

This Web page has been archived on the Web.**Bank of Canada Act**

Version of section 18 from 2008-08-05 to 2014-06-18:

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- (e)** [Repealed, 2001, c. 9, s. 194]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)** for the purposes of conducting monetary policy or promoting the stability of the Canadian financial system,
 - (i)** buy and sell from or to any person securities and any other financial instruments — other than instruments that evidence an ownership interest or right in or to an entity — that comply with the policy established by the Governor under subsection 18.1(1), and
 - (ii)** if the Governor is of the opinion that there is a severe and unusual stress on a financial market or the financial system, buy and sell from or to any person any securities and any other financial instruments, to the extent determined necessary by the Governor;
- (g.1)** [Repealed, 2008, c. 28, s. 146]
- (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) [Repealed, 2008, c. 28, s. 146]

(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); 2008, c. 28, s. 146.

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