

PROVINCE OF BRITISH COLUMBIA
ORDER OF THE LIEUTENANT GOVERNOR IN COUNCIL

Order in Council No. 301 , Approved and Ordered June 05, 2015


Lieutenant Governor


Executive Council Chambers, Victoria

On the recommendation of the undersigned, the Lieutenant Governor, by and with the advice and consent of the Executive Council, orders that, effective January 1, 2017, the Bonding Regulations, B.C. Reg. 11/68, is amended as set out in the attached Schedule.

DEPOSITED

June 5, 2015

B.C. REG. 99/2015


Minister of Finance


Presiding Member of the Executive Council

(This part is for administrative purposes only and is not part of the Order.)

Authority under which Order is made:

Act and section: *Bonding Act*, R.S.B.C. 1996, c. 30, s. 11

Other: OIC 3878/67

May 25, 2015

RESUB/R/372/2015/15

SCHEDULE

I The Bonding Regulations, B.C. Reg. 11/68, is amended by adding the following Division:

Division 7.5 – Bonds under *Liquefied Natural Gas Income Tax Act*

Interpretation

7.501 In this Division:

“**Act**” means the *Liquefied Natural Gas Income Tax Act*;

“**assets**” means land and improvements or tangible personal property other than natural gas, liquefied natural gas or natural gas liquids;

“**commissioner**” has the same meaning as in the Act;

“**lending institution**” means

- (a) a bank as defined in section 2 of the *Bank Act* (Canada),
- (b) a foreign bank as defined in section 95 (1) of the *Income Tax Act* (Canada),
- (c) a credit union as defined in section 1 (1) of the *Financial Institutions Act*, or
- (d) an extraprovincial credit union as defined in section 1 (1) of the *Financial Institutions Act*.

Acceptable security

7.502 (1) Despite section 8 of this regulation, a bond for the purposes of the Act must consist of one or more of the following types of security:

- (a) a type of security set out in section 8 of this regulation;
- (b) a guarantee that meets the requirements set out in subsection (2).

(2) The requirements referred to in subsection (1) (b) are as follows:

- (a) the guarantee is evidenced by writing signed by, or by the agent of, the guarantor;
- (b) the guarantor is
 - (i) a company within the meaning of paragraph (a) of the definition of “company” in section 1 (1) of the *Business Corporations Act*,
 - (ii) an extraprovincial company within the meaning of section 1 (1) of the *Business Corporations Act*, or
 - (iii) a corporation as defined in section 2 (1) of the *Canada Business Corporations Act*;
- (c) the guarantee is, in the opinion of the commissioner, adequately secured by assets in British Columbia;
- (d) the guarantee includes the following terms:
 - (i) the guarantee is governed by and to be construed in accordance with the laws of British Columbia;
 - (ii) with respect to any legal proceeding arising out of or related to the guarantee, the guarantor irrevocably submits and attorns to the jurisdiction of the courts of British Columbia;

(e) the government's right to be paid under the guarantee takes priority over that of all holders of debt, other than a lending institution, secured by the same assets as the guarantee.

2 ***Section 9 is amended by adding the following Act:***
 Liquefied Natural Gas Income Tax Act .