

The Trust and Loan Corporations Act

Repealed

by [chapter T-22.2 of the *Statutes of Saskatchewan, 1997*](#)
(effective September 1, 1999).

Formerly

[Chapter T-22.1 of the *Statutes of Saskatchewan, 1980-81*](#)
(effective January 3, 1983), as amended by the [Statutes of
Saskatchewan, 1983, c.29](#); and [1989-90, c.18](#).

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-22.1

PART I

SHORT TITLE

Short title

- 1 This Act may be cited as *The Trust and Loan Corporations Act*.

INTERPRETATION

Interpretation

- 2 In this Act:

- (a) **“associate”**, when used to describe a relationship with a person, means:
 - (i) a body corporate in which that person beneficially owns or controls, directly or indirectly, shares or securities currently convertible into shares carrying more than 10% of the voting rights under all circumstances or by reason of the occurrence of an event that has occurred and is continuing, or a currently exercisable option or right to purchase such shares or such convertible securities;
 - (ii) a partner of that person acting on behalf of the partnership of which they are partners;
 - (iii) a trust or estate in which that person has a substantial beneficial interest or in respect of which he serves as a trustee or in a similar capacity;
 - (iv) a spouse or child of that person; or
 - (v) a relative of that person or of the spouse of that person where the relative has the same residence as that person;
- (b) **“body corporate”** means a body corporate wherever or however incorporated and includes a corporation;
- (c) **“corporation”** means a trust corporation or a loan corporation;
- (c.1) **“deposit”** includes a deposit as defined in the federal insurance Act;
- (d) **“extra-provincial corporation”** means a corporation incorporated in a jurisdiction outside Saskatchewan and includes a corporation incorporated by or under an Act of the Parliament of Canada;
- (d.1) **“federal insurance Act”** means the *Canada Deposit Insurance Corporation Act*, as amended from time to time;
- (e) **“licence”** means a valid and subsisting licence issued pursuant to this Act;

- (f) **“loan corporation”** means a body corporate:
- (i) the primary business of which is lending money on the security of mortgages on real estate; or
 - (ii) that uses the word “mortgage” as part of its name;
- and that accepts money from the public by issuing debentures or by taking deposits;
- (g) **“minister”** means the member of the Executive Council to whom for the time being the administration of this Act is assigned;
- (h) **“officer”** includes the general manager of a corporation, a department manager, a branch manager and any person acting in a capacity similar to a manager whether or not he is designated by the corporation as an officer;
- (i) **“subordinated note”** means a financial instrument that evidences an indebtedness of a corporation and that by its terms provides, with respect to the right of payment and in the event of the insolvency, liquidation or dissolution of the corporation, that the indebtedness evidenced by it:
- (i) ranks equally with the indebtedness evidenced by other subordinated notes of the corporation;
 - (ii) ranks in priority to subordinated shareholder loans; and
 - (iii) is subordinated to all other indebtedness of the corporation;
- (j) **“subordinated shareholder loan”** means a loan made to a corporation by:
- (i) a shareholder of the corporation; or
 - (ii) a person who controls a shareholder of the corporation;
- but does not include a loan secured by:
- (iii) a subordinated note issued by the corporation; or
 - (iv) a certificate or debenture issued by the corporation in the ordinary course of business;
- (k) **“substantial shareholder”** means a person who owns, or who is the beneficial owner of, 10% or more of the voting shares of a body corporate and includes a shareholder who, together with his associates, holds 10% or more of the voting shares of a body corporate;
- (l) **“superintendent”** means the Superintendent of Insurance;
- (m) **“trust corporation”** means a body corporate that exercises any of the powers mentioned in section 4 or that uses the word “trust” as part of its name;
- (n) **“unimpaired capital”** means unimpaired capital as calculated in the manner prescribed in the regulations.

1980-81, c.T-22.1, s.2; 1983, c.29, s.51.

PART II
Provincial Trust and Loan Corporations
 APPLICATION

Application of Part

3 This Part applies to every corporation incorporated by or under the laws of Saskatchewan.

1980-81, c.T-22.1, s.3.

POWERS OF TRUST CORPORATIONS

Special powers of trust corporations

4 Without restricting the general powers of a trust corporation, a trust corporation may:

- (a) take, receive, hold and administer estates and property that are granted, committed, transferred or conveyed to the corporation with its consent, at any time, by any person or by any court upon any trust that is not contrary to law;
- (b) take and receive as trustee or as bailee, on any terms and for any remuneration that is agreed upon, any deeds, wills, insurance policies, securities or other valuable papers or securities for money, jewellery, plate or any other kind of chattel property;
- (c) guarantee the safekeeping of chattel property described in clause (b);
- (d) accept and execute the office of:
 - (i) executor;
 - (ii) administrator;
 - (iii) trustee;
 - (iv) receiver;
 - (v) liquidator;
 - (vi) guardian;
 - (vii) assignee for the benefit of creditors;
 - (viii) custodian or trustee in cases relating to insolvency or under the *Bankruptcy Act* (Canada), as amended from time to time;
 - (ix) guardian of the person or estate of any minor; or
 - (x) personal guardian or property guardian of a dependent adult;
- (e) accept the duty of, and act generally in, the winding-up of estates, partnerships and bodies corporate;
- (f) receive deposits of money that are payable upon demand or after notice;
- (g) receive money for the purpose of its investment by the corporation.

1980-81, c.T-22.1, s.4; 1989-90, c.18, s.11.

c. T-22.1**TRUST AND LOAN CORPORATIONS****Deposits and other money deemed trust money and guaranteed**

5(1) A trust corporation that receives money pursuant to clause 4(f) or (g) holds that money as trustee for the persons from whom the money is received.

(2) A trust corporation:

(a) is deemed to guarantee repayment of any money received as a deposit pursuant to clause 4(f);

(b) may, by issuing investment certificates, guarantee the repayment of any money received pursuant to clause 4(g); and

(c) may guarantee payment of any interest on moneys received pursuant to clause 4(f) or (g).

(3) Subject to the other provisions of this Act, a trust corporation may invest any money received pursuant to clause 4(f) or (g) and may retain the interest and profits resulting from the investment in excess of the amount of interest payable on the money received.

1980-81, c.T-22.1, s.5.

Nature of guarantee

6(1) In this section:

(a) “**cash**” includes money on deposit;

(b) “**securities**” includes loans made on securities.

(2) A trust corporation shall set aside with respect to money, the repayment of which is guaranteed pursuant to section 5, securities or cash and securities in an amount equal to the aggregate value of the money that is guaranteed.

1980-81, c.T-22.1, s.6.

Common trust fund

7(1) To facilitate investment, a trust corporation may combine any moneys belonging to various estates and trusts that are in its care into a fund to be called a “common trust fund”.

(2) A trust corporation may maintain more than one common trust fund.

(3) A trust corporation may enter into an agreement with a trustee to include any trust funds held by that trustee in a common trust fund of the corporation.

1980-81, c.T-22.1, s.7.

Acquisition of assets or shares of another corporation

8(1) No agreement that provides for a trust corporation to acquire the assets or assume the liabilities of another corporation or of an extra-provincial corporation takes effect until the superintendent approves the agreement.

(2) No trust corporation shall purchase or otherwise acquire the shares of another corporation or of an extra-provincial corporation unless the offer to purchase or acquire the shares is approved by:

(a) a special resolution of the shareholders of the trust corporation proposing to purchase or acquire;

- (b) a special resolution of the shareholders of the corporation making the offer to sell; and
 - (c) the superintendent.
- (3) Subject to subsection (4), where a trust corporation purchases or acquires shares pursuant to this section, the trust corporation shall acquire the assets and assume the liabilities of the other corporation within a two-year period after the date upon which the purchase was authorized by the superintendent.
- (4) Where the superintendent is satisfied that it is necessary, he may extend the period mentioned in subsection (3) from time to time.
- (5) After the expiration of the period mentioned in subsection (3) and of any extension of that period made pursuant to subsection (4), any share purchased or acquired pursuant to this section is deemed to be an unauthorized investment of the trust corporation.

1980-81, c.T-22.1, s.8.

POWERS OF LOAN CORPORATION

Special powers of loan corporation

9 Without restricting the general powers of a loan corporation, a loan corporation may receive:

- (a) deposits of money that are payable upon demand or after notice; and
- (b) money for the purpose of its investment by the corporation.

1980-81, c.T-22.1, s.9.

Guarantee by loan corporation

10(1) A loan corporation:

- (a) is deemed to undertake to repay any money received as a deposit pursuant to clause 9(a);
 - (b) may, by issuing debentures, undertake to repay any money received pursuant to clause 9(b); and
 - (c) may undertake to pay any interest on moneys received pursuant to clause 9(a) or (b).
- (2) Subject to the other provisions of this Act, a loan corporation may invest any money received pursuant to section 9 and may retain the interest and profits resulting from the investment in excess of the amount of interest payable on the money received.

1980-81, c.T-22.1, s.10.

Acquisition of assets or shares of another corporation

11(1) No agreement that provides for a loan corporation to acquire the assets or assume the liabilities of another corporation or of an extra-provincial corporation takes effect until the superintendent approves the agreement.

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(2) No loan corporation shall purchase or otherwise acquire the shares of another corporation or of an extra-provincial corporation unless the offer to purchase or acquire the shares is approved by:

- (a) a special resolution of the shareholders of the loan corporation proposing to purchase or acquire;
- (b) a special resolution of the shareholders of the corporation making the offer to sell; and
- (c) the superintendent.

(3) Subject to subsection (4), where a loan corporation purchases or acquires shares pursuant to this section, the loan corporation shall acquire the assets and assume the liabilities of the other corporation within a two-year period after the date upon which the purchase was authorized by the superintendent.

(4) Where the superintendent is satisfied that it is necessary, he may extend the period mentioned in subsection (3) from time to time.

(5) After the expiration of the period mentioned in subsection (3) and of any extension of that period made pursuant to subsection (4), any share purchased or acquired pursuant to this section is deemed to be an unauthorized investment of the loan corporation.

1980-81, c.T-22.1, s.11.

SALE OF ASSETS**Sale of assets to another body corporate**

12 No corporation shall sell or dispose of its assets to another body corporate or to an extra-provincial body corporate unless the agreement for the sale or disposal is approved by a special resolution of the corporation and by the superintendent.

1980-81, c.T-22.1, s.12.

INVESTMENTS**General prohibition on investments**

13(1) A corporation may make any investment, loan or purchase that a reasonable and prudent person in exercising his powers and discharging his duties would make in comparable circumstances, but no corporation shall make an investment, loan or purchase where the investment, loan or purchase would, if made, contravene this Act or the regulations.

(2) No corporation shall make an investment, loan or purchase:

- (a) in real property; or
- (b) in a mortgage, hypothec or charge on real property;

where the real property is located outside Canada and is in a jurisdiction in which the corporation is not licensed or registered to carry on business.

(3) No corporation shall make an investment, loan or purchase:

(a) in bonds, debentures or other evidences of indebtedness of a body corporate; or

(b) in shares of a body corporate;

where the body corporate is incorporated outside Canada under the laws of a jurisdiction in which the corporation is not licensed or registered to carry on business.

1980-81, c.T-22.1, s.13.

Limitation on investment in mortgages

14(1) No corporation shall lend money on the security of, or purchase or invest in, mortgages, hypothecs or charges upon real property or leasehold property where the amount paid by the corporation for the mortgage or charge, together with the amount of indebtedness on any other mortgage or charge on the real property or leasehold property which ranks equally with or is superior to the mortgage or charge of the corporation, exceeds 75% of the value of the real property or leasehold property at the time the loan or investment is made by the corporation, but where the excess amount is:

(a) guaranteed or insured by or through an agent of the government of the country in which the property is situated or by or through the government or an agent of a political subdivision of that country;

(b) guaranteed or insured by an insurer licensed under *The Saskatchewan Insurance Act*; or

(c) secured by a mortgage or charge on personal property having a net realizable value that is equal to or greater than the excess amount;

the corporation may lend money on the security of, purchase or invest in mortgages or charges upon real property or leasehold property in excess of 75% of the value of the real property or leasehold property.

(2) Notwithstanding subsection (1), a corporation may accept, as part payment for real property sold by it, a mortgage or charge on any real property in an amount greater than 75% of the sale price of the property.

1980-81, c.T-22.1, s.14.

Limitation on investment in bonds, debentures, etc.

15 No corporation shall lend money on the security of, or purchase or invest in, bonds, debentures or other evidences of indebtedness, of an issuer that:

(a) is in default on any of its issued securities; or

(b) is a body corporate in which investments by a corporation are prohibited under this Act.

1980-81, c.T-22.1, s.15.

Limitation on investment in shares

16 No corporation shall lend money on the security of, or purchase or invest in, shares of a body corporate where the body corporate has not:

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(a) paid a dividend on any class of shares in each of the five years preceding the proposed date of investment at a rate equal to the rate specified for that class of shares; or

(b) during a period of four years that ended less than one year before the proposed date of investment:

(i) paid a dividend in each year; or

(ii) had earnings in each year available for the payment of a dividend;

on all its shares in an amount equal to or greater than 4% of the average value at which the issued shares of the corporation were carried in its share capital account during the year in which the dividend was paid or in which the body corporate had earnings available for the payment of dividends.

1980-81, c.T-22.1, s.16.

Real property for own use

17 No corporation shall invest more than 35% of its unimpaired capital in real property or leasehold property that the corporation uses to transact its business.

1980-81, c.T-22.1, s.17.

Financial assistance to officers and employees

18(1) No corporation shall give financial assistance, by way of loan, guarantee, or otherwise, to any officer or employee of the corporation unless:

(a) the financial assistance is secured throughout its term by a mortgage or charge on the ordinary residence of the officer or employee; or

(b) in the case of any financial assistance that is not secured in the manner mentioned in clause (a), the amount of all outstanding financial assistance to that officer or employee is, or would be after giving the financial assistance, equal to the lesser of:

(i) a sum less than the annual salary paid by the corporation to the officer or employee; or

(ii) \$25,000.

(2) Subsection (1) does not apply to financial assistance given by a corporation to an officer or employee where the financial assistance to that officer or employee is approved by the directors.

1980-81, c.T-22.1, s.18.

Prohibition on financial assistance to directors, etc.

19(1) No corporation shall give financial assistance, by way of loan, guarantee or otherwise, to:

(a) a director or a substantial shareholder of the corporation; or

(b) another body corporate where a substantial shareholder of that body corporate is a person mentioned in clause (a).

(2) Subsection (1) does not apply to any normal working balance between a corporation and an affiliate of that corporation.

1980-81, c.T-22.1, s.19.

Ratio of unimpaired capital to liabilities

20(1) The liabilities of a corporation to its depositors and holders of its investment certificates and its debentures shall not exceed the product of:

- (a) 10 and the amount of its unimpaired capital; or
- (b) any number greater than 10 but not greater than 25 that may be determined by the superintendent and the amount of its unimpaired capital.

(2) When the superintendent determines a number for the purposes of clause (1)(b), he shall notify the corporation in writing.

1980-81, c.T-22.1, s.20.

Deposit insurance

21(1) Every corporation is authorized to apply for deposit insurance under the *Canada Deposit Insurance Act*, as amended from time to time, and no corporation shall receive deposits unless it is insured under a policy of deposit insurance by the Canada Deposit Insurance Corporation.

(2) The Lieutenant Governor in Council may, by order, exempt a corporation from the requirement of subsection (1) for any period and subject to any terms and conditions that he considers appropriate.

1980-81, c.T-22.1, s.21.

Subordinated notes

22(1) Where a corporation issues a subordinated note, the corporation shall ensure that the subordinated note:

- (a) is issued only on application to the head office of the corporation;
- (b) has a denomination of at least \$25,000;
- (c) is clearly designated on its face as a subordinated note;
- (d) clearly indicates in its terms that the indebtedness evidenced by it, with respect to the right of payment in the event of insolvency, liquidation or dissolution of the corporation:
 - (i) ranks equally with the indebtedness evidenced by the other subordinated notes of the corporation;
 - (ii) ranks in priority to subordinated shareholder loans; and
 - (iii) is subordinated to all other indebtedness of the corporation;
- (e) has a fixed term to maturity of at least five years, but may include a provision making it subject to earlier redemption at the option of the corporation with the approval of the superintendent; and

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(f) is evidenced by an instrument in any form that the superintendent may approve.

(2) No corporation nor any person acting on its behalf shall refer to a subordinated note issued, or to be issued, by the corporation other than as a subordinated note in any prospectus, advertisement, correspondence or literature relating to the note.

1980-81, c.T-22.1, s.22.

Money borrowed to meet liquidity requirements

23 Where a corporation mortgages or pledges any asset as security for the repayment of moneys borrowed to meet short-term requirements for liquid assets, the corporation shall immediately notify the superintendent in writing of the amount secured and of the nature of the asset mortgaged or pledged as security.

1980-81, c.T-22.1, s.23.

Restriction on issue or transfer of shares

24(1) Subject to subsection (3), no shares of a corporation are to be transferred or issued to a substantial shareholder of the corporation or to a person who would, after the shares were transferred or issued to him, be a substantial shareholder of the corporation.

(2) No corporation shall enter in its securities register any transfer or issue of shares that contravenes subsection (1).

(3) The superintendent may:

(a) if he is satisfied that the proposed transfer or issue is not objectionable for any reason, approve the transfer or issue of shares to any person; or

(b) if he is satisfied that the transfer or issue should not be approved, refuse approval of the transfer or issue of shares.

1980-81, c.T-22.1, s.24.

Restriction on transfer or issuance of shares to non-residents

25(1) In this section, “**non-resident**” means:

(a) an individual who is not a resident of Canada;

(b) a body corporate incorporated under the laws of a jurisdiction outside Canada;

(c) a body corporate in which a substantial shareholder of the body corporate is a person mentioned in clause (a) or (b).

(2) No shares of a corporation are to be transferred or issued to a non-resident if more than 10% of the shares of the corporation are held by non-residents or if, after the transfer or issue, more than 10% of the shares of the corporation would be held by non-residents.

(3) No corporation shall enter in its securities register any transfer or issue of shares if the transfer or issue contravenes subsection (2).

1980-81, c.T-22.1, s.25.

Bylaws of corporation respecting transfer or issuance of shares

26(1) The directors of a corporation may make any bylaws that they consider necessary to ensure compliance with sections 24 and 25.

(2) The bylaws mentioned in subsection (1) are required to include provisions:

- (a) requiring any shareholder to submit a declaration:
 - (i) with respect to the present ownership of the share;
 - (ii) with respect to the place in which the shareholder and any person for whose use or benefit the share is held are ordinarily resident;
 - (iii) showing whether the shareholder is associated with any other shareholder; and
 - (iv) with respect to any other matters that the directors consider relevant for the purposes of sections 24 and 25;
- (b) prescribing the times at which and the manner in which any declaration required pursuant to clause (a) is to be submitted; and
- (c) requiring any person desiring to have a transfer of a share to him entered in the securities register of the corporation to submit any declaration that may be required under this section in the case of a shareholder.

(3) Where, pursuant to any bylaw made under this section, any declaration is required to be submitted by any shareholder or person in respect of the transfer of any share, the directors of a corporation may refuse to enter any transfer of shares in the securities register of the corporation until the required declaration is completed and submitted.

(4) Any person who wilfully makes any false or deceptive statement in a declaration required pursuant to a bylaw made under this section is guilty of an offence and liable on summary conviction to a fine of not more than \$5,000, to imprisonment for a term of not more than one year or to both such fine and imprisonment.

1980-81, c.T-22.1, s.26.

ADMINISTRATOR OF CORPORATION**Appointment of superintendent as administrator of corporation**

27(1) Where the superintendent is satisfied, upon examination from annual statements or upon other evidence, that a corporation:

- (a) has defaulted on the payment of any of its liabilities;
- (b) is not complying with this Act and that the failure to comply is or may be prejudicial to the interests of the corporation's depositors, investment certificate holders, creditors or shareholders;
- (c) does not have the amount of unimpaired capital that is required by this Act or the regulations for the protection of its depositors and investment certificate holders;

(d) has conducted itself in a manner that creates a state of affairs within the corporation of a serious nature that is or may be prejudicial to the interests of its depositors, certificate holders, creditors or shareholders; or

(e) is unable to account satisfactorily for any assets that appear on its books;

the superintendent may make a report to the minister.

(2) When the minister receives a report pursuant to subsection (1), he may, by order, appoint the superintendent as administrator of the corporation.

(3) Where the superintendent is appointed administrator of a corporation pursuant to subsection (2):

(a) the powers and duties of the directors and other officers of the corporation cease and the powers and duties of the directors devolve upon and vest in the superintendent who shall, in exercising those powers and performing those duties, act in the name of the corporation;

(b) the voting rights attached to the issued shares of the corporation vest in the superintendent; and

(c) the moneys, securities and other assets of the corporation are in the possession and under the control of the superintendent;

as of the time his appointment and until the appointment is terminated by an order of the minister made pursuant to subsection (6).

(4) Where the superintendent is the administrator of a corporation, he may appoint one or more persons to manage the affairs and conduct the business of the corporation.

(5) Each person appointed pursuant to subsection (4) is a representative of the superintendent, and the remuneration of that person, other than an employee of the office of the superintendent, is to be fixed by the minister and paid by the corporation.

(6) Where the minister, on the report of the superintendent or in any other evidence he receives, considers that a corporation administered by the superintendent meets all the requirements of this Act and the regulations and that it is proper for the corporation to resume control of its assets or the conduct of its business, he may, by order, terminate the appointment of the superintendent as administrator.

(7) Where the minister, on the report of the superintendent or on any other report that he may require, considers that further efforts to rehabilitate a corporation managed by the superintendent are futile, he may, in writing, direct the superintendent:

(a) to apply to a court for an order to liquidate and dissolve the corporation, in which case sections 210 to 220 of *The Business Corporations Act* apply; or

(b) to make an application under the *Bankruptcy Act* (Canada), as amended from time to time.

(8) A corporation shall bear any expenses of the superintendent incurred under this section in the administration of the corporation and the expenses are recoverable as a debt owing by the corporation to the Crown in right of Saskatchewan.

(9) No action lies against the Crown, the superintendent or a representative of the superintendent for any thing done or omitted to be done in good faith by the superintendent or his representative while the superintendent has possession and control of a corporation or the corporation's assets pursuant to this section.

1980-81, c.T-22.1, s.27.

CARRYING ON BUSINESS EXTRA-PROVINCIALY

Notice of intention to carry on business in another jurisdiction

28(1) A corporation that intends to apply for registration or a licence to carry on business in another jurisdiction shall give the superintendent at least 30 days' written notice of its intention to apply for registration or a licence in that other jurisdiction.

(2) No corporation shall apply for or obtain registration or a licence to carry on business in any other jurisdiction until the expiry of 30 days after the day that the written notice mentioned in subsection (1) is received by the superintendent.

1980-81, c.T-22.1, s.28.

PART III

Trust and Loan Corporations

APPLICATION

Interpretation

29 In this Part, "**loan corporation**" includes a body corporate that:

- (a) carries on the business of lending money; or
- (b) deals in or purchases:
 - (i) mortgages on real property;
 - (ii) chattel mortgages;
 - (iii) agreements for the sale of goods or chattels upon deferred payments;
 - (iv) accounts receivable; or
 - (v) securities of any kind taken or given for the purpose of securing the performance of agreements for the sale and purchase of goods upon deferred payment.

1980-81, c.T-22.1, s.29.

c. T-22.1**TRUST AND LOAN CORPORATIONS****Application**

30(1) Except where otherwise provided in this Act or the regulations and subject to subsection (2), this Part applies to every corporation wherever or however incorporated.

(2) This Part does not apply to:

- (a) a chartered bank;
- (b) a credit union to which *The Credit Union Act* applies;
- (c) an insurer licensed under *The Saskatchewan Insurance Act*;
- (d) an issuer licensed under *The Investment Contracts Act*;
- (e) a corporation acting solely as liquidator, receiver, assignee or trustee in bankruptcy or generally in the winding-up of bodies corporate, firms and estates other than estates of deceased persons; or
- (f) any corporation or class of corporations exempted in the regulations.

1980-81, c.T-22.1, s.30.

LICENSING**Prohibition**

31 No body corporate shall carry on business as a corporation or hold itself out as a corporation unless it holds a licence.

1980-81, c.T-22.1, s.31.

Application for licence

32(1) Every applicant for a licence shall make an application to the superintendent in any form that may be provided by the superintendent and shall forward with the application:

- (a) any fee that may be prescribed in the regulations;
- (b) a statement in any form that may be required by the superintendent showing the condition and affairs of the corporation as of:
 - (i) the preceding December 31;
 - (ii) the end of the preceding fiscal year of the corporation; or
 - (iii) any other date that the superintendent may require;
- (c) in the case of an extra-provincial corporation, evidence satisfactory to the superintendent that the corporation is registered under *The Business Corporations Act*; and
- (d) any other information or material that the superintendent may require.

(2) The superintendent may require verification, by affidavit or by other means, of any statements contained in an application made pursuant to this section.

1980-81, c.T-22.1, s.32.

Minimum capital, trust corporation

33(1) Subject to subsection (2), no trust corporation shall be granted a licence unless the amount of its unimpaired capital is at least \$1,000,000.

(2) Subsection (1) does not apply to a trust corporation that on the day before the coming into force of this Act was licensed under *The Trust and Loan Companies Licensing Act*.

1980-81, c.T-22.1, s.33.

Minimum capital, loan corporation

34(1) Subject to subsection (2), no loan corporation shall be granted a licence unless the amount of its unimpaired capital is at least \$500,000.

(2) Subsection (1) does not apply to a loan corporation that on the day before the coming into force of this Act was licensed or was not required to be licensed under *The Trust and Loan Companies Licensing Act*.

1980-81, c.T-22.1, s.34.

Applicant to show address for service

35(1) Every applicant shall state in its application for a licence an address for service in Saskatchewan.

(2) Every licensee shall, within 10 days after changing its address for service, notify the superintendent in writing of its new address for service.

1980-81, c.T-22.1, s.35.

Granting of licence

36 The superintendent may:

- (a) grant a licence where, in his opinion, the applicant is suitable to be licensed and the proposed licensing is not for any reason objectionable; or
- (b) refuse to grant a licence, where, after investigation, he is of the opinion that the applicant should not be granted a licence.

1980-81, c.T-22.1, s.36.

Terms, conditions and restrictions

37(1) The superintendent may:

- (a) grant a licence; or
- (b) where a licence is already granted, by notice to the licensee make the licence;

subject to any terms, conditions and restrictions that he considers necessary.

(2) The superintendent may, by notice to a licensee, add to, remove or alter any terms, conditions and restrictions to which its licence is subject.

(3) Every licensee shall comply with the terms, conditions and restrictions to which its licence is subject.

1980-81, c.T-22.1, s.37.

c. T-22.1**TRUST AND LOAN CORPORATIONS****Expiration of licence**

38 Unless a licence is cancelled sooner pursuant to section 40, every licence expires on December 31 of each year.

1980-81, c.T-22.1, s.38.

Suspension or cancellation of licence

39 The superintendent may suspend or cancel a licence:

- (a) for any reason for which he may refuse to grant the licence; or
- (b) where he is satisfied that the licensee:
 - (i) has made a material error in its application for a licence or in any information or material submitted to the superintendent pursuant to section 40;
 - (ii) has failed to comply with any of the terms, conditions or restrictions to which its licence is subject;
 - (iii) has violated or failed to comply with any provision of:
 - (A) the Act pursuant to which it is incorporated, its charter or any other instrument of incorporation or association; or
 - (B) this Act or of any law to which it is subject, whether it is a law of Saskatchewan, of the province in which the licensee is incorporated or of Canada;
 - (iv) has insufficient assets to justify its continuance in business or to provide proper security to persons from whom it takes deposits or borrows money in the conduct of its business;
 - (v) has, by any false, misleading or deceptive statement or advertisement, representation or promise or by any dishonest concealment of material facts, induced or attempted to induce any person to borrow money or to be responsible for the repayment of money or to agree to the terms of any transaction with respect to a mortgage or a loan;
 - (vi) has induced or attempted to induce any person to pay or be responsible for the payment of fees or expenses in connection with a mortgage or a loan that the superintendent considers to be excessive; or
 - (vii) has demonstrated incompetency or untrustworthiness to carry on the business in respect of which the licence was granted.

1980-81, c.T-22.1, s.39.

Superintendent may require further information

40 The superintendent may, at any time, require further information or material to be submitted to him within a specified time by an applicant for a licence or by a licensee and may require verification by affidavit or otherwise of any information or material submitted, or previously submitted, to him.

1980-81, c.T-22.1, s.40.

Appeal from decision of superintendent

41(1) A corporation, an applicant or a licensee that is dissatisfied with a decision of the superintendent under this Act may, within 30 days from the date of his decision, appeal to a judge of Her Majesty's Court of Queen's Bench for Saskatchewan who may, upon hearing the appeal, by order:

- (a) dismiss the appeal;
 - (b) allow the appeal;
 - (c) allow the appeal subject to terms and conditions;
 - (d) vary the decision appealed against;
 - (e) refer the matter back to the superintendent for further consideration and decision;
 - (f) award costs of the appeal; or
 - (g) make any other order that to him seems just.
- (2) There is no further appeal.

1980-81, c.T-22.1, s.41.

ANNUAL STATEMENT**Filing of annual statement**

42(1) On or before the last day of February in each year, every licensee shall prepare and deliver to the superintendent an annual report in any form and containing any information that may be prescribed in the regulations.

(2) For the purposes of an annual report, a corporation shall value its assets in any manner that may be prescribed in the regulations.

1980-81, c.T-22.1, s.42.

Disposition of unauthorized investments

43(1) The superintendent may request a licensee incorporated under the law of Saskatchewan to dispose of and realize any of its investments acquired by it and not authorized by this Act or the regulations or by any other law at the time of their acquisition, and the licensee shall dispose of and realize those investments within 60 days after receiving that request.

(2) Where the amount realized from the disposition of an investment under subsection (1) is less than the amount paid by the licensee for the investment, the directors of the licensee who authorized the investment are jointly and severally liable for payment to the licensee of the amount of the deficiency.

1980-81, c.T-22.1, s.43.

c. T-22.1**TRUST AND LOAN CORPORATIONS****Representations as to financial standing**

44 No licensee or director, officer, agent or employee of a licensee shall make, print, publish, circulate, authorize or be a party or privy to the making, printing, publishing, circulating or authorizing of a statement or representation that the solvency or financial standing of the licensee is vouched for by the superintendent or that the publication of the licensee's statement in the report of the superintendent is a warranty or representation of the solvency of the licensee.

1980-81, c.T-22.1, s.44.

Inspection by superintendent

45(1) The superintendent or his representative may, at any time, make, or cause to be made, an inspection of the business, condition and affairs of a licensee.

(2) Upon an inspection pursuant to subsection (1), the superintendent or his representative is entitled to free access to all account books, cash, securities, documents, bank accounts, vouchers, correspondence and records of every description of the licensee, and no person shall withhold or destroy, cancel or refuse to furnish any information or thing reasonably required by the superintendent or his representative for the purposes of the inspection.

(3) Where the office of a licensee in which an inspection is made is outside Saskatchewan, the licensee shall pay the costs of the superintendent with respect to the inspection in any amount that may be approved by the minister.

(4) The superintendent may authorize any person he considers competent to act as his representative and to undertake an inspection under this section.

1980-81, c.T-22.1, s.45.

PART IV**GENERAL****Service**

46(1) Service of any notice required or permitted under this Act or the regulations is to be effected by personal service or by registered mail addressed to the most recent address for service of the person to be served.

(2) A notice served by registered mail is deemed to have been received on the seventh day following the date of its mailing, unless the person to whom it was mailed establishes that, through no fault of his own, he did not receive the notice or he received it at a later date.

1980-81, c.T-22.1, s.46.

Insurance of deposits of provincial corporations

46.1(1) In this section, "**corporation**" means a corporation incorporated by or under the laws of Saskatchewan.

- (2) Subject to the approval of the Lieutenant Governor in Council, the Minister of Finance may designate a corporation as one required to effect insurance of its deposits with the Canada Deposit Insurance Corporation in the manner and to the extent provided in the federal insurance Act and any bylaws made under that Act.
- (3) Where a corporation is designated by the Minister of Finance pursuant to subsection (2), that corporation is deemed:
- (a) to be authorized to effect insurance of its deposits with the Canada Deposit Insurance Corporation in the manner and to the extent provided in the federal insurance Act and any bylaws made under that Act; and
 - (b) to have the power to do anything that the corporation is required or permitted to do under the federal insurance Act or any bylaws made under that Act.
- (4) Within 10 days after the date a corporation is designated under subsection (2), it shall apply to the Canada Deposit Insurance Corporation to insure its deposits.
- (5) Subject to the approval of the Lieutenant Governor in Council, the Minister of Finance may, on behalf of the Government of Saskatchewan:
- (a) enter into an indemnity agreement with the Canada Deposit Insurance Corporation to indemnify that corporation with respect to any losses sustained by that corporation in insuring deposits of a corporation that is required to insure its deposits under the federal insurance Act pursuant to this section; and
 - (b) enter into an agreement with the Canada Deposit Insurance Corporation to amend the terms and conditions of an indemnity agreement made pursuant to clause (a).

1983, c.29, s.51.

Insurance of deposits of extra-provincial corporations

46.2(1) In this section, “**corporation**” means a corporation that is required to be licensed pursuant to this Act and that is incorporated by or under the laws of a province other than Saskatchewan.

- (2) Subject to the approval of the Lieutenant Governor in Council, the Minister of Finance may designate a corporation as one required to effect insurance of its deposits made in Saskatchewan:
- (a) with the Canada Deposit Insurance Corporation in the manner and to the extent provided in the federal insurance Act and any bylaws made under that Act; or
 - (b) under a statute of the province in which it was incorporated in a similar manner and to the extent provided in the federal insurance Act and any bylaws made under that Act.
- (3) Within 10 days after the date a corporation is designated under subsection (2), it shall apply to insure its deposits in the manner required in the designation of the Minister of Finance.

c. T-22.1**TRUST AND LOAN CORPORATIONS**

(4) Where a corporation is required to insure its deposits pursuant to this section and does not do so within the time prescribed in subsection (3), the Lieutenant Governor in Council may, on the recommendation of the Minister of Finance:

- (a) where the corporation has not been issued a licence, direct the superintendent to refuse to grant the corporation a licence; or
- (b) where the corporation has been issued a licence, direct the superintendent to attach any conditions, limitations or restrictions to the corporation's licence that may be recommended by the Minister of Finance.

1983, c.29, s.51.

Failure to effect insurance

46.3 Where a corporation is required to effect insurance on its deposits pursuant to section 46.1 or 46.2 and the corporation's insurance is terminated, the Lieutenant Governor in Council may, on the recommendation of the Minister of Finance:

- (a) direct the superintendent to suspend or cancel the corporation's licence; or
- (b) direct the superintendent to attach any conditions, limitations or restrictions to the corporation's licence that may be recommended by the Minister of Finance.

1983, c.29, s.51.

Penalties for contravention

47 A corporation that contravenes any provision of this Act or the regulations is guilty of an offence and liable on summary conviction to a fine of not more than \$5,000.

1980-81, c.T-22.1, s.47.

Penalties for contravention by officers, etc.

48 Where a director, officer, agent or employee of a corporation that contravenes any provision of this Act or the regulations knowingly concurs in the contravention, he is guilty of an offence and liable on summary conviction to a fine of not more than \$1,000.

1980-81, c.T-22.1, s.48.

Evidence of carrying on business

49 Where in a prosecution under this Act it is alleged that the accused carried on business as a corporation without being a licensee, evidence of one transaction is admissible in evidence as prima facie proof that the accused carried on business as a corporation.

1980-81, c.T-22.1, s.49.

Limitation of prosecution

50 No prosecution for an offence under this Act or the regulations shall be commenced after two years from the date of the commission of the alleged offence.

1980-81, c.T-22.1, s.50.

Certificate prima facie proof

51 A certificate under the hand and seal of the office of the superintendent certifying that:

- (a) a corporation named in the certificate is or is not licensed under this Act;
- (b) a licence was issued to a corporation; or
- (c) the licence of a corporation is suspended or cancelled;

is admissible in evidence as prima facie proof of the facts stated in the certificate without proof of the signature or official character of the person appearing to have signed it, and the person who signed the certificate is deemed, until the contrary is proved, to be the proper person to sign the certificate.

1980-81, c.T-22.1, s.51.

Trust corporation may be appointed as executor, trustee, etc.

52(1) Where a trust corporation is licensed under this Act, any court or judge of any court may appoint the trust corporation to execute the office of:

- (a) executor;
- (b) administrator;
- (c) trustee;
- (d) receiver;
- (e) liquidator;
- (f) assignee;
- (g) guardian;
- (g.1) personal guardian;
- (g.2) property guardian; or
- (h) committee;

and any court or judge having jurisdiction with respect to any estate or person may, with the consent of the corporation:

- (i) appoint the corporation to exercise any office described in clauses (a) to (h) with respect to that estate or person;
- (j) may grant to the corporation probate of any will in which the corporation is named as an executor; or
- (k) may reseal letters probate or letters of administration granted by any surrogate court outside Saskatchewan that name the corporation as an executor or administrator.

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(2) Notwithstanding any provision of any other Act that requires the appointment of more than one trustee, a trust corporation may be appointed as a sole trustee.

(3) An appointment may be made under this section where:

- (a) a trustee is required under any deed, will or document creating a trust; or
- (b) the appointment is made pursuant to an Act respecting trustees and the administration of estates.

(4) Notwithstanding any rule or practice or any provision of any Act requiring security, but subject to an order of a court or judge, no trust corporation licensed under this Act is required to give security for the performance of its duty as executor, administrator, trustee, receiver, liquidator, assignee, guardian, personal guardian, property guardian or committee.

1980-81, c.T-22.1, s.52; 1989-90, c.18, s.11.

Officer of a corporation or legal officer

53(1) Where a trust corporation is appointed to any trust or office by any court, judge, officer or person having lawful authority to appoint a trustee, the court, judge, officer or person may:

- (a) require the corporation to render an account of its administration of the trust or office to which it is appointed; and
- (b) appoint a person to investigate the management of the trust by the trust corporation and the security afforded to those by or for whom the trust corporation's appointment is made.

(2) The investigator mentioned in clause (1)(b) shall report to the court, judge, officer or person, and the expenses of the investigation are to be borne in accordance with any order made by the court, judge or officer.

1980-81, c.T-22.1, s.53.

Defamation

54(1) No person, including the superintendent, is liable in any action for defamation based on any act done or omitted to be done, or any statement made or information provided, by him in good faith in the performance of his duties under this Act.

(2) No person is liable in any action for defamation based on any act done or omitted to be done, or any statement made or information provided, by him in good faith to the superintendent or any person who is authorized or required to do any matter or thing by this Act.

1980-81, c.T-22.1, s.54.

Regulations

55 For the purposes of carrying out this Act according to its intent, the Lieutenant Governor in Council may make regulations:

- (a) prescribing the fees payable for a licence and any other fees for services in connection with the administration of this Act and the regulations;
- (b) prescribing additional requirements to be met by applicants for licences prior to the granting of a licence;
- (c) respecting the records to be kept by licensees;
- (d) prescribing the manner of determining the unimpaired capital of a corporation;
- (e) prescribing classes of corporations;
- (f) prescribing the terms, conditions and limitations with respect to investments, loans or purchases by a corporation or a class of corporations;
- (g) respecting the proportion or amount of assets of a corporation or a class of corporations that the corporation or the class of corporations may:
 - (i) invest in, lend on the security of or disburse for the acquisition of any asset or class of assets;
 - (ii) lend to a corporation;
 - (iii) lend, with or without security, to any one borrower or to two or more associated borrowers;
 - (iv) invest in the securities of any one issuer or of any two or more associated issuers;
- (h) respecting any matter that requires the approval of the superintendent;
- (i) respecting the valuation of assets;
- (j) respecting disclosure to be made by a corporation to investors and to borrowers in the transaction of its business;
- (k) exempting a corporation or a class of corporations from any provision of this Act;
- (l) defining, enlarging or restricting the meaning of any word that is used but not defined in this Act;
- (m) prescribing any matter or thing that is required or authorized by this Act to be prescribed in the regulations.

1980-81, c.T-22.1, s.55.

R.S.S. c.L-26, c.T-21 and c.T-22 repealed

56 *The Loan Companies Act, The Trust Companies Act and The Trust and Loan Companies Licensing Act* are repealed.

1980-81, c.T-22.1, s.56.

Coming into force

57 This Act comes into force on a day to be fixed by proclamation of the Lieutenant Governor.

1980-81, c.T-22.1, s.57. [Proclaimed in force effective January 3, 1983.]

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