



NATIONAL ASSEMBLY OF QUÉBEC

SECOND SESSION

FORTY-THIRD LEGISLATURE

Bill 111
(2026, chapter 1)

**An Act to modernize the Cooperatives
Act and to amend other provisions**

**Introduced 6 June 2025
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EXPLANATORY NOTES

The purpose of this Act is to modernize the Cooperatives Act.

The Act provides for various measures surrounding the creation and operation of a cooperative, including the possibility that it be operated in the interest of a collectivity identified in its articles, the obligation that the number of members be not less than the minimum number of founders required for its constitution, and changes to the rules concerning its board of directors.

The Act proposes additional transparency measures with respect to the registers that a cooperative must keep and specifies the information that must appear in its financial statements and the information that must be sent to all shareholders.

The Act requires that preferred shares be registered and specifies the rules applicable with respect to the characteristics concerning them, in particular as regards the rights and preferences that they confer and their transfer.

The Act allows the operating surplus or surplus earnings of a cooperative to be allocated to a new reserve, that is, the reserve for future rebates, and authorizes the allotment of any rebate in proportion to the business done by the members over one or several fiscal years only where the general reserve presents a positive balance.

In addition, the Act authorizes the cooperatives whose articles prohibit the allotment of rebates and the payment of interest on preferred shares to declare themselves as being non-profit and specifies that the activity of a cooperative with its members does not constitute a means of earning a profit. It expressly prohibits the sale of a cooperative's assets at a value that is less than their market value.

The Act broadens a cooperative's power to be a party to an amalgamation, in particular by allowing such a transaction between cooperatives or between a cooperative and a federation of cooperatives having different objects and by eliminating certain requirements of a financial nature.

The penal provisions are updated and all of the provisions governing the voluntary winding-up of a cooperative are integrated into the Cooperatives Act.

With respect to housing cooperatives, the Act provides that a member of such a cooperative who has resigned does not have the right to maintain occupancy of the leased premises at the end of his lease and amends the Civil Code to clarify that lessors and lessees may not apply to the Administrative Housing Tribunal to modify any condition of a lease.

The Act respecting the legal publicity of enterprises is also amended, mainly to determine the information that must be declared in the enterprise register where the members of a cooperative have entered into an agreement to not elect directors.

Lastly, the Act contains transitional, consequential and final provisions.

LEGISLATION AMENDED BY THIS ACT:

- Civil Code of Québec;
- Cooperatives Act (chapter C-67.2);
- Winding-up Act (chapter L-4);
- Act respecting the legal publicity of enterprises (chapter P-44.1).

REGULATION AMENDED BY THIS ACT:

- Regulation under the Cooperatives Act (chapter C-67.2, r. 1).

Bill 111

AN ACT TO MODERNIZE THE COOPERATIVES ACT AND TO AMEND OTHER PROVISIONS

THE PARLIAMENT OF QUÉBEC ENACTS AS FOLLOWS:

COOPERATIVES ACT

1. The Cooperatives Act (chapter C-67.2) is amended by adding the following before Title I:

“PRELIMINARY PROVISION

The purpose of this Act is to allow for the constitution of cooperatives and to govern cooperatives whose nature is distinctive insofar as they are held collectively and controlled democratically by their members and do not seek profitability as their ultimate goal.

A further purpose of the Act is to ensure that cooperatives, insofar as they are created by and for their members, are deeply rooted in their community and contribute to its growth, wherever they are located in Québec.”

2. Section 3 of the Act is amended

(1) by replacing “prosecution” by “operation”;

(2) by adding the following paragraph at the end:

“In addition, the operation of a cooperative may be carried out in the interest of a collectivity determined by its articles.”

3. Section 4 of the Act is amended

(1) by replacing paragraph 3 by the following paragraph:

“(3) the payment to a member of interest on the capital stock must be limited and not for purposes of speculation”;

(2) by inserting “general” before “reserve” in paragraphs 4 and 5;

(3) by inserting “sustainable” before “development” in paragraph 8.

4. Section 9 of the Act is amended

(1) by inserting the following paragraph after paragraph 3:

“(4) whether it is operated in the interest of a collectivity and, if so, the collectivity concerned; and”;

(2) by replacing “members” in paragraph 5 by “partners”.

5. Section 10 of the Act is amended by adding the following paragraph at the end:

“In case of conflict, the provisions of the articles prevail over those of the by-laws.”

6. Section 12 of the Act is amended by striking out paragraph 3.

7. Section 16 of the Act is amended

(1) by striking out “, “cooperation”” in the first paragraph;

(2) by inserting “other” before “person” in the second paragraph.

8. The Act is amended by inserting the following section after section 16:

“16.1. A cooperative whose articles indicate that it is operated in the interest of a collectivity may identify itself as a collective interest cooperative and include the acronym “CIC” in its name.

No other person or partnership may identify itself as a collective interest cooperative or include the acronym “CIC” in its name or use it.”

9. Section 23 of the Act is amended by replacing “the articles” in the second paragraph by “the application for constitution”.

10. Section 24 of the Act is amended

(1) by replacing “vérificateur” in subparagraph 4 of the first paragraph in the French text by “auditeur”;

(2) by inserting “ratify the deeds performed in the interest of the cooperative before its constitution,” after “they may” in the second paragraph.

11. Section 29 of the Act is replaced by the following section:

“29. Third persons are not presumed to have knowledge of the information contained in a document concerning a cooperative, other than the information referred to in section 98 of the Act respecting the legal publicity of enterprises

(chapter P-44.1), solely because the document has been deposited in the enterprise register or because it is available for consultation at the head office of the cooperative.”

12. Section 30 of the Act is amended by replacing “sent to the Minister and filed” in paragraph 2 by “concerning the cooperative sent to the Minister and deposited in the enterprise register or registered”.

13. Section 33 of the Act is amended by replacing the first sentence of the second paragraph by the following sentence: “The general meeting or the board of directors may move the head office according to what is prescribed by by-law.”

14. Section 37 of the Act is amended by replacing “, preferred shares and participating preferred shares” in the first paragraph by “and preferred shares”.

15. The Act is amended by inserting the following section after section 38.2:

“**38.2.1.** Subject to section 62, the shareholders are not, in that capacity, liable for any act, omission or obligation of the cooperative.”

16. Section 46 of the Act is amended

(1) by inserting “, subject to the Securities Act (chapter V-1.1)” at the end of the first paragraph;

(2) by replacing the second paragraph by the following paragraphs:

“The preferred shares are registered. They may be transferred only with the approval of the board of directors.

The board shall determine the amount of and the preferences, rights and restrictions attaching to the shares, the conditions for their redemption and their repayment as well as any additional condition for their transfer. Any change to these characteristics must be authorized by a resolution adopted separately by two-thirds of the votes cast by the affected shareholders of each class or series of shares concerned or the representatives present at a meeting to which those shareholders are invited or by a proportion of votes cast that is greater than that set by the resolution that determines the characteristics of those shares.”;

(3) by adding the following paragraph at the end:

“The cooperative may include in its articles the characteristics referred to in the third paragraph.”

17. Division III.1 of Chapter VIII of Title I of the Act, comprising sections 49.1 to 49.4, is repealed.

18. The Act is amended by inserting the following division after section 49.4:

“DIVISION III.2

“INFORMATION RELATING TO SHARES

“49.5. The cooperative must communicate the following information to all shareholders each year or make it available at a location the cooperative indicates:

(1) in relation to the last fiscal year,

(a) the classes of shares outstanding at the end of the fiscal year,

(b) the total value of each class and series of shares,

(c) the preferences, rights and restrictions attaching to each class of preferred shares and the conditions for their redemption, repayment or transfer,

(d) the amount of the requests for repayment the cooperative received for each class of shares, and

(e) a statement regarding whether there is an obligation to obtain the authorization of a third person before any reimbursement of the capital stock; and

(2) the redemption and repayment policy for preferred shares and the repayment plan for those shares.

With respect to members, the obligation provided for in the first paragraph may be met by attaching to the notice of its annual meeting a document containing the information concerned.”

19. Section 51.3 of the Act is replaced by the following section:

“51.3. The founders are members of the cooperative and have the same rights and obligations as any other member.

The number of members of a cooperative may not be less than the minimum number of founders required for its constitution.”

20. Section 54 of the Act is amended by adding the following sentence at the end of the first paragraph: “That contribution may vary according to the class of members provided by law to which a member belongs, if applicable.”

21. Section 54.1 of the Act is amended by replacing “may by by-law determine” by “must, in the year following its constitution, adopt a by-law determining the”.

22. Section 57 of the Act is amended by adding the following subparagraph at the end of the first paragraph:

“(8) if he has defaulted on a penalty imposed pursuant to section 57.1 or if he is once again in the situation that led to it being imposed.”

23. The Act is amended by inserting the following section after section 57:

“**57.1.** The board of directors may, if authorized by by-law, impose a monetary penalty or other penalty on a member in the cases referred to in subparagraphs 2, 5, 6 and 7 of the first paragraph of section 57 instead of suspending or expelling the member.”

24. Section 58 of the Act is amended

(1) by replacing “deciding to suspend or expel a member, the board of directors shall give him written notice of the grounds invoked for” in the first paragraph by “imposing a penalty on a member under section 57.1 or ruling on the suspension or expulsion of the member, the board of directors shall give the member written notice of the grounds invoked for imposing the penalty or for”;

(2) by inserting “the imposition of the penalty or” after “oppose” in the second paragraph;

(3) by inserting “of the imposition of the penalty or” after “reasons” in the fourth paragraph.

25. Section 60 of the Act is amended by adding the following paragraph at the end:

“In addition, a member who is suspended while he is a director loses the right to sit on the board of directors for the duration of the suspension or, if it is shorter, for the unexpired portion of the member’s term of office as director, unless the board decides otherwise.”

26. Section 69 of the Act is amended

(1) by replacing “may authorize in writing his or her spouse or children of full age” in the first paragraph by “who is not a legal person or a partnership may authorize any person of full age” and by replacing “celui-ci” in the first paragraph in the French text by “celle-ci”;

(2) by striking out the second paragraph.

27 Section 76 of the Act is amended

(1) by replacing both occurrences of “vérificateur” in the first paragraph in the French text by “auditeur”, with the necessary grammatical modifications;

(2) by replacing “may call the annual meeting. The cooperative shall reimburse the federation for reasonable expenses incurred by the federation to hold the meeting” in the second paragraph by “or at least two of the members of the cooperative may call the annual meeting. The cooperative shall reimburse those who called the meeting for the reasonable expenses they incurred to hold the meeting”.

28. Section 76.1 of the Act is amended by replacing “place” by “location”.

29. Section 80 of the Act is replaced by the following section:

“30. The affairs of a cooperative are administered by a board of directors.

The number of directors on the board is determined by by-law. It may not, however, be less than three.”

30. Section 81 of the Act is amended by replacing the second and third paragraphs by the following paragraphs:

“The following persons may also be directors:

(1) the representative of a financial services cooperative within the meaning of the Act respecting financial services cooperatives (chapter C-67.3) and the representative of a federation or confederation within the meaning of this Act, provided the financial services cooperative or the federation or confederation is a group within the meaning of section 83; and

(2) in the case of a cooperative, other than a solidarity cooperative, whose articles set out that it is operated in the interest of a collectivity, a person who is from that collectivity and who is not a member of the cooperative.

Notwithstanding the first paragraph, a member of a producers cooperative, a consumer cooperative or a solidarity cooperative composed only of user members and supporting members who is also an employee of that cooperative may be a director of the cooperative only if a by-law of the cooperative allows it.”

31. Section 81.1.1 of the Act is replaced by the following section:

“31.1.1. The number of positions held by persons referred to in the second and third paragraphs of section 81 as well as in section 81.1 must not exceed one-third of the total number of directors’ positions.”

32. The Act is amended by inserting the following section after section 81.2:

“**81.3.** However, persons who are disqualified from office as directors under the provisions of the Civil Code may not be directors of a cooperative.”

33. Section 84 of the Act is amended by replacing the first and second paragraphs by the following paragraph:

“The term of office of a director is one year. It may, however, be two years or three years to the extent that a by-law introduces a mechanism of rotation that ensures continuity on the board of directors.”

34. The Act is amended by inserting the following sections after section 84:

“**84.1.** The cooperative may, by by-law, limit the number of renewals of the term of office of members of the board of directors.

“**84.2.** A director ceases to hold office before the end of his term if he is removed from office or if he becomes disqualified from holding that office or resigns.

The resignation of a director becomes effective at the date on which the director’s written notice of resignation is received by the cooperative or at a later date indicated in the notice.”

35. Section 85 of the Act is amended by replacing the first sentence of the first paragraph by the following sentence: “In the case of a vacancy on the board of directors, the directors may, if there is a quorum, appoint a person who is eligible to hold the office of director to fill the vacancy for the unexpired portion of the term of office.”

36. Section 89 of the Act is amended by replacing “by a by-law adopted” in the fourth paragraph by “by a resolution adopted”.

37. Section 90 of the Act is amended

(1) by inserting “and, if applicable, the other elements established by the cooperative’s by-laws” at the end of paragraph 4.1;

(2) by inserting “otherwise than to fill a vacancy” at the end of paragraph 4.2;

(3) by replacing “du vérificateur” in paragraph 5 in the French text by “de l’auditeur”;

(4) by inserting “sustainable” before “development” in paragraph 7.1.

38. Section 91 of the Act is amended by adding the following paragraph at the end:

“They must, in the exercise of their functions, act with prudence and diligence, honesty and loyalty and in the interest of the cooperative.”

39. The Act is amended by inserting the following section after section 102:

“**102.1.** When an attendance allowance has been fixed in accordance with the second paragraph of section 102, a director who is an employee of the cooperative and who participates in meetings of the board of directors during the director’s work hours receives only the portion of the allowance that exceeds, if applicable, the salary the director is paid in the course of the director’s participation.”

40. The Act is amended by inserting the following section after section 106:

“**106.0.1.** If there is no quorum during a vote on a matter concerning an enterprise, a contract or an economic activity in which one or more directors have an interest only because the director or directors had to leave the meeting pursuant to the second paragraph of section 106, the other directors present are deemed to constitute a quorum for the purpose of that vote.”

41. Section 107 of the Act is amended by adding the following paragraph at the end:

“In addition, the members of the executive committee of the board of directors of a solidarity cooperative must reflect the diversity of the cooperative’s members and where they include supporting members, the number of members from that class may not exceed one-third of the number of members of the committee.”

42. Section 108.1 of the Act is amended

(1) by replacing “composed of directors” in the first paragraph by “of directors composed of at least three directors”;

(2) by inserting the following paragraph after the first paragraph:

“In the case of a solidarity cooperative, the provisions of the third paragraph of section 107 apply to the composition of committees of directors referred to in the first paragraph of this section.”

43. Section 117 of the Act is amended by adding the following paragraph at the end:

“The by-law may, in respect of persons who hold a position of director without being a member of the cooperative, make any other office as an executive officer incompatible with the position of director.”

44. Section 123 of the Act is amended

(1) by inserting “and any resolution to be submitted for adoption” after “amended” in the first paragraph;

(2) in the second paragraph,

(a) by replacing “of any draft by-law” by “of the draft by-law and the draft resolution”;

(b) by replacing “place” by “location”.

45. Section 124 of the Act is amended

(1) by replacing “, preferred shares and participating preferred shares” in paragraph 6 by “and preferred shares”;

(2) by adding the following paragraph at the end:

“(8) its annual reports of the last six fiscal years.”

46. Section 127 of the Act is amended by replacing “7” and “the last” in the first paragraph by “8” and “every”, respectively.

47. Section 128 of the Act is amended by inserting “regardless of whether the cooperative prohibits itself from allotting rebates and paying interest on the preferred shares issued to members” at the end.

48. Section 128.1 of the Act is amended

(1) by replacing “government regulation” in the first paragraph by “the government regulation that applies to it”;

(2) by inserting the following paragraph after the second paragraph:

“In the case of a cooperative whose articles set out that it is operated in the interest of a collectivity, this proportion is established in accordance with the modalities determined by government regulation. Should that proportion not be attained at the end of a fiscal year, the cooperative must specify in the annual report for that fiscal year the reasons for that situation.”

49. Section 130 of the Act is amended by striking out the second paragraph.

50. Section 132 of the Act is amended

(1) by replacing “du vérificateur” in paragraph 5 in the French text by “de l’auditeur”;

(2) by inserting the following paragraph after paragraph 6.1:

“(6.2) a description of the measures taken to promote the training of the members, directors, executive officers and employees of the cooperative in the field of cooperation and to inform the public on the nature and advantages of cooperation; and”.

51. Section 133 of the Act is amended by adding the following paragraph at the end:

“They must, in particular, reflect the recommendation of the board of directors referred to in paragraph 4.1 of section 90 concerning the allocation of any operating surplus or surplus earnings. The difference with the amount approved by the members at the annual meeting, if any, must be reflected in the financial statements of the following fiscal year.”

52. The heading of Chapter XIX of Title I of the Act in the French text is replaced by the following heading:

“AUDIT”.

53. Section 135 of the Act is replaced by the following section:

“**135.** At each annual meeting, the cooperative shall appoint an auditor responsible for performing the audit of its financial statements whose term of office expires at the following annual meeting.

The auditor must be a member of the Ordre des comptables professionnels agréés du Québec and hold, if applicable, the required permit.

The Government may, by regulation, exempt a cooperative from the application of the first paragraph, on the basis of its volume of business or according to other criteria determined by the regulation.”

54. Section 138 of the Act is repealed.

55. Section 139 of the Act is replaced by the following section:

“**139.** Despite the first paragraph of section 135, a mandate may be given to the auditor to conduct a review engagement instead of the audit if two-thirds of the members or representatives present at the annual meeting consent to it.”

56. The heading of Chapter XX of Title I of the Act is amended by replacing “RESERVE” by “RESERVES”.

57. Section 143 of the Act is amended,

(1) in the first paragraph,

(a) by replacing “and participating preferred shares has been deducted including interest allocated as participation in the operating surplus or surplus earnings” in the introductory clause by “has been deducted”;

(b) by inserting “general” before “reserve” in subparagraph 1;

(c) by inserting the following subparagraph after subparagraph 1:

“(1.1) to the reserve for future rebates, if applicable;”;

(d) by inserting “, to the extent that the general reserve presents a positive balance” at the end of subparagraph 2;

(e) by inserting “and to the extent that the general reserve presents a positive balance” at the end of subparagraph 3;

(2) by adding the following paragraph at the end:

“Notwithstanding the second and third paragraphs, the cooperative may, by by-law, provide that the rebates are calculated on the basis of the concerned business done during a period covering several successive fiscal years, without, however, exceeding the last four.”

58. Section 144 of the Act is amended by replacing “reserve” by “general reserve or, if applicable, the reserve for future rebates”.

59. Section 145 of the Act is amended

(1) by replacing “The reserve is composed of the aggregate, after deduction of deficits,” and “into the reserve” by “The general reserve is composed of the aggregate” and “into the general reserve”, respectively;

(2) by inserting “and contributed surplus” at the end.

60. Section 146 of the Act is amended

(1) by inserting “general” before both occurrences of “reserve” in the first paragraph;

(2) by striking out “and participating preferred shares, including interest allocated as participation in the operating surplus or surplus earnings,” in the third paragraph.

61. The Act is amended by inserting the following section after section 146:

“146.0.1. When no by-law allows auxiliary members to have rebates allotted to them, the operating surplus or surplus earnings resulting from the application of the second paragraph of section 149 must also be allocated to the general reserve.”

62. Section 146.1 of the Act is amended

(1) by replacing “section 185, 210 or 221.2.10 must be allocated to the reserve” in the first paragraph by “sections 183.10, 183.11 and 192 must be allocated to the general reserve”;

(2) by replacing “or a confederation” in the second paragraph by “, a confederation or an organization whose object is to support cooperative development”.

63. Section 148 of the Act is amended

(1) by replacing “any category of preferred shares it has determined” in the first paragraph by “the preferred shares issued to the members. If such is the case, it may then declare itself as being non-profit”;

(2) by adding the following paragraph at the end:

“Notwithstanding the first paragraph, a cooperative whose articles indicate that it is operated in the interest of a collectivity must, in those articles, prohibit itself from allotting a rebate and paying interest on the preferred shares issued to its members.”

64. Section 149 of the Act is amended

(1) by replacing “may be allotted to members and auxiliary members. Such operating surplus or surplus earnings shall be allotted in the form of rebates.” by “may be allocated to the reserve for future rebates or allotted to the members and auxiliary members in the form of rebates.”;

(2) by adding the following paragraph at the end:

“For the purposes of the first paragraph, where no by-law allows auxiliary members to have rebates allotted to them, the board of directors must nonetheless determine the operating surplus or surplus earnings that would result from the business done by those members as if they could have rebates allotted to them.”

65. The Act is amended by inserting the following sections after section 149:

“149.0.1. A cooperative whose articles do not prohibit the allotment of a rebate may, in order to promote a stabilization of the payment of rebates, constitute, by by-law, a reserve to be known as a “reserve for future rebates”.

“149.0.2. The by-laws shall provide that the sums making up the reserve for future rebates may be allotted in the form of rebates to the members or, if applicable, to the auxiliary members of the cooperative.

The by-laws may also provide that, should there be a winding-up of the cooperative, the sums making up the reserve for future rebates will be remitted in the manner and under the conditions set out in section 183.8.

“149.0.3. Where the by-laws of the cooperative contain provisions for the purposes of the first paragraph of section 149.0.2, the board of directors may, in accordance with the by-laws or as part of a policy it establishes, allot a rebate to the cooperative’s members and, if applicable, to the auxiliary members.

The rebate shall be allotted in proportion to the business done by those members or auxiliary members with the cooperative or with a business corporation or partnership in which the cooperative holds shares or other securities during the period determined by the by-laws.

The allotment of the rebate is subject to the conditions set out in section 38, with the necessary modifications.

“149.0.4. The annual report of a cooperative that has constituted a reserve for future rebates must, in addition to the other requirements of this Act, present a statement concerning that reserve, including the total amount of the rebates allotted from that reserve for the fiscal year concerned.”

66. Section 149.2 of the Act is amended

- (1) by replacing “may provide” in the first paragraph by “shall provide”;
- (2) by replacing “185” in the second paragraph by “183.9”.

67. Section 149.3 of the Act is amended

- (1) by replacing “the reserve” in the first paragraph by “the general reserve”;
- (2) by striking out the third paragraph.

68. The Act is amended by inserting the following section after section 149.6:

“150. A rebate results from one’s status as a member or, if applicable, as an auxiliary member of a cooperative. It consists in a sum remitted at the end of the fiscal year to those members in accordance with section 149.

As the activity of a cooperative with its members and, if applicable, with its auxiliary members does not constitute a means of profit, the rebate consists in the remittal of part of a surplus payment to the cooperative by the member or, if applicable, by the auxiliary member or in an adjustment of the price of the products or services that a member or, if applicable, an auxiliary member delivered or provided, as the case may be, to the cooperative.”

69. The Act is amended by inserting the following after section 152:

“**152.0.1.** If a fiscal year ends with a deficit, the deficit shall be reduced by means of any sums contained in the various reserves, in the following order:

- (1) the reserve for future rebates;
- (2) the enhancement reserve; and
- (3) the general reserve.

“CHAPTER XX.1

“ASSET DISPOSAL

“**152.0.2.** Members and auxiliary members may not allot to themselves or otherwise acquire outside the normal course of the business of the cooperative an asset of the cooperative for a value that is less than its fair market value.

Similarly, subject to the fourth paragraph of section 89, the board of directors may not transfer an asset of the cooperative outside the normal course of its business or otherwise dispose of an asset for a value that is less than its fair market value.

A director cannot be held liable under the second paragraph if the director acted with a reasonable degree of prudence and diligence in the circumstances.”

70. Section 153 of the Act is replaced by the following section:

“**153.** A cooperative may amalgamate with another cooperative and with a federation of which it is a member.”

71. Section 154 of the Act is replaced by the following section:

“**154.** The entities referred to in section 153 cannot, however, amalgamate if there is reasonable ground to believe that the entity resulting from the amalgamation could not discharge its liabilities when due.”

72. Section 154.1 of the Act is amended

(1) by replacing “Notwithstanding paragraph 2 of section 154, two or more cooperatives may amalgamate even if the book value of the assets of the cooperative” by “An amalgamation referred to in section 153 may take place even if the value of the assets of the entity”;

(2) by inserting “of the entities that propose to amalgamate” after “creditors”.

73. Section 155 of the Act is amended

(1) by replacing “Cooperatives” in the introductory clause and “cooperatives” in paragraph 4 by “Entities” and “entities”, respectively;

(2) by replacing “cooperatives” in paragraph 5 by “amalgamating entities”;

(3) by replacing “the amalgamation of cooperatives” in paragraph 5.3 by “an amalgamation involving a cooperative”;

(4) by replacing “cooperatives” in paragraph 6 by “entities”;

(5) by replacing all occurrences of “cooperative resulting” by “entity resulting”.

74. Section 156 of the Act is amended, in the first paragraph,

(1) by replacing “cooperatives” in the introductory clause by “entities”;

(2) by replacing “a by-law” in subparagraph 1 by “a resolution”;

(3) by striking out “des coopératives” in subparagraph 1 in the French text;

(4) by replacing “the cooperative resulting” in subparagraph 2 by “the entity resulting”.

75. Section 159 of the Act is amended by inserting “as well as the names of the amalgamating entities” at the end.

76. Section 160 of the Act is amended

(1) by replacing “the by-laws were adopted” in paragraph 5 by “the resolutions were adopted”;

(2) by striking out paragraph 6.

77. Section 161 of the Act is amended by replacing “cooperatives” by “amalgamating entities”.

78. Section 162 of the Act is amended by inserting “or “federation resulting from an amalgamation”, as applicable,” after ““cooperative resulting from an amalgamation”” in the second paragraph.

79. Section 163 of the Act is amended

(1) by replacing “the cooperatives that have amalgamated continue in existence as one and the same cooperative” in the first paragraph by “the entities that have amalgamated continue in existence as the entity resulting from the amalgamation”;

(2) by replacing “cooperative” and both occurrences of “cooperatives” in the second paragraph by “entity” and “entities”, respectively;

(3) by replacing “cooperatives” and “reserve of the cooperative resulting” in the third paragraph by “entities” and “general reserve of the entity resulting”, respectively.

80. Section 164 of the Act is amended by striking out “if each cooperative is pursuing similar or related objects and”.

81. Section 165 of the Act is amended by replacing “and the provisions referred to in section 10” in paragraph 1 by “, the provisions referred to in section 10, and any amendment to the articles of the absorbing cooperative”.

82. Section 169 of the Act is amended

(1) by replacing “The articles of absorption” by “The articles of amalgamation by absorption”;

(2) by inserting “and the name of each absorbed cooperative” at the end.

83. Section 170 of the Act is amended

(1) by replacing “the articles of absorption” in the introductory clause by “the articles of amalgamation by absorption”;

(2) by replacing “of absorption” in paragraph 2 by “of amalgamation”;

(3) by replacing “the absorbed cooperative” in paragraph 4 by “each absorbed cooperative”;

(4) by striking out paragraph 6.

84. Section 171.1 of the Act is amended by replacing “articles of absorption” by “articles of amalgamation by absorption”.

85. Section 172 of the Act is amended

(1) by replacing both occurrences of “the absorbed cooperative” in the first paragraph by “each absorbed cooperative”;

(2) in the second paragraph,

(a) by replacing “the absorbed cooperative” by “each absorbed cooperative”;

(b) by inserting “general” before “reserve”.

86. Section 174 of the Act is amended

(1) by inserting “, the name of the amalgamated business corporation” after “amalgamating cooperative” in the first paragraph;

(2) by striking out subparagraph 3 of the second paragraph.

87. Section 176.1 of the Act is amended by striking out “having similar or related objects”.

88. Section 176.2 of the Act is amended, in the first paragraph,

(1) by replacing “163” by “162.1”;

(2) by striking out “and the third paragraph of section 163, which apply only to the amalgamating cooperative”.

89. The Act is amended by inserting the following section after section 176.2:

“176.3. From the date of taking effect appearing on the articles of amalgamation, the amalgamating legal person continues in existence within the cooperative.

The cooperative acquires the rights of that legal person and assumes its obligations.”

90. The Act is amended by inserting the following division after the heading of Chapter XXIII of Title I:

“DIVISION 0.1

“GENERAL PROVISION

“180.1. Winding-up consists in determining the assets of a cooperative, recovering its claims, performing or obtaining forgiveness of its obligations or otherwise making provision for them, paying the winding-up expenses,

paying shareholders the appropriate sums to which they are entitled and subsequently rendering an account to the cooperative's members and to the Minister.”

91. The Act is amended by inserting the following heading after the heading of Division I:

“§1. — *Appointment, removal and replacement of the liquidator*”.

92. Section 181 of the Act is amended

(1) by striking out “empowered to take immediate possession of the property of the cooperative” in the second paragraph;

(2) by adding the following paragraphs at the end:

“The resolution shall fix the remuneration of each liquidator.

In addition, a liquidator is entitled to the reimbursement of the expenses incurred in the performance of the duties of office.”

93. The Act is amended by inserting the following sections after section 181:

“**181.0.1.** Any natural person fully capable of exercising his civil rights may be appointed liquidator.

A legal person authorized by law to administer the property of others may also be appointed liquidator.

“**181.0.2.** A liquidator is not obliged to take out insurance or to provide security for the performance of the liquidator's obligations, unless the members require the liquidator to do so by resolution taken at the time the liquidator is appointed and fix the amount of the insurance or security.

If a liquidator is required to provide security and refuses or neglects to do so, the liquidator forfeits the office, unless relieved from the default by the members.

“**181.0.3.** Where three liquidators are appointed, their powers may be exercised by the majority of them.”

94. Section 182 of the Act is repealed.

95. Section 183 of the Act is amended

(1) by adding the following paragraph at the beginning:

“As of the appointment of the liquidator, the board of directors of the cooperative is dissolved and the cooperative exists and may act only for the purposes of its winding-up and dissolution.”;

(2) by replacing “As soon as winding-up has been accepted by the general meeting” in the first paragraph by “In addition”;

(3) by striking out the second paragraph.

96. The Act is amended by inserting the following after section 183:

“183.1. Two members of the cooperative, or the board of directors of the federation of which the cooperative is a member, may call a special meeting to remove a liquidator and appoint a new one by a resolution adopted by the majority of the votes cast by the members or representatives present at the meeting.

The liquidator or liquidators shall reimburse those who called the meeting for reasonable expenses incurred by them to hold the meeting.

“183.2. The members must, without delay, by a resolution adopted by the majority of the votes cast by the members or representatives present at a special meeting, fill any vacancy in the office of liquidator.

The meeting may be called by any member or by one of the liquidators still in office, if applicable.

“183.3. If a liquidator is not appointed or replaced within 15 days of the office becoming vacant, a member or any other interested person may apply to a judge of the Superior Court, in the district where the cooperative has its head office, to appoint or replace a liquidator.

“§2. — *Conduct of the winding-up*

“183.4. As of the appointment of the liquidator and for the time required for the winding-up, the liquidator is seized of the cooperative’s property.

The liquidator shall act as administrator of the property of others charged with full administration.

The directors, executive officers and members of the cooperative must, at the request of the liquidator, provide the liquidator with any document or explanation concerning the rights and obligations of the cooperative.

“183.5. If the winding-up continues for more than one year, the liquidator must, at the end of the first year and at least once a year after that, render a summary account of the liquidator’s management to the members of the cooperative.

“183.6. The liquidator recovers the claims of the cooperative, including any amounts outstanding on shares held by the members of the cooperative or by the other shareholders.

“183.7. The liquidator shall first pay the debts of the cooperative of which forgiveness has not been obtained, as and when they become due or in accordance with terms agreed on with the cooperative’s creditors. The liquidator shall also pay the winding-up expenses and, then, the amounts paid on the shares according to the priorities established by by-law or resolution.

The expenses incurred by a creditor after he has himself or by his attorney had knowledge of the winding-up cannot be collocated against the proceeds of the property of the cooperative distributed in consequence of the winding-up.

The sums representing the shares that could not be repaid shall be remitted to the Minister of Revenue together with a statement of the sums indicating the name and last known address of the interested parties and the date on which the sums were transferred to the Minister of Revenue; the Unclaimed Property Act (chapter B-5.1) applies to sums so remitted.

“183.8. Where the by-laws of a cooperative contain provisions for the purposes of the second paragraph of section 149.0.2, the balance remaining in the reserve for future rebates, if any, shall be remitted to the persons or partnerships that were members or auxiliary members of the cooperative during the period covering the five fiscal years preceding the year the winding-up was voted. The remittances are made in proportion to the business done by those persons or partnerships with the cooperative or with a business corporation or partnership in which the cooperative held shares or other securities during the period determined by the cooperative’s by-laws.

The balance remaining in the reserve for future rebates is the balance appearing on the balance sheet of the cooperative established by the liquidator, minus the net loss from the disposal of the cooperative’s assets.

“183.9. Where the by-laws of a producers cooperative, a work cooperative or a shareholding workers cooperative contain provisions for the purposes of the second paragraph of section 149.2, the balance remaining in the enhancement reserve, if any, shall be remitted to the persons or partnerships that were members or auxiliary members of the cooperative during the period covering the five fiscal years preceding the year the winding-up was voted. The remittances are made in proportion to the business done by those persons or

partnerships with the cooperative or with a business corporation or partnership in which the cooperative held shares or other securities during the period determined by the cooperative's by-laws.

The balance remaining in the enhancement reserve is the balance appearing on the balance sheet of the cooperative established by the liquidator, minus the net loss from the disposal of the cooperative's assets.

In the case of a cooperative to which section 149.5 applies, the balance includes, as the case may be, the portion of any profit earned on the disposal of the shares of the cooperative that may be paid into the enhancement reserve.

“183.10. Once the payments and remittances have been made, as applicable, in accordance with any of sections 183.7, 183.8 and 183.9, the balance of the assets is devolved to a cooperative, a federation, a confederation or the Conseil québécois de la coopération et de la mutualité by means of a resolution adopted by the majority of the votes cast by the members or representatives present.

However, where the winding-up concerns a housing cooperative, the balance of the assets is devolved to such a cooperative, a federation of housing cooperatives, a confederation of such federations or the Conseil québécois de la coopération et de la mutualité by means of a resolution adopted by the majority of the votes cast by the members or representatives present.

Similarly, where the winding-up concerns an agricultural cooperative, the balance of the assets is distributed among the persons or partnerships that were members of the cooperative during the three fiscal years preceding the year in which the winding-up was voted, in proportion to the amount of business done by those persons or partnerships during the period determined by the general meeting. The members may, however, decide to remit all or part of the balance of the assets to another agricultural cooperative or to the federation of agricultural cooperatives designated by the Government under section 192.

“183.11. Where the members have not made a decision concerning the balance of the cooperative's assets, that balance devolves to the Conseil québécois de la coopération et de la mutualité.”

97. Section 185 of the Act is replaced by the following section:

“185. After winding up the cooperative in accordance with sections 183.6 to 183.11, the liquidator shall produce a final account and submit it to the members for approval by a resolution adopted by the majority of the votes cast by the members or representatives present at a special meeting called for that purpose.

The final account determines the cooperative's assets at the time of its winding-up and reports on the disposal of the property of the cooperative, the sums realized, the obligations of the cooperative that were performed, those of which the liquidator obtained forgiveness and the overall manner in which the winding-up was conducted.”

98. Section 185.1 of the Act is replaced by the following:

“§3. — *Closure of the winding-up*

“**185.1.** The winding-up of the cooperative is terminated by sending the Minister a closure report on the winding-up mentioning the holding of the special meeting referred to in section 185, the approval of the final account by the members present or represented at that meeting and the manner in which the winding-up was conducted.

The Minister shall send to the enterprise registrar a notice indicating that the Minister received the report.

“**185.1.1.** The enterprise registrar shall make an entry in the register to the effect that the closure report was sent to the Minister and the cooperative is dissolved from the time that entry is made.

“**185.1.2.** Within 30 days after the date of the dissolution of the cooperative, the liquidator must remit to the Minister of Revenue the amount of all sums that have not been claimed and paid by that time, with a statement thereof indicating the name and last known address of the persons entitled to them and the date on which they were remitted to the Minister of Revenue.

The Unclaimed Property Act (chapter B-5.1) applies, with the necessary modifications, to those sums.

“**185.1.3.** The liquidator shall keep the books and registers of the cooperative for five years after the closure of the winding-up; the liquidator shall keep them for a longer period if they are required as evidence in a judicial or administrative proceeding.

“§4. — *Discontinuation of the winding-up*

“**185.1.4.** In the course of the winding-up, but before the sale of the property of the cooperative, the members may, by a resolution adopted by three-fourths of the votes cast by the members or representatives present at a special meeting called for that purpose by at least two members, decide to discontinue the winding-up proceedings and resume the operations of the cooperative.

The notice of a meeting must be sent to the liquidator and state that withdrawal of consent to the dissolution of the cooperative is to be proposed.

“185.1.5. The members must, at the special meeting referred to in section 185.1.4, direct one of their number to apply, on behalf of the cooperative, to a judge of the Superior Court in the district where the cooperative has its head office, for the approval of the resolution to discontinue the winding-up proceedings and resume the operations of the cooperative.

A notice of the day on which the application is to be presented must be given to the liquidator, to the creditors and to the members and other shareholders, by any means providing proof of the date of receipt. It must be sent at least six days before the day fixed for the presentation of the application.

The resolution of the members referred to in the first paragraph of section 185.1.4 shall have no effect until approved by the judge.

Subject to the second paragraph of section 185.1.7, the approval of the resolution by the judge shall put an end to the powers of the liquidator, but every act done by the liquidator while in office shall remain valid, and any action instituted by the liquidator may be taken up and carried on by the cooperative in the usual way.

“185.1.6. A notice of the resolution and of its approval must be sent to the Minister. The latter shall send a copy to the enterprise registrar, who shall deposit it in the register.

From the date of that deposit, the notice referred to in section 181.1 shall cease to have effect.

“185.1.7. The discontinuation shall terminate the winding-up, the board of directors of the cooperative shall be re-established and its most recent directors, if they consent, shall resume their term of office.

Where the number of directors provided for by by-law is not attained, the liquidator must, as soon as possible, call a special meeting to fill the vacancies on the board of directors. If the liquidator fails to call the meeting, any member may do so. The cooperative shall reimburse the member who called the meeting for reasonable expenses incurred by the member to hold the meeting.

The winding-up resumes if the number of directors provided for by by-law is not attained within 90 days after the discontinuation.”

99. Section 185.2 of the Act is amended by replacing “\$25,000” by “\$50,000”.

100. Section 185.3 of the Act is amended

(1) by replacing “section 185” by “sections 183.7 to 183.11”;

(2) by adding the following paragraph at the end:

“At the meeting, the directors shall designate a director from among them who shall be responsible for keeping the books and registers of the cooperative from the time of its dissolution.”

101. The Act is amended by inserting the following section after section 185.4:

“185.4.1. The director designated by the board of directors at the special meeting referred to in section 185.3 shall keep the books and registers of the cooperative for five years after the closure of the winding-up; the director shall keep them for a longer period if they are required as evidence in a judicial or administrative proceeding.”

102. The heading of Chapter XXIV of Title I of the Act is replaced by the following heading:

“FORCED DISSOLUTION”.

103. Section 185.5 of the Act is amended by replacing “of its annual report” in the first paragraph by “of an inspection report or the annual report of a cooperative”.

104. Section 186 of the Act is amended

(1) by replacing “order the dissolution of a cooperative” in the introductory clause by “dissolve a cooperative”;

(2) by replacing “minimum number referred to in section 7 or 223.1, as the case may be” in paragraph 1 by “minimum number of founders required for its constitution”;

(3) by inserting the following paragraph after paragraph 1:

“(2) it fails to send to the Minister information, a copy of the by-laws or any other document that the Minister has required under this Act;”;

(4) by adding the following paragraph at the end:

“The Minister may also dissolve a cooperative at the request of the provisional secretary or of two of its founders showing that the cooperative will not be holding its general organization meeting. The secretary or the founders must, at the request of the Minister, provide the Minister with the relevant information and documents in relation to their request.”

105. Section 187 of the Act is amended

(1) by replacing the first paragraph by the following paragraph:

“Except in the cases provided for in subparagraph 6 of the first paragraph and in the second paragraph of section 186, the Minister must, before dissolving a cooperative, give notice to the cooperative of the alleged default and of the penalty to which the cooperative is liable.”;

(2) by replacing “order the cooperative dissolved” in the second paragraph by “dissolve the cooperative”.

106. Section 188 of the Act is amended

(1) by replacing “order the cooperative dissolved” in the second paragraph by “dissolve the cooperative”;

(2) by inserting “general” before “reserve” in the third paragraph.

107. Section 189 of the Act is amended

(1) by inserting “of the dissolution request referred to in the second paragraph of section 186 and” after “copy”;

(2) by replacing “it” by “them”.

108. Section 190 of the Act is amended

(1) by replacing the first paragraph by the following paragraph:

“The Minister’s decision to dissolve the cooperative shall be sent to the enterprise registrar, who shall deposit it in the register. It has effect from the date of deposit.”;

(2) by replacing “the dissolution order” in the second paragraph by “the decision”.

109. Section 191 of the Act is amended by adding the following sentence at the end of the second paragraph: “Section 24 of the Unclaimed Property Act (chapter B-5.1) does not apply.”

110. The Act is amended by inserting the following section after section 191:

“191.0.1. The provisions of articles 359 to 364 of the Civil Code apply to the Minister of Revenue or to the designated liquidator, as the case may be, with the necessary modifications and subject to this Act.”

111. Section 192 of the Act is amended by inserting “, except in the case of an agricultural cooperative, in which case the balance of the assets devolves, in accordance with the decision of the Minister, to another agricultural cooperative or to the federation of agricultural cooperatives designated by the Government” at the end.

112. The Act is amended by inserting the following chapter after the heading of Title II:

“CHAPTER 0.1

“GENERAL PROVISION

“193.0.1. Title I applies to the cooperatives governed by this Title, with the necessary modifications, except the provisions that are inconsistent with those of this Title.”

113. The Act is amended by inserting the following section after section 193.2:

“193.2.1. At least three founders are required to apply for the constitution of a producers cooperative.”

114. Section 200 of the Act is amended by replacing “paragraph 2” in the second paragraph by “subparagraph 2 of the first paragraph”.

115. Section 205 of the Act is amended by adding the following paragraph at the end:

“The conditions referred to in subparagraph 2 of the first paragraph must, in particular, provide that goods acquired by the cooperative from a body to which a member of the cooperative is required to sell similar goods that the member produces, such as a marketing board, are deemed to have been acquired from that member.”

116. Sections 208 and 210 of the Act are repealed.

117. Section 211.8 of the Act is amended by replacing “paragraph 1” by “subparagraph 1 of the first paragraph”.

118. The Act is amended by inserting the following sections after section 219.1:

“219.2. A consumer cooperative may, by by-law, provide for a class of family members and determine their rights and obligations, in particular as to the exercise of the right to vote at meetings and the possibility that only one representative of the family may be elected as a director.

“219.3. A natural person may be part of only one class of members of a consumer cooperative.

“219.4. The board of directors of a consumer cooperative other than a housing cooperative may designate the persons authorized to admit members in its name.”

119. Section 221 of the Act is amended by adding the following sentence at the end: “In such a case, only one of the two members may be elected as a director.”

120. The Act is amended by inserting the following section after section 221.1:

“221.1.1. A member who, six months or more before the expiry of his lease, resigns from the cooperative does not have the right to maintain occupancy of the leased premises on the expiry of the lease.

If the resignation occurs less than six months before the expiry of his lease, the member must vacate the leased premises not later than six months after his resignation.

Where the lease was renewed before the member’s resignation, the lease is terminated on the date on which the resigning member vacates the leased premises or on the date on which the six-month period referred to in the second paragraph ends, whichever occurs first.”

121. The Act is amended by inserting the following section after section 221.2.1:

“221.2.1.1. Unless otherwise provided for in the by-laws, a member may authorize in writing a person of full age with whom the member cohabits and who is not a member of the cooperative to take part in the deliberations of the meeting, in the member’s absence, and to vote in his place.”

122. Section 221.2.3 of the Act is amended

(1) by replacing “set up a reserve” in paragraph 1 by “see to it that the general reserve is”;

(2) by replacing “vérificateur” in paragraph 2 in the French text by “auditeur”.

123. Section 221.2.5 of the Act is amended by replacing “jointly by the Minister and by the Minister of Municipal Affairs, Regions and Land Occupancy, who may each subject their authorization to the conditions they determine” in the first paragraph by “by the Minister of Municipal Affairs, Regions and Land Occupancy, who may subject his or her authorization to the conditions the Minister determines”.

124. Section 221.2.6 of the Act is amended

(1) by inserting “a copy of the resolution provided for in the fourth paragraph of section 89, where applicable,” after “the immovable,” in the first paragraph;

(2) in the second paragraph,

(a) by inserting “of Municipal Affairs, Regions and Land Occupancy” after “Minister”;

(b) by replacing “30” by “60”;

(3) by replacing “the ministers shall take into account” in the third paragraph by “the Minister of Municipal Affairs, Regions and Land Occupancy shall take into account” and by replacing “prennent” in that paragraph in the French text by “prend”;

(4) by replacing “the ministers must” in the fourth paragraph by “the Minister must”.

125. Section 221.2.7 of the Act is amended by inserting “of Municipal Affairs, Regions and Land Occupancy” after “Minister”.

126. Section 221.2.9 of the Act is amended by replacing “joint authorization of the Minister and” in the first paragraph by “authorization”.

127. Section 221.2.10 of the Act is repealed.

128. Section 221.3 of the Act is amended by adding the following sentence at the end of the first paragraph: “The same applies to the former students and staff members of the institution provided they have already been members of the cooperative.”

129. Section 221.4.1 of the Act is repealed.

130. Section 221.5.1 of the Act is amended

(1) by adding the following sentence at the end of the first paragraph: “The former students and staff members of the institution constitute a single group and have the right to elect at least one director.”;

(2) by adding the following sentence at the end of the second paragraph: “The former students and staff members of those institutions constitute a single group and have the right to elect at least one director.”;

(3) by inserting the following paragraph after the second paragraph:

“The cooperative may, by by-law, provide for a manner of establishing the groups and for modalities of nomination and election of the directors representing them that differ from those provided for in the second paragraph.”

131. Section 224.2 of the Act is amended by replacing “extending over a period of not more than 18 months” in the first paragraph by “, which shall run from the worker’s first work day”.

132. Section 224.4.2 of the Act is repealed.

133. Section 224.4.3 of the Act is amended

(1) by adding the following paragraph at the beginning:

“The cooperative must adopt a policy on the orientation and integration of workers as members and, if applicable, auxiliary members.”;

(2) by replacing “The cooperative is” in the first paragraph by “It is also”.

134. Section 225.1 of the Act is amended

(1) by replacing “representative” by “member”;

(2) by inserting “to act as director” at the end.

135. Section 225.7 of the Act is amended by replacing “224.4.1 to” by “224.4.1,”.

136. Section 226.5 of the Act is repealed.

137. Section 226.6 of the Act is amended by inserting “subparagraph 1 of” after “persons referred to in” in the third paragraph.

138. Section 226.8 of the Act is amended by adding the following paragraph at the end:

“Despite subparagraphs 1 and 2 of the first paragraph, the cooperative may, by by-law, provide that any rebates are to be calculated in proportion to the amount of business done or on the basis of the volume of work performed during a period covering more than one successive fiscal years, without, however, exceeding the last four.”

139. Section 226.13 of the Act is amended

(1) by replacing “order the dissolution of” in the first paragraph by “dissolve”;

(2) by replacing the second paragraph by the following paragraph:

“The Minister’s decision to dissolve the cooperative shall be sent to the enterprise registrar, who shall deposit it in the register. The decision has effect from the date of deposit.”

140. Section 226.14 of the Act is amended by replacing “sections 221 to 221.2.10” by “the second paragraph of section 183.10 and sections 183.11 and 221 to 221.2.9”.

141. The Act is amended by inserting the following section after section 226.15:

“226.16. Where one of the objects of a solidarity cooperative is to offer services from an educational institution to students or staff of that institution, sections 221.3 to 221.8 apply, with the necessary modifications.”

142. Sections 246 and 246.1 of the Act are replaced by the following sections:

“246. Whoever contravenes section 49.5, paragraph 8 of section 90 or any of sections 124, 127, 127.1, 131, 132 and 184 is liable to a fine of \$1,000 to \$4,000 in the case of a natural person and of \$3,000 to \$12,000 in all other cases.

“246.1. Whoever contravenes the second paragraph of section 16, 16.1 or 20, any of sections 33, 48, 54.1, 133, 135, 141, 221.2.3 and 221.2.4, the second paragraph of section 221.6.1, the third paragraph of section 221.7 or the second paragraph of section 226.2 is liable to a fine of \$2,500 to \$10,000 in the case of a natural person and of \$7,500 to \$30,000 in all other cases.

“246.2. Whoever

(1) falsely holds out, by the title he assumes or otherwise, that he is a cooperative, a federation or a confederation;

(2) furnishes the Minister with false or inaccurate information;

(3) hinders or attempts to hinder in any manner any person who performs an act which this Act obliges or authorizes him to do;

(4) contravenes any of sections 140, 146, 146.0.1, 146.1, 152.0.1 and 152.0.2 or the third paragraph of section 188;

(5) contravenes any of sections 38, 147, 149 and 149.3 or makes any other unlawful apportionment of sums belonging to a cooperative;

(6) transfers the balance of the assets of a cooperative being wound up to a person other than a person referred to in any of sections 183.10, 183.11 and 192;

(7) alienates an immovable that was acquired, built, restored or renovated with the help of housing assistance without the Minister's authorization required under section 221.2.5; or

(8) is able, through one or more transactions which resulted in evasion of the obligation to obtain the Minister's authorization required under section 221.2.5, to take in payment an immovable acquired, built, restored or renovated with the help of housing assistance or to exercise another hypothecary right on such an immovable

is liable to a fine of \$5,000 to \$20,000 in the case of a natural person and of \$15,000 to \$60,000 in all other cases.

“246.3. The minimum and maximum fines prescribed in this Title are doubled for a second offence and tripled for a subsequent offence.

“246.4. If an offence under this Act is committed by a director or an officer of a legal person, of a partnership or of an association without legal personality, the minimum and maximum fines are those prescribed in cases other than in the case of a natural person for that offence.”

143. Section 248 of the Act is repealed.

144. Section 248.1 of the Act is amended

(1) by striking out the first paragraph;

(2) by replacing “under section 246.1” in the second paragraph by “under any of paragraphs 4 to 8 of section 246.2”.

145. Section 265 of the Act is amended by inserting “the name of the business corporation and” after “contain”.

146. Section 269.5 of the Act is amended by inserting “16.1,” after “16,” in paragraph 3.

147. Section 328 of the Act is amended by inserting “, except sections 221.2.3 to 221.2.9, section 246.1 insofar as it concerns a contravention of sections 221.2.3 and 221.2.4, and paragraphs 7 and 8 of section 246.2, whose application is under the responsibility of the Minister of Municipal Affairs, Regions and Land Occupancy” at the end.

148. The Act is amended by replacing all occurrences of “by-law” in the following provisions by “resolution”, with the necessary grammatical modifications:

(1) section 118;

(2) section 119;

- (3) section 157;
- (4) section 166;
- (5) section 259.1;
- (6) section 259.2;
- (7) section 269.1.1; and
- (8) section 269.1.2.

149. The Act is amended by inserting “general” before “reserve” in the following provisions:

- (1) section 147;
- (2) section 258.

150. The Act is amended by replacing all occurrences of “an organization meeting” and “the organization meeting” by “a general organization meeting” and “the general organization meeting”, respectively, in the following provisions:

- (1) section 21;
- (2) section 225.3.

151. Unless already provided for by this Act, the Act is amended by replacing all occurrences of “vérificateur” by “auditeur” in the French text, with the necessary grammatical modifications.

CIVIL CODE OF QUÉBEC

152. Article 1955 of the Civil Code of Québec is amended by striking out “to one of its members” in the first paragraph.

WINDING-UP ACT

153. Section 17 of the Winding-up Act (chapter L-4) is amended by striking out the third and fourth paragraphs.

154. Section 18 of the Act is amended by striking out the sixth paragraph.

ACT RESPECTING THE LEGAL PUBLICITY OF ENTERPRISES

155. Section 33 of the Act respecting the legal publicity of enterprises (chapter P-44.1) is amended by replacing subparagraph 2 of the second paragraph by the following subparagraph:

“(2) the names, domiciles and dates of birth of the directors, and the positions they hold or,

(a) if all powers have been withdrawn from the board of directors by a unanimous shareholder agreement entered into in accordance with the laws of Québec or a Canadian jurisdiction other than Québec, the names, domiciles and dates of birth of the shareholders or third persons having assumed those powers; or,

(b) if the members of a cooperative entered into an agreement in accordance with the laws of Québec or a Canadian jurisdiction other than Québec to not elect directors, the names, domiciles and dates of birth of each of those members;”.

156. Section 35 of the Act is amended by adding the following paragraph at the end:

“(7) in the case of a cooperative, a statement as to the existence or not of an agreement entered into in accordance with the laws of Québec or a Canadian jurisdiction other than Québec to not elect directors.”

157. Section 98 of the Act is amended by replacing subparagraph 6 of the first paragraph by the following paragraph:

“(6) the name and domicile of each director with the mention of the position he holds or,

(a) if all powers have been withdrawn from the board of directors by a unanimous shareholder agreement entered into in accordance with the laws of Québec or a Canadian jurisdiction other than Québec, the names and domiciles of the shareholders or third persons having assumed those powers; or

(b) if the members of a cooperative have entered into an agreement in accordance with the laws of Québec or a Canadian jurisdiction other than Québec to not elect directors, the name and domicile of each of those members;”.

REGULATION UNDER THE COOPERATIVES ACT

158. Section 1 of the Regulation under the Cooperatives Act (chapter C-67.2, r. 1) is amended by inserting “16.1,” after “sections 16,”.

159. Section 4 of the Regulation is amended by replacing “du vérificateur” in the French text by “de l’auditeur”.

160. Section 6 of the Regulation is amended

(1) by striking out “a “Participating Preferred Shares” section,” in paragraph 1;

(2) by striking out paragraph 2;

(3) in paragraph 4,

(a) by inserting “general” before “reserve” in subparagraph *b*;

(b) by inserting the following subparagraph after subparagraph *b*:

“(b.1) the amount of the reserve for future rebates referred to in sections 149.0.1 to 149.0.4 of the Act;”;

(4) in paragraph 7,

(a) by inserting “general” before “reserve” in the introductory clause;

(b) by striking out subparagraph *d*;

(c) by replacing “and participating preferred shares, less any part of those items already charged to” in subparagraph *g* by “, less any part already deducted from the reserve for future rebates and”;

(5) by inserting the following paragraph after paragraph 7:

“(7.1) where applicable, the statement of the reserve for future rebates must indicate

(a) the balance at the end of the preceding fiscal year;

(b) the surplus earnings of the preceding fiscal year allocated by the board of directors; and

(c) the details of the rebates allotted for the fiscal year concerned out of the reserve for future rebates; and”;

(6) by striking out “and participating preferred shares” in subparagraph *d* of paragraph 8.

161. Section 8 of the Regulation is amended by striking out “and participating preferred shares, other than interest paid as participation in the operating surplus or surplus earnings,”.

162. The heading of Chapter III of the Regulation is amended by replacing “VÉRIFICATION” in the French text by “AUDIT”.

163. Sections 12 to 15 of the Regulation are repealed.

164. Schedule 1 to the Regulation is amended,

(1) in section 1,

(a) by inserting “general” before “reserve” in paragraph 3;

(b) by inserting “the statement of the reserve for future rebates and” after “where applicable,” in paragraph 4;

(2) in section 2,

(a) by replacing “3 sections: Participating Preferred Shares,” by “2 sections:”;

(b) by striking out “The “Participating Preferred Shares” section states only the amount of the paid-up participating preferred shares.”;

(c) by inserting the following paragraph after paragraph 24:

“(24.1) the amount of the reserve for future rebates referred to in sections 149.0.1 to 149.0.4 of the Act;”;

(d) by inserting “general” before “reserve” in paragraph 26;

(3) in the first paragraph of section 3,

(a) by striking out “and participating preferred shares, other than interest paid as participation in the operating surplus or surplus earnings” in subparagraph 8;

(b) by striking out “and participating preferred shares” in subparagraph 9;

(4) in section 4,

(a) by inserting “general” before “reserve” in the introductory clause;

(b) by striking out paragraph 4;

(c) by striking out “and participating preferred shares” in paragraph 7;

(5) by inserting the following section after section 4:

“(4.1) Where applicable, the statement of the reserve for future rebates states:

(1) the balance at the end of the preceding fiscal year;

(2) the operating surplus or surplus earnings of the preceding fiscal year allocated by the board of directors; and

(3) the details of the rebates allotted for the fiscal year concerned out of the reserve for future rebates.”;

(6) by striking out “and participating preferred shares” in paragraph 4 of section 5;

(7) by striking out “and participating preferred shares” in paragraph 3 of section 7.

CHAPTER III

MISCELLANEOUS, TRANSITIONAL AND FINAL PROVISIONS

165. The first paragraph of section 16 of the Cooperatives Act (chapter C-67.2), as amended by section 7 of this Act, applies to a cooperative constituted before 24 February 2026 whose name includes on that date the term “cooperation” only from the time its name no longer includes that term.

166. The board of directors of a cooperative authorized by a by-law to issue participating preferred shares may not, from 24 February 2026, issue such shares. It may, however, change the characteristics of those shares in accordance with the law.

Subject to the conditions provided for in section 38 of the Cooperatives Act (chapter C-67.2), the holders of such shares may keep them until the shares are redeemed or repaid in accordance with the conditions provided for by that by-law.

The provisions of section 37 of the Cooperatives Act, amended by section 14 of this Act, those of sections 49.3 and 49.4 of the Cooperatives Act, repealed by section 17 of this Act, those of sections 124, 143 and 146 of the Cooperatives Act, amended respectively by sections 45, 57 and 60 of this Act, those of sections 6 and 8 of the Regulation under the Cooperatives Act (chapter C-67.2, r. 1), amended respectively by sections 160 and 161 of this Act, and those of sections 2, 3, 4, 5 and 7 of Schedule 1 to the Regulation, amended by section 164 of this Act, that concern participating preferred shares, as they read on 23 February 2026, continue to apply to the cooperatives that issued such shares until the shares are all redeemed or repaid.

Cooperatives that issued participating preferred shares before 24 February 2026 must, for the purposes of subparagraph 1 of the first paragraph of section 49.5 of the Cooperatives Act, enacted by section 18 of this Act, add to the document concerned, with the necessary modifications, the information concerning the participating preferred shares, until they are all redeemed or repaid.

167. The obligation imposed on a cooperative to keep a register at its head office containing its annual reports from the last six fiscal years applies only with regard to annual reports that must be produced after 24 February 2026.

168. Until the Government designates another federation of agricultural cooperatives under section 192 of the Cooperatives Act (chapter C-67.2), as amended by section 111 of this Act, “Sollio Groupe coopératif” is deemed to have been designated as the federation of agricultural cooperatives under that section 192.

169. Producers cooperatives, work cooperatives and shareholding workers cooperatives that have constituted by by-law an enhancement reserve have until 24 February 2027 to amend those by-laws in accordance with the provisions of the first paragraph of section 149.2 of the Cooperatives Act (chapter C-67.2), as amended by section 66 of this Act.

170. Shareholding workers cooperatives have until 24 February 2028 to amend the shareholders’ agreement of the corporation in accordance with the provisions of section 225.1 of the Cooperatives Act (chapter C-67.2), as amended by section 134 of this Act.

171. Any cooperative, other than a housing cooperative, constituted before 24 February 2026 and for which no by-law determining conditions for the use of mediation is in force on that date must adopt such a by-law before 24 February 2027.

Whoever contravenes the provisions of the first paragraph is liable to a fine provided for in section 246.1 of the Cooperatives Act (chapter C-67.2), enacted by section 142 of this Act.

Sections 246.3 and 246.4 of the Cooperatives Act, enacted by section 142 of this Act, apply to the offence provided for in the second paragraph.

172. The provisions of this Act come into force on 24 February 2026, except those of sections 70 to 89 and 155 to 157, which come into force on the date or dates to be determined by the Government.

