



INTRODUCTION TO THE STANDING SENATE COMMITTEE ON BANKING, TRADE AND COMMERCE

MANDATE

The Standing Senate Committee on Banking, Trade and Commerce has the mandate to examine legislation and to study issues related to banking, insurance, trust and loan companies, credit societies, caisses populaires and small loans companies. It is also responsible for considering customs and excise issues, taxation legislation, patents, royalties, corporate affairs, and bankruptcy-related issues.

The committee has conducted major studies in areas as diverse as corporate governance, financial sector reform, insolvency, Crown corporations, taxation, business and trade, productivity, financial crimes, retirement and digital currency.

HISTORY

The Standing Senate Committee on Banking, Trade and Commerce has been part of the history of the Senate since Parliament first met in November 1867, several months after Confederation. From the beginning, the committee - originally called the Banking, Commerce and Railways Committee - had the task of reviewing legislation.

For its first 100 years, the committee considered the majority of legislation that was not examined by the Committee of the Whole. In 1968, the *Rules of the Senate* were changed to give committees specific mandates. The mandate of the committee was changed to include any reference relating to financial institutions generally and other specific subjects relating to corporate affairs. This focus on subjects within the general area of finance and business, combined with the opportunity to pre-study selected bills or engage in special inquiries, has helped to expand the influence of the committee.

SELECTED STUDIES

Over the last ten years, the committee has investigated topics of immediate interest and importance to the country. Shortly after the terrorist attacks on September 11, 2001, the committee reported on measures that could be implemented to facilitate the movement of goods and people across the Canada-U.S. border. A related study was completed in 2006, when U.S.-initiated changes were being made to the documents that can be used to cross into the United States.

The committee has a long history of examining corporate governance issues, and did so in its 2003 report when, in the wake of the Enron scandal, the committee held hearings and made recommendations about the changes needed to audit and accounting standards, corporate governance and executive compensation in an effort to restore investor confidence. Investor concerns and protection were addressed during the committee's examination of consumer



issues in the financial services sector. Other issues such as protection in relation to deposit-taking institutions and insurance were also discussed.

As the Canadian population continues to age, important issues have come to the fore. In two notable studies, the committee examined Canada's lagging productivity in the industrialized world which may limit the nation's future prosperity, and – more directly – the implications of demographic change in Canada for Canadians, Canadian businesses and the nation's economy. The committee's reports on both of these issues contained recommendations designed to improve the nation's future prospects, firstly by suggesting initiatives to improve productivity, and secondly, by urging the adoption of measures designed to mitigate the effects of demographic change.

. In the midst of the committee's 2009 study related to credit cards and debit cards, the federal government announced proposed amendments to the *Bank Act* regulations in relation to card issuers, many of which had been raised in testimony before the committee.

Finally, the committee recently examined the use of digital currency with a particular focus on potential risks, threats and advantages. In its report, the committee recommended that the government should require digital currency exchanges to meet the same requirements as other money services businesses in relation to Canada's anti-money laundering and anti-terrorist financing regimes.

SELECTED LEGISLATIVE WORK

In recent years, comprehensive legislative reviews of the *Bank Act*, the *Bankruptcy and Insolvency Act*, the *Companies' Creditors Arrangements Act*, the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act*, and the *Business Development Bank of Canada Act* have been conducted.

Many of these studies lead to legislative changes being introduced by the government. In particular, the committee's comprehensive hearings in relation to the *Bankruptcy and Insolvency Act* and the *Companies' Creditors Arrangements Act* were followed by two bills seeking to modernize Canada's insolvency legislation.

Finally, a significant example of the importance and impact of the work done by the committee is illustrated by its work on a bill entitled: *An Act to establish the Financial Consumer Agency of Canada and to amend certain Acts in relation to financial institutions*. In 2003, this legislation introduced significant changes to the structure of the financial services sector and was the culmination of a public consultation process by the Task Force on the Future of the Canadian Financial Services Sector, and by two parliamentary committees – including the Banking, Trade, and Commerce Committee – that scrutinized the Task Force's report.

CURRENT WORK

For information on the current work of the committee, you may wish to review the orders of reference the committee has received from the Senate, or review the committee proceedings.



Detailed information on current work of the committee can be found on the parliamentary website at <http://senate-senat.ca/banc.asp>.