

1. The capital stock of any bank hereafter incorporated shall be not less than five hundred thousand dollars, in shares of one hundred dollars each. Capital stock.
2. Five hundred thousand dollars must be subscribed, and two hundred and fifty thousand dollars paid to the Minister of Finance, who is also Receiver-General, and a certificate of permission obtained from the Treasury Board,* before business can be commenced. Amount to be subscribed and paid up.
3. Bank directors must hold capital stock as follows:—On a paid-up capital stock of \$1,000,000 or less, stock on which \$3,000 has been paid up; on a paid-up capital stock of over one and not over three million dollars, stock on which \$4,000 has been paid-up, and on a paid-up capital of over \$3,000,000, stock on which \$5,000 has been paid. A majority of the directors must be British subjects. Stock to be held by directors.
4. The capital stock may be increased or redeemed by the shareholders, subject to the approval of the Treasury Board. Increase in capital stock.
5. No dividends or bonus exceeding 8 per cent per annum shall be paid by any bank, unless, after deducting all bad and doubtful debts, it has a reserve fund equal to at least thirty per cent of its paid-up capital. Limit to dividend.
6. Every bank shall, subject to a penalty of \$500 for each violation, hold not less than forty per cent of its cash reserve in Dominion notes. Proportion of cash in Dominion notes.
7. The amount of notes of any bank in circulation at any time shall not exceed the amount of its unimpaired capital, subject to penalties varying with the amount of such excess. Notes in circulation.
8. The payment of notes issued by any bank for circulation shall be the first charge on its assets in case of insolvency, any amount due to the Dominion Government shall be the second charge, and any amount due to any Provincial Government shall be the third charge. Notes to be a first charge.
9. Every bank shall pay to the Minister of Finance a sum equal to five per cent of the average amount of its notes in circulation, such sum to be annually adjusted according to the average amount of circulation during the preceding 12 months. Such amounts are to form a fund called "The Bank Circulation Redemption Fund," to be used when necessary, on the suspension of any bank, for the payment of the notes issued and in circulation, and interest. All notes in circulation shall bear interest at 6 per cent per annum from the day of suspension until redeemed. Payments from the fund are to be without regard to the amount contributed. Bank circulation Redemption Fund.
10. All notes issued for circulation shall be payable at par throughout Canada. Notes payable at par.

* The Treasury Board consists of the Ministers of Finance, Justice, Customs and Inland Revenue, with the Deputy Minister of Finance as secretary.