

9. The present subsection reads as follows:

- "(2) The auditors shall make a report
(a) to the shareholders on the statement submitted to the company at the annual general meeting; and
(b) to the Minister on the annual statement to be prepared and transmitted to him in pursuance of this Act."

The explanation of this change is the same as that given above for clause 7.

10. The present paragraph reads as follows:

- "(e) the said by-law shall not increase the limit of the amount of money that may be borrowed by the company beyond, in the aggregate, ten times the combined amounts from time to time of the actually paid-up and unimpaired capital stock and reserve."

This change will increase the amount that a company may borrow.

11. The present section reads as follows:

"70. (1) The company shall on or before the 1st day of March in each year, prepare and transmit by registered post to the Minister a statement setting forth as of the 31st day of December preceding, the capital stock of the company, the portion thereof paid up, the assets and liabilities of the company, the amount and nature of the investments made by the company both on its own behalf and on behalf of others, with the particulars called for by Schedule B, and such other details as the Minister requires.

(2) The statement shall be as nearly as may be in the Form in Schedule B, and shall be signed and declaration made by the president or a vice-president and by the manager or secretary as in the Form prescribed.

(3) The Minister may make such changes in the Form of statement, whether such changes are of general application or are in the opinion of the Minister necessary to meet the circumstances of any particular case, as he may deem best adapted to elicit any information considered necessary or desirable, and the Form as changed shall be signed and declared to as hereinbefore prescribed."

The change in subsection (1) requires the statement to be deposited in the Department of Insurance rather than be filed with the Minister. The filing will thereby be more direct and the provisions of the Act relating to penalties for late filing may be more easily administered. The filing requirements will also be the same as those applying to insurance companies. Some changes have been made to improve the wording.

The form of the statement is left to be determined by the Minister and the references to Schedule B are deleted. The statement form in Schedule B is no longer appropriate and has not been used for many years, changes having been made by virtue of the authority in the present subsection (3).

12. This section is new. Its purpose is to allow loan companies to use amortized values in place of market values for securities issued or guaranteed by the Government of Canada or by the government of any province of