The Trust and Loan Corporations Regulations, 1999

being

Chapter T-22.2 Reg 1 (effective September 1, 1999) as amended by Saskatchewan Regulations 9/2005, 56/2010 and 83/2014.

NOTE:

This consolidation is not official. Amendments have been incorporated for convenience of reference and the original statutes and regulations should be consulted for all purposes of interpretation and application of the law. In order to preserve the integrity of the original statutes and regulations, errors that may have appeared are reproduced in this consolidation.

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CHAPTER T-22.2 REG 1

The Trust and Loan Corporations Act, 1997

PART I
Title, Interpretation and Application

Title

1 These regulations may be cited as *The Trust and Loan Corporations Regulations, 1999.*

Interpretation

2(1) In these regulations:

(a) **"Act"** means *The Trust and Loan Corporations Act, 1997*;

(b) **"beneficial ownership"** includes ownership through one or more trustees, legal representatives, agents or other intermediaries;

(c) **"deposit"** means the unpaid balance of the aggregate of moneys received or held by a loan corporation or trust corporation from or on behalf of a person, association of persons or entity in the usual course of business of the loan corporation or trust corporation, for which the loan corporation or trust corporation:

(i) has given or is obligated to give credit to the account of that person, association of persons or entity or has issued or is obligated to issue a receipt, certificate, transferable instrument, draft, certified draft or cheque, traveller's cheque, prepaid letter of credit, money order or other instrument with respect to which the loan corporation or trust corporation is primarily liable; and

(ii) is obligated to repay the moneys on a fixed day, on demand by that person, association of persons or entity or within a specified period following the demand;

and includes any interest accrued or payable to that person, association of persons or entity but does not include subordinated indebtedness as defined in the federal Act;

(d) **"entity"** means a body corporate, wherever incorporated, a trust, a partnership, a fund or an unincorporated organization, and includes the Crown in right of Saskatchewan, of Canada or of a province, an agency of the Crown in any of those rights, and a government of a foreign country or any political subdivision or agency of a government of a foreign country;

(e) **"financial leasing corporation"** does not mean financial leasing corporation as defined in section 449 of the federal Act, but means a body corporate other than a Saskatchewan financing corporation that carries out the activities set out in Part II of these regulations;

(f) **"regulatory capital"** means regulatory capital within the meaning of the federal Act.

(2) Where a word is used in the Act or these regulations and is not defined in the Act or these regulations or in the federal Act or the federal regulations but is defined in *The Business Corporations Act* or the regulations made pursuant to that Act, that definition applies.

18 Jun 99 cT-22.2 Reg 1 s2.

Non-application of the Act

3(1) Section 20 of the Act does not apply to:

(a) a trust corporation that does not accept deposits; or

(b) Mennonite Trust Ltd.

(2) Where a corporation has obtained funds from the Government of Saskatchewan or the Government of Canada or a corporation owned or controlled by either of those governments pursuant to terms and conditions that permit lending of those funds to small businesses, the Act does not apply to the corporation, for the purpose of making loans of those funds in accordance with those terms and conditions, as long as the corporation:

(a) does not accept deposits; and

(b) by its articles of incorporation, is authorized to make loans to small businesses.

(2.1) The Act does not apply to an agency as defined in *The Agri-Food Act, 2004*.

(3) Section 17 and Part VI of the Act do not apply to a person holding a valid licence issued pursuant to *The Mortgage Brokerages and Mortgage Administrators Act* respecting activities that the person is entitled to engage in pursuant to that licence or any endorsement granted with respect to that licence.

(3.1) Section 17 and Part VI of the Act do not apply to a payday lender holding a valid licence issued pursuant to *The Payday Loans Act* respecting activities that the payday lender is entitled to engage in pursuant to that licence.

(4) Section 45 of the Act does not apply to:

(a) a regional economic development authority as defined in *The Small Business Loans Association Program Regulations*; or

(b) a community-based regional economic development organization as defined in *The Northern Economic Development Regulations*.

18 Jun 99 cT-22.2 Reg 1 s3; 11 Feb 2005 SR 9/2005 s3; 11 Jun 2010 SR 56/2010 s3.

PART II
Leasing

Interpretation of Part

4 In this Part:

(a) **"agreement"** means a financial lease agreement or a security agreement;

(b) **"property"** means the personal property to which an agreement relates;

(c) **"security agreement"** means a security agreement as defined in *The Personal Property Security Act, 1993*.

18 Jun 99 cT-22.2 Reg 1 s4.

Personal property leasing

5(1) A Saskatchewan trust corporation and a Saskatchewan loan corporation may engage in the business of a financial leasing corporation.

(2) The provisions of this Part, other than subsection 6(2), do not apply to a Saskatchewan financing corporation.

(3) The *Financial Leasing Corporation Regulations* (Canada), SOR/92-323 made pursuant to the federal Act do not apply to Saskatchewan corporations.

18 Jun 99 cT-22.2 Reg 1 s5.

Agreements

6(1) A financial leasing corporation may enter into or acquire agreements only if:

(a) the corporation does not direct its customers or potential customers to particular dealers in the property;

(b) the aggregate of the estimated residual values of all property does not exceed 10% of the aggregate of the costs of acquisition of that property to the corporation;

(c) the estimated residual value of a particular property is not greater than 20% of the cost of acquisition of that property to the corporation;

(d) the agreement is entered into or acquired for the purpose of extending credit to the lessee or purchaser; and

(e) the property that is the subject of the agreement is selected by the lessee or buyer and:

(i) is acquired by the corporation at the lessee's or buyer's request; or

(ii) was acquired by the corporation through the operation of an earlier agreement.

(2) A Saskatchewan financing corporation may enter into or acquire agreements only if:

(a) the corporation does not direct its customers or potential customers to particular dealers in the property; and

(b) the property that is the subject of the agreement is selected by the lessee or buyer and:

(i) is acquired by the corporation at the lessee's or buyer's request; or

(ii) was acquired by the corporation through the operation of an earlier agreement.

18 Jun 99 cT-22.2 Reg 1 s6.

Agreement must yield return

7 An agreement must yield a return that:

(a) will compensate the corporation for not less than its full investment in the property; and

(b) is reasonable, taking into account:

(i) the term of the agreement and its terms and conditions;

(ii) the technological obsolescence of the property; and

(iii) the rate of return sought by other lessors with respect to similar agreements respecting similar property and under the same terms and conditions.

18 Jun 99 cT-22.2 Reg 1 s7.

Calculation of return

8 The return on an agreement is to be calculated by taking into account rental charges paid by the lessee or purchaser, estimated tax benefits of the agreement to the corporation, including tax credits and capital cost allowance claims, and the amount of:

(a) where the lessee or purchaser or a third party who is dealing at arm's length with the corporation has, on or before the commencement of the agreement, contracted to purchase the property or unconditionally guaranteed the resale value of the property at the date of expiry of the agreement, the purchase price or the resale value so guaranteed; or

(b) in any other case, but subject to clause 6(1)(c), the estimated residual value of the property.

18 Jun 99 cT-22.2 Reg 1 s8.

Required provisions

9 Each agreement must contain a provision:

(a) assigning and conveying to the lessee or purchaser the benefit of all warranties, guarantees or other undertakings made by a manufacturer or supplier relating to the property; or

(b) setting out the responsibilities of the corporation respecting the warranties, guarantees or other undertakings mentioned in clause (a).

18 Jun 99 cT-22.2 Reg 1 s9.

Transfer of benefits and risks

10 Each agreement must substantially transfer to the lessee or purchaser the benefits and risks incidental to the operation of the property and must not place responsibility on the corporation to install, promote, service, clean, maintain or repair the property.

18 Jun 99 cT-22.2 Reg 1 s10.

Defalcation

11 Where the lessee or purchaser defaults in the manner set out in the agreement and the default is not waived or the agreement, including any renewals or extensions of it, expires, the corporation shall:

(a) liquidate its interest in the property; or

(b) enter into a new agreement respecting that property within two years of the default or expiry or, where proceedings respecting that property have prevented the corporation from complying with that requirement within that period, within two years of the completion of those proceedings.

18 Jun 99 cT-22.2 Reg 1 s11.

Renewal of agreement

12 An agreement may be renewed on its expiry and may be extended during its term.

18 Jun 99 cT-22.2 Reg 1 s12.

Investment in financial leasing corporations

13 A Saskatchewan trust corporation and a Saskatchewan loan corporation shall not beneficially own shares in a financial leasing corporation pursuant to section 451 of the federal Act unless:

(a) the aggregate of the following is equal to at least 80% of the assets of the financial leasing corporation:

(i) the book value of all of the property that is subject to agreements held by the financial leasing corporation;

(ii) all amounts owing as receivables respecting those agreements; and

(b) the financial leasing corporation meets the requirements of this Part respecting the agreements.

18 Jun 99 cT-22.2 Reg 1 s13.

PART III
Capital Requirements

Capital requirements – trust corporation and loan corporation

14(1) No trust corporation or loan corporation that accepts deposits shall be issued a licence unless its regulatory capital is at least $5,000,000.

(2) No trust corporation that does not accept deposits shall be issued a licence unless its regulatory capital is at least $2,000,000.

(3) Subsections (1) and (2) do not apply to a trust corporation or loan corporation that on the day before the coming into force of the Act was licensed pursuant to *The Trust and Loan Corporations Act*.

(4) No trust corporation or loan corporation that accepts deposits shall fail to maintain regulatory capital of at least $5,000,000.

(5) Subject to subsection (6), no trust corporation that does not accept deposits shall fail to maintain regulatory capital of at least $2,000,000.

(6) A trust corporation or a loan corporation that on the day before the coming into force of this Act was licensed pursuant to *The Trust and Loan Corporations Act* shall maintain regulatory capital as determined by the superintendent.

(7) Every trust corporation and loan corporation, except federally incorporated or continued trust corporations and federally incorporated or continued loan corporations, shall file with the superintendent a statutory declaration on or before the last day of February in each year, attesting that it has maintained the required regulatory capital throughout the previous calendar year.

18 Jun 99 cT-22.2 Reg 1 s14; 11 Feb 2005 SR 9/2005 s4.

Capital requirements – financing corporation

15(1) Subject to subsections (2) and (3), no financing corporation shall be issued a licence unless its regulatory capital is at least $500,000.

(2) Subsection (1) does not apply to a financing corporation that on the day before the coming into force of the Act was licensed pursuant to *The Trust and Loan Corporations Act*.

(3) In circumstances that the superintendent considers appropriate, the superintendent may issue, on any terms or conditions, a licence to a financing corporation that does not have regulatory capital of at least $500,000.

(4) Subject to subsections (5) and (6), no financing corporation shall fail to maintain regulatory capital of at least $500,000.

(5) A financing corporation that on the day before the coming into force of the Act was licensed pursuant to *The Trust and Loan Corporations Act* shall maintain regulatory capital as determined by the superintendent.

(6) In circumstances that the superintendent considers appropriate, the superintendent may permit, on any terms or conditions, a financing corporation to maintain regulatory capital of less than $500,000.

(7) **Repealed.** 24 Oct 2014 SR 83/2014 s3.

18 Jun 99 cT-22.2 Reg 1 s15; 11 Feb 2005 SR 9/2005 s5; 24 Oct 2014 SR 83/2014 s3.

PART IV
Liquidity and Capital Adequacy

Interpretation of Part

16 Subject to any directions issued by the superintendent, in this Part:

(a) **"applicable date"** means the date on which the calculation of liquid assets pursuant to clause (f) is being made;

(b) **"assets of little or no realizable value"** means:

(i) deferred charges other than deferred tax debits;

(ii) the amount by which deferred tax debits exceed deferred tax credits;

(iii) the amount by which the aggregate book values of securities, excluding securities of or guaranteed by Canada, a province, a territory or a municipal corporation, exceeds their aggregate market values;

(iv) the amount by which the aggregate book value of owned real estate, other than the corporation's own office premises, exceeds aggregate market value; and

(v) intangibles other than goodwill as specified by the superintendent;

(c) **"book value"** means the book value of those assets as determined in accordance with generally accepted accounting principles;

(d) **"eligible financial institution"** means a credit union as defined in *The Credit Union Act, 1985*, a member institution of the Canada Deposit Insurance Corporation, a member of a designated compensation association within the meaning of the Act, a credit union central within the meaning of Part XVI of *The Cooperative Credit Associations Act* (Canada) or any other financial institution or depository approved by the superintendent;

(e) **"financial institution"** means:

(i) a bank to which the *Bank Act* (Canada) applies;

(ii) an entity licensed pursuant to the Act or an entity incorporated, continued or licensed pursuant to a similar Act of the Parliament of Canada or the legislature of any province of Canada;

(iii) an entity licensed to transact insurance pursuant to *The Saskatchewan Insurance Act* or an entity incorporated, continued or licensed pursuant to a similar Act of the Parliament of Canada or the legislature of any province of Canada;

(iv) a cooperative credit society within the meaning of the *Cooperative Credit Associations Act* (Canada) that is incorporated, continued or regulated by or pursuant to an Act of the legislature of any province of Canada;

(v) an association incorporated or continued pursuant to the *Cooperative Credit Associations Act* (Canada);

(vi) an entity that is incorporated, continued or licensed pursuant to an Act of the Parliament of Canada or of the legislature of any province of Canada that is primarily engaged in dealing in securities, including portfolio management and investment counselling; and

(vii) a foreign financial institution;

(f) **"liquid assets"** means the aggregate of:

(i) at book value, cash and demand deposits in an eligible financial institution;

(ii) at book value, treasury bills of the Government of Canada or of a province or territory;

(iii) at book value, term deposits, bearer deposit notes or other similar instruments issued by an eligible financial institution that mature within 100 days after the applicable date;

(iv) at book value, banker's acceptances that mature within one year from the date of issue;

(v) at market value, securities, other than securities mentioned in subclause (ii), that are issued or guaranteed by the Government of Canada, the government of a province, territory or a municipality;

(vi) at book value, demand loans, other than loans to an individual, that are fully secured by securities mentioned in any of subclauses (ii) to (v); and

(vii) accrued interest on the assets mentioned in subclauses (i) to (v);

less demand loans and loans having an original term to maturity of seven days or less, including the accrued interest owing on those loans, of the corporation;

(g) **"OECD country"** means a country mentioned in Table 1 of the Appendix;

(h) **"OECD government"** means the central government of an OECD country;

(i) **"off-balance sheet assets"** means, unless otherwise directed by the superintendent, the value of the following assets multiplied by a credit conversion factor as specified by the superintendent:

(i) direct credit substitutes;

(ii) transaction-related contingencies;

(iii) trade-related contingencies;

(iv) sale and re-purchase agreements;

(j) **"on-balance sheet assets"** means, except as otherwise specified by the superintendent, the total of the assets that would be reported on the balance sheet of the corporation prepared in accordance with generally accepted accounting principles;

(k) **"short-term liabilities"** means the aggregate of:

(i) deposits with the corporation that are payable on demand, within 100 days after the applicable date or on 100 days' notice or less;

(ii) bonds, debentures, notes, loans or other similar liabilities payable within 100 days after the applicable date or on 100 days' notice or less;

(iii) loans or securities that are guaranteed by the corporation and are payable within 100 days after the applicable date or on 100 days' notice or less; and

(iv) accrued interest that is payable by the corporation on the liabilities mentioned in subclauses (i) to (iii);

less demand loans and loans having an original term to maturity of seven days or less, including the accrued interest owing on those loans, of the corporation;

(l) **"tier 1 capital"** includes the following:

(i) common shareholders' equity, including common shares, contributed surplus and retained earnings;

(ii) non-cumulative perpetual preferred shares;

(iii) non-controlling interests in subsidiaries arising on consolidation from tier 1 capital instruments;

(m) **"tier 2 capital"** includes the following:

(i) tier 2A capital;

(ii) tier 2B capital;

(n) **"tier 2A capital"** includes hybrid capital instruments, otherwise known as debt/equity capital instruments, that have the following characteristics:

(i) they are unsecured, subordinated and fully paid up;

(ii) they are not redeemable at the initiative of the holder;

(iii) they may be redeemable by the issuer after an initial term of five years with the prior approval of the superintendent;

(iv) they are available to participate in losses without initiating a cessation of ongoing operations or the start of insolvency proceedings;

(v) they allow service obligations to be deferred where the profitability of the corporation would not support payment;

(o) **"tier 2B capital"** includes limited life instruments that have the following characteristics:

(i) they are subordinate to deposit obligations and other senior creditors;

(ii) they have an initial minimum term greater than five years, or, with the prior approval of the superintendent, an initial minimum term less than five years;

(iii) they offer no redemptions in the first five years;

but where limited life debt instruments are issued to a parent corporation, either directly or indirectly, those instruments may be included in tier 2B capital only with the prior approval of the superintendent;

(p) **"total assets"** means the total of the on-balance sheet assets and the off-balance sheet assets;

(q) **"total capital"** means the total of tier 1 capital and tier 2 capital.

18 Jun 99 cT-22.2 Reg 1 s16.

Application of Part

17 This Part applies to all Saskatchewan trust corporations and Saskatchewan loan corporations on a consolidated basis, including all subsidiaries controlled by a corporation except for those subsidiaries excluded by the superintendent.

18 Jun 99 cT-22.2 Reg 1 s17.

Liquidity

18 A Saskatchewan trust corporation or Saskatchewan loan corporation must have available unencumbered liquid assets in an amount that is equal to 20% of its short-term liabilities.

18 Jun 99 cT-22.2 Reg 1 s18.

Tier 2 capital requirements

19 Tier 2 capital:

(a) must not contain restrictive covenants or default clauses that would allow the holder to initiate acceleration of repayment in circumstances other than the insolvency, bankruptcy or winding up of the issuer; and

(b) must be subject to straight-line amortization in the final five years before maturity or the effective dates governing holders' retraction rights.

18 Jun 99 cT-22.2 Reg 1 s19.

Deductions from total capital

20(1) Goodwill must be deducted from tier 1 capital.

(2) Subject to any directions issued by the superintendent, the following must be deducted from the total of tier 1 capital and tier 2 capital:

(a) investments in unconsolidated subsidiaries and in unconsolidated corporations in which the Saskatchewan trust corporation or Saskatchewan loan corporation has a substantial investment;

(b) facilities that are treated as capital by unconsolidated subsidiaries and by unconsolidated corporations in which the Saskatchewan trust corporation or Saskatchewan loan corporation has a substantial investment;

(c) new capital issues between two or more financial institutions that represent either directly or indirectly back-to-back placements;

(d) first loss facilities or any facility designed to cover the first level of losses or first level of financial support for the underlying assets in the pool, the performance of the vehicle or the instruments issued to investors.

18 Jun 99 cT-22.2 Reg 1 s20.

Limitations

21 The following limitations apply to capital elements after the deductions set out in section 20:

(a) the amount of capital elements, net of amortization, included in tier 2 capital must not exceed 100% of tier 1 capital after deducting goodwill;

(b) tier 2B capital, net of amortization, included in tier 2 capital must not exceed a maximum of 50% of tier 1 capital after deducting goodwill.

18 Jun 99 cT-22.2 Reg 1 s21.

Application of foreign law

22 For the purposes of this Part, where any law other than Canadian law applies to a capital instrument, the approval of the superintendent must be obtained before the instrument is included in tier 2 capital.

18 Jun 99 cT-22.2 Reg 1 s22.

Issue and payment of instruments

23 All capital instruments must be issued and fully paid for in money, or with the prior approval of the superintendent, in property.

18 Jun 99 cT-22.2 Reg 1 s23.

Instruments issued by subsidiary

24 Where a subsidiary issues capital instruments for the funding of the regulated parent Saskatchewan trust corporation or Saskatchewan loan corporation or substantially in excess of its own requirements, the terms and conditions of the issue, as well as the intercorporation transfer, must ensure that investors are placed in the same position as if the instrument were issued by the regulated parent corporation so that the instrument will qualify as capital on consolidation.

18 Jun 99 cT-22.2 Reg 1 s24.

Non-controlling interests

25 Non-controlling interests, including subordinated debt issued to independent investors, arising on consolidation must be included in the respective categories of tier 1 capital or tier 2 capital, as long as the instruments:

(a) meet the criteria applicable to that category, and, respecting tier 1 capital, the instruments represent interests that are subordinated, permanent in nature and free of mandatory fixed charges against earnings; and

(b) do not effectively rank equally with or ahead of the deposits of the financial institution due to a guarantee by a parent corporation or by any other contractual means.

18 Jun 99 cT-22.2 Reg 1 s25.

Assets-to-capital multiple

26(1) The superintendent may set for any Saskatchewan trust corporation or Saskatchewan loan corporation an assets-to-capital multiple not less than 10 but not greater than 25.

(2) A Saskatchewan trust corporation or Saskatchewan loan corporation shall not exceed the assets-to-capital multiple set for that corporation by the superintendent.

(3) The assets-to-capital multiple for a corporation is to be calculated in accordance with the following formula:

$$\frac{A}{B}$$

where:

A is the corporation's total assets less the deductions set out in section 20 and less assets of little or no realizable value in excess of 10% of total capital; and

B is the corporation's total capital less the deductions set out in section 20 and less assets of little or no realizable value in excess of 10% of total capital.

18 Jun 99 cT-22.2 Reg 1 s26.

Risk-based capital ratio

27(1) Subject to subsection (2), a Saskatchewan trust corporation or Saskatchewan loan corporation shall maintain a risk-based capital ratio of not less than 16%.

(2) The superintendent may set the risk-based capital ratio for a Saskatchewan trust corporation or Saskatchewan loan corporation at greater or less than 16%.

(3) The risk-based capital ratio is to be calculated in accordance with the following formula:

$$\frac{A}{(B + C)}$$

where:

A is the corporation's total capital less the deductions set out in section 20;

B is the corporation's risk-weighted on-balance sheet assets determined in accordance with section 28; and

C is the corporation's risk-weighted off-balance sheet assets determined in accordance with section 28.

18 Jun 99 cT-22.2 Reg 1 s27.

Categories of assets

28(1) Subject to subsection (2), in calculating the corporation's risk-weighted on-balance sheet assets and risk-weighted off-balance sheet assets, the on-balance sheet assets of a corporation and credit equivalent amounts for off-balance sheet assets of a corporation are to be assigned to one of the following categories:

(a) cash and claims on OECD governments - 0% risk weight;

(b) claims on financial institutions that take deposits, lend money and are subject to regulation by any federal, provincial or territorial regulator in Canada and banks incorporated in an OECD country - 20% risk weight;

(c) residential mortgages - 50% risk weight;

(d) all other claims - 100% risk weight, or as otherwise approved by the superintendent.

(2) The deductions set out in section 20 are risk-weighted at 0%.

(3) The values assigned to the categories mentioned in subsection (1) are to be multiplied by the risk weight for the category, with the resulting weighted values added together to arrive at total risk-weighted assets.

18 Jun 99 cT-22.2 Reg 1 s28.

PART V
Investments

Investment and lending policies

29(1) Every Saskatchewan trust corporation and Saskatchewan loan corporation shall have written investment and lending policies that take into account the strength of the corporation's capital and its ability to absorb potential losses.

(2) The corporation's investment and lending policies must, to the satisfaction of the superintendent:

(a) clearly describe the corporation's objectives for its investment and lending programs and the corporation's overall risk philosophy;

(b) establish clear limits on the corporation's exposure:

(i) to a person or a group of associated persons; and

(ii) to interest rate risk;

(c) identify acceptable ranges for investments in different types of instruments, including cash, equities, bonds and debentures and real property;

(d) establish limits on aggregate outstanding loans by type of loan broken down into major categories such as commercial or consumer, with the major categories further subdivided as necessary;

(e) set limits according to the source of loans where third parties such as mortgage brokers or syndications are relied on;

(f) establish an aggregate limit on externally sourced loans;

(g) establish internal criteria for assessing the credit quality of borrowers;

(h) set limits on investments and loans according to their quality;

(i) set limits on exposures to industries and geographic regions;

(j) establish limits to contain the risks arising from potential changes in interest rates;

(k) describe the circumstances in which derivative instruments can be used; and

(l) establish limits on the use of derivative instruments by type of instrument and by counter party.

18 Jun 99 cT-22.2 Reg 1 s29.

Internal procedures

30(1) Every Saskatchewan trust corporation and Saskatchewan loan corporation must have written internal procedures outlining how the written investment and lending policies will be implemented and monitored.

(2) The superintendent must be satisfied that the internal procedures:

(a) address exposures arising from both on-balance sheet and off-balance sheet items;

(b) identify responsibilities and accountabilities;

(c) set out the process for recommending, approving and implementing decisions;

(d) prescribe the frequency and format of reporting;

(e) describe the method for classifying loans and investments and the basis for valuing loans and investments that are not regularly traded;

(f) describe the custodial arrangements for loans and investments;

(g) outline how the corporation's exposure to fluctuations in interest rates and market prices will be monitored and controlled; and

(h) outline potential sources of conflict of interest and describe how those involved with the implementation of the investment and lending policies should handle those situations if they arise.

18 Jun 99 cT-22.2 Reg 1 s30.

Implementation of investment and lending policies

31(1) Every Saskatchewan trust corporation and Saskatchewan loan corporation must ensure that the written investment and lending policies mentioned in section 29 are implemented by persons who have the appropriate level of expertise.

(2) At least annually the board of directors of every Saskatchewan trust corporation and Saskatchewan loan corporation must review and approve the investment and lending policies, or where a subcommittee is appointed by the board, the subcommittee must advise the board in writing of the corporation's adherence to those policies.

(3) Any deviation from the investment and lending policies must be reported immediately to the corporation's board of directors by those persons implementing the policies.

(4) On the request of the superintendent, the corporation shall make its written policies and procedures available for review by the superintendent.

(5) Where information required to perform an analysis of the corporation's portfolios and activities is not available through the corporation's statutory returns, the superintendent may request supplemental information to perform analysis in the areas that the superintendent deems necessary.

18 Jun 99 cT-22.2 Reg 1 s31.

Information to be maintained

32 Every Saskatchewan trust corporation and Saskatchewan loan corporation must maintain information on its portfolios presented in a manner that facilitates analysis and that includes:

(a) a comparison of outstanding amounts;

(b) an analysis of asset quality and concentration;

(c) an analysis of its interest rate and maturity mismatch, including the result of scenario testing as appropriate; and

(d) an analysis of the diversification of its funding sources.

18 Jun 99 cT-22.2 Reg 1 s32.

PART VI
Reports

Annual reports

33(1) Every Saskatchewan trust corporation and every Saskatchewan loan corporation shall prepare and file with the superintendent, on or before the last day of February in each year, a return outlining the financial condition and affairs of the corporation for the last fiscal year that ended on or before December 31 of the previous calendar year.

(2) The following must be attached to the return:

(a) the financial statements for the year to which the return relates;

(b) a report of the auditor prepared in accordance with generally accepted auditing standards;

(c) a copy of a resolution of the directors showing that the return was approved by the directors.

18 Jun 99 cT-22.2 Reg 1 s33; 11 Feb 2005 SR 9/2005 s6.

Statements, applications etc.

34 Every Saskatchewan trust corporation and Saskatchewan loan corporation shall file with the superintendent:

(a) a copy of every statement of a financial nature related to the corporation furnished to its shareholders or the Saskatchewan Securities Commission or any similar authority in another jurisdiction, within five days after the distribution of the statement to the shareholders or its filing with the Commission or similar authority;

(b) copies of all applications and supporting documents of any nature made under the laws of Canada or of any province or territory of Canada for any change in its instrument of incorporation or registration status and a copy of any approval or refusal of the application within seven days of filing or receipt, as the case may be; and

(c) copies of any changes made in its instrument of incorporation, registration or licence under the laws of Canada or of any province or territory of Canada.

18 Jun 99 cT-22.2 Reg 1 s34.

PART VII
Loan Brokers

Exemption

35 Notwithstanding section 45 of the Act, the following persons are not required to register as a loan broker:

(a) a body corporate holding a valid licence pursuant to the Act;

(b) a lawyer acting in his or her professional capacity as a lawyer.

18 Jun 99 cT-22.2 Reg 1 s35.

Registration as loan broker

36 Every person applying for registration as a loan broker shall forward the following information to the superintendent:

(a) the name of the applicant, including any proposed or existing business name;

(b) in the case of an applicant incorporated or continued pursuant to an Act, evidence that the corporation is registered to do business in Saskatchewan;

(c) in the case of an applicant not incorporated or continued in Saskatchewan, evidence satisfactory to the superintendent that the applicant is registered pursuant to an Act that requires registration of the applicant;

(d) the home and business address of the applicant, the address of the applicant's registered office in Saskatchewan, if any, and the address of any branch offices;

(e) in the case of an applicant who is an individual, the applicant's date and place of birth;

(f) the telephone number of the applicant, a fax number and an email address where notices and other documents required by the Act to be delivered or sent to the applicant may be sent and the name of a contact person for the applicant;

(g) the names of the directors, officers and employees;

(h) the names of any individuals acting as loan brokers;

(i) a description of the background in financial services of the applicant or of the directors, officers and senior employees of the applicant;

(j) a business plan including a statement of proposed business activities in Saskatchewan and a description of any networking arrangements in Saskatchewan;

(k) a schedule of fees, charges, payments, commissions or other amounts the loan broker will receive in return for providing services as a loan broker;

(l) the location of records;

(m) as required by the superintendent, notification of any action or proceeding, including any action or proceeding in bankruptcy, brought respecting the applicant or the directors, officers or senior employees of the applicant;

(n) information respecting any convictions of the applicant, or directors, officers and employees of the applicant, pursuant to Parts IX, X, XII or XII.2 of the *Criminal Code* or any similar provincial or territorial legislation;

(o) information respecting the suspension, cancellation or amendment of the applicant's authority to do business in any jurisdiction where it carries on business, or the imposition of any terms or conditions on, or the variation or modification of any terms or conditions imposed on, its authority to do business in any jurisdiction where it carries on business.

18 Jun 99 cT-22.2 Reg 1 s36; 24 Oct 2014 SR 83/2014 s4.

Calculation of damages

37 For the purposes of subsection 51(3) of the Act, exemplary or punitive damages are the greater of:

(a) $1,000; and

(b) the amount of any payment received by the defendant contrary to section 47 of the Act.

18 Jun 99 cT-22.2 Reg 1 s37.

PART VIII
General Provisions

Restrictions on transfer of shares

38(1) For the purposes of clause 11(1)(b) of the Act, the prescribed percentage is 10%.

(2) Pursuant to subsection 11(6) of the Act, every Saskatchewan loan corporation and Saskatchewan trust corporation shall include the following provisions in its bylaws:

"Unless otherwise approved by the superintendent, no shares of this corporation are to be transferred or issued to:

(a) a substantial shareholder of the corporation as defined in clause 11(1)(c) of *The Trust and Loan Corporations Act, 1997*; or

(b) a person who would, after the shares were transferred or issued to him, her or it, be a substantial shareholder of the corporation.

"No shares of the corporation are to be transferred or issued to a non-resident as defined in clause 11(1)(a) of *The Trust and Loan Corporations Act, 1997*, if:

(a) more than a prescribed percentage of the shares of the corporation are held by non-residents; or

(b) more than a prescribed percentage of the shares of the corporation would be held by non-residents after the transfer or issue**"**.

18 Jun 99 cT-22.2 Reg 1 s38.

Expiry of licence

39(1) Subject to subsection (2), a licence issued pursuant to the Act continues in force indefinitely unless it is suspended or cancelled pursuant to the Act.

(2) A licence issued pursuant to *The Trust and Loan Corporations Act*, as that Act existed on the day before the coming into force of section 1 of *The Trust and Loan Corporations Act, 1997*, that is valid on the day before section 1 of *The Trust and Loan Corporations Act, 1997* comes into force expires on December 31, 1999.

18 Jun 99 cT-22.2 Reg 1 s39.

Email address required

39.1 For the purposes of clause 18(2)(b) of the Act, an applicant for a licence shall forward with the application an email address.

24 Oct 2014 SR 83/2014 s5.

Fees

40 The fees set out in column II of Table 2 of the Appendix are payable for the matters set out in column I.

18 Jun 99 cT-22.2 Reg 1 s40.

Service

41 In addition to the means of service provided in the Act, service on a person may be effected:

(a) by fax transmission;

(b) by leaving a copy with the person's lawyer if the lawyer accepts service by signing a copy of the document and indicating that he or she is the lawyer for that person; or

(c) where the person to be served is a licensee, by leaving a copy of the document with any officer, director, agent or liquidator of the licensee or the clerk, manager, agent or other representative of the licensee at the address for service submitted to the superintendent pursuant to subsection 18(2) of the Act.

18 Jun 99 cT-22.2 Reg 1 s41; 24 Oct 2014 SR 83/2014 s6.

Proof of service

42 Service of a document may be proved:

(a) where service is pursuant to clause 41(a), by filing with the court the transmission record or journal generated by the fax machine that indicates the date of transmission and that the transmission was successful;

(b) where service is pursuant to clause 41(b), by filing with the court a copy of the document endorsed with the acceptance of service by the lawyer; or

(c) where service is pursuant to clause 41(c), by the oral testimony or affidavit of the person who served the document.

18 Jun 99 cT-22.2 Reg 1 s42; 24 Oct 2014 SR 83/2014 s7.

PART IX
Repeal and Coming into Force

R.R.S. c.T-22.1 Reg 1 repealed

43 *The Trust and Loan Corporations Regulations* are repealed.

18 Jun 99 cT-22.2 Reg 1 s43.

Coming into force

44 Subject to subsection (2), these regulations come into force on the day on which section 1 of *The Trust and Loan Corporations Act, 1997* comes into force.

(2) If these regulations are filed with the Registrar of Regulations after the day on which section 1 of *The Trust and Loan Corporations Act, 1997* comes into force, these regulations come into force on the day on which they are filed with the Registrar of Regulations.

18 Jun 99 cT-22.2 Reg 1 s44.

Appendix

TABLE 1

OECD Countries
[*Clause 16(g)*]

Australia	Korea
Austria	Luxembourg
Belgium	Mexico
Canada	Netherlands
Czech Republic	New Zealand
Denmark	Norway
Finland	Portugal
France	Saudi Arabia
Germany	Spain
Greece	Sweden
Hungary	Switzerland
Iceland	Turkey
Ireland	United Kingdom
Italy	United States
Japan	

Any country within this group that has rescheduled its external sovereign debt in the previous five years is not an OECD country for the purpose of these regulations.

18 Jun 99 cT-22.2 Reg 1.

TABLE 2

Fees
[*Section 40*]

Column I		Column II
1.	**Trust Corporations, Loan Corporations, and Financing Corporations**	
1.1	For reviewing the application for a licence, in addition to any other fees	$1,000
	NOTE: The fee for reviewing an application for a licence does not apply to applicants whose licence expired pursuant to subsection 39(2)	
1.2	Annual Fee, for 2014	
	(a) if the total assets of the corporation are less than $10,000,000	2,000
	(b) if the total assets of the corporation are greater than $10,000,000	7,500
	Annual Fee, for 2015 and any subsequent year to be paid in advance by December 31 of the previous year	
	(a) if the total assets of the corporation are less than $10,000,000	2,000
	(b) if the total assets of the corporation are greater than $10,000,000	
	(i) for a financing corporation	8,500
	(ii) for a trust corporation or loan corporation	10,000
	NOTE: The Annual Fee for first-time applicants will be prorated on a monthly basis for the first year	
1.3	For reviewing an application pursuant to subsection 10(1) or 11(3) or section 12 or 13 of the Act	1,000
1.4	To process an application for a change to terms and conditions to which a corporation's licence is subject	1,000

1.5	To process an application to change the assets-to-capital multiple mentioned in section 26 or to change the risk-based capital ratio mentioned in section 27	1,000
1.6	Late filing fee per day for notices or documents not filed within required time	100
1.7	For a Certificate of Status	50
1.8	To file an annual report of financial activities pursuant to section 33	100
2	**Loan Brokers**	
2.1	Loan Broker Annual Registration Fee	500
2.2	For reviewing the application for registration as a loan broker, in addition to any other fees	500
2.3	Late filing fee per day for notices or documents not filed within required time	100
2.4	For a Certificate of Status	50
2.5	For reviewing an application for an exemption from the bond requirement pursuant to section 55 of the Act	250

24 Oct 2014 SR 83/2014 s8.

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