

**IN THE MATTER OF  
THE TRUST AND LOAN CORPORATIONS ACT, 1997  
S.S. 1998, c. C-45.2  
AND  
IN THE MATTER OF GCN HOLDING (CANADA) ULC  
DECISION OF THE DEPUTY SUPERINTENDENT**

**A. INTRODUCTION**

1. GCN Holding (Canada) ULC. (GCN) is licensed as a financing corporation pursuant to *The Trust and Loan Corporations Act, 1997* (the “Act”).
2. On February 16, 2023, I served GCN a Notice of Opportunity to be Heard (the “Notice”) under section 29(1) of Act. The Notice was issued to the mailing address GCN last provided to my office, the address for service in Saskatchewan provided by GCN, and was sent by email to persons at GCN that my office had previously communicated with. The Notice provided GCN with an opportunity to be heard before I made a decision respecting its licence. In the Notice, I proposed to cancel its licence because it appeared GCN failed to comply with *The Trust and Loan Corporations Regulations, 1999* (the “Regulations”) when it did not pay its annual fees in advance for the calendar years 2021, 2022 and 2023 as was required by the Regulations. GCN was provided with the opportunity to make representations to me as to why I should not take the proposed action.
3. GCN did not respond to the Notice.
4. I find GCN has failed to comply with the Regulations when it failed to pay its annual fee for the 2021, 2022 and 2023 calendar years. My decision is to cancel licence #314674 issued to GCN.
5. My decision to cancel GCN’s licence is based on the facts and legal authority set out in detail below.

**B. MATERIALS AND INFORMATION CONSIDERED IN DECISION**

6. I considered the following materials and information to make my decision to cancel GCN’s licence:
  - a) The Notice;
  - b) The disclosures binder provided with the Notice containing the following information:
    - ISC Corporate Profile Reports,



- Email correspondence to GCN,
  - Email correspondence with office identified as the address for service by GCN and,
  - Nova Scotia Royal Gazette Volume 230, No. 3 January 20, 2021 [Extract]
- c) Confirmation of service to the office identified as the address for service by GCN.
- d) Any responses made to the issuance of the Notice by GCN. As stated above, GCN did not provide a response to my office.

### **C. LEGISLATIVE FRAMEWORK**

7. The activities and conduct of financing corporations are regulated in Saskatchewan under the Act and the Regulations. As Deputy Superintendent of Financial Institutions appointed pursuant to the Act, I have the responsibility of administering the Act and the regulations made under it. As set out in section 2(1)(t) of the Act, any reference to the Superintendent includes any Deputy Superintendent.
8. Section 17 of the Act requires that a person be licensed as a financing corporation prior to carrying on business as a financing corporation. GCN applied for licensing and was licensed as a financing corporation pursuant to section 25 of the Act.
9. Pursuant to section 27 of the Act, a licence continues in force indefinitely if allowed pursuant to the regulations unless it is suspended or cancelled in accordance with this Act:

#### **Expiry of licence**

27(1) Subject to subsection (2), a licence expires on the date prescribed in the regulations unless it is sooner suspended or cancelled in accordance with this Act.

(2) If allowed pursuant to the regulations, a licence continues in force indefinitely unless it is suspended or cancelled in accordance with this Act.

10. As set out in section 39(1) of the Regulations, a licence continues in force indefinitely unless it is suspended or cancelled pursuant to the Act.
11. Section 87(1)(b) of the Act provides the Lieutenant Governor in Council the authority to make regulations that prescribe the fees payable for a licence.



12. Section 40 of the Regulations states:

**Fees**

40 The fees set out in column II of Table 2 of the Appendix are payable for the matters set out in column I.

13. Section 1.2 of Table 2 of the Regulations sets out the amount of the annual fee, and establishes the annual fee is to be paid in advance by December 31 of the previous year:

<u>Column I</u>	<u>Column II</u>
<b>1. Trust Corporations, Loan Corporations, and Financing Corporations</b>	
...	
<b>1.2 Annual Fee, for 2014</b>	
(a) if the total assets of the corporation are less than \$10,000,000	2,000
(b) if the total assets of the corporation are greater than \$10,000,000	7,500
<b>Annual Fee, for 2015 and any subsequent year to be paid in advance by December 31 of the previous year</b>	
(a) if the total assets of the corporation are less than \$10,000,000	2,000
(b) if the total assets of the corporation are greater than \$10,000,000	
(i) for a financing corporation	8,500
(ii) for a trust corporation or loan corporation	10,000
<b>NOTE: The Annual Fee for first-time applicants will be prorated on a monthly basis for the first year</b>	

14. If a corporation fails to pay its annual fees as required by the Regulations, it has failed to comply with the Regulations.

15. Under section 28 of the Act, I may suspend, cancel, or amend a licence if a licensee fails to comply with the Regulations, including failure to pay the annual fee:



28 Subject to section 29, the superintendent may amend, suspend or cancel a licence where, in the opinion of the superintendent, the corporation that holds the licence:

(a) has failed to comply with:

(i) any provision of this Act or the regulations, any other Act of Saskatchewan or of any other jurisdiction pursuant to which the corporation is incorporated or continued or any other Act of any jurisdiction where the corporation is authorized to carry on business;

or

#### **D. BACKGROUND FACTS**

16. GCN was issued licence #314674 to operate as a financing corporation in Saskatchewan on January 1, 2005.
17. My records show GCN'S annual fees required by section 40 of the Regulations due December 31, 2020, for the 2021 calendar year, due December 31, 2021, for the 2022 calendar year and December 31, 2022, for the 2023 calendar year have not been received by my office.
18. GCN has not responded to inquiries from my office.
19. My office obtained Profile Reports for GCN from the Information Services Corporation ("ISC") on April 19, 2021, and on September 15, 2022, ("Profile Reports"). ISC is responsible for maintaining the Saskatchewan Corporate Registry. The Profile Reports identified that the Entity Status for GCN was Inactive (Struck Off) effective March 2, 2021.
20. The Profile Reports show that GCN was registered as an extra-provincial corporation, and that the home jurisdiction is Nova Scotia. The *Royal Gazette* (Nova Scotia) dated January 20, 2021, shows that the Certificate of Registration issued to GCN was revoked as of January 7, 2021, due to "...default in payment of the annual registration fee due November 30, 2020,". My review of the Nova Scotia Registry of Joint Stock Companies at <https://rjsc.novascotia.ca/> on September 15, 2022, showed a status for GCN of "revoked".
21. Based on the Saskatchewan Profile Reports and the information from Nova Scotia, GCN has ceased being registered as a corporate entity.
22. I received no response to the Notice to cancel GCN's licence.

#### **E. ISSUES**

23. The issues I will determine are:



- a. Has GCN failed to comply with the Act or Regulations because it has failed to pay its annual fees?
- b. If GCN failed to comply, should I suspend or cancel GCN's licence?

## **F. ANALYSIS AND DECISION**

- a. Has GCN failed to comply with the Act or Regulations because it has failed to pay its annual fees?

24. The Act and the Regulations, among other things, set up a regulatory scheme whereby corporations intending to operate as a financing corporation in Saskatchewan can apply under the Act for an appropriate licence to enable them to carry on the activities authorized by such a licence within the framework of the Act. Applying for a licence is a voluntary act by an entity that chooses to engage in a business that requires a licence, and which involves regulation. Once a licence is issued under the Act, the licensee, becomes subject to all the duties and obligations associated with the holding of such licence, including an acceptance that the Superintendent may hold that entity accountable for any departures from the requirement of the Act. As noted by Wagner J in the Supreme Court decision of *La Souveraine, Compagnie d'assurance générale v. Autorité des marchés financiers*, [2013] 3 SCR 756 at para. 49, "[t]hose who engage in regulated activities agree in advance to adhere to strict standards, and they accept that they will be rigorously held to those standards, which are typical of such spheres of activity."

25. In my view payment of annual fees under the Regulations are an important part of the duties and obligations accepted by a licensee associated with holding a licence under the regulatory scheme.

26. As noted above, GCN did not respond to the Notice which set out that my records showed that the fees due December 31, 2020, December 31, 2021 and December 31, 2022 were not received by my office.

27. The requirement for the payment of the annual fee is established in the Regulations. My records show that GCN has not paid the annual fees that were due December 31, 2020, December 31, 2021, and December 31, 2022. By not paying the required fees, I find that GCN has failed to comply with section 40 of the Regulations and placed itself in jeopardy of having its licence suspended or cancelled under section 28 of the Act.

- b. If GCN failed to comply, should I suspend or cancel GCN's licence?

28. As noted above, a review of the Saskatchewan Corporate Registry, maintained by ISC, shows that GCN is "Inactive (Struck Off)". This means that GCN is no



longer authorized to carry on business in Saskatchewan. Similarly, GCN's status in its home jurisdiction of Nova Scotia shows that its status is "revoked".

29. The licence issued to GCN continues in force indefinitely unless suspended or cancelled pursuant to the Act. GCN is not meeting its ongoing requirements and is not responding to my office's inquiries and did not respond to the Notice. As a result, it is my view that suspension of the licence is not an appropriate response as that would simply prevent GCN from operating in Saskatchewan but noncompliance with the ongoing requirement to pay the annual fee would continue.
30. Based on the lack of responses to my office's inquiries, GCN being struck from the corporate registry in Saskatchewan and in its home jurisdiction of Nova Scotia, the office identified by GCN as the address for service for GCN not being able to reach GCN during the typical follow-up carried out by my office, and GCN not responding to the Notice, the appropriate regulatory response to GCN's noncompliance is to cancel its licence.

#### **G. DECISION AND CONCLUSION**

31. In light of the above discussion, I hereby cancel licence #314674 issued to GCN pursuant to section 28(a)(i) of the Act. GCN has not complied with section 40 of the Regulations which requires that annual fees be paid by December 31, 2020, for the 2021 calendar year, by December 31, 2021, for the 2022 calendar year, and by December 31, 2022, for the 2023 calendar year.
32. By virtue of section 80 of the Act, GCN has the right to appeal my decision to the Court of King's Bench on a question of law only. This section sets out that GCN must exercise its right of appeal within 30 days after my decision. Where GCN decides to proceed with an appeal, GCN is required to serve me with a notice of appeal.

Dated at the City of Regina in the Province of Saskatchewan this 8<sup>th</sup> day of May, 2023.

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**Cory Peters**  
Deputy Superintendent of Financial Institutions