



## CHAPTER B-2

### An Act respecting the Bank of Canada

**Preamble** WHEREAS it is desirable to establish a central bank in Canada to regulate credit and currency in the best interests of the economic life of the nation, to control and protect the external value of the national monetary unit and to mitigate by its influence fluctuations in the general level of production, trade, prices and employment, so far as may be possible within the scope of monetary action, and generally to promote the economic and financial welfare of Canada;

THEREFORE, His Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:

#### NOTE ISSUE

**Sole right of note issue** 25. (1) The Bank has the sole right to issue notes intended for circulation in Canada and those notes shall be a first charge on the assets of the Bank.

#### GOVERNMENT DIRECTIVE

**Consultations** 14. (1) The Minister and the Governor shall consult regularly on monetary policy and on its relation to general economic policy.

**Minister's directive** (2) If, notwithstanding the consultations provided for in subsection (1), there should emerge a difference of opinion between the Minister and the Bank concerning the monetary policy to be followed, the Minister may, after consultation with the Governor and with the approval of the Governor in Council, give to the Governor a written directive concerning monetary policy, in specific terms and applicable for a specified period, and the Bank shall comply with that directive.

#### MANAGEMENT

**Board of Directors** 5. (1) The Bank shall be under the management of a Board of Directors composed of a Governor, a Deputy Governor and twelve directors appointed in accordance with this Act.

**Deputy Minister of Finance to be member of Board** (2) In addition to the members of the Board as constituted by subsection (1), the Deputy Minister of Finance or, if he is absent or unable to act or the office is vacant, such other officer of the Department of Finance as the Minister may nominate, is a member of the Board but does not have the right to vote. R.S., c. B-2, s. 5.

**Governor and Deputy Governor** 6. (1) The Governor and Deputy Governor shall be appointed by the directors with the approval of the Governor in Council.