

Re: Incorporation of a Credit Union

The formation of a credit union in Alberta is a two-stage process. First, a Certificate of Incorporation must be issued to create the credit union and, secondly, the Minister must approve the commencement of business by the credit union.

A completed application for incorporation, including all forms, information, material, and evidence incorporated in the application by reference, must be filed with and approved by our office before a certificate of incorporation will be issued. The forms and samples of consents and undertakings required are listed below, copies are available on our website for your convenience.

- Articles of Incorporation
- Evidence that at least \$250,000 in the case of a credit union with no bond of association, , and \$10,000 in the case of a credit union with a bond of association, of common shares, or other prescribed capital, will be subscribed for in good faith.

A credit union with this level of capital can only offer a few basic services until it grows in assets and experience. As a general guideline, a credit union needs assets of \$5 million in order to provide chequing accounts to members and \$10 million to provide a full range of financial services to their members. Should your potential members wish to obtain a full range of financial services immediately you may wish to consider discussing your groups service needs with an existing local full service credit union.

- A business plan, including:
 - the geographic area to be served and services to be provided, incorporating details of any Bond of Association or any other restrictions or prohibition to be imposed on the credit union.
 - the perceived public benefits
 - a detailed financial projection for the first 5 years of operation, showing balance sheets, profit and loss accounts and assumptions, prepared in accordance with the Future Oriented Financial Information Section of the CICA Handbook.
 - the proposed authorized capital of the corporation, including a list of the rights, privileges, restrictions and conditions attached to the shares.
 - the proposed corporate structure of the corporation. Include a listing of the proposed management personnel or a proposal to secure management personnel.
 - a statement of the proposed expenses relating to the incorporation and initial organization of the credit union.

For assistance in preparing a business plan, you may wish to contact Mr. Greg Hanna or Ken Willie at the Credit Union Deposit Guarantee Corporation, at (780) 428-6680.

You may also wish to contact Credit Union Central Alberta Limited for further information, at (403) 258-5900.

A copy of the business plan must also be provided to the Credit Union Deposit Guarantee Corporation at 18th Floor, 10130 – 103 Street, Edmonton, Alberta, T5J 3N9.

- A copy, subscribed by all the incorporators, of the proposed by-laws.

Our office can provide “model by-laws” to assist you in drafting by-laws for a proposed credit union.

- A Notice of Directors
- For each person proposed as a director or officer of the credit union a:
 - statement of consent stating that the Minister may make any enquiries or obtain information necessary to evaluate this application, and,
 - completed Personal Questionnaire
- Notice of Address
- A current name search (NUANS) report
- An application fee of \$100.

Once the credit union has received a Certificate of Incorporation, has raised sufficient capital, has sufficient deposits (\$750,000 if it has no bond of association, \$30,000 if it does), has the minimum number of members (250 members if it does not have a bond of association, 50 if it does), and has resolved all other outstanding conditions, the Minister will approve the commencement of business.

Until such time as the credit union is approved for commencement of business, the credit union shall place all deposits and share subscriptions with Central.

Sections 20 to 26 of the Credit Union Act, and sections 7 and 8 of the Regulations set out the requirements and procedures for incorporation of a new credit union and the commencement of business. The complete Credit Union Act, Credit Union (Principal) Regulation and the Credit Union (Ministerial) Regulation are available on the internet at www.gov.ab.ca/qp/ or at the **(Edmonton)** Queen’s Printer Bookstore, Main Floor, Park Plaza Building, 10611 – 98 Avenue, Edmonton, Alberta, T5K 2P7, by telephoning (780) 427-4952, or **(Calgary)** Queen’s Printer Bookstore, Main Floor, McDougall Centre, 455 - 6 Street S.W., Calgary, Alberta, T2P 4E8, by telephoning (403) 297-6251).

Should you have any questions, please do not hesitate to contact our office.