

NUNAVUT BUSINESS CREDIT CORPORATION ACT

R-008-2010

Registered with the Registrar of Regulations

2010-06-01

NUNAVUT BUSINESS CREDIT CORPORATION REGULATIONS

The Commissioner in Executive Council, under section 51 of the *Nunavut Business Credit Corporation Act* and every enabling power, makes the annexed *Nunavut Business Credit Corporation Regulations*.

Honoraria and Expenses

1. (1) A member of a Board, other than the Chair or a member of the public service, shall be paid an honorarium of \$350 for each day and \$175 for each half day that the member spends attending or travelling to or from a meeting of the Board, preparing for a meeting of the Board or otherwise devotes to Board business.
- (2) The Chair shall be paid an honorarium of \$500 for each day and \$250 for each half day that the member spends attending or travelling to or from a meeting of the Board, preparing for a meeting of the Board or otherwise devotes to Board business.
- (3) A member of a Board who participates in a meeting of the Board by means of a telephone conference call is deemed to be attending the meeting.
- (4) A member of a Board shall be paid
 - (a) the actual cost of transportation to and from a meeting of the Board by means of the most direct and economical route available;
 - (b) the actual cost of accommodation for a meeting held outside the member's community;
 - (c) expenses in accordance with the guidelines of the Government of Nunavut relating to duty travel costs, expenses and allowances; and
 - (d) the actual cost of any reasonable expenses incurred beyond those amounts provided for in paragraph (a) or (b), if all expenses incurred by the member are substantiated by receipts.

Amortization and Term of Loans

2. (1) For each asset being used as security listed in Column 1 of the Schedule, the maximum amount of a loan is set out in the same row of Column 2 and the maximum amortization period is set out in the same row of Column 3.
- (2) Subject to subsection (3), the amortization period for a loan cannot exceed the economic life of the asset, as determined by the Board, being used as security.
- (3) The Board may, with the approval of the Minister, approve a loan with an amortization period that exceeds the economic life of the asset being used as security, if the Board is satisfied that doing so is reasonable in all the circumstances and would stimulate economic development and employment in Nunavut.

Interest Rate

3. (1) The interest rate for a loan is the base rate plus an additional percentage of not less than 0.5%, and not more than 5.0%, reflecting the level of risk associated with the loan.

(2) In determining the level of risk associated with a loan, the Board or its delegate shall consider the amount and quality of the security for the loan, the assets, liabilities, and credit-worthiness of the enterprise and its principals, and the business plan, financial statements and actual or projected cash flow for the enterprise.

(3) The interest on a loan is compounded semi-annually.

(4) In this section,

"base rate" means a percentage reflecting the Corporation's cost of borrowing; (*taux de base*)

"loan" includes a bond, guarantee or indemnity; (*prêt*)

Schedule

(Section 2)

Amortization Time

<u>Type of Asset</u>	<u>Maximum Lending Value</u>	<u>Maximum Amortization</u>
Real property	75%	25 years
Aircraft	75%	25 years
Heavy equipment	75%	15 years
Automotive vehicle	75%	7 years
Machinery	75%	10 years