

# OTTAWA UPDATE...

GOVERNMENT RELATIONS DEPARTMENT - CREDIT UNION CENTRAL OF CANADA  
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## CREDIT UNION LEADERS ACTIVE ON PARLIAMENT HILL

Leaders from across the credit union system were on Parliament Hill during "Co-op Week", October 15-21, to participate in a variety of activities with Members of Parliament. This year, Credit Union Central of Canada (Canadian Central) organized and hosted a Parliamentary Reception on the evening of October 17 in conjunction with Canadian Co-operative Association and Le Conseil Canadien de la Coopération. More than 60 MPs and Senators joined credit union and co-operative leaders in celebrating the co-operative sector's role in communities of every size throughout the country. The evening was very successful and was the focal point of a busy week for co-operative groups in Ottawa.



Mike Tarr, Canadian Central Chair (left) and Jack Layton, NDP Leader (right), speaking at the Joint Parliamentary Reception in Ottawa

During the Parliamentary Reception, Board Chairperson Mike Tarr, announced that Canadian Central will increase its sponsorship of the Parliamentary Internship Programme (PIP) to \$15,000 for this year. The Programme allows young Canadians from across the country to come to Ottawa and work on Parliament Hill, in the offices of both government and opposition MPs. This funding announcement was met with enthusiastic applause as Mr. Tarr noted in his welcoming remarks, "Canada's credit union system believes in supporting programs that foster future leaders."



David Phillips (left) Interim President & CEO, Bobby McVeigh (middle), 1st Vice Chair, Canadian Central & Speaker of the House of Commons, Hon. Peter Milliken, MP (right).

## CANADIAN CENTRAL APPEARS BEFORE HOUSE OF COMMONS STANDING COMMITTEE ON FINANCE

Also on October 17, Canadian Central, represented by Mike Tarr, appeared before the House of Commons Standing Committee on Finance as part of the pre-Budget consultation process. Canadian Central's recommendations focused on agricultural support programs, bio-fuels, Canada Revenue Agency super priorities and Competition Bureau fees. Canadian Central was one of six co-operative organizations that presented their pre-budget submissions to the Committee on the same day.

In support of Canadian Co-operative Association, Conseil Canadien de la Coopération, Canadian Worker Co-operative Federation, Co-operative Housing Federation of Canada and The Co-operators Group, Canadian Central also put forward three shared recommendations for the co-operative sector:

- Establish a new Co-operative Investment Plan for agricultural and worker co-ops,
- Reconsider the cancellation of the **Social Economy Initiative** (SEI), and
- Build a new partnership to strengthen co-operative enterprises (the current **Co-operative Development Initiative** ends in 2008).

To view a transcript of Canadian Central's appearance before the Finance Committee, please go to: <http://cmte.parl.gc.ca/cmte/CommitteePublication.aspx?SourceId=178209>



**BILL C-25, AN ACT TO AMEND THE PROCEEDS OF CRIME (MONEY LAUNDERING) AND TERRORIST FINANCING ACT AND THE INCOME TAX ACT AND TO MAKE A CONSEQUENTIAL AMENDMENT TO ANOTHER ACT**, was tabled in the House of Commons on October 5. The Bill aims to strengthen the Proceeds of Crime (Money Laundering) and Terrorist Financing Act. Proposed amendments found in the Bill intend to make Canada's anti-money laundering and anti-terrorist financing regime consistent with new Financial Action Task Force (FATF) international standards and follow up on recommendations made in the 2004 Auditor General's Report and in a 2004 Treasury Board evaluation of the regime. If passed, the legislation will result in:

- Enhanced client identification and record-keeping measures for financial institutions and intermediaries,
- A requirement to report attempted suspicious transactions,
- A registration regime for Money Service Businesses (MSBs) and foreign exchange dealers,
- The creation of an administrative and monetary penalties regime,
- New record keeping and reporting requirements for legal counsel.

In the recent past, Canadian Central has raised concerns about some of these legislative proposals with the Department of Finance. Canadian Central is reviewing the Bill and will provide Parliament with comments on the Bill when the Bill is referred for parliamentary committee study. A copy of the Bill can be viewed at: <http://www2.parl.gc.ca/HouseBills/BillsGovernment.aspx?Language=E&Mode=1&Parl=39&Ses=1>

**BILL C-26, AN ACT TO AMEND THE CRIMINAL CODE (CRIMINAL INTEREST RATE)**, was tabled in the House of Commons on October 6. The Bill proposes to amend the *Criminal Code* regarding payday lending in order to provide provinces with greater flexibility to regulate the industry. Under the proposed amendments, payday lenders who operate in provinces having measures in place to protect borrowers will be exempt from section 347 of the *Criminal Code*. This means the provinces can set limits on the cost of borrowing and regulate the business practices of payday lenders within their jurisdiction. Currently, under section 347 of the *Criminal Code*, it is an offence to enter into an agreement or arrangement to receive interest at a criminal rate (defined as exceeding 60% per annum), or to receive a payment of interest at a criminal rate. However, section 347 was designed to target organized crime and not as a consumer protection tool. These amendments will not apply to federally regulated financial institutions, such as banks. A copy of the Bill can be viewed at: <http://www2.parl.gc.ca/HouseBills/BillsGovernment.aspx?Language=E&Mode=1&Parl=39&Ses=1>

#### **BILL KNIGHT COMPLETES TERM AS COMMISSIONER OF THE FINANCIAL CONSUMER AGENCY OF CANADA**



As of November 1, 2006, Bill Knight will complete his term as Commissioner of the Financial Consumer Agency of Canada (FCAC). In a parting letter dated October 27, Mr. Knight stated: *"I'm proud of the Agency and its accomplishments over the last five years. I have greatly appreciated the opportunity to serve as a Commissioner of the Agency and look forward to watching it continue to flourish in the coming years"*. Mr. Knight has been Commissioner since the FCAC was founded in 2001. Since its establishment, the FCAC has worked to ensure consumers have more direct access to basic banking service and that borrowers are receiving more complete disclosure when entering contracts with financial service providers.

#### **JULIE DICKSON NAMED INTERIM SUPERINTENDENT**



The Office of the Superintendent of Financial Institutions has announced that Julie Dickson has been authorized by the Governor in Council to act as Interim Superintendent while the position is vacant. Nick Le Pan retired as Superintendent of Financial Institutions effective October 13, 2006. For the official announcement go to: [http://www.osfi-bsif.gc.ca/app/DocRepository/1/eng/media/actsup\\_e.pdf](http://www.osfi-bsif.gc.ca/app/DocRepository/1/eng/media/actsup_e.pdf)