

Activity Sheet: 19-1

**SUBJECT:** Loans Against Capital Transfer**OBLIGATION:** Loans Against Capital Transfers  
19.3.1 - 19.3.4**PARTIES:** Designated Inuit Organization  
Canada - Minister of Finance

	<i>Activities</i>	<i>Responsibility</i>	<i>Timing</i>
1	Request a loan from Canada against the unpaid balance of the Capital Transfer.	Designated Inuit Organization	At any time after three years from the Effective Date.
2	Review request against the criteria set out in 19.3.3 of the Agreement.	Canada - Minister of Finance	Upon receipt of request and prior to authorizing loan.
3	Enter into negotiations for the amount and terms and conditions of the loan.	Canada - Minister of Finance Designated Inuit Organization	If the Minister of Finance is satisfied that the criteria in 19.3.3 of the Agreement are met.
4	Grant loan as per terms and conditions including the conditions set out in section 19.3.4. of the Agreement.	Canada - Minister of Finance	As agreed.

***PLANNING ASSUMPTIONS, GUIDELINES AND EXPLANATIONS***

This Activity Sheet exists with the assumption that the Nunatsiavut Government will have created a Designated Inuit Organization to receive the Capital Transfer.

***FINAL AGREEMENT PROVISIONS***

- 19.3.1 At any time after three years from the Effective Date, the Designated Inuit Organization may request a loan from Canada against the then unpaid balance of the Capital Transfer.
- 19.3.2 If Canada agrees to consider the request, the Minister of Finance, representing Canada, and the Designated Inuit Organization shall negotiate the amount and terms and conditions of the loan.
- 19.3.3 The Minister of Finance is authorized to consider a request and to grant a loan, on terms and conditions as agreed, up to the amount requested, if the Minister of Finance is satisfied that:
- (a) the loan is intended for the social or economic development of Inuit;

- (b) in any year, the unpaid balance of the Capital Transfer is sufficient to cover the total of all outstanding loan payments and interest required of the Designated Inuit Organization;
- (c) the terms and conditions of the loan, including the amount of the loan, the timing and amount of repayments, and the interest rate:
  - (i) are consistent with Government of Canada policies and practices for granting loans; and
  - (ii) enable the Minister of Finance to manage public disbursements and ensure fiscal constraint; and
- (d) the amount of the loan to be paid is available for that purpose from the applicable Parliamentary appropriation.

19.3.4 A condition of any loan made under this part shall be that the Designated Inuit Organization pay the amount that would reduce the outstanding balance of the negotiation loan repayments referred to in section 19.2.1 as at the time of the loan by the same proportion as the amount loaned under this part bears to the unpaid balance, as at the time of the loan, of the payments referred to in section 19.2.4. The amount may be paid at any time during the term of the loan and shall be credited against the last payments in schedule 19-B.

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### ***CROSS-REFERENCED AND RELATED PROVISIONS***

General Definitions and Interpretation - 1.1.1 - "Designated Inuit Organization"

19.2.1 - Repayment of negotiation loans

19.2.4 - Acceleration of repayment of negotiation loans