

**Draft For Discussion Purposes Only**

**FNFA Proposed Draft Wording for SPVs under the First Nations Fiscal Management Act**

As of October 3, 2025

**1. The Act is amended by adding the following to subsection 2(1) after the definition “council”:**

*Crown corporation* has the same meaning as *Crown corporation* in section 2 of the *Financial Administration Act*. (société d’État).

**2. The Act is amended by adding the following to subsection 2(1) after the definition “property taxation law”:**

*qualified SPV* means a body corporate or limited partnership that is wholly owned, directly or indirectly, by one or more band(s) within the meaning of the *Indian Act*, First Nation(s) within the meaning of the Act, or Indigenous group(s) that is a party to a treaty, land claims agreement or self-government agreement with Canada.

**3. The Act is amended by adding the following after subsection 2(2.2):**

**Extended meaning of “borrowing member” – qualified SPV**

(2.3) For the purpose of sections 57 [Definitions], 59 [Membership], 74 [Mandate], 76(1) [Application to become a borrowing member], 77 [Ceasing to be a borrowing member], 78 [Priority], 82 [Sinking Fund], 83 [Surpluses] and 84 [Debt reserve fund] and paragraphs 86(1)(a) [Default] and 89(c) [Regulations], borrowing member also means a qualified SPV that has been accepted as a borrowing member by the Authority.

**4. The Act is amended by adding the following after subsection 74(b):**

(b.1) secure loans for its borrowing members that are qualified SPVs;

**5. The Act is amended by adding the following after subsection 76(1):**

(1.1) A qualified SPV may apply to the Authority to become a member.

**6. The Act is amended by adding the following after subsection 79(2):**

**Limitations — loans to qualified SPVs**

(3) The Authority shall not make a loan to a borrowing member that is a qualified SPV unless

- (a) the Authority is satisfied that the borrowing member has the ability to repay the loan;
- (b) repayment of the loan is guaranteed by His Majesty or a Crown corporation;
- (c) the borrowing member and the Authority have established a secured revenues trust account that is
  - (i) managed by a third party approved by the Authority, and
  - (ii) subject to terms that require the third party managing the account to periodically pay to the Authority the amounts required to be paid to it under the borrowing agreement with the borrowing member, at the times set out in that agreement, before paying any remaining amount to the borrowing member; and
- (d) the borrowing member has required the payers of the revenues being used to secure the loan to deposit those revenues into the secured revenues trust account or an intermediate account during the period of the loan.

**7. ADDITIONAL NOTES:** The Act would also be amended by adding the following under relevant provisions of the Act (section numbers to be determined):

- No shareholder or director of an SPV that is a borrowing member with an unpaid loan from the Authority shall propose or commence any action, application, proceeding or resolution to wind-up, dissolve or liquidate the SPV without the prior written consent of the Authority.
- An SPV that is a borrowing member with an unpaid loan from the Authority shall not change its ownership without the prior written consent of the Authority.