



Bonding Act

BONDING REGULATIONS

B.C. Reg. 11/68

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Consolidated Regulations of British Columbia

This is an unofficial consolidation.

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This is an unofficial consolidation provided for convenience only. This is not a copy prepared for the purposes of the *Evidence Act*.

This consolidation includes any amendments deposited and in force as of the currency date at the bottom of each page. See the end of this regulation for any amendments deposited but not in force as of the currency date. Any amendments deposited after the currency date are listed in the B.C. Regulations Bulletins. All amendments to this regulation are listed in the *Index of B.C. Regulations*. Regulations Bulletins and the Index are available online at www.bclaws.ca.

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SCHEDULE**DIVISION 1 – BONDS UNDER *SECURITIES ACT*****Who must deliver bond**

1.01 A person or company required by the Superintendent of Brokers, pursuant to section 34 of the *Securities Act*, to deliver a bond shall deliver a bond in the form set out in the Schedule to these regulations, and

- (a) in the case of an applicant for registration or person or company registered as a broker, broker-dealer or investment dealer
 - (i) being a person or company that is not a member of any of the following bodies – that is to say, the Investment Dealers’ Association of Canada, the British Columbia Bond Dealers’ Association or the Vancouver Stock Exchange – the bond shall be in the amount of \$25 000;
 - (ii) being a person or company that is a member of one or more of those bodies, the bond shall be in such lesser amount as the superintendent may require,
- (b) in the case of an applicant for registration or person registered as a sub-broker-dealer, the bond shall be in the amount of \$5 000,
- (c) in the case of an applicant for registration or person registered as a salesperson, the bond shall be in the amount of \$1 000, and
- (d) in any other case the bond shall be in such amount not exceeding \$1 000 as the superintendent may require.

[am. B.C. Reg. 145/76, s. 2.]

Conditions of bond

1.02 Every bond required to be delivered or cash or securities required to be deposited by the Superintendent of Brokers shall be subject to the following conditions:

- (a) the bond or cash or securities shall be forfeit, and the sum named therein shall become due and owing by the person or company bound thereby as a debt to Her Majesty in right of the Province, when there has been filed with the Superintendent of Brokers the Attorney General’s certificate that the person or company in respect of whose conduct the bond is conditioned or cash or securities deposited, or any official of such company, has, in connection with a trade in a security, been
 - (i) convicted of a criminal offence,
 - (ii) convicted of an offence against any provision of the *Securities Act*, or any regulation thereunder,

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- (iii) enjoined by the Supreme Court or a judge thereof otherwise than by an interim injunction, or
 - (iv) a party to civil proceedings in the courts, as a result of which final judgment has been given against such person, company or official in connection with a trade in a security where such judgment is based upon a finding of fraud;
- (b) the bond or cash or securities shall be forfeit, and the sum named therein shall become due and owing by the person or company bound thereby as a debt to Her Majesty in right of the Province, when there has been filed with the Superintendent of Brokers a certificate signed by the Attorney General that proceedings in respect of the person or company in respect of whose conduct the bond is conditioned or cash or securities deposited have been taken
- (i) under the *Bankruptcy and Insolvency Act* of Canada, or
 - (ii) in the case of a company, by way of winding up.

[am. B.C. Reg. 145/76, ss. 3 to 5.]

Assignment of bond

1.03 The Superintendent of Brokers may assign any bond or cash or securities forfeited under this Division or may pay over any moneys recovered thereunder to any person or company, or into the Supreme Court in trust for persons and companies who and that are or may become judgment creditors of the person or company bonded, or to any trustee, custodian, interim or official receiver or liquidator of the person or company, as the case may be; the assignment or payment over to be in accordance with and upon conditions set forth in any Special Order of the Lieutenant Governor in Council.

[am. B.C. Reg. 145/76, s. 6.]

Appointment of interim receiver, etc.

1.04 The Attorney General, whenever Her Majesty becomes a creditor of any person or company in respect of a debt arising from the provisions of this Division, may take such proceedings as the Attorney General sees fit under the *Bankruptcy and Insolvency Act* or the *Winding-up and Restructuring Act* of Canada, the *Supreme Court Act* or the *Company Act* for the appointment of an interim receiver, custodian trustee, receiver or liquidator, as the case may be.

[am. B.C. Reg. 9/96, s. 1.]

DIVISION 2

2.01 to 2.05 Repealed. [B.C. Reg. 518/2004, Sch. s. 1.]

DIVISION 3

3.01 to 3.03 Repealed. [B.C. Reg. 32/92, s. 1.]

3.04 and 3.05 Repealed. [B.C. Reg. 49/2008.]

3.06 Repealed. [B.C. Reg. 4/95.]

DIVISION 4

4.01 to 4.03 Repealed. [B.C. Reg. 165/2008.]

DIVISION 5

5.01 to 5.04 Repealed. [B.C. Reg. 295/2004, s. 2 (a).]

DIVISION 6

6.01 and 6.02 Spent.

DIVISION 7

7.01 and 7.02 Repealed. [B.C. Reg. 412/2008, App. s. 1 (a).]

DIVISION 7.1

7.101 to 7.104 Repealed. [B.C. Reg. 221/2016, s. (a).]

DIVISION 7.2 – BONDS UNDER *MOTION PICTURE ACT*

Definitions

7.201 In this Division, “**adult film**”, “**adult film distributor**”, “**copy**” and “**director**” have the meanings given them in section 1 of the *Motion Picture Act*.

[en. B.C. Reg. 75/90.]

Jurisdictions outside Province

7.202 An adult film distributor licensed under the *Motion Picture Act*, or an agent of the adult film distributor approved by the director, who with the approval of the director wishes to affix a decal to an adult film or copy in a jurisdiction outside of the Province, shall furnish and maintain, during the term of the adult film distributor’s licence, a bond or other security in the amount of \$10 000 for the honest and lawful conduct of

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the business of an adult film distributor by the adult film distributor and the agents of the adult film distributor.

[en. B.C. Reg. 75/90; am. B.C. Reg. 107/91, s. 1.]

Director is obligee

7.203 The obligee in whose favour a bond under sections 7.202 and 7.205 shall be given and who shall hold the bond shall be the director.

[en. B.C. Reg. 75/90; am. B.C. Reg. 107/91, s. 2.]

Forfeiture

7.204 The bond or other security given under this section shall be forfeited if the adult film distributor or agent of the adult film distributor

- (a) contravenes the *Motion Picture Act* or regulations made under it,
- (b) contravenes a decision of the director made under the *Motion Picture Act* or regulations made under it, or
- (c) is convicted of an offence under the *Motion Picture Act*.

[en. B.C. Reg. 75/90; am. B.C. Reg. 107/91, s. 3.]

Who must furnish bond

7.205 An adult film distributor who is required by the director, as a condition of issuing or renewing a licence, to post and maintain a bond or other security shall furnish and maintain during the term of the adult film distributor's licence a bond or other security in an amount of \$10 000 for the honest and lawful conduct of the business of an adult film distributor by the adult film distributor.

[en. B.C. Reg. 107/91, s. 4.]

DIVISION 7.3

7.301 to 7.303 Repealed. [B.C. Reg. 229/95.]

DIVISION 7.4 – BONDS UNDER THE *DEGREE AUTHORIZATION ACT***Interpretation**

7.401 In this Division, “**Act**” means the *Degree Authorization Act*.

[en. B.C. Reg. 404/2003, s. 1.]

Who must furnish bond and amount of bond

7.402 A person in respect of whom security is prescribed under the Act must deliver and maintain a bond in accordance with and in the amount specified by the Degree Authorization Regulation.

[en. B.C. Reg. 404/2003, s. 1.]

Acceptable security

7.403 Despite section 8 of this regulation, acceptable security for a bond for the purposes of the Act, must consist of one or more of the following types of security:

- (a) short term deposits, not to exceed 3 years, issued by a savings institution and registered in the name of the minister;
- (b) registered marketable bonds that are
 - (i) in fully registered form, issued or guaranteed by the government of Canada or the government of any province, with a maturity date of not longer than 3 years away, and
 - (ii) accompanied by a duly executed, irrevocable power of attorney that authorizes the minister to realize the security;
- (c) treasury bill notes issued by the government of Canada or the government of any province;
- (d) irrevocable letters of credit, issued by a savings institution, with a termination date beyond the required term of security and containing a promise to pay the minister a specified sum on written demand;
- (e) surety bonds, issued by a person authorized under the *Financial Institutions Act* to carry on insurance business.

[en. B.C. Reg. 404/2003, s. 1; am. B.C. Reg. 204/2011, Sch. B, s. 5.]

DIVISION 7.5

7.501 and 7.502 Repealed. [B.C. Reg. 66/2019, s. 4.]

DIVISION 8 – ACCEPTABLE TYPES OF SECURITY**Acceptable security**

8 For the purposes of the *Bonding Act* and this regulation, a bond must consist of one or more of the following types of security:

- (a) short term deposits, not to exceed 3 years, issued by a savings institution and registered in the name of the minister, the interest from which may be payable to the depositor;
- (b) guaranteed investment certificates, not to exceed 3 years, issued by a savings institution and registered in the name of the minister, the interest from which may be payable to the person who takes out the certificate;
- (c) registered marketable bonds that are
 - (i) in fully registered form, issued or guaranteed by the government of Canada or the government of any province, with a maturity date of not longer than 3 years, and
 - (ii) accompanied by a duly executed, irrevocable power of attorney that authorizes the minister to realize the security;

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- (d) treasury bill notes issued by the government of Canada or the government of any province;
- (e) irrevocable letters of credit, issued by a savings institution, with a termination date beyond the required term of security and containing a promise to pay the minister a specified sum on written demand;
- (f) bank drafts issued in Canadian funds;
- (g) personal money orders issued in Canadian funds by a savings institution, or postal money orders issued by the Canada Post Corporation;
- (h) a bond of the Insurance Corporation of British Columbia;
- (i) cash, in Canadian funds, and a cash bond must provide that no interest is payable by the government unless required under the enactment, licence or permit under which the security is required or by a contract with the government;
- (j) surety bonds, issued by a person authorized under the *Financial Institutions Act* to carry on insurance business;
- (k) a certified cheque issued by a financial institution.

[en. B.C. Reg. 347/93; am. B.C. Regs. 186/95, s. (a); 204/2011, Sch. B, s. 5.]

DIVISION 9 – DESIGNATED ACTS

Designated Acts

- 9 The following Acts, and any regulation made under them, are designated for the purposes of section 2 of the *Bonding Act*:

Agricultural Land Commission Act

Agricultural Produce Grading Act

Apprenticeship Act

Carbon Tax Act

College and Institute Act

Condominium Act

Degree Authorization Act

Employment Standards Act

Ferry Corporation Act

Gas Safety Act

Heritage Conservation Act

Independent School Act

Insurance Corporation Act

Islands Trust Act

Motion Picture Act

Motor Carrier Act

Motor Dealer Act

Motor Fuel Tax Act

Motor Vehicle Act

Schedule

- Oil and Gas Activities Act*
- Pesticide Control Act*
- Petroleum and Natural Gas Act*
- Petroleum Corporation Act*
- Private Investigators and Security Agencies Act*
- Private Post-Secondary Education Act*
- Provincial Sales Tax Act*
- Public Service Bonding Act*
- Real Estate Act*
- Securities Act*
- Sheriff Act*
- Social Service Tax Act*
- Supreme Court Act*
- System Act*
- Tobacco Tax Act*
- Trade Practice Act*
- Transport of Dangerous Goods Act*
- Wildlife Act*

[en. B.C. Reg. 347/93; am. B.C. Regs. 186/95, s. (b); 404/2003, s. 2; 295/2004, s. 2 (b); 126/2008, s. 3; 216/2010, Sch. s. 1; 269/2010, Sch. s. 2; 91/2013, Sch. s. 2; 99/2015, s. 2; 66/2019, s. 5.]

SCHEDULE

[am. B.C. Regs. 145/76, s. 7; 295/2004, s. 2 (c); 412/2008, App. s. 1 (b).]

SURETY BOND

(Securities Act)

KNOW ALL MEN BY THESE PRESENTS that [insert name and full address of surety company] having its head office in the Province of British Columbia at hereinafter called the “Company”, is held and firmly bound unto Her Majesty the Queen in right of the Province of British Columbia, in the penal sum of to be paid to Her Majesty, her heirs, successors and assigns, for which payment well and truly to be made the Company binds itself and its successors firmly by these presents.

Sealed with the Common Seal of the Company and dated this day of, 20....

WHEREAS of in the Province of British Columbia, (has made application for registration) or (is registered as)(see NOTE*) [strike out what does not apply] pursuant to the provisions of the *Securities Act*, and has been required pursuant to section 34 of the said Act to deliver a bond by a surety company in the sum of..... dollars for the purpose referred to in the said Act, in respect of the conduct of the said.....

AND WHEREAS by the above-written obligation the Company has, at the request of the said entered into a bond accordingly:

NOW, THE CONDITION of the above-written obligation, so entered into in respect of the conduct of the said....., is such that if the said obligation does not by reason of any

act, matter, or thing at any time hereafter become or be forfeit under any of the provisions of the said Act, then the said obligation shall be void, but otherwise shall be and remain in full force and virtue, and shall be subject to forfeiture as provided by the said Act:

PROVIDED that if the Company at any time gives one calendar month's notice in writing to the Superintendent of Brokers for the Province of British Columbia for the time being of its intention to terminate the obligation hereby undertaken, then this obligation and all liability on the part of the Company hereunder shall cease and determine in respect only of any act, matter, or thing taking place, arising, or done subsequent to the date named in the notice of the termination of the obligation hereby undertaken, but shall remain in full force and effect in respect of all acts, matters, and things taking place, arising, or done from the date hereof to the date of such termination.

The Common Seal of the said..... was hereunto affixed in the presence of
.....
.....

*NOTE—Insert the category of registration for which application is made; i.e., broker-dealer, etc.

BOND

Repealed. [B.C. Reg. 412/2008, App. s. 1 (b).]

BOND

Repealed. [B.C. Reg. 295/2004, s. 2 (c).]