

EXPLANATORY NOTES.

The purpose of this Bill is to limit the application of *The Companies' Creditors Arrangement Act, 1933*, to companies that have outstanding issues of bonds or other evidences of indebtedness issued under a trust deed running in favour of a trustee.

1. Paragraph (g) of section 2 of the Act presently provides as follows:

"(g) 'Unsecured creditor' means any creditor of a company who is not a secured creditor, whether resident or domiciled within or without Canada."

The proposed amendment to this definition set out in clause 1 of the Bill is to ensure that a company may, under section 3 of the Act, make a compromise or arrangement with the trustee for the holders of unsecured bonds, debentures, debenture stock or other evidences of indebtedness issued under a trust deed or other instrument running in favour of the trustee.

2. New.