

Competition Policy Review Panel
280 Albert Street, 10th Floor
Ottawa, ON
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Dear Sirs:

May I recommend the following changes to the Bank Act:

1. Clarify the definition of banks and banking. Let the banks function as financial intermediaries, and make it mandatory that they stay away from the trust, insurance, leasing and securities areas.
2. Implement divisions between four main financial sector-banks, securities dealers, trust companies, and insurance by prohibiting any corporation in any one of the areas from owing more than 10 percent of any corporation in any of the other areas.
3. Prevent bank mergers. There is presently an oligopoly in the bank system.
4. Place the Bank of Canada under clear, political direction.
5. Require the banks to maintain primary reserves with the Bank of Canada.
6. Require the banks to provide stronger support for small businesses, and to provide more disclosure especially re loans and investments.
7. Strengthen regulatory regimes providing oversight of banks.
8. Reform bank boards so that there is no crossover between major bank borrowers and bank boards.
9. Extend only no more than five-year charters to banks, staggering expiry dates, so a different bank appears annually justifying its life.

Yours truly

Charles Abshez, B.A.(Hons.) C.G.A., C.M.A.