

# Legislative Bulletin

January 2012 - Vol. 1

In preparation for Parliament to resume at the end of January, here's a glimpse at the legislative stage that various Bills reached in December, 2011. This edition of the *Legislative Bulletin* provides an update on the federal legislation currently being monitored by Credit Union Central of Canada that is of interest to Centrals and their credit unions. The descriptions of legislation in the *Legislative Bulletin* are necessarily brief and may not address all issues that might affect the credit union system. Please contact Kate Martin (martink@cucentral.com) at Credit Union Central of Canada should you have any questions about the federal legislation or wish further information. Copies of the legislation mentioned in this bulletin are available at the parliamentary website:

[www. http://www.parl.gc.ca/LegisInfo](http://www.parl.gc.ca/LegisInfo).

## Government Bills Being Monitored

### C-11 An Act to amend the Copyright Act

**Bill C-11** will amend the *Copyright Act* in the following ways:

- (a) Update the rights and protections of copyright owners to better address the challenges and opportunities of the Internet, so as to be in line with international standards;
- (b) Clarify Internet service providers' liability and make the enabling of online copyright infringement itself an infringement of copyright;
- (c) Permit businesses, educators and libraries to make greater use of copyright material in digital form;
- (d) Allow educators and students to make greater use of copyright material;
- (e) Permit certain uses of copyright material by consumers;
- (f) Give photographers the same rights as other creators;
- (g) Ensure that it remains technologically neutral; and
- (h) Mandate its review by Parliament every five year

#### Legislative Progress:

Introduction and First Reading in the House of Commons	2011-09-29
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#### Credit Union System Activity:

Monitoring	Ongoing
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**C-12 An Act to amend the Personal Information Protection and Electronics Documents Act**

**Bill C-12** is the reintroduction of the former Bill C-29. It serves to implement many of the recommendations included in the Government's 2007 *Response to the Report of the Standing Committee on Access to Information, Privacy and Ethics*. This report was completed as part of PIPEDA's first parliamentary review.

The summary of the Bill indicates that amendments to the *Personal Information Protection and Electronic Documents Act*, will:

- (a) Exclude, in certain circumstances, business contact information from the application of Part 1 of that Act;
- (b) Specify the elements of valid consent for the collection, use or disclosure of personal information;
- (c) Permit the disclosure of personal information without the knowledge or consent of the individual for the purposes of:
  - (i) identifying an injured, ill or deceased individual and communicating with their next of kin,
  - (ii) performing police services,
  - (iii) preventing, detecting or suppressing fraud, or
  - (iv) protecting victims of financial abuse;
- (d) Clarify the meaning of lawful authority for the purpose of disclosures to government institutions of personal information without the knowledge or consent of the individual;
- (e) Permit organizations, for certain purposes, to collect, use and disclose, without the knowledge or consent of the individual, personal information:
  - (i) contained in witness statements related to insurance claims, or
  - (ii) produced by the individual in the course of their employment, business or profession;
- (f) Permit organizations, for certain purposes, to use and disclose, without the knowledge or consent of the individual, personal information related to prospective or completed business transactions;
- (g) Permit federal works, undertakings and businesses to collect, use and disclose personal information without the knowledge or consent of the individual to establish, manage or terminate employment relationships;
- (h) Provide a framework for organizations to notify individuals proactively about disclosures of their personal information made in certain circumstances to government institutions; and
- (i) Require organizations to report material breaches of security safeguards to the Privacy Commissioner and to notify certain individuals and organizations of breaches that create a real risk of significant harm.

**Legislative Progress:**

<b>Introduction and First Reading in the House of Commons</b>	2011-09-29
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**Credit Union System Activity:**

<b>Credit Union Consultation Process Completed</b>	October, 2011
<b>Submission Prepared for Delivery to Government Committee Upon Second Reading</b>	November, 2011

**C-13 An Act to implement certain provisions of the 2011 budget as updated on June 6, 2011 and other measures**

**Bill C-13** is comprised of a total of 22 parts. Those of interest to the credit union system include:

Part 1, which focuses on income tax measures proposed in the 2011 budget. Sections of Part 1 that are of interest to the credit union system include:

- (a) the family caregiver tax credit for caregivers of infirm dependent relatives;
- (b) the children's arts tax credit on up to \$500 per child of eligible fees associated with children's artistic, cultural, recreational and developmental activities;
- (c) a volunteer firefighters tax credit to allow eligible volunteer firefighters to claim a 15% non-refundable tax credit based on an amount of \$3,000;
- (d) an allowance for the reallocation of assets in registered education savings plans for siblings without incurring tax penalties;
- (e) an extension to the end of 2013 the temporary accelerated capital cost allowance treatment for investment in machinery and equipment in the manufacturing and processing sector;
- (f) an expansion of the eligibility for the accelerated capital cost allowance for clean energy generation and conservation equipment;
- (g) an expansion of the eligibility rules for qualifying environmental trusts;
- (h) an amendment of the deduction rates for intangible capital costs in the oil sands sector;
- (i) an alignment of the tax treatment to investments made under the Agri-Québec program with that of investments under AgriInvest;
- (j) an introduction of new rules to strengthen the tax regime for charitable donations;
- (k) an introduction of anti-avoidance rules for registered retirement savings plans and registered retirement income funds;
- (l) an introduction of rules to limit tax deferral opportunities for individual pension plans;
- (m) an introduction of rules to limit tax deferral opportunities for corporations with significant interests in partnerships;
- (n) an extension of the tax on split income to capital gains realized by a minor child; and
- (o) an extension of the dividend stop-loss rules to dividends deemed to be received on the redemption of shares held by certain corporations.

Part 1 will also implement selected income tax measures and related measures that were referred to in the 2011 budget as previously announced measures. Notable for the credit union system, Part 1 also:

- (a) accommodates an increase in the annual contribution limit to the Saskatchewan Pension Plan and aligns its tax treatment with that of other tax-assisted retirement vehicles;
- (b) clarifies that the "financially dependent" test applies for the purposes of provisions that permit rollovers of the assets of a deceased taxpayer's registered retirement savings plan or registered retirement income fund to an infirm child or grandchild's registered disability savings plan;
- (c) amends the pension-to-registered retirement savings plan transfer limits in situations where the accrued pension amount was reduced due to the insolvency of the employer and underfunding of the employer's registered pension plan.

Part 7 relates to both the *Canada Student Financial Assistance Act* and the *Canada Student Loans Act*. For the credit union system, it is notable that the *Canada Student Loans Act* is amended to authorize the Minister to forgive portions of family physicians', nurses' and nurse practitioners' guaranteed student loans if they begin to work in under-served rural or remote communities.

Part 8 amends Part IV of the *Employment Insurance Act* to provide a temporary measure to refund a portion of employer premiums for small business. An employer whose premiums were \$10,000 or less in 2010 will be refunded the increase in 2011 premiums over those paid in 2010, to a maximum of \$1,000.

Part 11 amends the *Wage Earner Protection Program Act* to extend in certain circumstances the period during which wages earned by individuals but not paid to them by their employers who are bankrupt or subject to receivership may be the subject of a payment under that Act.

Part 12 amends the *Canadian Human Rights Act* to repeal certain provisions that provide for mandatory retirement. It also amends the *Canada Labour Code* to repeal a provision that denies employees the right to severance pay for involuntary termination if they are entitled to a pension. Finally, it amends the *Conflict of Interest Act*.

Part 15 amends the *Canada Pension Plan* to include amounts received by an employee under an employer-funded disability plan in contributory salary and wages.

Part 19 amends the *Special Retirement Arrangements Act* to permit the reservation of pension contributions from any benefit that is or becomes payable to a person.

#### Legislative Progress:

<b>Introduction and First Reading in the House of Commons</b>	2011-10-04
<b>Second Reading in the House of Commons</b>	2011-10-17
<b>Third Reading in the House of Commons</b>	2011-11-21
<b>First Reading in the Senate</b>	2011-11-22
<b>Second Reading in the Senate and referral to Standing Committee on Finance</b>	2011-11-24
<b>Third Reading in the Senate</b>	2011-12-13
<b>Royal Assent</b>	2011-12-15

#### Credit Union System Activity:

<b>Monitoring</b>	Ongoing
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**C-21 An Act to Amend the Canada Elections Act (Accountability with Respect to Political Loans)**

Bill C-21 amends the *Canada Elections Act* to enact rules concerning loans, guarantees and suretyships with respect to registered parties, registered associations, candidates, leadership contestants and nomination contestants.

**Legislative Progress:**

Introduction and First Reading in the House of Commons	2011-11-02
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**Credit Union System Activity:**

Monitoring	Ongoing
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**C-25 An Act Relating to Pooled Registered Pension Plans and Making Related Amendments to Other Acts**

Bill C-25 provides a legal framework for the establishment and administration of pooled registered pension plans that will be accessible to employees and self-employed persons and that will pool the funds in members' accounts to achieve lower costs in relation to investment management and plan administration.

**Legislative Progress:**

Introduction and First Reading in the House of Commons	2011-11-17
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**Credit Union System Activity:**

Monitoring	Ongoing
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**C-28 An Act to amend the Financial Consumer Agency of Canada Act**

Bill C-28 amends the Financial Consumer Agency of Canada Act to create the position of Financial Literacy Leader within the Agency. The Leader is to be appointed by the Governor in Council to exercise leadership at the national level to strengthen the financial literacy of Canadians. The amendments also provide for the other powers, duties and functions of the Financial Literacy Leader.

**Legislative Progress:**

Introduction and First Reading in the House of Commons	2011-11-30
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**Credit Union System Activity:**

Monitoring	Ongoing
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## Senate Public Bills

### S-2 An Act respecting family homes situated on First Nation reserves and matrimonial interests or rights in or to structures and lands situated on those reserves

**Bill S-2** will provides for the adoption of First Nation laws and the establishment of provisional rules and procedures that apply during a conjugal relationship, when that relationship breaks down or on the death of a spouse or common-law partner, respecting the use, occupation and possession of family homes on First Nation reserves and the division of the value of any interests or rights held by spouses or common-law partners in or to structures and lands on those reserves.

#### Legislative Progress:

Introduction and First Reading in the Senate	2011-09-28
Second Reading and Referral to Standing Senate Committee on Human Rights	2011-11-01
Third Reading in the Senate	2011-12-01
First Reading in the House of Commons	2011-12-08

#### Credit Union System Activity:

Monitoring	Ongoing
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### S-5 An Act to amend the Law Governing Financial Institutions and to Provide for Related and Consequential Matters

**Bill S-5** amends a number of Acts governing financial institutions. It also amends legislation related to the regulation of financial institutions. Notable among the amendments are the following:

(a) amendments to the *Bank Act*, the *Cooperative Credit Associations Act*, the *Insurance Companies Act* and the *Trust and Loan Companies Act* aimed at reinforcing stability and fine-tuning the consumer-protection framework; and

(b) technical amendments to the *Bank Act*, the *Cooperative Credit Associations Act*, the *Insurance Companies Act*, the *Trust and Loan Companies Act*, the *Bank of Canada Act*, the *Canada Deposit Insurance Corporation Act*, the *Canadian Payments Act*, the *Winding-up and Restructuring Act*, the *Office of the Superintendent of Financial Institutions Act*, the *Payment Clearing and Settlement Act* and the *Financial Consumer Agency of Canada Act*.

#### Legislative Progress:

Introduction and First Reading in the Senate	2011-11-23
Second Reading and Referral to the Standing Senate Committee on Banking, Trade and Commerce	2011-12-06
Third Reading in the Senate	2011-12-16

**Credit Union System Activity:**

<b>CUCC Appearance before Senate Banking, Trade and Commerce Committee</b>	2011-12-08
<b>Monitoring</b>	Ongoing

## Senate Private Bills

**S-203 An Act to modernize the composition of the boards of directors of certain corporations, financial institutions and parent Crown corporations, and in particular to ensure the balanced representation of women and men on those boards**

Bill S-203 requires the following corporations to ensure that the proportion of directors of each sex on their board of directors is not less than 40 per cent and that shareholders may vote against a candidate for a director's position:

- (a) a distributing corporation within the meaning of the *Canada Business Corporations Act*, any of the issued securities of which remain outstanding and are held by more than one person;
- (b) a bank that is listed in Schedule I to the *Bank Act*;
- (c) a cooperative credit association regulated by the *Cooperative Credit Associations Act*;
- (d) a distributing company regulated by the *Insurance Companies Act*;
- (e) a distributing company regulated by the *Trust and Loan Companies Act*; and
- (f) any other federally regulated, publicly traded corporation.

The parent Crown corporations listed in Schedule III to the *Financial Administration Act* are subject to the same obligations as incorporated companies, except with regard to the right to vote against a candidate for a director's position.

The enactment provides that the obligation relating to the balanced representation of each sex takes effect incrementally, at the end of three-year and six-year periods. If the new obligation entails changes to a company's by-laws or incorporating instrument, then the three-year deadline may be extended by one year.

In order to enforce compliance with these obligations, the enactment invalidates elections held or appointments made in violation of its provisions and makes compliance a condition for the issuance of a certificate or letters patent or for the exercise of the powers necessary for the implementation of certain processes or certain proposals or amendments.

**Legislative Progress:**

<b>Introduction and First Reading in the Senate</b>	2011-06-21
<b>Second Reading and Referral to Standing Senate Committee on Banking, Trade and Commerce</b>	2011-12-16

**Credit Union System Activity:**

<b>Monitoring</b>	Ongoing
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