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Second Session, Forty-second Parliament  
70 Elizabeth II, 2021  
Legislative Assembly of British Columbia

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**BILL 5**

**INBC INVESTMENT CORP. ACT**

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Honourable Ravi Kahlon  
Minister of Jobs, Economic Recovery and Innovation

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### **Explanatory Note**

This Bill continues InBC Investment Corp., incorporated under the *Business Corporations Act*, as a statutory corporation.

**BILL 5 – 2021**

**INBC INVESTMENT CORP. ACT**

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HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of British Columbia, enacts as follows:

**PART 1 – DEFINITIONS**

**Definitions**

**1** In this Act:

- “**advisory forum**” means the advisory forum established under section 25;
- “**board**” means the board of directors appointed under section 6;
- “**chief executive officer**” means the chief executive officer of the corporation, appointed by the board under section 15 (1);
- “**chief investment officer**” means the chief investment officer of the corporation, appointed by the board under section 16 (1);
- “**corporation**” means InBC Investment Corp. as continued under section 2 (1);
- “**director**” means a member of the board;
- “**Minister of Finance**” has the same meaning as in the *Financial Administration Act*.

**PART 2 – INBC INVESTMENT CORP.**

**InBC Investment Corp. continued**

- 2** (1) InBC Investment Corp. is continued as a corporation consisting of the board.
- (2) The capital of the corporation is 2 shares with a par value of \$1.

- (3) One share in the corporation must be issued to and registered in the name of the minister, and the minister must hold that share on behalf of the government.
- (4) One share in the corporation must be issued to and registered in the name of the Minister of Finance, and the Minister of Finance must hold that share on behalf of the government.
- (5) For certainty, upon the continuation of the corporation under subsection (1),
  - (a) the property, rights and interests of InBC Investment Corp., as incorporated under the *Business Corporations Act*, continue to be the property, rights and interests of the corporation,
  - (b) the corporation is liable for all obligations of InBC Investment Corp., as incorporated under the *Business Corporations Act*,
  - (c) any cause of action, claim or liability to prosecution that existed in relation to InBC Investment Corp., as incorporated under the *Business Corporations Act*, continues in relation to the corporation,
  - (d) any legal proceeding initiated or pending by or against InBC Investment Corp., as incorporated under the *Business Corporations Act*, is continued by or against the corporation, and
  - (e) any conviction against, or ruling, order or judgment in favour of or against, InBC Investment Corp., as incorporated under the *Business Corporations Act*, is enforceable by or against the corporation.

**Corporation is agent of government**

- 3 (1) The corporation is an agent of the government.
- (2) The corporation, as an agent of the government, is not liable to taxation except to the extent that the government is liable.

**Purposes of corporation**

- 4 (1) The purposes of the corporation are as follows:
  - (a) to make investments that achieve a financial return;
  - (b) to make investments that support the social, economic and environmental policy objectives of the government.
- (2) Subsection (1) does not apply in respect of investments that are made under agreements that were in place before this Act comes into force.

**Capacity and powers**

- 5 The corporation has the capacity and powers of a natural person of full capacity.

## **PART 3 – GOVERNANCE**

### **Board of directors**

- 6** (1) The corporation is to be managed by a board of directors.
- (2) The board is to consist of the following directors appointed by the Lieutenant Governor in Council on the recommendation of the minister, provided under section 7 (2):
- (a) 2 directors from the public service;
  - (b) up to 7 directors from outside the public service.
- (3) The chair of the board is a director who
- (a) is designated in writing as chair by the minister, after consultation with the Minister of Finance, or
  - (b) if a chair is not designated under paragraph (a), is appointed by the board under the bylaws of the corporation.
- (4) The board must elect a vice chair from among the directors.

### **Nomination and recommendation process**

- 7** (1) In accordance with requirements specified by the minister, the board must submit to the minister the names of individuals the board recommends for membership on the board.
- (2) The minister, after consultation with the Minister of Finance, may recommend to the Lieutenant Governor in Council that the Lieutenant Governor in Council appoint to the board an individual recommended to the minister under subsection (1).

### **Term of office and reappointment**

- 8** An individual may be appointed as a director for a term of up to 3 years and may be reappointed for additional terms of up to 3 years each.

### **Termination of appointment**

- 9** The minister and the Minister of Finance, acting jointly, may order the termination of a director's appointment to the board.

### **When directors cease to hold office**

- 10** (1) A director ceases to hold office when
- (a) the director's term of office expires,
  - (b) the director resigns or dies, or
  - (c) the director's appointment to the board is terminated under section 9.

- (2) The resignation of a director takes effect on the latest of the following:
  - (a) the date and time that the director's written resignation is provided to the minister;
  - (b) if the written resignation specifies that the resignation is to take effect
    - (i) on a specified date, the beginning of the specified date,
    - (ii) on a specified date and at a specified time, the specified date and time, or
    - (iii) on the occurrence of a specified event, the occurrence of the specified event.

**Duties and powers of board**

- 11** (1) The board must manage the affairs of the corporation or supervise the management of those affairs.
- (2) The board
  - (a) may exercise the powers conferred on it under this Act,
  - (b) may exercise the powers of the corporation on behalf of the corporation, and
  - (c) must supervise the delegation of any of its powers or duties.
- (3) The board may pass the resolutions or bylaws it considers necessary or advisable for the management and conduct of the affairs of the corporation and for the exercise of the powers and duties of the board.
- (4) Without limiting subsections (2) and (3), the board must pass bylaws that establish a policy, applicable to directors and senior officers, on the disclosure of interests and the handling of conflicts of interest.
- (5) Without limiting subsections (2) and (3) but subject to section 13, the board may pass resolutions or bylaws respecting the calling and holding of meetings of the board or committees of the board and the procedures to be followed at those meetings.
- (6) The board may establish committees of the board to assist the board, which committees
  - (a) must be chaired by a director, and
  - (b) may include members of the advisory forum, if any.
- (7) For the purposes of subsections (1) and (2), the board may, by resolution or bylaw, delegate any power or duty of the board or the corporation except
  - (a) the power to establish committees of the board,
  - (b) the power to pass resolutions or bylaws respecting the procedures to be followed at meetings of the board,

- (c) the duty to appoint a chief executive officer and a chief investment officer, and
- (d) the power to delegate.

**Board remuneration**

- 12** In accordance with the general directives of Treasury Board, the board may
- (a) pay remuneration to directors, and
  - (b) reimburse or pay an allowance to directors for reasonable travelling and out-of-pocket expenses necessarily incurred in carrying out the directors' duties.

**Meetings and quorum of board**

- 13**
- (1) The board must meet at least 6 times in each year.
  - (2) The chair is to preside at all meetings of the board but, in the absence of the chair, the vice chair is to preside.
  - (3) In the absence of the chair and the vice chair, the directors who are present at a meeting of the board must designate one of those present to preside.
  - (4) At any meeting of the board, a majority of the directors holding office must be present to constitute a quorum.
  - (5) The affirmative votes of a majority of the directors present at a meeting of the board at which a quorum is constituted are sufficient to pass a resolution or bylaw of the corporation.
  - (6) A director may participate in, and vote at, a meeting of the board
    - (a) in person, or
    - (b) by any communications medium that enables all participants in the meeting to communicate with one another during the meeting.
  - (7) A director who participates in a meeting in a manner described in subsection (6) (b) is deemed to be present in person at the meeting.
  - (8) A resolution in writing, signed by all the directors and filed with the minutes of the proceedings of the directors, is valid and as effective as if the resolution had been passed in the usual manner at a meeting of the board.

**Duties of directors and officers**

- 14** A director or officer of the corporation, when exercising the powers and performing the duties of a director or officer of the corporation, as the case may be, must
- (a) act honestly and in good faith, with a view to the best interests of the corporation,

- (b) exercise the care, diligence and skill that a reasonably prudent individual would exercise in comparable circumstances, and
- (c) act in accordance with this Act and the regulations.

**Chief executive officer**

- 15**
- (1) The board must appoint an individual as the chief executive officer of the corporation.
  - (2) The board may determine the remuneration and the terms and conditions of employment of the chief executive officer.
  - (3) The chief executive officer is responsible for the general supervision and direction of the operations of the corporation and its employees and other officers and must exercise the powers and perform the duties that are specified in the bylaws or resolutions of the board.

**Chief investment officer**

- 16**
- (1) The chief executive officer must, on the recommendation of the board, appoint an individual as the chief investment officer of the corporation.
  - (2) The board, on the recommendation of the chief executive officer, may determine the remuneration and the terms and conditions of employment of the chief investment officer.
  - (3) The chief investment officer must ensure that investments of the assets of the corporation are made in accordance with the purposes of the corporation as set out in section 4.
  - (4) For the purposes of subsection (3), the policy objectives referred to in section 4 (1) (b) are to be determined by the minister and the Minister of Finance, acting jointly, and communicated in writing to the chief investment officer by the chair of the board.

**Officers and employees**

- 17**
- (1) The chief executive officer may appoint officers and employees of the corporation, as necessary, to carry on the business and operations of the corporation and may define their duties.
  - (2) The *Public Service Act* and the *Public Service Labour Relations Act* do not apply to the corporation or the officers and employees of the corporation.
  - (3) The *Public Service Benefit Plan Act* applies to the corporation and its officers and employees.
  - (4) The Public Service Pension Plan, continued under the *Public Sector Pension Plans Act*, applies to the corporation and its officers and employees.

## **PART 4 – FINANCIAL ADMINISTRATION**

### **Division 1 – Investment Independence**

#### **Investment independence**

- 18** (1) No person other than the chief investment officer or an external fund manager retained by the corporation may make an investment decision.
- (2) Subject to section 16 (3), in making an investment decision on behalf of the corporation,
- (a) the chief investment officer is not subject to direction from anyone, and
  - (b) an external fund manager is not subject to direction from anyone other than the chief investment officer.
- (3) For certainty, in making investment decisions on behalf of the corporation, the chief investment officer and an external fund manager are not subject to direction from any of the following:
- (a) the government;
  - (b) a minister;
  - (c) the board or a director;
  - (d) the chief executive officer;
  - (e) any other public officer.

### **Division 2 – Financial Administration**

#### **Financial administration**

- 19** (1) The corporation must establish and maintain an accounting system satisfactory to the Minister of Finance and must, whenever required by that minister, render detailed accounts of the corporation's revenues and expenditures for the period or to the date that the Minister of Finance specifies.
- (2) The corporation must prepare financial statements in accordance with generally accepted accounting principles.
- (3) All books or records of account, documents and other financial records must at all times be open for inspection by the minister or the Minister of Finance, or by a person designated by either of those ministers.
- (4) The Minister of Finance may direct the Comptroller General to report to Treasury Board on any aspect of the financial administration of the corporation.
- (5) Unless the Auditor General is appointed, in accordance with the *Auditor General Act*, as the auditor of the corporation, the corporation must appoint an auditor to audit the accounts of the corporation at least once in each year.

- (6) The fiscal year of the corporation begins on April 1 in each year and ends on March 31 in the following year.
- (7) The Minister of Finance is the fiscal agent of the corporation.

**No borrowing or deficit**

- 20** (1) The corporation must not borrow money without the prior written approval of the Minister of Finance.
- (2) The corporation must not incur or budget for a deficit, as determined in accordance with generally accepted accounting principles, for a fiscal year without the prior written approval of the minister and the Minister of Finance.

**Corporation revenue**

- 21** Subject to section 20 (2), money received by the corporation from any source may be retained by the corporation to be used and dealt with for the corporation's purposes.

**Division 3 – Reports and Reviews**

**Definition**

- 22** In this Division, “**performance**”, in relation to an investment of the corporation other than an investment made under an agreement in place before this Act comes into force, includes the extent to which the investment advances the policy objectives referred to in section 16 (4).

**Annual reports**

- 23** (1) The corporation must, for each fiscal year of the corporation, make a report to the minister and the Minister of Finance on the performance of the investments of the corporation.
- (2) A report made under subsection (1) must
  - (a) be in the form and manner specified by the minister, and
  - (b) include any particular information relating to the performance of the investments that is specified by the minister or the Minister of Finance.
- (3) The minister must lay a report made under subsection (1) before the Legislative Assembly as soon as practicable and, promptly after doing so, must make the report publicly available.

**External reviews**

- 24** (1) At least once every 5 years, the minister must, after consulting with the Minister of Finance, appoint a person to review, and to make a report to the minister and the Minister of Finance on, the performance of the investments of the corporation during a period specified in writing by the minister.

- (2) A report made under subsection (1) must
  - (a) be in the form and manner specified by the minister, and
  - (b) include any particular information relating to the performance of the investments that is specified by the minister or the Minister of Finance.
- (3) The minister must lay a report made under subsection (1) before the Legislative Assembly as soon as practicable and, promptly after doing so, must make the report publicly available.

## **PART 5 – ADVISORY FORUM**

### **Advisory forum**

- 25** (1) The board may establish an advisory forum to provide advice to the board on matters specified by the board.
- (2) The advisory forum is to consist of up to 12 members, with
  - (a) a maximum of 6 members to be appointed by the minister and the Minister of Finance, acting jointly, and
  - (b) a maximum of 6 members to be appointed by the board.
- (3) The board may, in accordance with the regulations, if any,
  - (a) pay remuneration to members of the advisory forum, and
  - (b) reimburse or pay an allowance to members of the advisory forum for reasonable travelling and out-of-pocket expenses necessarily incurred in carrying out their duties as members of the advisory forum.

## **PART 6 – GENERAL**

### **Application of *Business Corporations Act* and *Societies Act***

- 26** (1) Subject to subsection (2), the *Business Corporations Act* does not apply to the corporation.
- (2) The Lieutenant Governor in Council may direct that specified provisions of the *Business Corporations Act* or the *Societies Act* apply to the corporation.

### **Application of *Securities Act***

- 27** For the purposes of the *Securities Act* and its regulations, the corporation must be treated in the same manner that the government is treated under that Act and its regulations.

**Transfer of records**

- 28** (1) Despite the *Information Management Act* but subject to the regulations,
- (a) the minister may transfer records to the corporation, and
  - (b) the corporation may transfer records to the minister.
- (2) On the effective date of a transfer made under subsection (1), the records cease to be the records of the transferor and become the records of the transferee.
- (3) For the purposes of a transfer made under subsection (1), records may be identified by name, class or description.

**Section 5 of Offence Act**

- 29** Section 5 of the *Offence Act* does not apply to this Act or the regulations.

**Regulations**

- 30** (1) The Lieutenant Governor in Council may make regulations referred to in section 41 of the *Interpretation Act*.
- (2) Without limiting subsection (1), the Lieutenant Governor in Council may make regulations as follows:
- (a) respecting the appointment of members to the advisory forum;
  - (b) respecting the composition, structure, governance and activities of the advisory forum;
  - (c) respecting the remuneration to be paid to members of the advisory forum;
  - (d) respecting any allowance to be paid to members of the advisory forum for travelling and out-of-pocket expenses incurred in carrying out their duties as members of the advisory forum;
  - (e) extending the application of any provision of this Act to a subsidiary of the corporation;
  - (f) requiring the corporation to obtain the prior written approval of the minister before entering into an agreement with the government of Canada, the government of a jurisdiction outside Canada, the government of a province or the governing body of a First Nation, or with an agent or official of any of these;
  - (g) respecting the transfer of records under section 28, including, without limitation,
    - (i) imposing terms and conditions respecting access to or retention of the records by the minister or the corporation, as applicable,
    - (ii) restricting the categories of records that may be transferred, and
    - (iii) respecting the manner in which a transfer is to be made;
  - (h) respecting any other matter for which regulations of the Lieutenant Governor in Council are contemplated by this Act.

## PART 7 – TRANSITIONAL PROVISIONS

### Transition – board

- 31 Despite sections 6 (2) and 7, the directors of InBC Investment Corp. appointed under the *Business Corporations Act* are continued as the directors of the corporation.

### Transition – chief executive officer

- 32 The appointment of the chief executive officer of InBC Investment Corp. under the *Business Corporations Act* is deemed to have been made under section 15 (1) of this Act.

### Transition – shares

- 33 Any shares in InBC Investment Corp. that are authorized or issued under the *Business Corporations Act* are cancelled, and the corporation must issue shares in accordance with section 2 (3) and (4) of this Act.

### Transition – cancellation of registration under *Business Corporations Act*

- 34 The registration of InBC Investment Corp. under the *Business Corporations Act* is cancelled.

### Transition – regulations

- 35 (1) The Lieutenant Governor in Council may make regulations it considers necessary or advisable
- (a) to more effectively bring this Act into operation, and
  - (b) to remedy any transitional difficulties, in respect of any matter encountered in the transition from InBC Investment Corp., as incorporated under the *Business Corporations Act*, to the corporation as continued under this Act.
- (2) For 3 years after the date this Act comes into force, a regulation made under this section may be made retroactive to a date not earlier than the date this Act or any provision of this Act comes into force and, if made retroactive, is deemed to come into force on the date specified in the regulation.
- (3) This section is repealed 3 years after the date it comes into force and, on its repeal, any regulations made under it, unless repealed earlier, are also repealed.

### Commencement

- 36 This Act comes into force on the date of Royal Assent.