

**KEY AMENDMENTS TO THE
CREDIT UNIONS AND CAISSES POPULAIRES ACT, 1994**

Substantial changes have been made to the Credit Unions and Caisses Populaires Act, 1994 (CUCP Act). The table below highlights some of the key changes by numerical section. The website www.e-laws.gov.on.ca has a complete listing of amendments.

SECTION OF CUCP ACT	HIGHLIGHTS	NEW / REVISED / REPEALED	RESPON- SIBILITY
Part I: Interpretation			
5(2) & (3)	Affiliate by Order – deeming a corporate body to be an affiliate by DICO and Revocation of Order by DICO.	Revised	FSCO to DICO
Part III: Establishing a Credit Union			
15, 16 & 18	Approval of incorporation and issue of incorporation certificate are transferred from Minister to the Superintendent.	Revised	Minister to FSCO
Part IV: Membership			
30	Bonds – credit unions must specify the nature of their bond, but its meaning is no longer set out in the CUCP Act.	Revised	
30 (7) from last Act	Superintendent's approval of bond of association by-law is not required.	Repealed	
39(1)	A credit union may accept deposits from a member in trust for a named beneficiary if it satisfies certain conditions and is in accordance with the prescribed provisions under Regulation 6.	Revised	
47	A member of a credit union may be expelled from membership in accordance with the credit union's by-laws, by a resolution of the board on the grounds set out in the by-laws. The by-laws must set out member rights and procedures for expulsion in accordance with the section.	Revised	
Part V: Capital Structure			
52(2)	Members may hold more membership shares than the minimum required for membership subject to limits prescribed by the Regulation or set out in the by-laws.	New	
53	The articles of a credit union may provide for patronage shares to be payable to members as a dividend or patronage return.	New	
Part VI: Capital and Liquidity			
84(3)	With DICO's approval, two or more credit unions may enter into a group capital agreement with a league to form a group for the purposes of assisting the credit unions in satisfying the capital requirements.	New	DICO
84(4)	DICO may, by order, revoke its approval under subsection (3).	New	DICO

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84(5)	Capital Requirements – Order subject to procedural rules under the CUCP Act.	New	DICO
85(1)-(4)	A credit union is required to establish prudent capital and liquidity policies. DICO may order the credit union to amend the policies.	New	DICO
85(5)-(6)	Capital and Liquidity Policies – Order subject to the procedural rules under the CUCP Act and to an appeal to the Tribunal.	New	DICO
86(1)	DICO may order a credit union to increase its capital or to provide additional liquidity in such forms and amounts as DICO may require.	Revised	FSCO to DICO
86(5)-(6)	Increase in Capital and Additional Liquidity – Order subject to the procedural rules under the CUCP Act and to an appeal to the Tribunal.	New	DICO
87	Application for a variation to capital and liquidity requirements must be in a form approved by DICO and is subject to approval by DICO.	Revised	FSCO to DICO
88	DICO has the authority to determine if there is a material variation of the value of asset appraised by a credit union,	Revised	FSCO to DICO
89	A credit union shall provide a report on capital and liquidity adequacy in a form approved by DICO.	Revised	FSCO to DICO
Part VII: Governing the Credit Union			
92	Additional criteria for disqualification of directors.	Revised	
94.1	New disclosure requirements for a candidate for director.	New	
94.2 and 95.1	Board – the directors must appoint a chair from among themselves and set out the term and maximum terms in the by-laws.	New	
103(2)	Resigned director to provide information to Superintendent and DICO when required.	Revised	FSCO and DICO
104(1)	In addition to the Act and regulations and its by-laws, the board shall comply with the by-laws of DICO.	Revised	FSCO and DICO
104(2)	The directors are prohibited from directly managing or being involved in the day to day activities of the credit union.	New	
105(1.1)	By-laws must deal with appointment of officers and board meetings, including minimum annual number.	New	
108	The financial statements are required to disclose the total expenses of the board and total remuneration paid to directors. The provision authorizing the Superintendent to restrict the remuneration of directors is repealed.	Revised	DICO
109	The board has broad power to establish committees, and subject to certain restrictions, delegate powers to those committees.	Revised	

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110-124 from last Act	The establishment of a credit committee under the statute is no longer required. To encourage accountability to credit union members and improved corporate governance, the credit union's directors and management are now directly responsible for setting the credit union's lending policy, overseeing credit decisions and establishing internal controls.	Repealed	
125(1)	The audit committee is to be composed of board members appointed by the board.	Revised	
140(1), (3.1)	A credit union must have a chief executive officer in place.	New	
140(5)	A credit union's annual audited financial statements must disclose the prescribed information about the remuneration paid during the year to the officers and employees of the credit union.	New	
146	Disclosure of conflicts – conflict rules are extended to employees.	Revised	
151	Fidelity bonds – the bond is subject to prescribed conditions.	Revised	
155	Defence of due diligence is updated.	Revised	
169(3.1)	Auditor is required to provide audited financial statements and auditor's report to Superintendent and DICO within 10 days following the annual meeting.	New	FSCO and DICO
169(7)	Auditor is required to provide a copy of an amended report to Superintendent and DICO within 10 days after providing an amended report to the credit union.	New	FSCO and DICO
169(8)	Auditor's examination shall be conducted in accordance with generally accepted auditing standards except as otherwise specified by DICO.	Revised	FSCO to DICO
169(9)	Auditor's report must address fair value of assets and liabilities and compliance to Section 84 capital and liquidity requirements.	New	DICO
171.1	DICO may exercise the power to extend the auditor's scope and procedures of the examination, as well as the Superintendent.	New	DICO
Part VIII: Business Powers			
173 para 6 & 7 from last Act	The provisions permitting the credit union to engage in activities in promotion of merchandise and services and the sale of tickets are moved to the regulation.	Repealed	
178(2) & (5)	DICO may authorize guarantee of payments, (s.178(2)) and grant exemptions to a credit union from the limit under ss.178(4), prescribed as per cent of the regulatory capital and deposits of the credit union, on the aggregate value of guarantees (s.178(5)).	Revised	FSCO to DICO
180 (j.1)	Deposits – can be taken from non-members of purchased accounts.	New	

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182	The credit union is required to follow new protocol in handling members' unclaimed deposits.	New	
183	Superintendent's approval on by-law amendment of a credit union's borrowing limit is no longer required. The credit union must stay within the maximum of 50% of regulatory capital and deposits.	Revised	
184	A credit union may create a security interest in property of the credit union only as prescribed. Superintendent's approval is no longer required.	Revised	FSCO to DICO
185	A credit union shall notify DICO in writing where a credit union acquires, other than realization of security for a loan, a beneficial interest in a property that is subject to a security interest.	Revised	DICO
187(1), (2), & (3)	DICO may inquire into the borrowing by a credit union and may, by order, limit the credit union's authority to borrow money.	Revised	FSCO to DICO
187(4)-(5)	Limit on Borrowings – Order subject to the procedural rules under the CUCP Act and to an appeal to the Tribunal.	New	
188	No credit union shall borrow money from another credit union without the written approval of DICO.	Revised	FSCO to DICO
189(4)	DICO may order the credit union to amend the investment and lending policies that are inadequate or imprudent.	Revised	FSCO to DICO
189(5)-(6)	Investment and Lending Policies – Order subject to the procedural rules under the CUCP Act and to an appeal to the Tribunal.	New	DICO
190(1)(b)	A credit union may loan money by participating in a loan syndication in which the borrower is a member of a credit union that is one of the lenders in the loan syndicate.	New	DICO
190(2)	This provides an exception to the rule in s. 190(1)(a) that loans must be to members, in the case of loans acquired by purchase from other financial institution (subject to certain conditions).	New	DICO
191(2), (5)	DICO may, by order, lower or raise a credit union's lending limits on reasonable grounds.	Revised	FSCO to DICO
191(3)-(4)	Lower Lending Limits – Order subject to the procedural rules under the CUCP Act and to an appeal to the Tribunal.	New	DICO
193-196 from last Act	Sections governing the issuance of lending license are repealed.	Repealed	
197(2)	A credit union shall divest itself of the securities if the securities are not in compliance with its investment and lending policies within two years or additional time set by DICO.	Revised	FSCO to DICO

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197.0.1 (1)-(2)	DICO may order a credit union to call any unauthorized loan.	New	DICO
197.0.1 (3)-(4)	Unauthorized Loans – Order subject to the procedural rules under the CUCP Act and to an appeal to the Tribunal.	New	DICO
198(2)	The open basket exception for unauthorized investments base been moved to the regulations.	Revised	
200(1)	A credit union may establish or acquire a subsidiary only if the subsidiary is prescribed and only with the approval of DICO and the establishment or acquisition of a subsidiary is subject to such restrictions as may be prescribed and to such additional conditions as DICO may, by order, impose.	Revised	FSCO to DICO
200(8)-(9)	Establishing or acquiring subsidiaries – order subject to the procedural rules under the CUCP Act and to an appeal to the Tribunal.	New	DICO
201	A credit union may apply to DICO for a variation of the requirements under section 198, subsection 199 (1) or subsection 200 (7).	New	DICO
201.1(1)	Investment in another credit union.	Revised	FSCO to DICO
201.1(2)	Investment in another credit union – refusal by order.	New	DICO
201.1 (3)-(4)	Investment in another credit union – order subject to the procedural rules under the CUCP Act and to an appeal to the Tribunal.	New	DICO
202(1), (2) & (3)	DICO may authorize the acceptance by a credit union of securities or other assets not fulfilling the requirements of this Act upon amalgamation, realization, etc.	Revised	FSCO to DICO
202.1(1) & (2)	DICO may order a credit union to dispose of any investment that was not made or is not held in accordance with this Act, the regulations, the DICO's by-laws or the credit union's investment and lending policies.	Revised	FSCO to DICO
202.1(3) & (4)	Order for disposal of unauthorized investments – Order subject to the procedural rules under the CUCP Act and to an appeal to the Tribunal.	New	DICO
204	A credit union shall not transfer, purchase or sell substantial assets unless the agreement is approved by DICO.	Revised	FSCO to DICO
204(7)	If DICO refuses to approve an agreement of purchase or sale of substantial assets, DICO shall do so by order.	New	DICO
204(8)-(9)	Order for refusal to approve an agreement on purchase or sale of substantial assets subject to the procedural rules under the ACT and to an appeal to the Tribunal.	New	DICO

Part IX: Restricted Party Transactions			
209.1	Superintendent/DICO may apply to court to set aside restricted party transactions.	Revised	FSCO and DICO
Part X: Meetings			
212(3)	On application by a credit union, the Superintendent may authorize the credit union to hold its annual meeting on a day that is more than 120 days after the financial year end.	New	
213(7)	The credit union shall send to DICO the audited financial statements, the auditor's report and the audit committee report at least 10 days before the day of the annual meeting at which the statements and reports are to be placed before the members.	Revised	FSCO to DICO
220	The Superintendent or DICO may, by written notice to the credit union and each director, require a credit union to hold a meeting of the directors to consider any matter set out in the notice. The Superintendent or his or her designate and a representative of DICO may attend and be heard at the meeting.	Revised	FSCO and DICO
Part XI: Returns, Examinations and Records			
226	A credit union shall provide DICO with such information relating to the credit union's business as DICO may require for the purpose of carrying out its powers and duties under this Act. This gives DICO the same power to request information as the Superintendent has under section 225 in respect of his powers and duties.	New	DICO
227(1)-(3)	A credit union shall file an annual return with DICO at such time, in such form and containing such information as DICO requires. The annual return is subject to review by DICO. This replaces section 226 of the last Act.	New	FSCO to DICO
229	A person authorized by DICO may examine the credit union's affairs to determine if the credit union is in compliance with legislation, orders, conditions and by-laws. This gives DICO similar power to require an examination as the Superintendent has under section 228.	New	DICO
231(1) from last Act	The required documents for retention under the subsection are moved to the Regulation.	Repealed	
Part XII: Enforcement			
235(1)	If assets of the credit union are shown at an amount greater than the fair value. DICO may, by order, require the credit union to set aside additional provision.	Revised	DICO
235(2)	Order for the credit union to set aside additional provisions subject to the procedural rules under the CUCP Act and to an appeal to the Tribunal.	New	DICO
240.1-240.5	Procedural rules for certain orders by the Superintendent or DICO under the CUCP Act and on appeal.	New	FSCO and DICO

Part XIII: Leagues			
241(3) from last Act	Permitted services by a league under the subsection are moved to the Regulation.	Repealed	
241(3) & (3.1)	General restriction, businesses, services for the league.	New	FSCO and DICO
242, 247 & 248 from last Act	Special rules for leagues relating to passing of by-laws, withdrawal of members and disqualification of directors are repealed.	Repealed	
Part XIV: Deposit Insurance Corporation of Ontario			
249(3) from last Act	Credit unions are no longer members of DICO.	Repealed	
250(2) & (2.1)	DICO's Board of directors – qualification and disqualification.	New	DICO
261 & 262	The objects and powers of DICO are amended.	Revised	DICO
270	Insurance of deposits with credit unions by DICO.	Revised	DICO
274(1)(e)	Cancellation of deposit Insurance – Insolvent credit union.	New	DICO
279 (1)	DICO may order a credit union subject to Supervision by DICO under certain circumstances – interpretation, release, rescind an order.	Revised	FSCO to DICO
279 (5)-(6)	Supervision by DICO subject to Procedural Rules and Appeal to Tribunal.	New	DICO
282-293 from last Act	DICO no longer designates stabilization authorities and the sections relating to 'stabilization authorities' are repealed.	Repealed	
294(1)	DICO may order a credit union subject to Administration by DICO under certain circumstances.	Revised	DICO
294(2) & (3)	Administration by DICO – subject to the procedural rules under the CUCP Act and to an appeal to the Court.	New	DICO
295.1	Expenses and disbursements in administering the credit union by DICO.	New	DICO
Part XV: Dissolution, Amalgamation, other Fundamental Changes			
298 (4) & (5)	Voluntary Liquidation – Liquidator is limited to licensed trustee in bankruptcy or DICO. Remuneration and expenses of liquidator.	New	FSCO and DICO
300(4.1)	The credit union has to notify DICO of a winding-up court application, as well as the Superintendent	New	DICO
301(2)-(3)	Dissolution by Superintendent subject to the procedural rules under the CUCP Act and to an appeal to the Tribunal.	New	FSCO
309	Approval and issue of amalgamation certificate are transferred from Minister to Superintendent.	Revised	FSCO

316(1)	A body corporate incorporated under the laws of another jurisdiction in Canada other than Ontario or under another Ontario Act may, if authorized by the laws of that other jurisdiction or under that other Ontario Act, apply to the Superintendent for a certificate of continuance.	New	FSCO
316.1(1)	A credit union may, if it has been issued a certificate of approval of continuance under this section, apply to the appropriate official or public body of another jurisdiction in Canada requesting that the credit union be continued as if it had been incorporated under the laws of that other jurisdiction.	New	FSCO
316.2(1)	A credit union may, if it has been issued a certificate of approval of continuance under this section, apply under another Ontario Act to be continued as if it had been incorporated under that other Act.	New	FSCO
Part XVII: Offences and Administrative Penalties			
327(1)	Application to the court for an Order to comply with legislation, articles and by-laws.	Revised	FSCO and DICO
Administrative Penalties			
331.1	Administrative penalties.	New	FSCO and DICO
331.2	Superintendent – administrative penalties.	New	
331.3	DICO – administrative penalties.	New	DICO
331.4	Effect of paying penalty.	New	FSCO and DICO
331.5	Maximum administrative penalties.	New	FSCO and DICO
331.6	Enforcement of administrative penalties.	New	FSCO and DICO
Part XVIII: Miscellaneous			
332	Extra-provincial credit unions.	Revised	FSCO

Glossary

Last Act – Refers to the CUCP Act as it reads before October 1, 2009.

Regulation – Refers to Regulation 237/09.

New – means that the section of the CUCP Act is new and/or the section of the last Act has been revised and a new section with a different section number has been created.