

- (b) the government of a foreign state or any political subdivision thereof or an agent of the government of a foreign state or any political subdivision thereof,

to be made or recorded in a register of transfers of the bank.

(4) The bank shall not accept a subscription for a share of the capital stock of the bank

- (a) by Her Majesty in right of Canada or in right of a province or an agent of Her Majesty in either such right or by the government of a foreign state or any political subdivision thereof or an agent of the government of a foreign state or any political subdivision thereof, or

- (b) except as otherwise provided in subsection (5), in circumstances where if the subscription were a transfer of the share the bank would be required under subsection (1) or (2) to refuse to allow the transfer to be made or recorded; but in the case of a subscription pursuant to an offer under section 36 of the Bank Act the bank may count as shares issued and outstanding all the shares included in the offer.

(5) Subject to paragraph (a) of subsection (4), where an offer of shares of the capital stock of the bank is made under section 36 of the Bank Act, the bank may accept any subscription

- (a) if the terms of the offer contain provisions to the effect that in the case of a share offered to a shareholder whose recorded address, at the time fixed for determining the shareholders to whom the offer is made, is a place within Canada and who is not at that time, to the knowledge of the bank, a non-resident, a subscription will not be accepted if the share is to be recorded in the name of a non-resident;

- (b) if the subscription is accompanied by a declaration by the subscriber
 - (i) as to whether the person in whose name the share is to be recorded is a resident or a non-resident, and
 - (ii) to the effect that the total number of shares of the capital stock of the bank that will, if the subscription is accepted, be held by such person and by other shareholders associated with him, if any, will not exceed ten per cent of the total number of the shares of the capital stock of the bank that will be issued and outstanding on the issue of all shares included in the offer; and

- (c) if, on the basis of such declaration, the acceptance of the subscription is not contrary to the terms of the offer.

(6) Default in complying with the provisions of this section does not affect the validity of a transfer of a share of the capital stock of the bank that has been made or recorded in a register of transfers of the bank or the validity of the acceptance of a subscription for a share of the capital stock of the bank."

New Clause 7

Insert new clause 7 as follows:

"7. (1) Notwithstanding section 34 of the Bank Act, where a resident holds shares of the capital stock of the Bank in the right of, or for the use or benefit of, a non-resident, the resident shall not, in person or by proxy, exercise the voting rights pertaining to those shares.