

Permitted investments for investment of money from contingency reserve fund

6.11 A strata corporation may invest money from the contingency reserve fund or money collected on a special levy in the following investments for the purposes of section 95 (2) (a) or 108 (4) (b) (i), as the case may be, of the Act:

(a) securities of Canada, a province, the United Kingdom, the United States of America or a municipal corporation in a province;

(b) securities the payment of the principal and interest of which is guaranteed by Canada, a province, the United Kingdom, the United States of America or a municipal corporation in a province;

(c) securities issued for school, hospital, irrigation, drainage or other similar purposes that are secured by or payable out of rates or taxes levied under the law of a province on property in that province;

(d) bonds, debentures or other evidence of indebtedness of a corporation that are secured by the assignment to a trustee of payments that Canada or a province has agreed to make, if those payments are sufficient to meet the interest on all the bonds, debentures or other evidence of indebtedness outstanding as it falls due and also to meet the principal amount of all the bonds, debentures or other evidence of indebtedness on maturity;

(e) bonds, debentures or other evidence of indebtedness of a corporation incorporated under the laws of Canada or a province that are fully secured by a mortgage, charge or hypothec to a trustee on any one or combination of the following assets:

(i) land;

(ii) the plant or equipment of a corporation that is used in the transaction of its business;

(iii) bonds, debentures or other evidence of indebtedness or shares of a class or classes authorized by this section;

(f) bonds, debentures or other evidence of indebtedness of a corporation incorporated under the laws of Canada or a province if the corporation has earned and paid a dividend,

(i) in each of the 5 years immediately preceding the date of investment, at least equal to the specified annual rate on all of its preferred shares, or

(ii) in each year of a period of 5 years ending less than one year before the date of investment, on its common shares of at least 4% of the average value at which the shares were carried in the capital stock account of the corporation during the year in which the dividend was paid;

(g) guaranteed trust or investment certificates of

(i) a bank, or

(ii) a corporation that is incorporated under the laws of Canada or of a province and that has a business authorization to carry on trust business or deposit business;

(h) bonds, debentures or other evidence of indebtedness of a loan corporation or similar corporation

(i) that at the time of investment has all of the following:

(A) power to lend money on mortgages, charges or hypothecs of real estate;

(B) a paid up nonreturnable capital stock of not less than \$500 000;

(C) a reserve fund amounting to not less than 25% of its paid up capital, and

(ii) the stock of which has a market value that is not less than 7% in excess of its par value;

(i) preferred shares of a corporation incorporated under the laws of Canada or of a province if the corporation has paid a dividend,

(i) in each of the 5 years immediately preceding the date of investment, at least equal to the specified annual rate on all of its preferred shares, or

(ii) in each year of a period of 5 years ending less than one year before the date of investment, on its common shares of at least 4% of the average value at which the shares were carried in the capital stock account of the corporation during the year in which the dividend was paid;

(j) first mortgages, charges or hypothecs on land in Canada, but only if the loan does not exceed 75% of the value of the property at the time of the loan as established by a valuator whom the strata corporation believes on reasonable grounds to be competent and independent;

(k) securities issued or guaranteed by the International Bank for Reconstruction and Development established by the Agreement for an International Bank for Reconstruction and Development, approved by the *Bretton Woods and Related Agreements Act* (Canada), but only if the bonds, debentures or other securities are payable in the currency of Canada, the United Kingdom, a member of the British Commonwealth or the United States of America;

(l) fully paid common shares of a corporation incorporated under the laws of Canada or of a province that, in each year of a period of 7 years ending less than one year before the date of investment, has paid a dividend on its common shares of at least 4% of the average value at which the shares were carried in the capital stock account of the corporation during the year in which the dividend was paid;

(m) deposits in, or non-equity or membership shares or other evidence of indebtedness of, a credit union.

[en. B.C. Reg. 33/2003; am. B.C. Regs. 203/2003, s. 1; 312/2009, s.3.]