

Registration
SOR/2006-244 October 5, 2006

FIRST NATIONS FISCAL AND STATISTICAL MANAGEMENT ACT

Debt Reserve Fund Replenishment Regulations

P.C. 2006-1079 October 5, 2006

Her Excellency the Governor General in Council, on the recommendation of the Minister of Indian Affairs and Northern Development, pursuant to subsection 84(5) and paragraph 89(c) of the *First Nations Fiscal and Statistical Management Act* ([see footnote a](#)), hereby makes the annexed *Debt Reserve Fund Replenishment Regulations*.

**DEBT RESERVE FUND REPLENISHMENT
REGULATIONS**

INTERPRETATION

Definitions	1. The following definitions apply in these Regulations.
"Act" « Loi »	"Act" means the <i>First Nations Fiscal and Statistical Management Act</i> .
"defaulting member" « membre en défaut »	"defaulting member" means a borrowing member whose failure to make a payment under a loan obligation agreement with the Authority or to pay a charge imposed to replenish the debt reserve fund under subsection 84(5) of the Act has led to a reduction in that fund.

REPLENISHMENT OF FUND

Notice of proposed charge	2. (1) At least 90 days in advance of imposing charges to replenish the debt reserve fund under paragraph 84(5)(a) or (b) of the Act, the Authority shall send a notice to the council of every borrowing member setting out the amount of the shortfall in the fund and the Authority's intention to require borrowing members to replenish the fund.
Content of Notice	(2) The notice shall identify each defaulting member and the amount of the shortfall attributable to it.
Defaulting member's charge	3. During the period referred to in subsection 2(1), the Authority shall determine the charge that each defaulting member is able to pay to replenish the debt reserve fund.
Calculation of charges	4. On the expiry of the period referred to in subsection 2(1), the Authority shall send (a) to the council of each defaulting member, a notice requiring that member to pay the charge determined under section 3; and

(b) to the council of each borrowing member that is not a defaulting member, a notice requiring that member to pay a charge equal to the amount determined by the formula

$$[A / (B - C)] \times (D - E)$$

where

A is the gross annual property tax revenue of the borrowing member,

B is the aggregate gross annual property tax revenue of all borrowing members,

C is the aggregate gross annual property tax revenue of defaulting members,

D is the amount of the shortfall in the debt reserve fund set out in the notice referred to in section 2, and

E is the total amount charged to all the defaulting members under section 3.

COMING INTO FORCE

Coming into force 5. These Regulations come into force on the day on which they are registered.

N.B. The Regulatory Impact Analysis Statement for these Regulations appears following SOR/2006-243, First Nations Tax Commissioner Appointment Regulations.

[Footnote a](#)

S.C. 2005, c. 9