

Pres. Bk. of Mtl. --8

per cent per annum, unless after making the same the Bank has a reserve fund equal to at least thirty per cent of its paid-up capital after making all appropriations necessary to provide for losses, shall be jointly and severally liable for the amount so divided as a debt due by them to the bank,

(e) Loans to general managers, officers, etc.

Section 76 now prohibits loans exceeding in the aggregate \$1,000.00 to or on the security of general managers, assistant general managers, branch managers, or any officer, clerk or servant of the bank without the approval of the directors, and prohibits absolutely any loans to these persons exceeding in the aggregate \$10,000.00, and section 146 imposes a penalty not exceeding \$500.00 upon the bank for violation of either of these provisions.

(f) Loans to directors, etc.

Section 76 prohibits loans or advances in excess of ten per cent of the bank's paid-up capital to a director of the bank, or to any company or corporation in which the president, general manager, or a director of the bank is a partner or shareholder, without the approval of two-thirds of the directors present at a regular meeting, or a meeting specially called for the purpose, of the board.

(g) Disqualification of directors, &c. as auditors

Subsection 16 of Section 56 of the new Act (which corresponds to subsection 9 of section 56 of the old Act) now disqualifies a person from acting as auditor if such person or any member of his firm is a director or auditor of the Bank. The restriction in respect of a member of his firm did not exist in the old Act.

3. Changes in regard to the position of the president and other directors in connection with the making of returns and reports.