

PROVINCE OF BRITISH COLUMBIA
ORDER OF THE LIEUTENANT GOVERNOR IN COUNCIL

Order in Council No. 533

, Approved and Ordered October 24, 2019



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 May 1, 2020,

- (a) sections 1, 2, 5 to 9 and 11 to 15 of the *Business Corporations Amendment Act, 2019*, S.B.C. 2019, c. 15, are brought into force, and
- (b) the Business Corporations Regulation, B.C. Reg. 65/2004, is amended as set out in the attached Schedule.



Minister of Finance and Deputy Premier



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: *Business Corporations Amendment Act, 2019*, S.B.C. 2019, c. 15, s. 16
Business Corporations Act, S.B.C. 2002, c. 57, s. 432 (9.2)

Other: OIC 201/2004

R10346950

SCHEDULE

1 The Business Corporations Regulation, B.C. Reg. 65/2004, is amended by adding the following Part:

PART 18 – TRANSPARENCY REGISTER

Definitions

46 In this Part:

“**chain of intermediaries**”, in relation to a private company, means a chain of intermediaries described in section 49;

“**control**” means control determined in accordance with the rules set out in section 50;

“**intermediary**” means a corporation, partnership, agent, trustee or personal or other legal representative;

“**private company**” has the same meaning as in section 119.1 of the Act.

Indirect control – shares

- 47 (1) This section sets out the meaning of indirect control of one or more of the shares of a private company for the purposes of section 119.11 (2) (a) (iii) of the Act.
- (2) An individual has indirect control of one or more of the shares of a private company if the individual, who is not an intermediary,
- (a) controls an intermediary that is the registered owner of the shares, or
 - (b) controls a chain of intermediaries, the last of which is the registered owner of the shares.
- (3) In addition to any individual who has indirect control under subsection (2) (b), an individual has indirect control of one or more of the shares of a private company if the individual is a trustee or personal or other legal representative in a chain of intermediaries, the last of which is the registered owner of the shares.

Indirect control – rights relating to directors

- 48 (1) This section sets out the meaning of indirect control of the right to elect, appoint or remove one or more of the directors of a private company for the purposes of section 119.11 (2) (b) (ii) of the Act.
- (2) An individual has indirect control of the right to elect, appoint or remove one or more of the directors of a private company if the individual, who is not an intermediary,
- (a) controls an intermediary that has that right, or
 - (b) controls a chain of intermediaries, the last of which has that right.
- (3) In addition to any individual who has indirect control under subsection (2) (b), an individual has indirect control of the right to elect, appoint or remove one or more of the directors of a private company if the individual is a trustee or personal or

other legal representative in a chain of intermediaries, the last of which has that right.

Chain of intermediaries

- 49** For the purposes of this Part, a chain of intermediaries, in relation to a private company, is a group of 2 or more intermediaries having a hierarchal relationship to each other in which
- (a) the last intermediary in the chain
 - (i) is the registered owner of one or more of the shares of the private company, or
 - (ii) has the right to elect, appoint or remove one or more of the directors of the private company,
 - (b) each intermediary in the chain controls the intermediary below it, and
 - (c) the first intermediary in the chain is
 - (i) controlled by an individual who is not an intermediary,
 - (ii) a trustee if the trustee is not controlled by a person, or
 - (iii) a personal or other legal representative if the representative is not controlled by a person.

Control

- 50** (1) For the purposes of this Part, control of an intermediary that is a corporation, partnership or agent, other than a corporation, partnership or agent that is a trustee or personal or other legal representative, is determined in accordance with the following rules:
- (a) a person controls a corporation if the person has the right to elect or appoint a majority of the directors of the corporation;
 - (b) a person controls a partnership if the person is a partner in the partnership;
 - (c) a person controls an agent if the person is the principal of the agent.
- (2) For the purposes of this Part, control of an intermediary that is a trustee is determined in accordance with the following rules:
- (a) a person controls a trustee that is the registered owner of one or more of the shares of a private company if the person has, under the terms of the trust, the power to direct how the trustee is to exercise any of the rights that are attached to the shares;
 - (b) a person controls a trustee that has the right to elect, appoint or remove one or more of the directors of a private company if the person has, under the terms of the trust, the power to direct how the trustee is to exercise that right;
 - (c) a person controls a trustee that controls an intermediary if the person has, under the terms of the trust, the power to direct how the trustee is to exercise control over the intermediary;
 - (d) the rules in subsection (1) apply in determining who controls a corporation, partnership or agent that controls a trustee.

- (3) For the purposes of this Part, control of an intermediary that is a personal or other legal representative is determined in accordance with the following rules:
- (a) a person controls a representative that is the registered owner of one or more of the shares of a private company if the person has the legal authority to direct how the representative is to exercise any of the rights that are attached to the shares;
 - (b) a person controls a representative that has the right to elect, appoint or remove one or more of the directors of a private company if the person has the legal authority to direct how the representative is to exercise that right;
 - (c) a person controls a representative that controls an intermediary if the person has the legal authority to direct how the representative is to exercise control over the intermediary;
 - (d) the rules in subsection (1) apply in determining who controls a corporation, partnership or agent that controls a representative.
- (4) For the purposes of this Part, an individual controls a chain of intermediaries if the individual controls the first intermediary in the chain.

Public Guardian and Trustee

51 Despite sections 47 and 48, if the Public Guardian and Trustee

- (a) controls an intermediary that is the registered owner of one or more of the shares of a private company or controls a chain of intermediaries, the last of which is the registered owner of one or more of the shares of a private company, or
- (b) controls an intermediary that has the right to elect, appoint or remove one or more of the directors of a private company or controls a chain of intermediaries, the last of which has the right to elect, appoint or remove one or more of the directors of a private company,

no individual has, for the purposes of section 119.11 (2) (a) (iii) or (b) (ii) of the Act, indirect control of those shares or that right.