

## The Bank of Canada Act: Amendments

In 1997 the Bank of Canada Act was amended in several respects. Among the most important were the following:

- With the consent of the Minister, the Bank is permitted to charge for fiscal agent services provided to the federal government.
- The Bank may pay interest to the federal government on any deposits made to the Bank and may pay interest to member institutions of the Canadian Payments Association (CPA) on deposits accepted for certain specified purposes.
- The Bank is now permitted to buy and sell a wider range of securities in accordance with policies and procedures that will be published in the *Canada Gazette*.
- The Bank may carry on business activities incidental to any of its permitted activities. For example, the sale of collector bank note products will now be allowed.
- The list of persons ineligible to be a director of the Bank is extended to include persons associated with a clearing house or with a participant to which the Payment Clearing and Settlement Act is applicable. This is in addition to the existing list that includes persons associated with a bank, a CPA member that maintains a deposit with the Bank of Canada, or an investment dealer that acts as a primary distributor. Moreover, persons associated with institutions that control, or are controlled by, any of the above entities are also ineligible.
- The Bank is required to turn over to the federal government unclaimed balances of less than \$500 that have not been claimed for a period of 20 years. Previously, the amount was \$100. Balances of \$500 and larger will continue to be kept indefinitely at the Bank.
- The Bank is authorized to gather information from all federally incorporated financial institutions on the same basis as was previously the case for the chartered banks.