



Province of Alberta

## AGRICULTURE FINANCIAL SERVICES ACT

# AGRICULTURE FINANCIAL SERVICES REGULATION

### **Alberta Regulation 99/2002**

With amendments up to and including Alberta Regulation 188/2014

### Office Consolidation

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(Consolidated up to 188/2014)

**ALBERTA REGULATION 99/2002**

**Agriculture Financial Services Act**

**AGRICULTURE FINANCIAL SERVICES REGULATION**

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### **Definitions**

**1(1)** In this Regulation,

- (a) “Act” means the *Agriculture Financial Services Act*;
- (b) “agricultural industry” means an industry referred to in subsection (2);
- (c) “appeal committee” means an appeal committee established under section 10 of the Act;
- (d) “associated businesses” means associated businesses as defined in the Act;
- (e) “Board” means the Board of Directors of the Corporation;
- (f) “borrower” means
  - (i) a commercial enterprise, or

- (ii) a primary producer, the owner of an associated business or a person engaged in an agricultural industry,

to whom or to which a loan is made;

- (g) “Canadian citizen” includes a permanent resident within the meaning of the *Immigration Act* (Canada);
- (h) “commercial enterprise” means a commercial enterprise as defined in the Act;
- (i) “company” includes an association as defined in the *Co-operative Associations Act*;
- (j) “Corporation” means the Agriculture Financial Services Corporation;
- (k) “crop year” means the period commencing on April 1 in one year and ending on March 31 in the next year and, where preceded by a reference to a specified year, means such a period commencing on April 1 of that specified year;
- (l) “direct loan” means a loan made by the Corporation under section 24 or 25.1 of the Act;
- (m) “equity share” means
  - (i) any share of any class of shares of a company carrying full or limited voting rights under all circumstances, and
  - (ii) any share of any class of shares of the company carrying voting rights by reason of the occurrence of a contingency that has occurred and is continuing;
- (n) “farm” includes any land or facility used for the purpose of tillage, pasture, livestock raising, dairying, fruit growing, tree growing, beekeeping, fur production or aquaculture;
- (o) “guaranteed loan” means a loan by a lender of which the payment of all or any of the principal and all or any of the interest is guaranteed by the Corporation and includes
  - (i) a mortgage or an agreement for sale entered into between a lender and a purchaser, and
  - (ii) a letter of credit that the Corporation may issue on behalf of a borrower;

- (p) “lender” means
- (i) a treasury branch;
  - (ii) a bank;
  - (iii) a credit union;
  - (iv) a trust corporation;
  - (v) an insurer licensed under the *Insurance Act*;
  - (vi) a person selling real or personal property to a primary producer, an owner of an associated business or a person engaged in an agricultural industry by means of a transaction that includes a mortgage or an agreement for sale on that property;
  - (vii) any other lender, except the Corporation, authorized to carry on business in Alberta;
- (q) “livestock” includes domestic cervids within the meaning of the *Domestic Cervid Industry Regulation* and such other creatures the Corporation designates in writing as livestock;
- (r) “loan” means a direct loan or a guaranteed loan;
- (s) “primary producer” means
- (i) a person who owns or operates or, with financial assistance provided by the Corporation or a lender, will operate a farm, or
  - (ii) an individual who is or intends to be a shareholder of a company that operates or will operate a farm;
- (t) “security” includes a loan agreement, promissory note, guarantee or indemnity.

**(2)** For the purposes of the Act and this Regulation, an agricultural industry is an undertaking that meets one or more of the following qualifications:

- (a) an undertaking that processes, alters, markets or packages any agricultural commodity;
- (b) an undertaking that provides services to primary producers or processors;
- (c) an undertaking that is organized as a society under the *Agricultural Societies Act*;

- (d) an undertaking the objects of which are, in the opinion of the Board, conducive to the development or improvement of agriculture in Alberta.

AR 99/2002 s1;188/2014

## **Part 1**

### **Administration of the Corporation**

#### **Fees to the Board**

**2** The remuneration payable to members of the Board who are not

- (a) employees of the Crown in right of Alberta or any agency thereof, or
- (b) members of the Legislative Assembly,

is to be in accordance with Schedule 1, Part A, of the Committee Remuneration Order.

#### **Head office**

**3** The Lieutenant Governor in Council designates Lacombe, Alberta as the location in Alberta at which the head office of the Corporation will be situated.

#### **Corporate seal**

**4** It is unnecessary

- (a) to have the corporate seal affixed to any document, or
- (b) to prove that the document was signed on behalf of the Corporation under any by-law, special vote or order of the Corporation.

#### **Conflicts of interest**

**5(1)** No loan may be made

- (a) to an individual who is
  - (i) an employee of the Government of Alberta and under the administration of the Minister of Agriculture and Rural Development, or
  - (ii) a director, officer or employee of any corporation, agency or other body that reports to or is administered by the Minister of Agriculture and Rural Development,

- (b) to a company in which an individual described in clause (a)(i) is a director, officer or employee except a company of which that individual is a director by reason only of having been nominated to represent the Government of Alberta on the board of directors of the company, or
- (c) to a company of which an individual described in clause (a)(i) is a shareholder or member, except a company in which not more than 5% of the voting rights belong to that individual.

(2) Notwithstanding subsection (1)(a), a loan may be made to an individual referred to in subsection (1) if

- (a) the deputy head or other chief officer of the department or agency in which the individual is serving or employed provides to the Corporation a written statement that in the opinion of the deputy head or other chief officer no actual or potential conflict of interest will result from the making of the loan, and
- (b) the Corporation is in agreement with that opinion.

(3) The Corporation may establish a code of conduct and ethics dealing with

- (a) conflicts of interest between its employees and Board members, and
- (b) any financial or other transactions an employee or Board member may have with the Corporation.

AR 99/2002 s5;35/2007;68/2008

#### **Disqualifications not applicable to general guarantees**

**6** Section 5 does not apply to guaranteed loans made to a primary producer where the Corporation's liability as guarantor arises under an agreement made between the Corporation and a lender if the agreement applies or is intended to apply to primary producers generally and does not specify the borrower by name.

#### **Appeal to appeal committee**

**7(1)** A person who is a party to a contract of insurance with the Corporation under the Act may appeal to an appeal committee a decision made by the Corporation or a person on behalf of the Corporation where

- (a) the decision involves the interpretation of
  - (i) the contract of insurance or any related document, or

(ii) this Regulation as it relates to the contract of insurance,

and

(b) the matter of interpretation relates to the rights or obligations of any of the parties to the contract of insurance.

(2) An appeal must be commenced not later than one year after the date of the decision being appealed.

(3) An appeal committee shall establish its own rules of procedure, subject to the following:

- (a) where an appeal committee consists of more than one person, the chair may vote only for the purposes of breaking a tie vote;
- (b) the strict legal rules of evidence need not be followed;
- (c) representation of appellants or the Corporation by third parties, including legal counsel, is not prohibited;
- (d) each party appearing before an appeal committee is responsible for its own costs, regardless of the decision of the appeal committee.

#### **Assessment of crop loss**

**8(1)** Notwithstanding section 7(2), where

- (a) a person is a party to a contract of insurance with the Corporation,
- (b) that person has made a claim for crop loss against that contract of insurance,
- (c) the Corporation has made an assessment of the crop loss, and
- (d) that person wishes to appeal the assessment or has a dispute relating to the assessment,

that assessment may be appealed only if the insured notifies the Corporation of the appeal within 7 days from the day that the insured is served with the assessment.

(2) For the purposes of subsection (1) service may be effected on the insured by

- (a) personal service;

- (b) by ordinary or registered mail in which case service is deemed to have been effected
  - (i) 7 days from the date of mailing if the document is mailed in Alberta to an address in Alberta, or
  - (ii) subject to subclause (i), 14 days from the date of mailing if the document is mailed to an address located outside of Alberta;
- (c) by electronic means if that electronic means results in a printed copy of the document being received by the insured.

(3) Where there is more than one insured in respect of the crop loss for which an assessment has been made, service of the assessment on one of the insureds is service on all the insureds.

#### **Interest rates**

##### **9(1) The Corporation**

- (a) may from time to time as determined by the Corporation, or at the direction of the Minister must, review the interest rates to be charged on loans or other money owing to the Corporation, and
- (b) after making a review of interest rates may, with the prior approval of the Minister,
  - (i) maintain the existing rates, or
  - (ii) set new rates.

(2) Nothing in this section shall have the effect of allowing the interest rate to be increased effective prior to the date that the Corporation sets the increased rate.

## **Part 2 Lending and Financial Assistance**

### **Division 1 General**

#### **Loans and guarantees to connected persons**

**9.1(1)** For the purposes of this section, a person is connected to another person if, in the Corporation's opinion,

- (a) the person is an affiliate of the other person, or

- (b) 2 or more of the following conditions are or would be met in respect of loans to those persons:
- (i) the loans would be, in substance, a single loan or would serve substantially the same purpose;
  - (ii) the expected source of repayment of the loans is or would be wholly or substantially dependent on a common source of money;
  - (iii) the loans would be wholly or substantially dependent on the same security.

**(2)** Notwithstanding subsection (1), persons who, in the Corporation's opinion, are financially independent of each other to a material extent are not connected persons for the purposes of this section.

**(3)** For the purposes of calculating loan and guarantee limits under section 29(1)(c) of the Act in respect of a proposed loan to a person or a guarantee of a loan to a person,

- (a) a loan of the Corporation's own funds to a person who is connected to that person in respect of the proposed loan or guarantee must, for the purposes of section 29(1)(c)(ii) of the Act, be considered as a loan to that person, and
- (b) the Corporation's liability under a guarantee of a loan to a person who is connected to that person in respect of the proposed loan or guarantee must, for the purposes of section 29(1)(c)(iii) of the Act, be considered as a guarantee of a loan made to that person.

AR 165/2004 s2

### **Project limits**

**9.2** The Corporation must not make a loan or execute a guarantee in respect of a project if the sum of

- (a) the proposed advance of the Corporation's own funds or the amount of the Corporation's liability under the proposed guarantee, as the case may be,
- (b) the outstanding balance of all other loans of the Corporation's own funds for substantially the same project, as determined by the Corporation, and
- (c) the amount of the Corporation's liability under any other guarantee of loans for substantially the same project, as determined by the Corporation

would exceed the lesser of \$25 000 000 or 80% of the value of the project, as determined by the Corporation.

AR 165/2004 s2;65/2009

#### **Limits for the purpose of s29(1) of the Act**

**9.3** The maximum amount for the purposes of section 29(1)(a), (b) and (c) of the Act is \$5 000 000.

AR 65/2009 s3

#### **Eligible commercial enterprises**

**10(1)** Subject to subsection (2), commercial enterprises that meet the requirements of the Act and this Regulation are eligible to apply to the Corporation for loans.

**(2)** A commercial enterprise engaged in the following activities or businesses is not eligible to apply for a loan:

- (a) any business or activity to which Division 2 applies;
- (b) the operation of public or municipally owned utilities and similar infrastructure components, except for operation of a rural utility acceptable to the Corporation;
- (c) supplying residential accommodations other than tourist facilities;
- (d) oil and gas production or exploration, or both;
- (e) the business of providing financing.

#### **Agricultural financing**

**11** Primary producers, owners of associated businesses and persons engaged in agricultural industries that meet the requirements of the Act and this Regulation are eligible to apply to the Corporation for loans, grants and other incentives.

#### **Applicant information**

**12** An applicant for a loan must

- (a) provide evidence satisfactory to the Corporation that the applicant has or will have
  - (i) the necessary land, buildings, machinery, equipment, capital and livestock, or any one or more of those items, as the case may be, as are needed, and
  - (ii) the ability, knowledge and skill that is needed

to operate successfully the farm, business or undertaking with respect to which a loan may be made, and

- (b) provide in a form satisfactory to the Corporation any financial and other information that the Corporation may require.

#### **Borrower information**

**13** A borrower must provide in a form satisfactory to the Corporation any financial and other information that the Corporation may require.

#### **Security for guaranteed loans**

**14(1)** The Corporation may

- (a) take and hold whatever security it considers advisable for a guarantee given by it pursuant to the Act, and
- (b) realize, assign, dispose of or otherwise deal with that security.

**(2)** The Corporation may require a lender, in consideration of the Corporation's guarantee of a loan, to do one or more of the following:

- (a) take and hold whatever security that the Corporation considers advisable;
- (b) realize, assign, dispose of or otherwise deal with that security referred to in clause (a);
- (c) assign any or all of the security referred to in clause (a) to the Corporation;
- (d) enter into an agreement that is satisfactory to the Corporation
  - (i) appointing the Corporation as the lender's agent for all purposes relating to the administration of the loan, and
  - (ii) establishing the terms and conditions of the relationship between the lender and the Corporation.

#### **Acquired information**

**15(1)** No officer or employee of the Corporation or Board member may use for the officer's, employee's or Board member's own

benefit any information obtained by the officer, employee or Board member in performing services or duties for the Corporation.

(2) All papers and materials received by the Corporation in connection with any loan or application for a loan may be retained by the Corporation.

**Other assistance**

**16(1)** In this section, “investor” means a person or group of persons who, in the opinion of the Corporation,

- (a) has made an investment of money, goods or services that will generally advance the interests of agriculture, or
- (b) on the receipt of assistance under this section, will make an investment that will generally advance the interests of agriculture.

(2) The Corporation may in one or more of the following forms provide assistance not otherwise provided for under the Act or this Regulation:

- (a) the provision of consulting and advisory services, including financial analysis and recommendations;
- (b) the provision of clerical, administrative and management services;
- (c) the appointment of one or more members of the Board or officers or employees of the Corporation to the board of directors or a board of management of
  - (i) a person who is eligible to receive assistance under this section, or
  - (ii) an investment fund;
- (d) acting as an agent or a trustee for
  - (i) a person who is eligible to receive assistance under this section, or
  - (ii) an investment fund.

(3) The following persons are eligible to apply to the Corporation to receive assistance under this section:

- (a) borrowers;
- (b) primary producers;

- (c) owners of associated businesses or persons engaged in agricultural industries;
- (d) investors;
- (e) lenders.

**(4)** The Corporation may provide the assistance described in this section by itself or jointly with one or more other persons or governments.

**(5)** For the purposes of this section, sections 17, 18 and 19 do not apply to persons referred to in subsection (3)(c), (d) and (e).

**Qualification for a loan re businesses, etc.**

**17** For the purposes of applying for a loan,

- (a) the owner of a commercial enterprise or of an associated business, or
- (b) a person engaged in an agricultural industry,

must provide evidence satisfactory to the Corporation that the applicant is

- (c) an individual who is a Canadian citizen, or
- (d) a company that is incorporated in Canada and registered to carry on business in Alberta.

## **Division 2 Agricultural Matters**

**Qualifications to be an applicant for a loan re primary producer**

**18(1)** In order for a person to qualify to be an applicant for a direct loan, the person must

- (a) in the case of an individual,
  - (i) be a primary producer,
  - (ii) be a resident of Alberta or intend to become a resident of Alberta, and
  - (iii) be a Canadian citizen;
- (b) in the case of a company,
  - (i) be a primary producer,

- (ii) be incorporated in Alberta,
- (iii) have or intend to have its business operations directed and managed in Alberta,
- (iv) have at least 80% of the equity shares of the company beneficially owned by individuals, each of whom must be a Canadian citizen who ordinarily resides in Canada, and
- (v) have the majority of the voting and equity shares of the company controlled by individuals each of whom is a Canadian citizen who is or intends to become a resident of Alberta.

**(2)** In order for a person to qualify to be an applicant for a guaranteed loan, the person must

- (a) in the case of an individual,
  - (i) be a primary producer,
  - (ii) be a resident of Alberta or intend to become a resident of Alberta, and
  - (iii) be a Canadian citizen;
- (b) in the case of a company,
  - (i) be a primary producer,
  - (ii) be incorporated in Canada and registered to carry on business in Alberta,
  - (iii) have or intend to have its business operations directed and managed in Alberta,
  - (iv) have at least 80% of the equity shares of the company beneficially owned by individuals, each of whom must be a Canadian citizen who ordinarily resides in Canada, and
  - (v) have the majority of the voting and equity shares of the company controlled by individuals each of whom is a Canadian citizen who is or intends to become a resident of Alberta.

**(3)** Where a person intends to apply

- (a) to the Corporation for a direct loan or a guaranteed loan, that person must provide to the Corporation evidence satisfactory to the Corporation that the person meets the

qualifications referred to in subsection (1) in the case of a direct loan, or subsection (2) in the case of a guaranteed loan, to be an applicant, or

- (b) to a lender for a guaranteed loan, that person must provide to the lender evidence satisfactory to the lender that the person meets the qualifications referred to in subsection (2) to be an applicant.

AR 99/2002 s18;219/2002

#### **Share structure qualification**

**19(1)** For the purposes of section 18, a specified percentage of the equity shares of a company belongs to persons if, in the Corporation's opinion,

- (a) those persons beneficially own equity shares of the company carrying in the aggregate that specified percentage of the voting rights attached to all of the company's issued and outstanding equity shares, and
- (b) no other person exercises or is in a position to exercise control or direction over any of the equity shares so owned.

**(2)** For the purposes of section 18, a company is controlled by persons if, in the Corporation's opinion,

- (a) those persons beneficially own shares of the company carrying in the aggregate more than 50% of the voting rights for the election of directors,
- (b) no other person exercises or is in a position to exercise control or direction over any of those shares, and
- (c) the voting rights carried by those shares are sufficient, if exercised, to elect a majority of the board of directors of the company.

#### **Incentives, grants, etc.**

**20(1)** The Corporation may provide incentives, grants or other forms of assistance to a primary producer or to a lender as defined in section 1(1)(p)(vi) for one or more of the following purposes:

- (a) to encourage the acquisition of livestock and associated equipment and assist the development and improvement of livestock facilities;

- (b) to encourage and assist qualified persons to acquire land, buildings, machinery and livestock in order to begin farming;
  - (c) to promote the development of and the addition of improvements to land for agricultural use;
  - (d) to further improve practices of range land management, production and conservation;
  - (e) to encourage the acquisition and improvement of equipment and facilities for the production, storage and handling of vegetables.
- (2) An incentive under subsection (1) may be provided by way of payment
- (a) directly to a primary producer,
  - (b) to a lender on behalf of a primary producer for an amount owing to the lender by the primary producer, or
  - (c) to the Corporation on behalf of a primary producer for an amount owing to the Corporation by the primary producer.

AR 99/2002 s20;217/2002

**Application of incentives**

**21** The Corporation may provide incentives to assist primary producers by doing one or more of the following:

- (a) making payments to lenders on behalf of primary producers of the principal or any portion of the principal or the interest or any portion of the interest on guaranteed loans made to primary producers;
- (b) making payments to lenders of amounts other than the principal or interest on loans;
- (c) making rebates to primary producers of all or any part of accrued interest paid on loans made to primary producers by the Corporation or by lenders;
- (d) deferring payment of principal or accrued interest by primary producers in respect of loans made to primary producers under the Act;

- (e) forgiving payment of all or any part of the outstanding balance of the principal amount and interest of a direct loan made to a primary producer who is an individual and dies before becoming 65 years old.

AR 99/2002 s21;219/2002

**Incentives to associated businesses, etc.**

**22(1)** The Corporation may provide incentives to the owners of associated businesses or to persons engaged in agricultural industries by

- (a) making rebates to them,
- (b) forgiving payments by them, or
- (c) making payments for their account,

of up to 3 percentage points of accrued interest paid or payable by them on a maximum of \$500 000 of the principal amounts of loans made to them by the Corporation or by lenders.

**(2)** The Corporation may provide incentives to the owners of associated businesses or to persons engaged in agricultural industries by deferring the payment of principal or accrued interest or both payable by them in respect of loans made to them by the Corporation or by lenders.

**(3)** In respect of interest accruing after March 31, 1986 on loans made before April 1, 1986, the calculation of incentives is not subject to the maximum principal amount limit of \$500 000 referred to in subsection (1).

## **Part 3 Crop Insurance**

**Definitions**

**23** In this Part,

- (a) “annual schedule of rates” means the schedule of coverages and premiums established by the Corporation;
- (b) repealed AR 65/2009 s5;
- (c) “designated grade” means the grade
  - (i) established by the Canada Grain Commission, and
  - (ii) that the Corporation chooses as appropriate for any specific type of crop;

- (d) “harvested production” means the total volume, as adjusted by the Corporation, for
- (i) grade, weight and volume of the insured’s insurable crop grown and harvested in a crop year, and
  - (ii) losses attributable to the causes described in the insurance contract;
- (e) “insurable crops” means
- (i) wheat, oats, barley, mixed grain, rye, canola, triticale, flaxseed or mustard,
  - (ii) corn, carrots, rutabagas, cabbage, beans, broccoli, cauliflower, cucumbers, pumpkins, squash or onions, or
  - (iii) peas, chickpeas, potatoes, alfalfa seed, fescue seed, strawberries, sugar beets, sunflowers, lentils, fababeans, safflower or timothy seed,
- or, with respect to any such crop, the variety of that crop that the Corporation has designated as an insurable crop, whether grown on dry land or on irrigated land or on dry land and irrigated land, and includes
- (iv) any other crops or varieties of crops referred to in this Regulation as a crop for which insurance or compensation may be offered, and
  - (v) any other crops or varieties of crops the Corporation, in its discretion, may determine as being insurable;
- (f) “insured crop” means an insurable crop
- (i) that the insured has elected for coverage and the seeded acreage of which the insured has reported in the insured’s report of seeded crops, and
  - (ii) that the Corporation accepts for insurance;
- (g) “insured value” means the value per unit of production elected by the insured for an insured crop;
- (h) “put to another use” means ploughed, cut for feed, pasture or put to use other than for the production of grain or any part of an unharvested insured crop;

- (i) “risk area” means a geographical unit with relatively uniform risk and production capabilities, as established by the Corporation.

AR 99/2002 s23;65/2009

#### **Application of Part**

**24(1)** Except where stated otherwise, this Part does not apply to hail insurance.

**(2)** Subject to this Part, the form and content in the application forms for insurance and in the contracts of insurance may be prescribed by the Corporation.

**(3)** Where this Part or a contract of insurance prescribes a time within which or before which something is to be done, the Board may by resolution extend the time.

**(4)** The provisions of any contract of insurance are incorporated by reference and apply as if they form part of this Part.

#### **Application for insurance**

**25(1)** An application for insurance must be received by the Corporation before May 1 in the crop year to which the insurance is to apply.

**(2)** The form of the application for insurance must contain sufficient information to allow the Corporation to determine if the applicant is eligible for insurance and that the applicant has or will have insurable crops.

**(3)** The application for insurance may require the applicant to provide the following information:

- (a) name, address and social insurance number of the applicant;
- (b) if the applicant is a company, the social insurance number of each shareholder holding 10% or more of the voting shares and the company’s identification number used for income tax purposes;
- (c) description of land on which insurable crops are to be produced;
- (d) any other records or information the Corporation deems necessary to adequately assess the requirements for insurance.

**Crop Reinsurance Fund**

**26** The Corporation shall administer and account for the Crop Reinsurance Fund of Alberta in accordance with the terms of the federal-provincial agreement entered into under the Act.

AR 99/2002 s26;64/2004

**Eligibility for crop insurance**

**27(1)** A person is eligible for crop insurance if that person operates a farm in Alberta and is or will be

- (a) making decisions for cultural and cropping practices for that farm,
- (b) directly responsible for work involved in producing insurable crops and for paying for that work, and
- (c) receiving the majority share of the proceeds from the sale or disposition of insurable crops.

**(2)** Notwithstanding subsection (1), any person who has an insurable interest in a crop is eligible to insure that crop against one or more of the following perils:

- (a) hail;
- (b) accidental fire;
- (c) fire caused by lightning.

AR 99/2002 s27;108/2004

**Insurable areas**

**28** Insurance or compensation may be offered in respect of insurable crops produced in the following areas:

- (a) land in the province of Alberta;
- (b) land located in neighbouring provinces or territories if
  - (i) the applicant is otherwise an eligible person, and
  - (ii) the Corporation is satisfied that the neighbouring province or territory has not insured, or will not insure, the insurable crop.

**Requirements and entitlements**

**29(1)** A person insuring a crop must insure the entire area that the person seeds to that crop.

(2) Where a person fails to comply with subsection (1), the Corporation may deny all or part of the liability for that crop.

(3) If, in the opinion of the Corporation, all or a part of the loss is due to uninsured perils,

- (a) the Corporation is not obligated to pay for that portion so lost, and
- (b) the insured is not entitled to the return of any money paid as premium or relieved from liability for paying outstanding premiums.

#### **Hail endorsement**

**30(1)** Subject to this Part, a hail endorsement may be offered on an optional basis providing spot-loss protection against losses caused by the following perils:

- (a) hail;
- (b) accidental fire;
- (c) fire caused by lightning.

(2) The election by a person to acquire the hail endorsement must be made by giving the Corporation written notification not later than April 30 in the year that the crops are to be harvested.

(3) The premium payable by the insured for the hail endorsement is in addition to that payable under the basic policy.

AR 99/2002 s30;108/2004

#### **Adjusters**

**31** The Corporation may appoint adjusters as may be necessary to inspect insured crops and provide any reports relating to estimates of yields or potential yields, losses and to generally investigate and report on any claims or losses under any contract of insurance.

#### **Contract terms and conditions**

**32(1)** Except as otherwise provided in this section or in the Act, the contract of insurance is continuous and remains in force from year to year.

(2) The contract of insurance may allow either the Corporation or the insured to cancel the contract effective for a specified crop year by giving the other party to the contract written notice of cancellation not later than a date to be specified by the Corporation in the contract.

(3) Where an insured has given notice of cancellation as permitted under subsection (2), the insured may apply in writing for reinstatement.

(4) The contract must specify when a notice under subsection (3) is to be given, but it cannot specify a date that is later than April 30 in the crop year following the last crop year in which the contract was in force.

(5) If the Corporation accepts reinstatement of a contract, the insured retains any premium and coverage adjustments to which the insured would have been entitled had the insured not submitted a notice of cancellation.

(6) If the Corporation cancels the contract of an insured, other than at the request of the insured, the insured may apply for insurance,

- (a) where the Corporation specifies a period of time in respect of the cancellation, at the conclusion of that period of time, or
- (b) where the Corporation does not specify a period of time in respect of that cancellation, after one year has elapsed after the cancellation.

(7) Where

- (a) the Corporation cancels a contract of insurance, other than at the request of the insured, and
- (b) at the conclusion of the applicable period of time referred to in subsection (6) that insured once again applies for insurance,

the Corporation must review the reasons for the cancellation.

(8) If the applicant's application establishes to the satisfaction of the Board that the reasons for cancellation no longer exist, the Board must approve acceptance of the application.

(9) A contract of insurance with an insured remains in force during any year in which the insured does not have an insured crop unless the contract is cancelled by the insured, but after 2 consecutive years with no insured crop the contract of an insured may be cancelled by the Corporation unless the insured requests in writing that it not be cancelled.

(10) A contract of insurance must contain the method of calculating the indemnity payable to an insured on an insured crop.

(11) For the purposes of hail endorsements, the following provisions apply:

- (a) where the insured wishes to cancel the hail endorsement on a crop for the season, the cancellation becomes effective on the date that the written notice of cancellation is received by the Corporation, and the premium payable by the insured is to be determined in accordance with the dates of cancellation as shown in the insurance contract;
- (b) if the notice of cancellation is given before May 1, the cancellation becomes effective immediately;
- (c) notwithstanding clause (a), for insurable crops designated by the Corporation, the cancellation dates set out in the insurance contract may be advanced by the Corporation by not more than 2 weeks if the Corporation is of the opinion that the insurable crop is more at risk earlier in the crop year than later in the crop year;
- (d) insurance under the hail endorsement is to be limited to those crops insured under the basic policy and is to include the entire area of each crop;
- (e) coverage is the coverage as determined after any adjustments as provided for in the insurance contract have been made;
- (f) the combined loss payments on an insured crop under the hail endorsement and the basic crop insurance must not exceed the total adjusted coverage for that crop;
- (g) the premium adjustment allowed for historical loss experience as provided for in section 37 does not apply to the hail endorsement;
- (h) the hail endorsement applies on the emergence of the insured crop, except as set out in the contract of insurance, and expires for the crop year at midnight on October 31.

**(12)** Where under a contract of insurance a crop is insured against loss arising from the perils of hail, accidental fire and fire caused by lightning and from no other perils, subsection (11), except for clauses (d) to (h), applies to that contract of insurance.

AR 99/2002 s32;320/2003;108/2004

### **Coverage amounts**

**33(1)** The coverage levels and the insured values for insurable crops are to be set by the Corporation.

**(2)** The Corporation must provide to an insured or applicant, on request, the coverage level for each crop year.

**Notice of election**

**34(1)** The insured must give the Corporation written notification of the following not later than the date set by the Corporation:

- (a) the crops the insured wishes to insure;
- (b) the coverage level;
- (c) the price option;
- (d) the election to acquire the hail endorsement under section 30(2), where the insured has been offered and accepts the hail endorsement.

**(2)** The coverage obtained pursuant to the information provided under subsection (1) remains in effect from one year to the next and may be changed only by the insured giving the Corporation written notice of any changes not later than the date set by the Corporation.

**(3)** The insured must give to the Corporation written notification of the insured's unseeded acreage not later than the date set by the Corporation.

**Restriction on setting dates**

**35** For the purposes of section 34, the date set by the Corporation is not to be later than April 30 of the year that the crops are to be harvested.

**Basic premium rates**

**36** Basic premium rates payable by an insured are those set in the annual schedule of rates, subject to adjustment made in accordance with section 37.

**Premium rate calculation**

**37** The annual premiums payable by an insured on all insured acreage must be adjusted by means of a discount or surcharge determined in accordance with a formula established by the Corporation with the consent of the Minister.

**Basic coverage levels and prices**

**38(1)** Basic coverage levels and prices for each insured crop are those that are set in the annual schedule of rates, subject to adjustments made in accordance with this section.

**(2)** Adjustments to coverage may be made for each crop in each crop year based on an insured's historical performance as

determined by the Corporation in accordance with the contract of insurance.

(3) to (7) Repealed AR 65/2009 s6.

AR 99/2002 s38;65/2009

#### **Other use guidelines**

**39** Where the insured wishes to put the insured crop to another use, the Corporation must inspect the crop and estimate the potential yield in units of production, and the appraisal is to be regarded as harvested production in the calculation of indemnities.

#### **Low yield setting**

**40(1)** The Corporation may set an adjusted yield for all insurable crops, or such of them that the Corporation designates, that have a low yield.

**(2)** An adjustment under subsection (1) applies to the crops regardless of whether or not they are harvested.

**(3)** The adjusted low yield is that set out in the contract of insurance between the Corporation and the insured or, if not so set out, as decided by the Corporation.

#### **Loss due to uninsured perils**

**41** Notwithstanding sections 39 and 40, if, after an inspection of insured crops, the Corporation is of the opinion that all or part of a loss is due to uninsured perils, the Corporation may make an appraisal for loss due to uninsured perils which must be regarded as harvested production, and the allowances for small appraisals or low yields shall not be applied to it.

#### **Value includes other grains**

**42** If the harvested production of an insured crop contains an amount of other grains or seeds that in the opinion of the Corporation exceeds the amount that would normally be expected to be present, the value of the other grains and seeds must be taken into account when calculating any loss on the insured crop.

#### **Grade below designated grade**

**43** If the grade of harvested production is below that of the designated grade, the harvested production must be converted to the equivalent units of production of the designated grade in terms of value, and the amount so calculated must be used in calculating the indemnity payable.

**Conditions for insured irrigable crops**

**44(1)** Insurable crops sown on irrigable land in a recognized irrigation district, or on other irrigable land designated by the Corporation, are eligible for irrigation coverage as set out in the annual schedule of rates if the following conditions are met:

- (a) crops must be declared as irrigated when the report of seeded crops is filed with the Corporation;
- (b) the insured must maintain an up-to-date log showing the dates and approximate amounts of water application for each insured crop;
- (c) irrigation water must be applied as nearly as possible in accordance with the needs of the insured crops;
- (d) the insured must ask for an inspection immediately before the start of harvest of an irrigated crop in which the insured believes the insured may have a claim.

**(2) If**

- (a) the conditions in subsection (1) are not met, or
- (b) drought is considered by the Corporation to be a contributing cause of loss,

coverage may be reverted to the non-irrigated level in accordance with the annual schedule of rates.

**Miscellaneous crops**

**45(1)** This section applies only to the following:

- (a) crops insured under the forage insurance program;
- (b) peas, green beans, wax beans, carrots, beets or corn where the vegetable is grown for processing, canning or freezing under a contract between a grower and a licensed processor;
- (c) honey production;
- (d) bees.

**(2)** The Corporation may offer insurance for crops referred to in subsection (1) for loss caused by perils designated in the contract of insurance.

(3) The hail endorsement option is not available for crops insured under this section, except for vegetables referred to in subsection (1)(b).

(4) The insured is eligible for premium adjustments as set out in section 37.

AR 99/2002 s45;65/2009

### **Revenue insurance**

**46(1)** In this section,

- (a) “eligible crop” means a crop designated under subsection (3)(a);
- (b) “fall market price” means a price established under section 46.2;
- (c) “floor price” means the floor price established under subsection (3)(b).

(2) The Corporation may establish a revenue insurance program under which a benefit may be paid to an insured in respect of an eligible crop when the floor price for the eligible crop exceeds the fall market price for that crop.

(3) For the purposes of a revenue insurance program, the Corporation may

- (a) designate crops that are eligible to come under the program;
- (b) prior to the commencement of a crop year for an eligible crop, establish a floor price for the crop;
- (c) specify a fall market price for an eligible crop;
- (d) provide that in order for an eligible crop to be covered under the program, the eligible crop must be an insured crop under other insurance or a class or particular type of other insurance that is provided under this Part;
- (e) determine the amount of compensation that may be paid under the program generally or in any particular case or class of cases or circumstances;
- (f) determine generally or in any particular case or class of cases or circumstances, the terms respecting the eligibility of persons or crops, as the case may be, to participate in or be covered under the program;

- (g) refuse or restrict the availability of any benefit under the program where an insured crop is insured only against certain perils;
- (h) generally provide for the operation of the program, including the operation of the program in particular cases or class of cases or circumstances.

AR 99/2002 s46;320/2003

**Additional programs under an insurance contract**

**46.1(1)** The Corporation may in connection with any insurance contract offered by the Corporation establish and operate one or more additional programs that are based on the fall market price of an insured crop.

**(2)** A program referred to in subsection (1) may

- (a) provide that a benefit related to the fall market price may result in an additional indemnity or an adjustment to an indemnity arising as a result of an insured loss;
- (b) provide that a benefit may be determined by reference to a change between the insured value of an insured crop and that crop's fall market price;
- (c) provide that a benefit may be offered as an option for which a premium is payable;
- (d) provide that the program may be crop specific.

**(3)** The insurance contract under which an additional program is being offered may set out

- (a) the benefits being provided under the program;
- (b) how the application of the fall market price in respect of the insured crop results in a benefit;
- (c) the circumstances under which a benefit will be paid;
- (d) the amount of or the method of determining the amount of the premium payable under the program.

AR 320/2003 s3

**Fall market price**

**46.2** The Corporation may for the purposes of section 46 and 46.1 determine for an insurable crop a fall market price that is determined

- (a) by reference to the market datum relating to the insurable crop, and
- (b) in the case where there is insufficient market datum to determine a fall market price for particular crop, by reference to a proxy crop.

AR 320/2003 s3

**Intermediary or ceding insurer**

**46.3(1)** The Corporation may by agreement entered into between the Corporation and the Crown or an agent of the Crown set out the relationship and the rights and obligations between the Corporation and the Crown or the agent of the Crown with respect to the Corporation's acting as an intermediary or ceding insurer for the purposes of obtaining reinsurance to cover any liability incurred or assumed by the Crown or the agent of the Crown.

**(2)** With respect to obtaining reinsurance to cover any liability incurred or assumed by the Crown or an agent of the Crown,

- (a) the Corporation shall not assume any insurance or reinsurance risk, and
- (b) the reinsurance risk must rest with
  - (i) the Crown or the agent of the Crown that wishes to reinsure the liability, and
  - (ii) the reinsurance company or companies that provide the reinsurance.

**(3)** In carrying out its functions as an intermediary or ceding insurer, the Corporation may charge fees for its services to any of the parties involved, including any reinsurance broker.

AR 320/2003 s3

## **Part 3.1 Livestock Price Insurance**

**Definitions**

**46.4** In this Part,

- (a) "insurable livestock" means beef cattle or hogs;
- (b) "insurable period" means the length of time the insured elects for livestock insurance coverage;
- (c) "insured livestock" means insurable livestock

- (i) that the insured has elected for coverage, and
- (ii) that the Corporation accepts for insurance;
- (d) “insured value” means the value per unit of livestock elected by the insured for coverage under the policy of insurance;
- (e) “livestock price insurance” means insurance offered by the Corporation for the purpose of covering livestock for price variations;
- (f) “schedule of rates” means the schedule of coverages and premiums established by the Corporation.

AR 65/2009 s8;139/2011

**Application of Part**

**46.41(1)** Subject to this Part, the form and content of the application forms for insurance and of the contracts of insurance may be prescribed by the Corporation.

**(2)** Where a contract of insurance prescribes a time within which or before which something is to be done, the Board may by resolution extend the time.

**(3)** The provisions of any contract of insurance are incorporated by reference and apply as if they form part of this Part.

AR 65/2009 s8

**Application for insurance**

**46.42(1)** An application for livestock insurance must be received by the Corporation before the period for which the insurance is to apply.

**(2)** The form of the application for insurance must contain sufficient information to allow the Corporation to determine if the applicant is eligible for insurance and that the applicant has or will have insurable livestock.

**(3)** The application for insurance may require the applicant to provide the following information:

- (a) the name, address and social insurance number of the applicant;
- (b) if the applicant is a company, the social insurance number of each shareholder holding 10% or more of the voting shares and the company’s identification number used for income tax purposes;

- (c) the location of land on which insurable livestock is to be fed;
- (d) any other records or information the Corporation considers necessary to adequately assess the requirements for insurance.

AR 65/2009 s8

**Eligibility for livestock price insurance**

**46.5** A person is eligible for livestock price insurance if that person

- (a) is the owner of or has majority ownership of insurable livestock, and
- (b) operates a farm in Alberta.

AR 65/2009 s8

**Insurable livestock**

**46.51** Livestock price insurance may be offered in respect of insurable livestock if that livestock is

- (a) fed in Alberta, or
- (b) fed outside of Alberta but within a geographical locale, as may be specified by the Corporation from time to time.

AR 65/2009 s8;139/2011

**Requirements and entitlements**

**46.52(1)** A person insuring livestock must own sufficient units of livestock to match the units of livestock insured.

**(2)** If a person fails to comply with subsection (1), the Corporation may deny all or part of any liability under the policy of insurance.

**(3)** If, in the opinion of the Corporation, all or a part of the loss is due to uninsured perils,

- (a) the Corporation is not obligated to pay for that portion so lost, and
- (b) the insured is not entitled to the return of any money paid as premium or relieved from liability for paying outstanding premiums.

AR 65/2009 s8

**Adjusters**

**46.6** The Corporation may appoint adjusters as necessary to inspect insured livestock and generally investigate and report on any claims or losses under any contract of insurance.

AR 65/2009 s8

**Contract terms and conditions**

**46.61(1)** The contract of insurance may allow either the Corporation or the insured to cancel the contract for a specified coverage period by giving the other party to the contract written notice of cancellation of coverage not later than a date to be specified by the Corporation in the contract.

**(2)** A contract of insurance with an insured remains in force during any period in which the insured does not elect coverage, but after 2 consecutive years with no insured coverage periods, the contract of insurance may be cancelled by the Corporation unless the insured requests in writing that it not be cancelled.

**(3)** A contract of insurance must contain the method of calculating the indemnity payable to an insured on insured livestock.

AR 65/2009 s8

**Coverage amounts**

**46.62(1)** The coverage levels and the insured values are to be set by the Corporation in the schedule of rates.

**(2)** The Corporation must provide to an insured or applicant, on request, the coverage level for each insurable period.

AR 65/2009 s8

**Notice of election**

**46.7** The insured must give the Corporation written notification of the following not later than the date set by the Corporation:

- (a) the type of livestock the insured wishes to insure;
- (b) the number of units of insurable livestock;
- (c) the level of coverage;
- (d) the insured period of coverage.

AR 65/2009 s8

**Basic premium rates**

**46.71** Basic premium rates payable by an insured are those set in the schedule of rates, subject to adjustments made in accordance with section 46.8.

AR 65/2009 s8

**Premium rate calculation**

**46.8** The basic premiums payable by an insured on all insured livestock must be adjusted by means of a discount or surcharge determined in accordance with a formula established by the Corporation with the consent of the Minister.

AR 65/2009 s8

**Period of coverage**

**46.81(1)** Coverage commences on the date of purchase of the coverage.

**(2)** Coverage ends on the expiration date of the policy or, if the insured elects to terminate coverage earlier than the expiration date, on the date elected by the insured.

**(3)** The Corporation may, in its discretion, extend the settlement date beyond the date of expiration of the policy of insurance.

AR 65/2009 s8

**Limitation of offering**

**46.9** The Corporation may, in its absolute discretion, suspend sales of new policies based on conditions outlined in the contract of insurance, including unstable market conditions, insufficient data and conditions that may place the Corporation at unacceptable risk.

AR 65/2009 s8

## **Part 4 Wildlife Crop Damage**

**Definitions**

**47** In this Part,

- (a) “adjuster” means an adjuster appointed by the Corporation;
- (a.1) “bee products” means bee eggs and larvae existing when the loss or damage occurs and bee hives and nesting material in active field service;
- (b) “big game” means those animals listed in Schedule 1;

- (c) “crop” means
  - (i) stacked hay,
  - (ii) any crop, other than stacked hay, that the Corporation designates as a commercial or other crop for which compensation may be granted under this Part, or
  - (iii) bees and bee products;
- (d) “insurable crops” and “insured crop” have the same meanings as in section 23(e) and (f), respectively;
- (d.1) repealed AR 65/2009 s9;
- (d.2) “market value loss” means the difference, due to wildlife excreta, between the market price of the production grade of crop without wildlife excreta and the sold market price of that crop with wildlife excreta;
- (e) “request for adjuster form” means the request for adjuster form prescribed by the Corporation;
- (f) “stacked hay” means hay that is stacked and stored in accordance with section 49(2);
- (g) “upland game birds” means those birds listed in Schedule 2.

AR 99/2002 s47;80/2005;65/2009

### **Eligibility**

**48** A person is eligible for compensation under this Part if,

- (a) the person’s crop is located and was damaged in Alberta, and
- (b) in the case of a crop other than stacked hay, the person
  - (i) is an owner operator or tenant operator of a farm in Alberta, and
  - (ii) has an insurable interest in the damaged crop.

### **Big game and upland game birds**

**49(1)** Subject to subsection (2), this Part applies to crops if the crops were, when the damage occurred,

- (a) standing in the field,

- (b) in swaths in the field,
- (c) in sheaves on the ground in the field, or
- (d) in stooks in the field.

**(2)** This Part applies to hay only if it is stacked in bales or as a loose stack and stored in accordance with directions given by the Corporation.

**(3)** This Part does not apply to

- (a) a crop other than stacked hay that is in bales or stacks, or
- (b) a crop on grazing land.

**(4)** Where a person's crop to which this Part applies is damaged by big game or upland game birds resulting in a yield loss or a market value loss, that person may claim compensation from the Corporation for that damage.

AR 99/2002 s49;80/2005

#### **Making a claim**

**50(1)** A claimant who wishes to be compensated under this Part must provide to the Corporation, with respect to each claim, the information required by a request for adjuster form and pay to the Corporation an appraisal fee of \$25 for each section or part of a section of land on which the damaged crop is located.

**(2)** A request for adjuster form must set forth the following:

- (a) the name and address of the claimant;
- (b) the kind of crop in respect of which compensation is claimed;
- (c) the number of acres or amount of production of each kind of crop that is damaged;
- (d) in the case of stacked hay, the amount of damage done and the amount of hay damaged;
- (e) the legal description of the land on which the damaged crop is located;
- (f) the suspected cause of damage;
- (f.1) in the case of market value loss, the value of the quality reduction and the amount of the crop damaged;
- (g) any other particulars that the Corporation requires.

- (3)** Compensation for damage to a crop is not payable to a claimant if, in the opinion of the Corporation,
- (a) the damage to the crop is less than \$100;
  - (b) in the case of yield loss of a crop other than hay,
    - (i) the acreage of the damaged crop has been harvested prior to inspection,
    - (ii) the crop was seeded too late for a reasonable expectation of normal yield,
    - (iii) the crop was a result of volunteer growth,
    - (iv) the crop was seeded on land that is unsuitable for crop production, or
    - (v) the Corporation determines that the actual damage to the crop extends to less than 10% of the total area of crop of the same kind within which there is damage to that crop;
  - (c) in the case of market value loss,
    - (i) the damage occurred after the crop has been harvested,
    - (ii) the crop has been used on-farm for feed,
    - (iii) the crop has been or will be used or sold for seed purposes, or
    - (iv) the compensation is for disposal costs.
- (4)** The maximum compensation payable in respect of any one claim of damage to stacked hay is \$5000.
- (5)** Nothing in subsection (3)(b)(i) is to be construed to restrict or prohibit a claimant from harvesting the undamaged portion of a crop before inspection of the damaged portion of the crop is made by an adjuster.

AR 99/2002 s50;80/2005

**Acceptance, etc. of a claim**

**51(1)** Subject to this Part, if the Corporation receives a request for an adjuster and the required information and fees, the Corporation must consider the claim and may accept or reject the claim.

(2) The Corporation must provide to a claimant a copy of any adjuster's report relating to the claimant's claim and a copy of the decision made under subsection (1).

(3) Where, in respect of any particular damage to an insured crop,

- (a) compensation is payable under this Part, and
- (b) an indemnity is payable under a contract of insurance under Part 3,

the amount of the compensation payable under this Part is to be deducted from that insurance indemnity.

(4) A decision of the Corporation made under subsection (1) is final.

AR 99/2002 s51;80/2005

#### **Calculation of compensation**

**52(1)** In this section,

- (a) "A" is the number of acres of crop that have been damaged;
- (b) "B" is the average damage per acre as determined by the Corporation for the acres referred to in clause (a);
- (c) "C" is the average yield per acre as determined by the Corporation for the acres referred to in clause (a);
- (d) "D" is the highest insured value set by the Corporation for the kind of crop that has been damaged.

(2) The highest insured value used to determine compensation under subsection (3) is the highest insured value for crop insurance for the crop year in which the crop was grown.

(3) The compensation payable for damage to an insurable crop, other than stacked hay, to which section 49 applies is an amount equal to the product of  $A \times B \times C \times D$ .

(3.1) The compensation payable for yield damage to an insurable crop, other than stacked hay, to which section 49 applies is an amount equal to the product of  $A \times B \times C \times D$ .

(3.2) The compensation payable for market value loss is an amount, as determined by the Corporation, equal to the quality reduction as a result of the damage or, if the crop has been cleaned, the cost of cleaning to a maximum as determined by the Corporation.

(4) The compensation payable for damage to stacked hay or to a crop that is not an insurable crop is, as determined by the Corporation, the fair market value of that crop as it existed immediately prior to the damage.

AR 99/2002 s52;80/2005

## **Part 5**

### **Farm Income Disaster Compensation**

#### **Definitions**

**53(1)** In this Part,

- (a) “Alberta resident” or “resident of Alberta” means
  - (i) an individual who files the appropriate Federal and Alberta income tax returns for the claim year reflecting income earned from farming operations, or
  - (ii) an Indian as defined in the *Indian Act* (Canada) who provides to the Corporation on request the information required by the Corporation to determine that person’s program margin and reference margin;
- (b) “claim year” means the taxation year for which an application for compensation is made;
- (c) “common share” means a share that carries the right
  - (i) to receive a profit by way of dividend, and
  - (ii) to participate in the assets of the private corporation on winding-up;
- (d) “private corporation” means a corporation the shares of which are not publicly-traded securities;
- (e) “program margin” means the applicant’s allowable farm revenue, as determined by the Corporation, less the applicant’s allowable farm expenses, as determined by the Corporation;
- (f) “Program” means the Farm Income Disaster Program established under Part 4.1 of the *Agriculture Financial Services Regulation* (AR 174/94);
- (g) “reference margin” means the average of an applicant’s program margins for 3 of the 5 years immediately preceding a claim year that have the highest program margins and as may be adjusted by the Corporation to take into account structural change;

- (h) “share” means common share;
- (i) “shareholder” means the holder of one or more common shares;
- (j) “structural changes” means any or all of the following:
  - (i) changes in the ownership or business structure of the applicant’s farming business;
  - (ii) changes in the size or type of the applicant’s farming business or in the applicant’s farming practices;
  - (iii) changes in the applicant’s accounting methods relative to the farming business;
  - (iv) any other changes that have an effect on the program margin.

(2) For the purposes of subsection (1)(g), in determining the reference margin,

- (a) a year having the highest program margin may only be considered once if that year remains in any of the subsequent years in the 5-year period as the year with the highest program margin, but
- (b) that year having the highest program margin may be considered again in the subsequent years if, in making the determination, the amount of the program margin for that year is reduced to an amount that is equal to or less than the program margin for that subsequent year that has the next highest program margin.

(3) Where an applicant has not been engaged in the farming business for at least the 5 years immediately preceding a claim year, the Corporation is to determine the applicant’s reference margin for the purposes of this Regulation.

(4) Where a program margin is a negative value in a year, it shall be considered to be 0.

AR 99/2002 s53;219/2002

**Program established**

**54(1)** The Program is hereby continued.

(2) The Corporation may make compensation payments under the Program in accordance with this Part.

**Advance compensation payments**

**55(1)** Notwithstanding anything in this regulation, the Corporation may make advance compensation payments under the Program with respect to a claim year, subject to the following:

- (a) the applicant must submit a preliminary application that is in a form and contains the information required by the Corporation;
- (b) the applicant must undertake to report income for the claim year, and must actually report such income, by filing the appropriate Federal and Alberta tax returns;
- (c) the applicant must still submit an application for the claim year as required by section 60;
- (d) on receiving an application under section 60 the Corporation shall, in determining the amount of the compensation the applicant is eligible to receive with respect to the claim year, deduct the amount of all advance payments made to the applicant under this section.

**(2)** Subsection (1)(b) does not apply where the applicant is an Alberta resident described in section 53(1)(a)(ii).

**Eligibility**

**56(1)** The following persons are eligible to apply for compensation payments under the Program:

- (a) an individual who is an Alberta resident and carries on the business of farming in Alberta as a sole proprietor or as a partner in a partnership;
- (b) a private corporation carrying on the business of farming in Alberta, where at least one of the shareholders is an Alberta resident;
- (c) a trust carrying on the business of farming in Alberta where at least one of the beneficiaries of the trust is an Alberta resident.

**(2)** For the purposes of this section,

- (a) in respect of a claim year,
  - (i) an individual is considered to be carrying on the business of farming if
    - (A) the individual is actively farming, and

- (B) where the individual is an Alberta resident described in section 53(1)(a)(i), the individual reports farming income earned in Alberta on the appropriate income tax return for the claim year;
  - (ii) a corporation is considered to be carrying on the business of farming if the corporation is actively farming and reports farming income earned in Alberta on the appropriate income tax return filed for the claim year;
  - (iii) a trust is considered to be carrying on the business of farming if the trust is actively farming and reports farming income earned in Alberta on the appropriate income tax return filed for the claim year;
- (b) an individual is considered to be actively farming if the individual
- (i) carries out the physical work needed to produce and market the agricultural commodity produced by the individual's farming operation, or
  - (ii) makes the day-to-day management decisions for the individual's farming operation,
- or both carries out the physical work and makes the day-to-day management decisions;
- (c) a private corporation is considered to be actively farming if at least one of the shareholders of the corporation is an individual who is a resident of Alberta and
- (i) carries out the physical work needed to produce and market the agricultural commodity produced by the corporation's farming operation, or
  - (ii) makes the day-to-day management decisions for the corporation's farming operation,
- or both carries out the physical work and makes the day-to-day management decisions;
- (d) a trust is considered to be actively farming if at least one of the beneficiaries of the trust is an individual who is a resident of Alberta and
- (i) carries out the physical work needed to produce and market the agricultural commodity produced by the trust's farming operation, or

- (ii) makes the day-to-day management decisions for the trust's farming operation,  
  
or both carries out the physical work and makes the day-to-day management decisions;
- (e) an individual who is a shareholder in a corporation that is a shareholder in a private corporation referred to in subsection (1)(b) is considered to be a shareholder of the private corporation.

#### **Amount of compensation**

- 57(1)** An applicant is eligible to receive compensation with respect to a claim year if the applicant's program margin for that year is less than 70% of the applicant's reference margin.
- (2)** The Corporation may deduct from a compensation payment an administration fee in an amount prescribed by the Minister.
- (3)** The Corporation may deduct from a compensation payment any amounts owing by the applicant to the Corporation or to the Crown or any agency of the Crown that is involved in the delivery of the Program.
- (4)** After taking into account contributions made by the Crown in Right of Alberta or Canada to a Net Income Stabilization Account on behalf of the applicant, the Corporation may, in recognition of those contributions, deduct from a compensation payment payable to the applicant an amount as determined by the Corporation.
- (5)** In determining under subsection (4) an amount to be deducted from a compensation payment to be made to an applicant, the Corporation may, in respect of contributions made by the Crown, take into consideration the maximum contribution that would be allowable, less an amount that would be expected to be interest.
- (6)** In making its determination for the purposes of subsection (4), the Corporation may take into consideration the contribution referred to in subsection (5) even though the applicant, in the applicant's own right, may not have made a contribution to the Net Income Stabilization Account.
- (7)** The total amount of compensation paid under the Program in the Corporation's fiscal year may not exceed \$200 000 000.
- (8)** For the purposes of determining under subsection (7) the total amount of compensation that may be paid under the Program in the Corporation's fiscal year, the only claims that may be taken into account for that fiscal year are the eligible claims of those

applicants whose taxation year-end occurs during that fiscal year of the Corporation.

(9) Where the total amount of eligible claims for compensation for the Corporation's fiscal year exceeds \$200 000 000, the Corporation may pro rate the compensation payments in any manner it considers appropriate.

(10) Repealed AR 219/2002 s5.

AR 99/2002 s57;219/2002

#### **Maximum compensation re individual**

**58(1)** Where an applicant for compensation is an individual, the maximum amount that the applicant is entitled to receive with respect to the claim is \$100 000.

(2) Where an individual is an applicant and is also a shareholder in a private corporation that receives a compensation payment, the Corporation may take into account the payment to the corporation when determining the maximum compensation amount that the individual as applicant is entitled to receive under subsection (1).

#### **Maximum compensation re corporation**

**59(1)** Where an applicant for compensation is a private corporation, the maximum amount that the corporation is entitled to receive with respect to the claim is an amount that is determined by multiplying the number of shareholders by \$100 000, to a maximum of \$500 000.

(2) The Corporation is to determine the amount of compensation that a private corporation is entitled to receive based on the number of shareholders and the distribution of shares.

(3) Where an individual as an applicant receives a compensation payment and the individual is also a shareholder in a private corporation that applies for a compensation payment, the Corporation may take into account the payment to the individual when determining the maximum compensation amount that the corporation as applicant is entitled to receive under subsection (1).

(4) For the purpose of determining under this section the amount of compensation that a private corporation is entitled to receive, the only shareholders who are to be taken into consideration are those shareholders who are individuals that are residents of Alberta and

- (a) carry out the physical work needed to produce and market the agricultural commodity produced by the corporation's farming operation, or

- (b) make the day-to-day management decisions for the corporation's farming operation,

or both carry out the physical work and make the day-to-day management decisions.

### **Application**

**60(1)** An application for compensation must be made by the applicant to the Corporation in accordance with the following:

- (a) the completed application and the application fee must be provided to the Corporation within 7 months from the date of the applicant's taxation year-end;
- (b) notwithstanding clause (a), if a completed application cannot be provided to the Corporation within 7 months from the date of the applicant's taxation year-end,
  - (i) a completed preliminary application and the application fee must be provided to the Corporation within 7 months from the date of the applicant's taxation year-end, and
  - (ii) the completed final application must be provided to the Corporation within 9 months from the date of the applicant's taxation year-end.

**(2)** Notwithstanding subsection (1), if

- (a) a person fails to provide an application and the application fee in accordance with subsection (1), and
- (b) the Board, in its sole discretion, considers that the reasons for the failure to comply with subsection (1) are justified in the circumstances,

the Board may,

- (c) where a complete application is available, accept the completed application and the application fee, or
- (d) where a completed application is not yet available, set a time limit within which the completed application and the application fee must be provided to the Corporation.

**(3)** For the purposes of subsections (1) and (2), if an application and the application fee is sent to the Corporation by mail, it is considered to have been provided to the Corporation on the date postmarked on the envelope containing the application.

- (4) The application fee for an application made under this section is to be in an amount as determined by the Minister.
- (5) An application fee is not refundable.
- (6) Where an applicant makes an application for compensation, the applicant must on the request of the Corporation provide to the Corporation any additional information relevant to the application that the Corporation requires.
- (7) An applicant shall forthwith notify the Corporation of any material changes in respect of the information relating to the application that the applicant provided to the Corporation.

#### **Availability of records**

**61** An applicant shall make available to the Corporation or its representative for inspection all farm records, books of account, income tax returns and notices of assessment, Canadian Wheat Board permit books, loan and crop insurance records and any other records that the Corporation or its representative considers necessary to determine the accuracy of the information in the application or the applicant's entitlement to compensation.

#### **Compensation not assignable**

**62** Compensation payments are not assignable.

#### **Return of compensation**

- 63(1)** The Corporation may by notice in writing require an applicant to return to the Corporation all or part of a compensation payment if
- (a) the applicant has provided false or misleading information to the Corporation in respect of the application, or
  - (b) the applicant has, in the opinion of the Corporation, received an over-payment of compensation or a compensation payment to which the applicant was not entitled.
- (2) Money owing under this section is recoverable in an action in debt.

#### **Applications re 1998**

**64** Notwithstanding anything to the contrary, in respect of the 1998 claim year and applications for compensation for that claim year,

- (a) the end of the day on February 29, 2000 is, for the purpose of section 60(1), the time by which an application for compensation must be made,
- (b) an application for compensation that is made by the applicant to the Corporation, accompanied by the application fee, not later than the time referred to in clause (a) is considered to be an application made in accordance with section 60(1) and for the purposes of section 60(2), and
- (c) section 60(2) to (7) apply.

#### **Payment under this Part prohibited**

**65** Notwithstanding anything in this Part, compensation is not payable by the Corporation under the Program in respect of a claim year if

- (a) a cost-sharing arrangement has been entered into between the Government of Canada and the Government of Alberta pursuant to which compensation based on farm income is payable in respect of that claim year to farmers in Alberta, and
- (b) the payment of compensation under the cost-sharing arrangement referred to in clause (a) is subject to the same rules that payment of compensation under the Program is subject to, or to similar rules.

## **Part 5.1 Canadian Agricultural Income Stabilization Program**

#### **Interpretation**

**65.1(1)** In this Part,

- (a) “Administering Party” means, for the purposes of the Program Agreement in relation to the operation of CAISP in Alberta, the Crown in right of Alberta;
- (b) “CAISP” means the Canadian Agricultural Income Stabilization Program;
- (c) “Canada-Alberta Implementation Agreement” means the Canada-Alberta Implementation Agreement entered into between The Government of Canada and The Government of Alberta for the Purposes of Implementing the Federal-Provincial-Territorial Framework Agreement on

Agricultural and Agri-Food Policy for the Twenty-First Century;

- (d) “Canadian Agricultural Income Stabilization Program” means the program that for the purposes of the Act is established under this Part;
- (e) “producer” means a producer as defined in section 12.1 of the Canada-Alberta Implementation Agreement or in any successor to that provision;
- (f) “Program Agreement” means the Federal/Provincial Agreement Re-establishing the Net Income Stabilization Account (NISA) Program, that program now known as the Canadian Agricultural Income Stabilization Program, and which is attached to the Canada-Alberta Implementation Agreement as Annex A.

**(2)** Any reference in this Part

- (a) to the Canada-Alberta Implementation Agreement includes a reference to any amendments to that Agreement;
- (b) to CAISP includes a reference to any amendments to that Program;
- (c) to the Program Agreement includes a reference
  - (i) to any amendments to that Agreement, and
  - (ii) to any Program Guidelines established under that Agreement and any amendments to the Program Guidelines.

AR 355/2003 s2

**Establishment**

**65.2(1)** For the purposes of section 53 of the Act, there is hereby established the Canadian Agricultural Income Stabilization Program being a program

- (a) to stabilize the net farm income of producers, and
- (b) to provide a timely program response to producers facing income disaster

as provided for under the Program Agreement and includes any similar program that is provided for under the Canada-Alberta Implementation Agreement.

(2) The Corporation on behalf of the Administering Party is to exercise the powers, functions and duties of the Administering Party under the Program Agreement.

AR 355/2003 s2

#### **Operation of program**

**65.3** CAISP is to be operated, administered and funded in accordance with the Program Agreement.

AR 355/2003 s2

#### **Participation**

**65.4(1)** A producer who wishes to participate in CAISP may do so in accordance with and subject to the Program Agreement.

(2) A producer who participates or applies to participate in CAISP does so on the condition that the producer, unless otherwise directed by the Corporation, abides by the deadlines and any other matter established, set or provided for under CAISP or the Program Agreement.

AR 355/2003 s2

#### **Contributions and payments**

**65.5** Any contributions and payments made under CAISP are to be carried out in accordance with the Program Agreement.

AR 355/2003 s2

#### **Entitlements**

**65.6** A producer's entitlements under CAISP are to be determined in accordance with the Program Agreement.

AR 355/2003 s2

#### **Recovery of payments**

**65.7(1)** The Corporation is hereby authorized to recover any overpayments or payments made in error by the Crown in right of Alberta under CAISP.

(2) The Corporation may by notice in writing require a producer to return to the Corporation all or part of a payment made to the producer under CAISP if

- (a) the producer has provided false or misleading information to the Corporation in respect of an application made or other documents provided under CAISP, or

- (b) the producer has, in the opinion of the Corporation, received an over-payment under CAISP or a payment to which the producer was not entitled.
- (3) Money owing under this section is recoverable in an action in debt.
- (4) In this section, a reference to a producer includes a reference to any person who does not at law qualify as a producer but who nevertheless received a payment under CAISP.

AR 355/2003 s2

**Continuation of CAISP**

**65.8(1)** If the Canada-Alberta Implementation Agreement is not in effect or the Government of Canada otherwise ceases to be a participant in CAISP, the Corporation may, at the request of the Minister, continue to operate or re-start the operation of CAISP, as the case may be, without the participation of the Government of Canada.

(2) In the event that CAISP is operated pursuant to this section, CAISP

- (a) is deemed, for the purposes of section 53 of the Act,
  - (i) to have remained established, or
  - (ii) where operation of CAISP has been re-started, to have been re-established,

and

- (b) is to be operated using the same provisions, terms and conditions as provided for under
  - (i) this Part,
  - (ii) the Canada-Alberta Implementation Agreement as if that Agreement was in force, and
  - (iii) the Program Agreement as if that Agreement was in force,

subject to any necessary modifications that the Corporation considers appropriate taking into account that the Government of Alberta is continuing or re-starting, as the case may be, the operation of CAISP without the participation of the Government of Canada.

AR 355/2003 s2

**Additional programs under CAISP**

**65.9(1)** In connection with CAISP, the Corporation may, at the request of the Minister, establish and operate one or more income stabilization programs in addition to CAISP based on information available to the Corporation under CAISP and such additional information as the Corporation determines.

**(2)** A program referred to in subsection (1) may provide

- (a) for additional benefits to producers under CAISP, and
- (b) benefits to producers who are not participants under CAISP.

**(3)** A program referred to in subsection (1) may set out

- (a) the benefits being provided under the program,
- (b) the circumstances under which a benefit will be paid, and
- (c) the amount or the method of determining the amount of benefits payable under the program.

**(4)** Section 65.7 applies to a program and to producers under the program established under subsection (1).

AR 225/2005 s2

## **Part 6 Local Opportunity Bonds**

**Interpretation, etc.**

**66(1)** In this Part,

- (a) “eligible business” means a company that
  - (i) is incorporated, continued or registered under the *Business Corporations Act*, and
  - (ii) is not primarily involved in
    - (A) oil and gas exploration or production,
    - (B) real estate development, or
    - (C) retail sale of goods;
- (b) “financing agreement” means an agreement referred to in section 67(1)(c) that meets the requirements of section 68;

- (c) “project” means a project proposed to be undertaken by an eligible business.

**(2)** For the purposes of this Part, retail sale of goods does not include the sale of goods by a person who has manufactured or produced the goods.

**Conditions re issuing local opportunity bonds**

**67(1)** Before the Corporation issues local opportunity bonds in respect of a project of an eligible business, the following conditions must be met:

- (a) the Corporation must be satisfied that the project
- (i) is feasible and economically viable, and
  - (ii) is likely to be of an economic benefit to rural Alberta;
- (b) the Corporation must be satisfied that the eligible business will have, at the time of the issue of the local opportunity bonds, shareholders’ equity of not less than
- (i) 25% of the assets of the eligible business, or
  - (ii) an amount as specified by the Corporation if the minimum assured repayment determined in accordance with section 59 of the Act for the local opportunity bonds to be issued in respect of the project is less than 20% of the principal amount of the local opportunity bonds;
- (c) the eligible business has entered into a financing agreement with the Corporation;
- (d) the Corporation has been provided with
- (i) all the financial and other information and documentation required under the financing agreement, and
  - (ii) all other information and documentation that the Corporation may require in order for the Corporation to be satisfied that the requirements of this Part have been met.

**(2)** When issuing local opportunity bonds in respect of an eligible business, the Corporation

- (a) must issue a specific series of local opportunity bonds for that particular eligible business, and

- (b) must not sell the local opportunity bonds from that series for any eligible business other than the eligible business for which the bonds were issued.

**(3)** Notwithstanding subsection (2), when issuing local opportunity bonds in respect of more than one project of an eligible business, the Corporation

- (a) must issue a specific series of local opportunity bonds for each particular project, and
- (b) must not sell the local opportunity bonds from that series for any project other than the project for which the bonds were issued.

#### **Financing agreement**

**68(1)** The Corporation is not to enter into a financing agreement with an eligible business unless the agreement provides for at least the following:

- (a) that the proceeds raised by the sale of local opportunity bonds will be invested by the Corporation in the eligible business to be used by the eligible business to finance the project as approved by the Corporation and in respect of which the local opportunity bonds were issued;
- (b) that the eligible business will furnish to the Corporation, in a form and at times satisfactory to the Corporation,
  - (i) financial reports, and
  - (ii) any other reports and information as requested by the Corporation;
- (c) that the eligible business will furnish to the registered holders of the local opportunity bonds, in a form and at times satisfactory to the Corporation,
  - (i) financial reports, and
  - (ii) any other reports and information as may be directed by the Corporation.

**(2)** When a financing agreement is entered into between the Corporation and an eligible business, the Corporation must administer the carrying out of the agreement and in so doing the Corporation must act in good faith and in a commercially reasonable manner.

**Restrictions re sale of local opportunity bonds**

**69** The following restrictions apply to the sale by the Corporation of local opportunity bonds:

- (a) a local opportunity bond may be sold only to
  - (i) an individual who in the opinion of the Corporation is ordinarily resident in Alberta,
  - (ii) a trustee or administrator of a registered retirement savings plan or registered retirement income fund of a person described in subclause (i), or
  - (iii) a corporation that has its principal office located in Alberta;
- (b) notwithstanding clause (a), a local opportunity bond is not to be sold to
  - (i) the eligible business in respect of which the local opportunity bond was issued;
  - (ii) a company affiliated with the eligible business if an officer, director, manager or shareholder of the eligible business holds or controls, directly or indirectly, more than 5% of the equity shares in the affiliated company;
  - (iii) a person who, at the time of the sale of the local opportunity bond, is
    - (A) an officer, director, manager or shareholder of the eligible business in respect of which the local opportunity bond was issued, or
    - (B) the spouse or adult interdependent partner, child or parent of a person referred to in paragraph (A) or another relative of a person referred to in paragraph (A) if that other relative resides with that person;
  - (iv) a person who would by virtue of that purchase of the local opportunity bond hold more than 10% of the total issued amount of any series of local opportunity bonds;

- (v) a person or an organization where, in the opinion of the Corporation, the result of the purchase of the local opportunity bond would be that the beneficial owner of the bond would be a person referred to in subclauses (i) to (iv).

AR 99/2002 s69;109/2003

#### **Promotion of local opportunity bonds**

**70(1)** Before the Corporation sells a local opportunity bond, the Corporation must provide to the prospective purchaser of the local opportunity bond an information package consisting of the following:

- (a) a statement, prominently displayed, of the risks represented by an investment in the local opportunity bond, both in relation to the nature and attributes of the local opportunity bond and in relation to the nature of the project in respect of which the bond is being issued;
- (b) a statement, prominently displayed, that the issue of the local opportunity bond has not been reviewed or considered by the Alberta Securities Commission or any other regulatory body;
- (c) a description of the offering, including the nature and attributes of the local opportunity bond to be offered, the amount of the bonds to be offered, and the closing date of the offering;
- (d) information about the Corporation and the eligible business, including the shareholdings and profiles of key management employees of the eligible business;
- (e) a description of the project and the proposed investment by the Corporation in the eligible business;
- (f) an opinion of the taxation consequences of investing in the local opportunity bond;
- (g) a description of the restrictions on secondary trading in the local opportunity bonds;
- (h) the form of the proposed local opportunity bonds;
- (i) a copy of the financing agreement;
- (j) a copy or a summary of the business plan for the project;
- (k) a copy or a summary of any applicable feasibility studies;
- (l) financial statements of the eligible business;

- (m) a copy or summary of any material contracts of the eligible business;
  - (n) an application form that is to be used to subscribe for the local opportunity bonds;
  - (o) a certificate given on behalf of the Corporation, verifying the accuracy of statements in the information package about the local opportunity bonds and the financing agreement;
  - (p) a certificate by an officer of the eligible business, verifying the accuracy of statements in the information package about the eligible business and the project.
- (2)** In respect of any series of local opportunity bonds, a person is not to do any of the following without the prior written consent of the Corporation:
- (a) use any written materials for the purpose of soliciting applications for or selling the local opportunity bonds, other than the information package or excerpts and summaries drawn from the information package;
  - (b) in writing or otherwise make any claim, representation or promise about the nature and attributes of the local opportunity bonds that is not supported by the contents of the information package issued for those local opportunity bonds;
  - (c) advertise the availability of the local opportunity bonds.
- (3)** All money paid for the purchase of local opportunity bonds from the Corporation must be paid directly to the Corporation.
- (4)** Before accepting money for the purchase of a local opportunity bond from the Corporation, the Corporation must
- (a) conduct an interview with the proposed purchaser, and
  - (b) satisfy itself that the proposed purchaser
    - (i) has received and reviewed a copy of the information package, and
    - (ii) understands the nature and consequences of the investment and the risk factors involved in the investment.
- (5)** An agreement between the Corporation and a purchaser of a local opportunity bond must provide that the purchaser is allowed to cancel the purchase and obtain a refund of the purchase price if

the purchaser provides to the Corporation a written notice of the cancellation that is delivered by any means to the address of the Corporation specified in the information package before the end of business hours on the 2nd business day following the day on which the purchase price was paid to the Corporation.

### **Register and trading**

**71(1)** The Corporation must with respect to each series of local opportunity bonds issued by the Corporation keep or cause to be kept a register of the names and addresses of all persons who hold the local opportunity bonds.

**(2)** Local opportunity bonds are transferable only through the Corporation.

**(3)** The Corporation may disregard any interest in a local opportunity bond that is claimed by any person other than the registered holder of the local opportunity bond.

**(4)** The Corporation must accept for registration a transfer of a local opportunity bond if the following conditions are met:

- (a) the proposed transferor and transferee have each completed the form of transfer as the Corporation may require;
- (b) the proposed transferee, in the opinion of the Corporation, meets the requirements of section 69 in the same manner as if the transferee were purchasing the local opportunity bond from the Corporation;
- (c) the proposed transferee has, in the opinion of the Corporation, received full and current disclosure of financial and other information pertinent to the local opportunity bond that is to be transferred, including
  - (i) the nature and attributes of the local opportunity bond, and
  - (ii) the status of the financing agreement, the eligible business and the project;
- (d) the proposed transfer is not, in the opinion of the Corporation, occurring as a result of insider information that is not generally available to the holders of the local opportunity bonds that are of the same series as those that are the subject of the proposed transfer.

(5) Notwithstanding subsection (4), the Corporation may register a transfer of a local opportunity bond to a transferee who does not meet the requirements of subsection (4) where

- (a) the transfer to the transferee arises due to the death of the holder of the local opportunity bond,
- (b) the transfer to the transferee arises by reason only of the realization of security that consists of or includes the local opportunity bond, or
- (c) the registered holder of the local opportunity bond is in bankruptcy and the transfer is to the trustee of the bankrupt's estate.

(6) If a person does not qualify as a transferee of a local opportunity bond by reason only of the circumstances governed by section 69(b)(iv), the Corporation may nevertheless register the local opportunity bond in the name of the transferee if at least 2 years have expired from the date of the issue of that local opportunity bond.

#### **Confidentiality of information**

**72** All information and documentation furnished to the Corporation under this Part is to be received and held in confidence by the Corporation, except to the extent that the information and documentation

- (a) become part of an information package referred to in section 70(1),
- (b) are already in the public domain, or
- (c) are required by law to be disclosed.

#### **Obligations of the Corporation**

**73(1)** In this section,

- (a) "agreement" means
  - (i) a financing agreement, and
  - (ii) an agreement between the Corporation and a purchaser to acquire a local opportunity bond;
- (b) "fundamental obligation" means
  - (i) the obligation by the Corporation to pay the amounts owing under a local opportunity bond, and

- (ii) the obligations of the Corporation that are specifically set out in a financing agreement or any agreement to purchase or transfer a local opportunity bond.

(2) It is a condition of every agreement that, other than for the fundamental obligations,

- (a) the Corporation is excluded from liability under the agreement, and
- (b) no duty, obligation or liability is created on the part of the Corporation to any holder, transferor or transferee of a local opportunity bond by virtue of the agreement or any dealings under or pursuant to the agreement.

## **Part 7 Transitional and Repeal**

### **Transitional re application of AR 38/2000**

**74** The amendments made by the Agriculture Financial Services Amendment Regulation, 2000 (No. 1) (AR 38/2000) to Part 4.1 of the Agriculture Financial Services Regulation (AR 174/94) as those amendments are carried forward in Part 5 of this Regulation apply in respect of the 1998 claim year and subsequent years.

### **Transitional re application of AR 71/2000**

**75** The amendments made by the *Agriculture Financial Services Amendment Regulation, 2001* (AR 71/2001) to Part 4.1 of the *Agriculture Financial Services Regulation* (AR 174/94) as those amendments are carried forward in Part 5 of this Regulation apply in respect of the 2000 claim year and subsequent years.

### **Transitional re application of AR 164/2001**

**76** The amendments made by the *Agriculture Financial Services Amendment Regulation, 2001 (No. 2)* (AR 164/2001) to section 1(1) and Part 3 of the *Agriculture Financial Services Regulation* (AR 174/94) as those amendments are carried forward into section 1(1) and Part 3 of this Regulation apply in respect of the 2001 and subsequent crop years.

### **Repeal**

**77** The *Agriculture Financial Services Regulation* (AR 174/94) is repealed.

**Expiry**

**78** For the purpose of ensuring that this Regulation is reviewed for ongoing relevancy and necessity, with the option that it may be repassed in its present or an amended form following a review, this Regulation expires on March 31, 2019.

AR 65/2009 s10;25/2014

**Schedule 1****Big Game**

<i>Ursus americanus</i>	(Black Bear)
<i>Ursus arctos</i>	(Grizzly Bear)
<i>Felis concolor</i>	[Cougar (Mountain Lion)]
<i>Cervus elaphus manitobensis</i>	[Elk (Wapiti)(Manitoban Elk)]
<i>Cervus elaphus nannodes</i>	[Elk (Wapiti)(Tule Elk)]
<i>Cervus elaphus nelsoni</i>	[Elk (Wapiti)(Rocky Mountain Elk)]
<i>Cervus elaphus roosevelti</i>	[Elk (Wapiti)(Roosevelt Elk)]
<i>Odocoileus hemionus</i>	(Mule Deer)
<i>Odocoileus virginianus</i>	(White-tailed Deer)
<i>Alces alces</i>	(Moose)
<i>Antilocapra americana</i>	[Antelope (Pronghorn)]
<i>Ovis canadensis canadensis</i>	[Sheep (Rocky Mountain Bighorn Sheep)]
<i>Oreamnos americanus</i>	[Goat (Rocky Mountain Goat)]

Any hybrid offspring resulting from the crossing of 2 big game animals.

**Schedule 2****Upland Game Birds**

<i>Perdix perdix</i>	[Hungarian (Common) (Gray) Partridge]
<i>Phasianus colchicus</i>	[Pheasant (ring-necked Pheasant)]
<i>Dendragapus canadensis</i>	(Spruce Grouse)
<i>Dendragapus obscurus</i>	(Blue Grouse)
<i>Lagopus lagopus</i>	(Willow Ptarmigan)
<i>Lagopus leucurus</i>	(White-tailed Ptarmigan)
<i>Bonasa umbellus</i>	(Ruffed Grouse)
<i>Centrocercus urophasianus</i>	(Sage Grouse)
<i>Tympanuchus phasianellus</i>	(Sharp-tailed Grouse)

Any hybrid offspring resulting from the crossing of 2 upland game birds.









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