

EXPLANATORY NOTES

B I L L

No. 33

An Act to amend *The Credit Union Act, 1998* and to make
a related amendment to *The Credit Union Act, 1985*

Clause of Bill

1 *The Credit Union Amendment Act, 2025*

2 *The Credit Union Act, 1998*

3 **Existing Provision**

Interpretation

2(1) In this Act:

...

(l) “**court**” means the Court of King’s Bench;

...

(ww) “**special resolution**” means:

(i) in the case of a special resolution of members, a resolution that is passed by three-fourths of the members or delegates who are entitled to vote and who properly vote on the resolution where at least 21 days’ notice of the intention to propose the resolution as a special resolution has been given to those members or delegates who are entitled to vote;

...

1998, c.C-45.2, s.2; 2001, c.12, s.3; 2002, S-17.2, s.27; 2010, c.8, s.3; 2012, c.F-13.5, s.50; 2015, c.21, s.64; 2016, cC-45.3, s.22-4; 2018, c42, s.18; 2024, c4, s.32.

Explanation

Clause (l) of section 2 is amended because the term “court” in clause 69(6)(b) may also include the provincial court.

Clause (ww)(i) reduces the threshold for a special resolution to two-thirds of members who vote on the resolution.

4 **Existing Provision**

Name

18(2) Subject to subsection (4), no person shall carry on business in Saskatchewan using a name that includes the words “**credit union**” or “**caisse populaire**” or any derivation of those words, or in any other manner in connection with the conduct of its business use a name that includes the words “**credit union**” or “**caisse populaire**” or any derivation of those words, without being incorporated, continued or registered pursuant to this Act.

...

(4) The registrar may exempt a person from subsection (2) subject to any terms and conditions that the registrar considers appropriate.

1998, c.C-45.2, s.18.

Explanation

Section 18 is amended to allow regulations to exempt an entity, or class of entities, from the name requirements.

5 **Existing Provision**

Seal

23(1) The board may, by resolution:

- (a) adopt a corporate seal; and
- (b) change the corporate seal adopted pursuant to clause (a).

1998, c.C-45.2, s.23.

Explanation

Section 23 is amended to provide the board the authority to designate an employee to adopt or change the corporate seal.

6 **Existing Provision**

Records

28(3) A credit union shall retain the records required pursuant to this section for any period that may be prescribed in the regulations.

1998, c.C-45.2, s.28.

Explanation

The amendment to section 28 allows for the ability for regulations to set the methods in which records are to be maintained and destroyed.

7 **Existing Provision**

Access to corporate records by members

29(2) On request, a member is entitled without charge to one copy of the articles and bylaws.

1998, c.C-45.2, s.29.

Explanation

The amendment to subsection 29(2) clarifies that credit unions may charge a fee from members who request more than one copy of the articles and bylaws and allows for regulations to prescribe the maximum number of paper copies credit unions need to provide.

8 **Existing Provision**

Access to member lists

30(2) Subject to subsection (3), the credit union's register of members is confidential and no person shall release the register without the authorization of the board.

1998, c.C-45.2, s.30; 2010, c.8, s.6.

Explanation

Subsection 30(2) is amended so that board authorizing the release, the board can designate an employee to be able to authorize access to the member lists.

9 **Existing Provision**

Application for membership

65(1) No person may be admitted to membership in a credit union until:

...

(b) the application has been approved by the board or in the manner authorized by the board; and

...

1998, c.C-45.2, s.65.

Explanation

Subsection 65(1) is amended to clarify that, unless the person's membership had previously been terminated applications for membership may be approved by an employee authorized by the board as well as by the board.

10 Existing Provision

Voluntary withdrawal of membership

68(1) A member may withdraw from membership in a credit union by written notice to the credit union.

(2) If a member has not transacted business with a credit union for two years or more, the board may consider that inactivity as the member's notice of withdrawal from membership in that credit union.

(3) A withdrawal pursuant to subsection (1) is effective on the later of the date stated in the notice and the date on which the credit union receives the notice.

(4) If the credit union decides to consider the inactivity mentioned in subsection (2) as a member's withdrawal, that withdrawal is effective on the date of the board's decision.

(5) Subject to sections 121, 122 and 124, the credit union must, no later than one year after the effective date of a notice of withdrawal:

(a) redeem all membership shares held by the withdrawing member at their par value; and

(b) repay to the member all other amounts on deposit in the credit union then due together with any interest accrued on those amounts up to the date of the payment.

(6) Unless the board determines otherwise:

(a) the withdrawal of a member pursuant to this Division does not relieve the member of contractual obligations that the member has to the credit union, including the conditions on which the member has agreed to place deposits with the credit union;

(b) the credit union is not required to repay to the member amounts outstanding on deposits or other amounts owing to the member that have a fixed maturity date until that date has arrived; and

(c) the credit union is not required to redeem membership shares at a date earlier than is provided for in the credit union's articles or bylaws.

1998, c.C-45.2, s.68.

Explanation

Section 68 is reorganized to clarify provisions relating to the voluntary withdrawal of membership.

The section is amended to permit a member to give oral notice. A provision is added to require a credit union to acknowledge in writing a member's oral notice to withdraw. The credit union is required to wait the period set out in the regulations for the member to object in writing before the membership is deemed withdrawn.

The provision in this section relating to the number of years of inactivity is amended. A requirement is added for the credit union to send a notification to the member, and the credit union needs to ensure that none of the circumstances set out in regulations exist before viewing the membership as withdrawn.

The section allows for the credit union, rather than the credit union's board, to be able to withdraw a membership.

11 Existing Provision

Termination of membership

69(1) The board may, by resolution, terminate the membership of a member.

(2) Where a member is terminated pursuant to subsection (1), the member may appeal the decision to the next meeting of the credit union by giving written notice of appeal to the secretary within 30 days after the date the member received notice of the decision.

(3) On an appeal pursuant to subsection (2), a majority, or any greater percentage that may be specified in the bylaws, of the members present at the meeting shall confirm or rescind the termination.

(4) The member is entitled to at least seven days' written notice of the meeting of the board at which his or her termination is to be considered.

(5) The notice mentioned in subsection (4) must set out:

- (a) the time and location of the meeting;
- (b) the grounds on which the membership is proposed to be terminated; and
- (c) a statement of the member's right to appear at the meeting, to be represented by an agent or counsel at the member's own expense and to make submissions at the meeting.

(6) If the termination of a person's membership is confirmed pursuant to subsection (3), that person may request that the registrar review the termination in the manner prescribed in the regulations, and the registrar shall confirm or set aside the decision or direct the board to reconsider the matter in accordance with any directions that the registrar considers appropriate.

(7) Repealed.

(8) Subject to subsection (9), the effective date of a termination is the date set out in the notice of termination.

(9) If a member gives a written notice of appeal or review, the effect of the resolution is suspended until:

- (a) in the case of an appeal to the members, the vote of the members pursuant to subsection (3); or

(b) in the case of a request for a review by the registrar, the registrar has dealt with the matter pursuant to subsection (6) or, if the registrar directs the board to reconsider the matter, the board has completed its reconsideration.

1998, c.C-45.2, s.69; 2010, c.8, s.9.

Explanation

Section 69 is amended to indicate clear requirements, timelines and steps to be followed if the board considers the termination of a member.

This section is also amended to introduce three paths for a member's potential appeal of the termination decision, with the board determining the appropriate path.

New section 69 establishes that in all appeals to the members of the credit union, the board can determine whether the terminated member's oral submissions are done virtually or in person.

New subsection 69(6) sets out the circumstances which could be a breach of the obligations of the credit union pursuant to *The Saskatchewan Employment Act*, a breach of an order of the court, or circumstances set out in the regulations.

New section 69.1 sets out the appeal path for a member who appeals the membership termination to the members of the credit union.

New section 69.2 sets out the appeal path for a member who appeals the membership termination to the court.

New section 69.3 clarifies the procedure for a member whose membership was terminated to be readmitted to the membership of the credit union.

12 Existing Provision

Payments on termination

70(1) Subject to sections 121, 122 and 124, if a member's membership is terminated, a credit union must, not later than one year after the effective date of the termination:

(a) redeem all membership shares held by the member at their par value;

(b) redeem all investment shares held by the member at a price not exceeding the redemption price calculated according to a formula stated in its articles or according to the conditions attached to the investment shares;

(c) redeem any subordinated indebtedness held by the member; and

(d) repay to the member all deposits and other amounts held to the member's credit together with any interest accrued on those amounts up to the date of the payment.

(2) If a redemption or payment mentioned in clauses (1)(a) to (d) is not made by a credit union because of the restrictions mentioned in subsection (1), the credit union shall make that payment as soon as it reasonably is able to do so.

1998, c.C-45.2, s.70.

Explanation

Section 70 is amended to allow for a prescribed period for the credit union to make payments upon the termination of a membership, to clarify that deposits without a maturity date must be repaid within the timeframe, and to establish that the credit union can decide whether to maintain a term deposit or other item with a fixed maturity date until maturity or to repay it prior to the maturity date. Where repayment occurs prior to the maturity date, the payment needs to include the full amount of interest as if the maturity date had been reached.

13 Existing Provision

Termination – address unknown to credit union

71(1) If a member's membership has been terminated by a credit union, or the member has withdrawn from membership in the circumstances mentioned in subsection 68(2), and the member's address is unknown to the credit union after all reasonable efforts have been made to ascertain it and two years have elapsed since the effective date of the termination, the credit union must:

(a) in a case where the total amount owing pursuant to section 70 is less than an amount prescribed in the regulations, deal with the amount in any manner that is prescribed in the regulations; or

(b) in a case where the total amount owing pursuant to section 70 is equal to or more than the amount prescribed in the regulations, transfer the amounts owing to CUDGC.

(2) Notwithstanding section 70, a credit union is not required to pay to CUDGC pursuant to clause (1)(b) any amounts that represent any interest that would have accrued after the end of the two-year period mentioned in subsection (1).

(3) If any amounts are transferred to CUDGC pursuant to subsection (1), CUDGC shall pay those amounts to a person who, within six years of the transfer, provides evidence satisfactory to CUDGC of entitlement to those amounts.

1998, c.C-45.2, s.71.

Explanation

Amended section 71 removes the holding period of two years for inactive/unclaimed accounts and allows for the new period to be prescribed in the regulations.

14 Existing Provision

Qualifications of directors

102(1) No person, other than an individual who meets the requirements of this section, may be a director.

1998, c.C-45.2, s.102; 2010, c.8, s.11.

Explanation

Section 102 is amended to add a definition of professional adviser.

15 Existing Provision

Service, "last known address"

423(2) Any notice or document required by this Act or the regulations to be given or served is, unless otherwise provided for, to be served personally, mailed by registered mail or certified mail or delivered by courier to the last known address of the person being served.

(3) A document served by registered mail or certified mail is deemed to have been received on the seventh day following the day of its mailing, unless the person to whom it was mailed establishes that, through no fault of that person, he or she did not receive the document or that he or she received it at a later date.

...

(5) A notice or document may be served on a credit union by:

(a) leaving it at, mailing it by registered mail or certified mail addressed to or delivering by courier to the registered office of the credit union;

...

(c) leaving it at the office of, mailing it by registered mail or certified mail addressed to or delivering it by courier to any attorney of the credit union appointed pursuant to section 389; or

...

1998, c.C-45.2, s.423.

Explanation

Section 423 is amended to add the ability to prescribe new methods of service in the regulations.

The reference to certified mail, which no longer exists, is removed from subsections 423(3) and 423(5).

16 Existing Provision

How notices or documents may be sent by registrar

439(1) Where a notice or other document is required or permitted by this Act or the regulations to be sent by the registrar, he or she may do so by ordinary mail, registered mail, certified mail, prepaid courier or similar method, if there is a record that the notice or other document has been sent.

(2) Where the registrar sends a notice or other document mentioned in subsection (1) by ordinary mail, registered mail, certified mail, prepaid courier or similar method to the intended recipient, it is deemed to have been received by the intended recipient on the earlier of:

(a) the day the intended recipient actually receives it; and

...

1998, c.C-45.2, s.439; 2015, c.21, s.16.

Explanation

The reference to certified mail, which no longer exists, is removed from subsections 439(1) and 439(2).

17 Existing Provision

Regulations

440(1) For the purpose of carrying out this Act according to its intent, the Lieutenant Governor in Council may make regulations:

...

(b.2) respecting meetings held by means of a telephonic, electronic or other communication facility;

...

(f) prescribing the procedure for reviews by the registrar mentioned in section 69;

(g) prescribing the period records must be retained for the purposes of subsection 28(3);

...

(t) prescribing rules with respect to exemptions permitted by this Act;

...

(u.1) prescribing the manner in which the registrar shall conduct a review for the purposes of subsection 69(9);

(v) prescribing an amount for the purposes of subsection 71(1) and prescribing the manner in which a credit union must deal with amounts for the purposes of that subsection;

...

(bb) prescribing forms required pursuant to this Act;

...

(ii) exempting a credit union or a class of credit unions or a security or class of securities from compliance with subsection 363(1) and removing exemptions for the purposes of subsection 363(2);

...

1998, c.C-45.2, s.440; 2010, c.8, s.16; 2015, c.21, s.16; 2021, c10, s.9.

Explanation

The regulation making provisions in subsection 440(1) are updated to reflect amendments made to the Act and new Regulation making authority.

18 Existing Provision

The Credit Union Act, 1985

Interpretation of Part

182 In this Part:

(a) “**board**” means the Co-operative Securities Board continued pursuant to section 217 of *The Co-operatives Act, 1989*;

...

1984-85-86, c.C-45.1, s.182; 1994, c.36, s.9.

Explanation

Clause 182(a) is amended to update the definition of “board”, as the Co-operatives Security Board no longer exists.

19 Existing Provision

The Miscellaneous Statutes (Public Registries Enhancement) Amendment Act, 2025

SS 1998, c C-45.2 amended

5(4) The following clauses are added after clause 440(1)(ii):

Explanation

The section related to *The Credit Union Act, 1998* is amended in *The Miscellaneous Statutes (Public Registries Enhancement) Amendment Act, 2025* to align with the amendment to 440(1)(ii) in this Act.

20 Coming into force.