



## LEGISLATIVE SUMMARY



***Bill C-28:***  
***An Act to amend the Financial Consumer Agency  
of Canada Act***

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## ***Legislative Summary of Bill C-28***

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*Ce document est également publié en français.*

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Notice: For clarity of exposition, the legislative proposals set out in the bill described in this Legislative Summary are stated as if they had already been adopted or were in force. It is important to note, however, that bills may be amended during their consideration by the House of Commons and Senate, and have no force or effect unless and until they are passed by both houses of Parliament, receive Royal Assent, and come into force.

Any substantive changes in this Legislative Summary that have been made since the preceding issue are indicated in **bold print**.

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# LEGISLATIVE SUMMARY OF BILL C-28: AN ACT TO AMEND THE FINANCIAL CONSUMER AGENCY OF CANADA ACT

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## 1 BACKGROUND

Bill C-28, An Act to amend the Financial Consumer Agency of Canada Act (short title: Financial Literacy Leader Act), was introduced and received first reading in the House of Commons on 30 November 2011.

The bill is designed to create the position of Financial Literacy Leader (FLL) within the Financial Consumer Agency of Canada (FCAC).

Established in 2001, the FCAC protects and educates consumers through its mandate to:

- enforce the consumer provisions applicable to federal financial institutions;
- monitor the financial services sector's self-regulatory measures designed to protect consumers and small businesses;
- promote consumer awareness and understanding of the financial services sector; and
- respond to selected consumer inquiries.

In 2009, the Canadian Financial Capabilities Survey, which provided information on the financial literacy of various demographic groups, was conducted. Also in that year, the Task Force on Financial Literacy was appointed. The task force reported in February 2011 and, through its 30 recommendations, provided a strategy to strengthen the financial literacy of Canadians.

The 2011 federal budget announced \$3 million annually to undertake financial literacy initiatives; this amount was in addition to the \$2 million provided to the FCAC each year. It also mentioned the intention to appoint a Financial Literacy Leader, which is the subject of Bill C-28.

## 2 DESCRIPTION AND ANALYSIS

### 2.1 TERMS OF THE POSITION (CLAUSES 3, 5 AND 7)

With the establishment of the position of FLL under the *Financial Consumer Agency of Canada Act*, the objectives of the FCAC are expanded. Included in those objectives is collaboration and coordination of the Agency's activities with stakeholders in order to contribute to and support initiatives designed to strengthen the financial literacy of Canadians. The objective of the FLL is to provide national leadership in strengthening that financial literacy.

The FLL is appointed by the Governor in Council during pleasure, which means that removal of the FLL during his or her term would be at the discretion of the Governor in Council. The maximum term is five years, with the possibility of reappointment for additional terms. If the FLL is absent or incapacitated, or if the office is vacant, the minister of Finance may appoint a qualified person to perform the tasks normally required of the FLL (hereinafter, the alternate). The alternate may be appointed for no more than 90 days without the approval of the Governor in Council.

The FLL or the alternate receives the remuneration fixed by the Governor in Council as well as reasonable travel and living expenses incurred while performing FLL-related duties when absent from his or her normal place of work.

As well, the FLL or the alternate is deemed to be employed in the federal public service for the purposes of the *Public Service Superannuation Act*, and to be employed in the federal public administration for the purposes of the *Government Employees Compensation Act*, and for regulations made under section 9 of the *Aeronautics Act*.

## 2.2 POWERS, DUTIES AND FUNCTIONS (CLAUSES 5, 7, 10, 12 AND 13)

The FLL acts under the instructions of the Commissioner of the FCAC. That said, and recognizing that the FLL may hold any other unpaid office under or perform any other unpaid duties for her Majesty, the exclusive duties and functions of the FLL involve carrying out any activity considered necessary to strengthen the financial literacy of Canada, consistent with the objectives of the FCAC outlined in section 3(2) of the *Financial Consumer Agency of Canada Act*, as amended.

The Commissioner of the FCAC may impose an assessment on any financial institution in order to cover some or all of the expenses associated with initiatives designed to strengthen the financial literacy of Canadians.

As is the case for Her Majesty, the minister of Finance, and the Commissioner, Deputy Commissioners, officers and employees of the FCAC, no action may be taken against the FLL for anything he or she does or omits to do in good faith in administering or discharging the powers or duties of the position of FLL.

## 2.3 REPORTING TO PARLIAMENT (CLAUSE 14)

The annual report tabled by the minister of Finance in the Senate and in the House of Commons regarding the operations of the FCAC will describe the collaboration and coordination of activities with stakeholders in relation to contributions to and support of initiatives designed to strengthen the financial literacy of Canadians.

## 2.4 CIVIL PROCEEDINGS (CLAUSE 15)

With the coming into force of section 220 of Bill S-5, An Act to amend the law governing financial institutions and to provide for related and consequential matters, and section 5 of Bill C-28, the FLL – like the Commissioner, Deputy Commissioners, officers and employees of the FCAC – is not a compellable witness in any civil

proceedings in respect of any matter coming to his or her knowledge as a resulting of performing duties under specified Acts.

### 3 COMMENTARY

Financial literacy is frequently a topic of interest to parliamentarians. For example, the issue has been discussed in parliamentary committee reports, including those of the Standing Senate Committee on Banking, Trade and Commerce and the House of Commons Standing Committee on Finance. As well, the issue has been mentioned in the House of Commons, including in the context of Private Member's Motion M-269 concerning financial literacy introduced by James Rajotte, Member of Parliament for Edmonton—Leduc and Chair of the House of Commons Standing Committee on Finance.