commons

### C-255 An Act to amend the Bank Act (automated banking machine charges)

Private Member's Bill C-255, an Act to amend the Bank Act (automated banking machine charges) was also introduced during sessions of both the 39<sup>th</sup> and the 40<sup>th</sup> Parliament. This enactment prohibits a bank from making a charge for the electronic transfer of funds or the communication of account information through the use of an automated banking machine, whether the machine is owned or operated by the bank or by another person.

#### Legislative Progress:

1 <sup>st</sup> Reading in the House of Commons	March 3, 2010
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### C-266 An Act to establish the position and Office of the Credit Ombudsman, who shall be an advocate of the interests of consumers and small businesses in credit matters and who shall investigate and report on the provision, by financial institutions, of consumer and small-business credit on a community basis and on an industry basis, in order to ensure equity in the distribution of credit resources.

The purpose of this enactment is to establish the position and Office of the Credit Ombudsman, who will be an advocate of the interests of consumers and small businesses in credit matters and who will investigate and report on the provision, by financial institutions, of consumer and small-business credit on the basis of community, industry group and sex of the applicant, in order to ensure equity in the distribution of credit resources. The Act requires that financial institutions that fail to improve credit policies and practices on the request of the Credit Ombudsman will be reported to the Minister of Finance, and the report will be referred to the Standing Committee on Finance for investigation.

Similar to Bill C-255, this bill has been introduced in during previous Parliament sessions.

#### Legislative Progress:

1 <sup>st</sup> Reading in the House of Commons	March 3, 2010
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### C-305 An Act to amend the Bills of Exchange Act (rights of bill holders)

This enactment amends the *Bills of Exchange Act* to make the rights of a bill holder subject to a right or defence of set-off held by a purchaser in respect of an action by the seller. The purpose of the enactment is to prevent the cashing of cheques by a cheque-cashing business where a cheque has been cancelled by the person who wrote the cheque.

**Legislative Progress:**1<sup>st</sup> Reading in the House of Commons

March 3, 2010

**C-362 An Act to amend the Criminal Code (personal identity theft)**

This enactment makes it an offence for a person to be in possession of or to transfer, without lawful excuse, any information or document that can be used to identify another person.

**Legislative Progress:**1<sup>st</sup> Reading in the House of Commons

March 3, 2010

**C-426 An Act to amend the Bank Act and other Acts (cost of borrowing for credit cards)**

This enactment amends the *Bank Act*, the *Cooperative Credit Associations Act*, the *Insurance Companies Act* and the *Trust and Loan Companies Act* to set the maximum rate that may be charged for the cost of borrowing in respect of credit cards.

**Legislative Progress:**1<sup>st</sup> Reading in the House of Commons

March 3, 2010

**C-476 An Act to amend the Bankruptcy and Insolvency Act and other Acts (unfunded pension plan liabilities)**

This enactment amends the Bankruptcy and Insolvency Act to grant unfunded pension plan liabilities the status of secure debts under bankruptcy proceedings, and take other measures.

**Legislative Progress:**1<sup>st</sup> Reading in the House of Commons

March 3, 2010

**C-487 An Act to amend the Bankruptcy and Insolvency Act and another Act in consequence (health-related benefit plans)**

This bill seeks to establish long-term disability and health care benefits, or other health-related benefit plan the status of secure debts under bankruptcy proceedings.

**Legislative Progress:**1<sup>st</sup> Reading in the House of Commons

March 3, 2010

**C-501 An Act to amend the Bankruptcy and Insolvency Act and other Acts (pension protection)**

This bill amends the *Bankruptcy and Insolvency Act* to grant unfunded pension plan liabilities the status of secure debts under bankruptcy proceedings, and take other measures.

**Legislative Progress:**

<b>1<sup>st</sup> Reading in the House of Commons</b>	March 24, 2010
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**Senate Public Bills - Senate**

Senators' Public Bills of note include several reinstated under the name of Senator Ringuette (S-201 and S-202) relating to recommended changes to the debit and credit card payment systems in Canada. Senator Ringuette is a member of the Senate Committee in Banking, Trade and Commerce Committee that held public consultations on payment card issues in 2009. This Committee prepared a report recommending changes to the Canadian payments system that would provide the government with oversight of the debit and credit card systems. Bills S-201 and S-202 reflect recommendations found within this report.

**S-201 An Act to amend the Office of the Superintendent of Financial Institutions Act (credit and debit cards)**

This enactment amends the *Office of the Superintendent of Financial Institutions Act* to provide for the Superintendent to monitor and make recommendations relating to the use of credit and debit cards in Canada. This is the reintroduction of Bill S-241 of the same name that was introduced in the previous session of Parliament. It is meant to provide OSFI with oversight responsibilities related to debit and credit card systems in Canada.

**Legislative Progress:**

<b>1<sup>st</sup> Reading in the Senate</b>	March 4, 2010
<b>2<sup>nd</sup> Reading vote and referral to Banking Trade and Commerce Committee</b>	March 30, 2010

**S-202 An Act to amend the Canadian Payments Act (debit card payment systems)**

Bill S-202 (the former Bill S-242) was reintroduced by Senator Ringuette. This act defines Interac, Visa, and MasterCard debit systems as "designated payment systems" under the Canadian Payments Act.

**Legislative Progress:**

<b>1<sup>st</sup> Reading in the Senate</b>	March 4, 2010
<b>Most recent debate in the Senate</b>	March 10, 2010

**S-214** An Act to amend the Bankruptcy and Insolvency Act and other Acts (unfunded pension plan liabilities)

Introduced by Senator Ringuette, this enactment would amend the *Bankruptcy and Insolvency Act* and the *Companies' Creditors Arrangement Act* to ensure that unfunded pension plans' liabilities are accorded the status of secure debts in the event of bankruptcy proceedings. The enactment also amends the *Canada Business Corporations Act* to provide an efficient procedure to enable former employees of bankrupt corporations that are owed amounts to proceed with claims against its directors. As well, the enactment amends the *Employment Insurance Act* to specify that payments made to a claimant out of the proceeds realized from the property of a bankrupt or by a government in the event of bankruptcy will not be deducted from benefits payable to an employment insurance claimant. Finally, the enactment amends the *Wage Earner Protection Program Act* to include proposals, compromises and arrange

**Legislative Progress:**

<b>1<sup>st</sup> Reading in the Senate</b>	March 24, 2010
<b>Most recent debate in the Senate</b>	March 30, 2010

**S-216** An Act to amend the Bankruptcy and Insolvency Act and the Companies' Creditors Arrangement Act in order to protect beneficiaries of long term disability benefits plans

The enactment amends the *Bankruptcy and Insolvency Act* and the *Companies' Creditors Arrangement Act* in order that the status of a preferred claim be conferred to the liabilities of the fund established for the purpose of a long term disability benefits plan and that such fund be used to continue the payment of benefits to the beneficiaries.

**Legislative Progress:**

<b>1<sup>st</sup> Reading in the Senate</b>	March 25, 2010
<b>Most recent debate in the Senate</b>	March 30, 2010

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