Compliments.

Sir Frederick Williams Taylor

General Manager
Bank of Montreal

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The principal changes in the Bank Act, directly affecting Directors are contained in:-

Section 28.- requiring particulars of Directors' attendances at meetings, or of services rendered, to be sent to shareholders with notice of annual meeting.

Section 56.- calling for direct report from Auditors to Directors individually or jointly on unsatisfactory transactions or conditions.

Section 59.- placing responsibility on Directors for dividends improperly declared.

Section 76.- placing restrictions on loans to officers, to Directors, and to Companies in which a President, a General Manager or a Director is a shareholder.

The provisions regarding Auditors (Sec.56) have been extensively amended, in addition to the new provision above mentioned.

The requirements for the Annual Statement (Sec.54) and for the Monthly Return to the Government (Sections 112 - 113) have been materially altered. In both cases statements of controlled Companies must be furnished. By Section 113 power is given to Directors to declare for the purposes of the Bank's Statements certain loans as current, which without the exercise of such power would appear in the Statements as non-current.

While Section 153 (the penalty clause dealing with returns) has been remodelled, the effect as far as Directors are concerned does not apparently materially differ from the former section.

There are numerous minor changes. Apart from provisions for registration of borrowers upon security receipt (88a) there is perhaps nothing calling for special attention in a bank's relations with its customers.