

This Web page has been archived on the Web.**Bank of Canada Act**

Version of section 18 from 2004-12-15 to 2008-08-04:

Powers and business**18** The Bank may

- (a)** buy and sell gold, silver, nickel and bronze coin or any other coin and gold and silver bullion;
- (b)** buy and sell foreign currencies and maintain deposit accounts with banks or foreign banks, either in or outside Canada, to facilitate such operations;
- (c)** buy and sell securities issued or guaranteed by Canada or any province;
- (d)** buy and sell securities issued or guaranteed by the Government of the United States of America or Japan or the government of a country in the European Union;
- (e)** [Repealed, 2001, c. 9, s. 194]
- (f)** buy and sell special drawing rights issued by the International Monetary Fund;
- (g)** buy and sell bills of exchange and promissory notes endorsed, accepted or issued by a bank or authorized foreign bank that is not subject to the restrictions and requirements referred to in subsection 524(2) of the *Bank Act* and having a maturity not exceeding one hundred and eighty days, excluding days of grace, from the date of acquisition by the Bank;
- (g.1)** if the Governor is of the opinion that there is a severe and unusual stress on a financial market or financial system, buy and sell any other securities, treasury bills, obligations, bills of exchange or promissory notes, to the extent determined necessary by the Governor for the purpose of promoting the stability of the Canadian financial system;
- (h)** make loans or advances for periods not exceeding six months to members of the Canadian Payments Association on taking security in any property that the institution to which the loan or advance is made is authorized to hold;
- (i)** make loans or advances for periods not exceeding six months to the Government of Canada or the government of a province on taking security in readily marketable securities issued or guaranteed by Canada or any province;
- (j)** make loans to the Government of Canada or the government of any province, but such loans outstanding at any one time shall not, in the case of the Government of Canada, exceed one-third of the estimated revenue of the Government of Canada for its fiscal year, and shall not, in the case of a provincial government, exceed one-fourth

of that government's estimated revenue for its fiscal year, and such loans shall be repaid before the end of the first quarter after the end of the fiscal year of the government that has contracted the loan;

(k) for the purpose of its open-market operations, buy and sell in the open market from or to any person, either in or outside Canada, securities, bills of exchange and promissory notes of the kinds and maturities and subject to the limitations, if any, referred to in paragraphs (c) to (e) and (g) with or without the endorsement of a bank;

(l) accept deposits from the Government of Canada and pay interest on those deposits;

(l.1) accept deposits from any bank, authorized foreign bank that is not subject to the restrictions and requirements referred to in subsection 524(2) of the *Bank Act* or other member of the Canadian Payments Association;

(l.2) pay interest on the deposits referred to in paragraph (l.1) if the money deposited is to be used for the purpose of making loans or advances referred to in paragraph (h);

(l.3) accept deposits from the government of any province or from any corporation or agency of the Government of Canada;

(m) open accounts in a central bank in any other country or in the Bank for International Settlements, accept deposits from central banks in other countries, the Bank for International Settlements, the International Monetary Fund, the International Bank for Reconstruction and Development and any other official international financial organization, act as agent or mandatary, or depository or correspondent for any of those banks or organizations, and pay interest on any of those deposits;

(n) acquire, hold, lease or dispose of real property or immovables;

(o) accept deposits of money that are authorized or required by an Act of Parliament to be transferred to the Bank, and, in accordance with that Act, pay interest on money so deposited and pay out money to any person entitled to it under that Act; and

(p) carry on any business activity that is incidental to or consequential on something the Bank is allowed or required to do by this Act.

R.S., 1985, c. B-2, s. 18; 1992, c. 1, s. 142; 1997, c. 15, s. 98; 1999, c. 28, s. 95; 2001, c. 4, s. 58, c. 9, s. 194; 2004, c. 25, s. 6(E).

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