

APPENDIX
(See p. 1658.)

INVESTMENT COMPANIES BILL

REPORT OF COMMITTEE

Thursday, June 19th, 1969.

The Standing Senate Committee on Banking, Trade and Commerce to which was referred the Bill S-17 intituled: "An Act respecting Investment Companies", has in obedience to the order of reference of January 22nd, 1969, examined the said Bill and now reports the same with the following amendments:

Strike out clauses 2 to 30, both inclusive, and substitute the following therefor:

"2.(1) In this Act,

(a) "annual statement" means the statement required by section 5 to be filed in the Department of Insurance by an investment company;

(b) "business of investments" with respect to a corporation means the borrowing of money by the corporation on the security of its bonds, debentures, notes or other evidences of indebtedness and the use of some or all of the proceeds of such borrowing for

- (i) the making of loans whether secured or unsecured, or
- (ii) the purchase of

(A) bonds, debentures, notes or other evidences of indebtedness of individuals or corporations,

(B) shares of corporations,

(C) bonds, debentures, notes or other evidences of indebtedness of or guaranteed by a government or a municipality,

(D) real property other than real property that is necessary or convenient for the transaction of the business of the company, or

(E) instalment sales contracts;

or for the purpose of replacing or retiring earlier borrowings some or all of the proceeds of which have been so used.

(c) "certificate of registry" means a certificate issued by the Minister pursuant to section 10;

(d) "company" means a corporation incorporated by or pursuant to an Act of the Parliament of Canada;

(e) "equity share" means a share of any class of shares of a corporation to which

are attached voting rights exercisable under all circumstances and a share of any class of shares to which are attached voting rights by reason of the occurrence of any contingency that has occurred and is continuing;

(f) "inspector" means an inspector appointed or designated in accordance with section 22;

(g) "investment company" means a company

- (i) incorporated after the coming into force of this Act primarily for the purpose of carrying on the business of investment, or
- (ii) that carries on the business of investment,

but does not include a company to which the Bank Act, the Quebec Savings Banks Act, the Canadian and British Insurance Companies Act, the Trust Companies Act, the Loan Companies Act or the Co-operative Credit Associations Act applies;

(h) "Minister" means such member of the Queen's Privy Council for Canada as is designated by the Governor in Council to act as the Minister for the purpose of this Act;

(i) "registered company" means a company that holds a valid and subsisting certificate of registry; and

(j) "Superintendent" means the Superintendent of Insurance.

(2) Where a company has borrowed money on the security of its bonds, debentures, notes or other evidences of indebtedness and has subsequently made loans or purchases as described in subparagraphs (i) and (ii) of paragraph (b) of subsection (1) it shall be presumed, unless the Minister is satisfied to the contrary, to have used the proceeds of such borrowing for such purposes.

(3) Notwithstanding the provisions of subparagraph (ii) of paragraph (g) of subsection (1) of this section the following companies shall be deemed not to be investment companies for the purposes of this Act:

- (a) A company not more than forty per cent of whose assets, valued in accord-