

Legislative Bulletin

December 17, 2013

New in Parliament

Last week, the House of Commons and the Senate adjourned for the holiday season. They are expected to resume sitting on January 27 and 28, 2014, respectively.

On Thursday, Bill [C-4, Economic Action Plan 2013 Act No. 2](#), received [royal assent](#) after it was given first, second and third reading in only three days' time in the Senate. Among other things, this bill corrected a drafting error related to the five-year phase-out of the additional deduction for credit unions.

While Bill [C-4](#) was being debated at second reading stage in the Senate, Senator Joanne L. Buth asked a question about credit unions that raised confusion among senators. Indeed, Senator Buth wondered if credit unions would be affected by a provision in the bill that would not allow senior civil servants to sit on the boards of financial institutions, including credit unions. Senator Pierrette Ringuette clarified that credit unions will not be affected by this provision as it only affects financial institutions that are under the jurisdiction of the federal government. More specifically, Senator Ringuette corrected her colleague by stating that: *"Provisions in this omnibus bill with regard to public servants sitting on nationally chartered banks are the issue, not credit unions... [if] members have had the impression, or were given the impression, that it was to allow public servants to sit on small, community credit unions, I want to correct that comment."*

Last Tuesday, the Standing Committee on Finance tabled its [report](#) on the pre-budget consultations. The report noted that Canadian Central had proposed that the government apply a co-operative "lens" to all of its initiatives. It also noted that Canadian Central had argued that the activities of Farm Credit Canada (FCC) should be reviewed in a manner that is similar to the Business Development Bank of Canada (BDC). This particular point had some traction as the Committee recommended that the Government consider reviewing the mandate of FCC. Finally, the report noted that Canadian Central highlighted that over-regulation and red tape compliance are burdens for small retailers and co-operative financial institutions and that we had provided two examples — complying with the requirements of Canada's anti-money laundering regime and with the proposed anti-spam regulations — and suggested that federal government regulations should be implemented in a manner that is cost effective for co-operative financial institutions.

The NDP's Supplementary Report recommended that the government reverse the damaging cuts to tax credits for credit unions and labour-sponsored venture capital funds, given their important roles in the Canadian economy.



In other parliamentary news, the federal government tabled Bill [C-18, Agricultural Growth Act](#) last Monday. This proposed legislation would amend the operation of a number of agricultural programs including the *Agricultural Marketing Programs Act (AMPA)* and the *Farm Debt Mediation Act (FDMA)*. The AMPA gives authority for the Advance Payments Program (APP) and the rules and regulations governing the APP are changing.

The proposed legislation would expand the Advance Payment Program and allow producers to offer other types of security to the program to secure larger advances. There are also proposed changes to the Farm Debt mediation program. As yet, it is unclear how such changes would impact credit union lending to agriculture but, on the face of it, the potential expansion of government through the APP may not be good for credit unions.

On December 18, Canadian Central, along with the Canadian Bankers Association (CBA), will participate on a conference call to discuss the proposed amendments to the AMPA with officials from Agriculture and Agri-Food Canada (AAFC).

Finally, NDP MP Jean-François Laroche placed a [written question](#) on the order paper relating to social finance. Among other things, the question inquired about the amount the government spent on its new social finance approach and what its projected spending plans for the next few years are.

In Committees

Last Tuesday, the Senate Banking, Trade and Commerce committee continued its study on the ability of individuals to establish a registered disability savings plan (RDSP).