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Summary

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NATIONAL ASSEMBLY

FIRST SESSION THIRTY-NINTH LEGISLATURE

Bill 60
(2009, chapter 51)

An Act to amend the Consumer Protection Act and other legislative provisions

Introduced 16 June 2009
Passed in principle 7 October 2009
Passed 2 December 2009
Assented to 4 December 2009

Québec Official Publisher
2009

EXPLANATORY NOTES

This Act amends the Consumer Protection Act to include special provisions applicable to contracts involving sequential performance for a service provided at a distance. It introduces new rules on the information such a contract must contain, the rescission of the contract, the use of the security deposit and the renewal or cancellation of the contract by the consumer.

It also amends the Consumer Protection Act to prohibit a merchant from including certain clauses in a contract governed by that Act. It introduces rules on the sale of prepaid cards and disclosure rules applicable prior to the sale of additional warranties. It also makes it mandatory for merchants to disclose the total cost of the goods or services they offer.

As well, the scope of injunctions against prohibited stipulations and practices is extended and consumer advocacy bodies are allowed to apply for such injunctions. Finally, the Government is given the regulatory power to establish funds to indemnify consumers and to provide for the use of the income generated by these funds.

The requirement for travel agents to have an establishment that is physically accessible to their clients is struck from the Travel Agents Act and the concept of travel counsellor is introduced.

In addition, the Act respecting prearranged funeral services and sepultures and the Travel Agents Act are amended in order to harmonize the prescriptive period for instituting penal proceedings with that provided in the Consumer Protection Act.

LEGISLATION AMENDED BY THIS ACT:

– Travel Agents Act (R.S.Q., chapter A-10);

– Act respecting prearranged funeral services and sepultures (R.S.Q., chapter A-23.001);

– Consumer Protection Act (R.S.Q., chapter P-40.1);

– Act respecting the collection of certain debts (R.S.Q., chapter R-2.2).

Bill 60

AN ACT TO AMEND THE CONSUMER PROTECTION ACT AND OTHER LEGISLATIVE PROVISIONS

THE PARLIAMENT OF QUÉBEC ENACTS AS FOLLOWS:

CONSUMER PROTECTION ACT

1. Section 1 of the Consumer Protection Act (R.S.Q., chapter P-40.1) is amended by inserting the following paragraph after paragraph *e*:

"(*e*.1) "contract of additional warranty" means a contract under which a merchant binds himself toward a consumer to assume directly or indirectly all or part of the costs of repairing or replacing goods or a part thereof in the event that they are defective or malfunction, otherwise than under a basic conventional warranty given gratuitously to every consumer who purchases the goods or has them repaired;".

2. The Act is amended by inserting the following sections after section 11.1:

"**11.2.** Any stipulation under which a merchant may amend a contract unilaterally is prohibited unless the stipulation also

(*a*) specifies the elements of the contract that may be amended unilaterally;

(*b*) provides that the merchant must send to the consumer, at least 30 days before the amendment comes into force, a written notice drawn up clearly and legibly, setting out the new clause only, or the amended clause and the clause as it read formerly, the date of the coming into force of the amendment and the rights of the consumer set forth in subparagraph *c*; and

(*c*) provides that the consumer may refuse the amendment and rescind or, in the case of a contract involving sequential performance, cancel the contract without cost, penalty or cancellation indemnity by sending the merchant a notice to that effect no later than 30 days after the amendment comes into force, if the amendment entails an increase in the consumer's obligations or a reduction in the merchant's obligations.

However, except in the case of an indeterminate-term service contract, such a stipulation is prohibited if it applies to an essential element of the contract, particularly the nature of the goods or services that are the object of

the contract, the price of the goods or services or, if applicable, the term of the contract.

Any amendment of a contract in contravention of this section cannot be invoked against the consumer.

This section does not apply to the amendment of a contract extending variable credit as provided for in section 129.

"**11.3.** Any stipulation under which the merchant may unilaterally cancel a fixed-term service contract involving sequential performance is prohibited, except under articles 1604 and 2126 of the Civil Code and, in the latter case, only in accordance with article 2129 of the Code.

A merchant who intends to cancel an indeterminate-term service contract involving sequential performance must notify the consumer in writing at least 60 days before the date of cancellation if the consumer has not defaulted on his obligation.

"**11.4.** Any stipulation which excludes the application of all or part of articles 2125 and 2129 of the Civil Code regarding the resiliation of contracts of enterprise and for services is prohibited."

3. Section 13 of the Act is amended by replacing the first paragraph by the following paragraphs:

"**13.** Any stipulation requiring the consumer, upon the non-performance of his obligation, to pay a stipulated fixed amount or percentage of charges, penalties or damages, other than the interest accrued, is prohibited.

The prohibition under the first paragraph does not apply to contracts of sale or long-term contracts of lease of automobiles, except with respect to charges and subject to the conditions set out in the regulation."

4. The Act is amended by inserting the following section after section 19:

"**19.1.** A stipulation that is inapplicable in Québec under a provision of this Act or of a regulation that prohibits the stipulation must be immediately preceded by an explicit and prominently presented statement to that effect."

5. Section 23 of the Act is amended by replacing "or 208" in the first paragraph by ", 208 or 214.2".

6. Section 25 of the Act is amended by replacing "and at least in duplicate and in paper form" by "at least in duplicate and, except in the case of a distance contract, in paper form".

7. The Act is amended by inserting the following section after section 52:

"**52.1.** The merchant or manufacturer may not require that the consumer prove that the previous owners or lessees of the goods complied with the conditions of the warranty."

8. The heading of Division I.1 of Chapter III of Title I as well as sections 54.1, 54.2, 54.9, 54.12 and 54.16 of the Act are amended by replacing "contrat à distance" in the French text by "contrat conclu à distance", with the necessary modifications.

9. The Act is amended by inserting the following division after section 187:

"**DIVISION V.1**

"CONTRACTS FOR THE SALE OF PREPAID CARDS

"**187.1.** For the purposes of this division, "prepaid card" means a certificate, card or other medium of exchange that is paid in advance and allows the consumer to acquire goods or services from one or more merchants.

"**187.2.** Before entering into a contract for the sale of a prepaid card, the merchant must inform the consumer of the conditions applicable to the use of the card and explain how to check the balance on the card.

If the information required under the first paragraph does not appear on the card, the merchant must provide it to the consumer in writing.

"**187.3.** Subject to any applicable regulations, any stipulation providing for an expiry date on a prepaid card is prohibited unless the contract provides for unlimited use of a service.

"**187.4.** Subject to any applicable regulations, no charge may be made to the consumer for the issue or use of a prepaid card.

"**187.5.** The merchant who is party to a contract for the sale of a prepaid card must, when the consumer so requests, refund to the consumer an amount equal to the balance on the card when the balance is lower than the amount or percentage prescribed by regulation."

10. The heading of Division VI of Chapter III of Title I of the Act is replaced by the following heading:

"SERVICE CONTRACTS INVOLVING SEQUENTIAL PERFORMANCE FOR INSTRUCTION, TRAINING OR ASSISTANCE".

11. The Act is amended by inserting the following division after section 214:

"**DIVISION VII**

"CONTRACTS INVOLVING SEQUENTIAL PERFORMANCE FOR A SERVICE PROVIDED AT A DISTANCE

"**214.1.** This division applies to contracts involving sequential performance for a service provided at a distance. However, it does not apply to contracts governed by Division VI, even if entered into by a person listed in section 188.

"**214.2.** The contract must be evidenced in writing and include

(*a*) the name and address of the consumer and the merchant;

(*b*) the merchant's telephone number and, if available, the merchant's technological address;

(*c*) the place and date of the contract;

(*d*) a detailed description of the service or of each of the services to be provided under the contract;

(*e*) the monthly rate for each of the services to be provided under the contract, including the monthly rate for any optional services, or the monthly cost if the rate is calculated on a basis other than a monthly basis;

(*f*) the monthly rate for each of the associated costs or the monthly cost if the rate is calculated on a basis other than a monthly basis;

(*g*) the total amount the consumer must pay each month under the contract;

(*h*) any restrictions on the use of the service or services as well as the geographical limits within which they may be used;

(*i*) the description of any goods sold or offered as a premium on the purchase of the service or services, specifying whether they are reconditioned, and their regular price;

(*j*) the description of any service offered as a premium;

(*k*) if applicable, the nature of the economic inducements given by the merchant in consideration of the contract, including such premiums as a rebate on the price charged for goods or services purchased or leased on the making of the contract;

(*l*) the total value of any economic inducements prescribed by regulation to be used to calculate the cancellation indemnity that may be charged to the consumer under section 214.7;

(*m*) a statement that only the value of the economic inducements referred to in subparagraph *l* will be used to calculate the cancellation indemnity charged to the consumer;

(*n*) the manner of easily obtaining information on the rate for services that are not provided under the contract, and the rate for services that are subject to restrictions or geographical limits as mentioned in subparagraph *h*;

(*o*) the term and expiry date of the contract;

(*p*) without limiting the scope of section 214.6, the circumstances allowing the consumer to rescind, cancel or amend the contract and the related terms and costs or indemnity, if any; and

(*q*) the formalities that must be fulfilled by the consumer to terminate the contract upon its expiry.

This information must be presented in the manner prescribed by regulation.

"**214.3.** Any stipulation under which a contract whose term exceeds 60 days is renewed upon its expiry is prohibited, unless the renewal is for an indeterminate term.

"**214.4.** The merchant must inform the consumer of the expiry date of the contract by means of a written notice sent between the 90th and 60th day before that date.

The first paragraph does not apply to contracts whose term is 60 days or less.

"**214.5.** The merchant may not demand payment for services of which the consumer was deprived during the repair of goods supplied free of charge or sold to the consumer on the making of the contract or during the term of the contract, if

(1) the goods were given to the merchant for repair while they were still under warranty and the merchant did not provide a replacement free of charge;

(2) the goods are necessary for the use of the services purchased.

Likewise, the merchant may not demand payment for services of which the consumer was deprived during the repair of goods leased from the merchant for the use of the services purchased.

"**214.6.** The consumer may, at any time and at the consumer's discretion, cancel the contract by sending a notice to the merchant. The cancellation takes effect by operation of law on the sending of the notice or the date specified in the notice.

The total of the charges the merchant may then claim from the consumer, other than the price of the services provided to the consumer calculated at the rate provided in the contract, constitutes the contract cancellation indemnity. For the purposes of this paragraph, a service contract or a contract for the lease of goods concluded on the making of or in consideration of the service contract forms a whole with that contract.

"**214.7.** If the consumer unilaterally cancels a fixed-term contract in consideration of which one or more economic inducements were given to him by the merchant, the cancellation indemnity may not exceed the value of the economic inducements determined by regulation that were given to him. The indemnity decreases as prescribed by regulation.

When no economic inducement determined by regulation was given to the consumer, the maximum indemnity the merchant may charge is the lesser of $50 and an amount representing not more than 10% of the price of the services provided for in the contract that were not supplied.

"**214.8.** If the consumer unilaterally cancels an indeterminate-term contract, no cancellation indemnity may be claimed from the consumer unless the merchant gave the consumer a rebate on all or part of the sales price of the goods purchased in consideration of the service contract and entitlement to the rebate is acquired progressively according to the cost of the services used or the time elapsed. In such a case, the cancellation indemnity may not exceed the amount of the unpaid balance of the sales price of the goods at the time the contract was made. The indemnity decreases as prescribed by regulation.

"**214.9.** If the consumer has paid a security deposit, the merchant may not cancel the contract for failure to pay outstanding amounts under the contract when they become due for as long as the amounts due do not exceed the amount of the deposit.

"**214.10.** The merchant must notify the consumer in writing on using all or part of the security deposit to collect amounts not paid when they become due.

"**214.11.** The merchant must return the security deposit to the consumer, with interest at the rate determined by regulation, minus any amounts due under the contract, within 30 days after the date on which the contract expires if it is not renewed or the date on which the contract is cancelled."

12. Section 224 of the Act is amended by adding the following paragraph:

"For the purposes of subparagraph *c* of the first paragraph, the price advertised must include the total amount the consumer must pay for the goods or services. However, the price advertised need not include the Québec sales tax or the Goods and Services Tax. More emphasis must be put on the price advertised than on the amounts of which the price is made up."

13. The Act is amended by inserting the following section after section 228:

"**228.1.** Before proposing to a consumer to purchase a contract that includes an additional warranty on goods, the merchant must inform the consumer orally and in writing, in the manner prescribed by regulation, of the existence and nature of the warranty provided for in sections 37 and 38.

In such a case, the merchant must also inform the consumer orally of the existence and duration of any manufacturer's warranty that comes with the goods. At the request of the consumer, the merchant must also explain to the consumer orally how to examine all of the other elements of the warranty.

Any merchant who proposes to a consumer to purchase a contract that includes an additional warranty on goods without first providing the information mentioned in this section is deemed to have failed to mention an important fact, and therefore to have used a practice prohibited under section 228."

14. Section 230 of the Act is amended by adding the following paragraph:

"(*c*) require that a consumer to whom he has provided services or goods free of charge or at a reduced price for a fixed period send a notice at the end of that period indicating that the consumer does not wish to obtain the services or goods at the regular price."

15. Section 260.6 of the Act is repealed.

16. Section 266 of the Act is amended by replacing "The Attorney General and the president" by "The Attorney General, the president and a body referred to in section 316".

17. Section 316 of the Act is replaced by the following section:

"**316.** If a person has engaged or engages in a practice prohibited under Title II or a merchant has included or includes in a contract a stipulation prohibited by this Act or a regulation, or has included or includes a stipulation inapplicable in Québec that is referred to in section 19.1 without complying with that section, the president may apply to the court for an injunction ordering the person to cease engaging in the practice or ordering the merchant to cease including such a stipulation in a contract, or to comply with section 19.1.

A consumer advocacy body that has been constituted as a legal person for at least one year may apply for an injunction under this section and is deemed to have the interest required for that purpose. The court may not decide on the application for injunction filed by such a body unless a notice, attached to the motion to institute proceedings or the application for an interlocutory injunction, as the case may be, is notified to the president.

If an injunction granted under this section is not complied with, a motion for contempt of court may be brought by the president or the body referred to in the second paragraph."

18. Section 325 of the Act is amended by adding the following paragraph:

"(*e*) the applicant has not complied with a voluntary undertaking made under section 314 or whose application has been extended by an order under section 315.1."

19. Section 329 of the Act is amended by adding the following paragraph:

"(*e*) does not comply with a voluntary undertaking made under section 314 or whose application has been extended by an order under section 315.1."

20. Section 350 of the Act is amended

(1) by replacing "contrat à distance" in paragraphs *y* and *z* in the French text by "contrat conclu à distance";

(2) by adding the following paragraphs:

"(*z*.2) establishing any fund for the purpose of indemnifying customers in business sectors governed by an Act the administration of which is under the supervision of the Office, prescribing the amount and the form of the contributions required and determining the circumstances for and the terms and the conditions of collection, payment, administration and use of the fund, in particular, fixing a maximum amount, per customer or event, that may be paid out of a fund;

"(*z*.3) prescribing, with respect to any indemnity fund established under paragraph *z*.2, that the investment income on the sums accrued in the fund may be used by the Office, on the terms and conditions the Government determines, to inform and educate consumers with regard to their rights and obligations under this Act or an Act governing the business sector covered by the fund;

"(*z*.4) identifying prohibited contract stipulations, in addition to those provided for in this Act;

"(*z*.5) prescribing the rules respecting the method of calculating the cancellation indemnity provided for in section 214.7 and the cancellation indemnity provided for in section 214.8, the mechanics of the decrease in those indemnities, as well as the elements of the economic inducement to be used in calculating the cancellation indemnity provided for in section 214.7."

TRAVEL AGENTS ACT

21. Section 1 of the Travel Agents Act (R.S.Q., chapter A-10) is amended by replacing ", situated in Québec, and physically accessible to the clientele corresponding to a class of licence" in paragraph *f* by "and situated in Québec".

22. Section 3 of the Act is amended by adding "or the Act respecting hunting and fishing rights in the James Bay and New Québec territories (chapter D-13.1)" at the end of subparagraph *d* of the first paragraph.

23. The heading of Division II of the Act is amended by adding "AND CERTIFICATES".

24. Section 4 of the Act is amended by adding the following paragraphs:

"However, a travel counsellor who is in the employ of a travel agent or has entered into an exclusive service contract with a travel agent may engage in the operations referred to in section 2 and deal with clients if the counsellor holds a certificate issued for that purpose by the Office de la protection du consommateur and meets the conditions prescribed by regulation.

Any other natural person may engage in such operations on account of a travel agent, without holding a licence or certificate issued to that effect, if the person does not deal with clients.

When acting outside the travel agent's establishment, a person referred to in the second or third paragraph must be able to produce proof of capacity on request."

25. Section 5 of the Act is repealed.

26. Section 7 of the Act is amended

(1) by striking out "of the same class" in the first paragraph;

(2) by striking out the second paragraph.

27. Section 8 of the Act is amended by striking out the third paragraph.

28. Section 12 of the Act is amended by adding the following paragraph:

"(*d*) does not comply with a voluntary undertaking made under section 314 of the Consumer Protection Act (chapter P-40.1) or whose application has been extended by an order under section 315.1 of that Act."

29. Section 36 of the Act is amended

(1) by replacing "of travel agents" in subparagraph *a* of the first paragraph by "of travel agent licences";

(2) by inserting the following subparagraph after subparagraph *b* of the first paragraph:

"(*b*.1) to prescribe the terms and conditions of issue, renewal, suspension or cancellation of a travel counsellor certificate, and the qualifications required of a person applying for a certificate, as well as the conditions to be met and the duties to be paid by that person;";

(3) by inserting the following subparagraph after subparagraph *c*.1 of the first paragraph:

"(*c*.2) to prescribe, with respect to any indemnity fund established under subparagraph *c*.1, that the investment income on the sums accrued in the fund may be used by the Office de la protection du consommateur, on the terms and conditions the Government determines, to inform and educate consumers with respect to their rights and obligations under this Act;".

30. Section 37 of the Act is amended by replacing "sections 4 to 7" in paragraph *d* by "sections 4, 6 to 8".

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

"**40.1.** Penal proceedings for an offence under this Act are prescribed two years after the date on which the offence is committed."

ACT RESPECTING PREARRANGED FUNERAL SERVICES AND SEPULTURES

32. The Act respecting prearranged funeral services and sepultures (R.S.Q., chapter A-23.001) is amended by inserting the following section after section 80:

"**80.1.** Penal proceedings for an offence under this Act are prescribed two years after the date on which the offence is committed."

ACT RESPECTING THE COLLECTION OF CERTAIN DEBTS

33. The Act respecting the collection of certain debts (R.S.Q., chapter R-2.2) is amended by inserting the following section after section 14:

"**14.1.** The president may refuse to issue and may suspend or cancel a permit if the applicant or holder has failed to comply with a voluntary undertaking made under section 314 of the Consumer Protection Act (chapter P-40.1) or whose application has been extended by an order under section 315.1 of that Act."

TRANSITIONAL AND FINAL PROVISIONS

34. The provisions enacted by this Act that relate to prohibited stipulations do not apply to contracts in force when those provisions come into force. However, stipulations of such a contract that are contrary to section 13 or 187.3 of the Consumer Protection Act (R.S.Q., chapter P-40.1), as amended by sections 3 and 9, are without effect for the future.

35. The provisions of this Act come into force on the date or dates to be set by the Government, but not later than 30 June 2010.

NATIONAL ASSEMBLY

FIRST SESSION THIRTY-NINTH LEGISLATURE

Bill 63
(2009, chapter 52)

Business Corporations Act

Introduced 7 October 2009
Passed in principle 5 November 2009
Passed 1 December 2009
Assented to 4 December 2009

Québec Official Publisher
2009

EXPLANATORY NOTES

This Act proposes a substantial reform of the legal framework applicable to legal persons currently governed by Parts I and IA of the Companies Act.

Its purpose is to modernize and streamline the internal functioning of business corporations, for instance by clarifying the unanimous shareholder agreement mechanism, doing away with prerequisites for granting financial assistance to shareholders and simplifying the rules governing the maintenance of share capital.

It ensures greater protection for minority shareholders by providing for remedies against oppressive or unfair conduct on the part of a corporation and granting shareholders the right to demand the repurchase of their shares if they object to any major changes in the structure or business activity of the corporation. Shareholders will also be entitled to present proposals at shareholders meetings.

It proposes a general framework outlining the duties of directors, and grants directors the right to present a defence of reasonable diligence with respect to acts in good faith in the exercise of their functions.

Under the Act, business corporations may file documents electronically with the enterprise registrar, and technological means may be used to call, participate in and vote at shareholders meetings.

The Act includes provisions governing the liquidation of business corporations based on the principles and provisions of the Winding-up Act.

Moreover, the Act makes it possible for a legal person constituted under the laws of a jurisdiction other than Québec to be continued as a Québec business corporation and, conversely, for a business corporation constituted in Québec to be continued under the laws of a jurisdiction other than Québec.

Lastly, the Act makes consequential amendments to several other Acts and contains transitional provisions.

LEGISLATION AMENDED BY THIS ACT:

– Act respecting the acquisition of farm land by non-residents (R.S.Q., chapter A-4.1);

– Deposit Insurance Act (R.S.Q., chapter A-26);

– Act respecting insurance (R.S.Q., chapter A-32);

– Act respecting the Barreau du Québec (R.S.Q., chapter B-1);

– Charter of Ville de Montréal (R.S.Q., chapter C-11.4);

– Charter of Ville de Québec (R.S.Q., chapter C-11.5);

– Cinema Act (R.S.Q., chapter C-18.1);

– Cities and Towns Act (R.S.Q., chapter C-19);

– Code of Civil Procedure (R.S.Q., chapter C-25);

– Municipal Code of Québec (R.S.Q., chapter C-27.1);

– Companies Act (R.S.Q., chapter C-38);

– Telegraph and Telephone Companies Act (R.S.Q., chapter C-45);

– Mining Companies Act (R.S.Q., chapter C-47);

– Chartered Accountants Act (R.S.Q., chapter C-48);

– Cooperatives Act (R.S.Q., chapter C-67.2);

– Act respecting financial services cooperatives (R.S.Q., chapter C-67.3);

– Business Concerns Records Act (R.S.Q., chapter D-12);

– Mining Duties Act (R.S.Q., chapter D-15);

– Act respecting elections and referendums in municipalities (R.S.Q., chapter E-2.2);

– Public Officers Act (R.S.Q., chapter E-6);

– Family Housing Act (R.S.Q., chapter H-1);

– Education Act for Cree, Inuit and Naskapi Native Persons (R.S.Q., chapter I-14);

– Municipal Aid Prohibition Act (R.S.Q., chapter I-15);

– Act respecting administrative justice (R.S.Q., chapter J-3);

– Winding-up Act (R.S.Q., chapter L-4);

– Act respecting the marketing of agricultural, food and fish products (R.S.Q., chapter M-35.1);

– Press Act (R.S.Q., chapter P-19);

– Act respecting the legal publicity of sole proprietorships, partnerships and legal persons (R.S.Q., chapter P-45);

– Act respecting the land regime in the James Bay and New Québec territories (R.S.Q., chapter R-13.1);

– Act respecting the enterprise registrar (R.S.Q., chapter R-17.1);

– Act respecting the James Bay Native Development Corporation (R.S.Q., chapter S-9.1);

– Act respecting farmers' and dairymen's associations (R.S.Q., chapter S-23);

– Act respecting mixed enterprise companies in the municipal sector (R.S.Q., chapter S-25.01);

– Horticultural Societies Act (R.S.Q., chapter S-27);

– Act respecting trust companies and savings companies (R.S.Q., chapter S-29.01);

– Act respecting Québec business investment companies (R.S.Q., chapter S-29.1);

– Act respecting Northern villages and the Kativik Regional Government (R.S.Q., chapter V-6.1);

– Act to amend the Act respecting insurance and other legislative provisions (2002, chapter 70).

Bill 63

BUSINESS CORPORATIONS ACT

THE PARLIAMENT OF QUÉBEC ENACTS AS FOLLOWS:

CHAPTER I

SCOPE AND INTERPRETATION

1. This Act applies to any business corporation constituted, continued or amalgamated under this Act. It also applies to any business corporation constituted by or under another Act, if necessary to complement the provisions of that Act.

Unless the context indicates otherwise, "corporation" used without a qualifier in this Act means any such business corporation.

2. In this Act, unless the context indicates otherwise,

"affairs" means the relationships among a corporation, its affiliates and the shareholders, directors and officers of the corporation and its affiliates but does not include the business carried on by the corporation or its affiliates;

"affiliates" means legal persons one of whom is a subsidiary of the other, or legal persons who are controlled by the same person;

"beneficiary" means a person, except a securities intermediary within the meaning of that expression in the Act respecting the transfer of securities and the establishment of security entitlements (2008, chapter 20), who is the holder of a security entitlement issued by a corporation, or any other person who has rights in a security that is registered in a corporation's securities register in the name of another person, such as an administrator of the property of others or a mandatary;

"court" means the Superior Court of Québec;

"enterprise register" means the register of sole proprietorships, partnerships and legal persons constituted under the Act respecting the legal publicity of sole proprietorships, partnerships and legal persons (R.S.Q., chapter P-45);

"group" means any group of persons or properties, endowed with juridical personality or not, including an organization, joint venture or trust;

"officer" means the president, chief executive officer, chief operating officer, chief financial officer or secretary of a corporation or a person holding a similar position, or any person designated as an officer of the corporation by a resolution of the board of directors;

"parent legal person" means a legal person who controls one or more other legal persons;

"participation" means any title conferring rights in a legal person;

"redeemable share" means a share issued by a corporation that the corporation may redeem on the demand of the corporation at the price determined in or in accordance with its articles or that the corporation is required by its articles to redeem, on a specified or specifiable date or on the demand of a shareholder, at the price so determined;

"reporting issuer" means a reporting issuer within the meaning of that expression in the Securities Act (R.S.Q., chapter V-1.1);

"resolution" or "ordinary resolution" means a resolution that requires a majority of the votes cast at a shareholders meeting by the shareholders entitled to vote on the resolution, or a resolution that requires the signature of all such shareholders;

"security" means a share and, in the case of a reporting issuer, a debenture, bond or note that is dealt in or traded on a securities exchange or financial market;

"shareholder" means a shareholder who is registered in the securities register of a corporation, and includes a shareholder's representative;

"special resolution" means a resolution that requires at least two thirds of the votes cast at a shareholders meeting by the shareholders entitled to vote on the resolution, or a resolution that requires the signature of all such shareholders;

"subsidiary" means a legal person controlled by another legal person or by legal persons controlled by that other legal person; a subsidiary of a subsidiary of another legal person is deemed to be a subsidiary of that other legal person; and

"to control" a legal person means to hold shares to which sufficient votes are attached to elect a majority of the legal person's directors.

In addition, for the purposes of this Act, an associate of a person is

(1) the person's spouse, children and relatives, and the children and relatives of the person's spouse;

(2) a partner of the person;

(3) a succession or trust in which the person has a substantial interest similar to that of a beneficiary or in respect of which the person serves as liquidator, trustee or other administrator of the property of others, mandatary or depositary; or

(4) a legal person of whom the person owns securities making up more than 10% of a class of shares carrying voting rights at any shareholders meeting or the right to receive any declared dividend or a share of the remaining property of the legal person in the event of liquidation.

CHAPTER II

CONSTITUTION AND ORGANIZATION

DIVISION I

CONSTITUTION

3. A corporation may be constituted by one or more founders.

4. Any natural person qualified to be a director of a corporation may be the founder of a corporation.

A legal person may also be the founder of a corporation.

5. The articles of constitution must set out

(1) the name of the corporation, unless a designating number in lieu of a name has been requested from the enterprise registrar;

(2) the name and address of each founder, or the name of the founding legal person, the address of its head office and an exact reference to the Act under which it is constituted;

(3) the amount to which its share capital is limited, if applicable;

(4) the par value of its shares, if any;

(5) if there will be two or more classes of shares, the rights and restrictions attaching to the shares of each class;

(6) if a class of shares may be issued in series, the authority given to the board of directors to determine, before issue, the number of shares in, the designation of the shares of, and the rights and restrictions attaching to the shares of, each series;

(7) any restrictions on the transfer of its instruments or shares;

(8) the fixed number or the minimum and maximum number of directors; and

(9) any restrictions on its business activity.

6. The articles may set out any provision permitted by this Act to be set out in the by-laws of a corporation.

In the event of a conflict, the provisions of the articles of a corporation prevail over the provisions of the by-laws.

7. If the articles or a unanimous shareholder agreement require a greater number of votes of directors or shareholders than that required by this Act to effect any action, the provisions of the articles or of the unanimous shareholder agreement prevail.

The articles may not require a greater number of votes of shareholders to remove a director than the number required by this Act.

8. The following must be filed with the articles:

(1) a list of the directors of the corporation, containing their names and domiciles;

(2) a notice of the address of the corporation's head office;

(3) unless a designating number has been requested, a declaration stating that reasonable means have been taken to ensure that the name chosen is in compliance with the law; and

(4) any other document the Minister may require.

However, the list of directors and the notice of the address of the head office are not required to be filed if the initial declaration required under the Act respecting the legal publicity of sole proprietorships, partnerships and legal persons is filed with the articles.

9. The articles of a corporation, signed by the founders, the documents required to be filed with them, and the fee prescribed by government regulation must be sent to the enterprise registrar.

10. A corporation is constituted as of the date and, if applicable, the time shown on the certificate of constitution issued by the enterprise registrar in accordance with Chapter XVIII.

The corporation is a legal person as of that time.

DIVISION II

ORGANIZATION MEETING

11. After a corporation is constituted, the board of directors holds an organization meeting at which the directors may

(1) make by-laws;

(2) adopt forms of share certificates and corporation records;

(3) authorize the issue of shares; and

(4) appoint the officers.

A founder or a director may call the organization meeting by giving not less than five days' notice to each director, stating the time and place of the meeting.

CHAPTER III

PRESUMPTIONS

12. Third persons are not presumed to have knowledge of the information contained in a document concerning a corporation, other than the information specified in section 82 of the Act respecting the legal publicity of sole proprietorships, partnerships and legal persons, solely because the document has been deposited in the enterprise register or may be inspected in the offices of the corporation.

13. Third persons may presume

(1) that a corporation is exercising its powers in accordance with its articles and by-laws and any unanimous shareholder agreement;

(2) that the documents relating to the corporation that are deposited in the enterprise register contain accurate information;

(3) that the directors and officers of the corporation validly hold office and lawfully exercise the powers of their office; and

(4) that the documents of the corporation issued by a director, officer or other mandatary of the corporation are valid.

14. Sections 12 and 13 do not apply to third persons in bad faith or to persons who ought to have knowledge to the contrary because of their position with or relationship to a corporation.

15. With respect to third persons, a corporation is deemed to be operating in compliance with any restrictions on its business activity imposed by its articles.

CHAPTER IV

NAME, HEAD OFFICE, RECORDS AND DOCUMENTS

DIVISION I

NAME

16. A corporation's name must not

(1) contravene the Charter of the French language (R.S.Q., chapter C-11);

(2) include an expression which the law reserves for another person or prohibits the corporation from using;

(3) include an expression that evokes an immoral, obscene or scandalous notion;

(4) incorrectly indicate the corporation's juridical form or fail to indicate that form when required by law;

(5) falsely suggest that the corporation is a non-profit group;

(6) falsely suggest that the corporation is, or is related to, a public authority determined by government regulation;

(7) falsely suggest that the corporation is related to another person or group of persons, particularly in the cases and in view of the criteria determined by government regulation;

(8) be identical to a name reserved for or used by another person or group of persons in Québec, particularly in view of the criteria determined by government regulation;

(9) be confusingly similar to a name reserved for or used by another person or group of persons in Québec, particularly in view of the criteria determined by government regulation; or

(10) be misleading in any other manner.

17. On application and on payment of the fee prescribed by government regulation, the enterprise registrar may reserve a name for a corporation for a period of 90 days.

However, the enterprise registrar may not reserve a name that is contrary to any of paragraphs 1 to 6 and 8 of section 16.

The reservation of a name is recorded in the enterprise register.

18. The persons concerned are responsible for ensuring that the name of the corporation is in compliance with the law.

19. The name of a corporation must appear on all of its negotiable instruments, contracts, invoices and purchase orders for goods or services.

20. If a corporation's name does not include the term "société par actions" or "compagnie", it must comprise the abbreviation "s.a.", "ltée" or "inc." at the end to indicate that the corporation is a limited-liability corporation.

21. A corporation may operate under and identify itself by a name other than its own if that other name does not contain the term "société par actions" or "compagnie" or the abbreviation "s.a.", "ltée" or "inc.".

22. A corporation may identify itself in a language other than French outside Québec and use that name on its negotiable instruments, invoices or purchase orders for goods or services used outside Québec or in its contracts applied outside Québec.

23. At the request of a corporation or its founders, the enterprise registrar assigns a designating number to the corporation in lieu of a name.

24. The enterprise registrar may request that a corporation replace or change its name if it is contrary to any of paragraphs 1 to 6 and 8 of section 16.

If the corporation fails to comply with the enterprise registrar's request within 60 days, the enterprise registrar may, without being requested to do so, replace the name of the corporation by a designating number or another name.

25. If the name of a corporation is contrary to section 16, any interested person may, upon payment of the fee prescribed by government regulation, request that the enterprise registrar order the corporation to replace or change its name.

Before making a decision, the enterprise registrar must, in accordance with section 5 of the Act respecting administrative justice (R.S.Q., chapter J-3), notify all the persons concerned and give them an opportunity to submit observations.

26. The decision of the enterprise registrar must be in writing and give reasons. It must be forwarded without delay to the persons concerned and deposited in the enterprise register.

The decision is effective 30 days after the date of notification unless it is the subject of a proceeding before the Administrative Tribunal of Québec.

27. On the expiry of the time for bringing a proceeding before the Administrative Tribunal of Québec, the enterprise registrar may, at the request of an interested person, assign a designating number or a new name to a corporation if it has not complied with the enterprise registrar's decision.

The enterprise registrar may also, without being requested to do so, assign a designating number or a new name to a corporation that has not complied with the enterprise registrar's decision, on the ground that the corporation's name is contrary to any of paragraphs 1 to 6 and 8 of section 16.

28. On assigning a designating number or a new name to a corporation, the enterprise registrar draws up a dated certificate evidencing the change and deposits it in the enterprise register. The enterprise registrar sends a copy of the certificate to the corporation or its representative.

The change is effective as of the date shown on the certificate.

DIVISION II

HEAD OFFICE

29. The head office of a corporation must be permanently located in Québec.

30. A corporation may, by a resolution of its board of directors, relocate its head office within the judicial district in which it is located.

The corporation may also, by special resolution, relocate its head office to another judicial district in Québec.

The corporation must declare to the enterprise registrar any change of address of its head office in accordance with the Act respecting the legal publicity of sole proprietorships, partnerships and legal persons.

DIVISION III

RECORDS AND DOCUMENTS

§1. — *General provisions*

31. A corporation must prepare and maintain, at its head office, records containing

(1) the articles and the by-laws, and any unanimous shareholder agreement;

(2) minutes of meetings and resolutions of shareholders;

(3) the names and domiciles of the directors, and the dates of the beginning and end of their term of office; and

(4) a securities register.

32. The shareholders may examine the corporation's records during its regular office hours, and obtain extracts from them without charge. They are also entitled, on request and without charge, to one copy of the articles and by-laws and of any unanimous shareholder agreement.

Likewise, the creditors of the corporation may examine any unanimous shareholder agreement.

33. The securities register of a corporation must contain the following information with respect to its shares:

(1) the names, in alphabetical order, and the addresses of present and past shareholders;

(2) the number of shares held by each such shareholder;

(3) the date and details of the issue and transfer of each share; and

(4) any amount due on any share.

The register must contain, if applicable, the same information with respect to the corporation's debentures, bonds and notes, with the necessary modifications.

34. A corporation must prepare and maintain accounting records and records containing the minutes of meetings and resolutions of the board of directors and its committees. The records must be kept at the corporation's head office or at any other place designated by the board.

The corporation is required to retain all accounting records for a period of six years after the end of the fiscal year to which they relate.

Except as otherwise provided by law, only the directors and the auditor may have access to the records referred to in this section.

35. Except as otherwise provided by law, a corporation may keep all or any of the records and accounting records it is required to keep under this Act at a place outside its head office, if

(1) the information contained in the records is available for inspection, in an appropriate medium, during regular office hours at the head office of the corporation or any other place in Québec designated by the board of directors; and

(2) the corporation provides technical assistance to facilitate the inspection of the information in the records.

36. If accounting records of a corporation are kept outside Québec, accounting records adequate to enable the directors to ascertain the financial position of the corporation with reasonable accuracy on a quarterly basis

must be kept at the head office of the corporation or any other place in Québec designated by the board of directors.

37. A corporation must be able to reproduce, in intelligible form and within a reasonable time, the information contained in the records it prepares and maintains under this Act.

A corporation must take reasonable precautions to prevent the loss or destruction of its records, to ensure their integrity and to facilitate detection and correction of inaccuracies they may contain.

38. In any action or proceeding against a corporation or any shareholder, the records of the corporation are proof of their contents in the absence of any evidence to the contrary.

39. Notices of meetings and other notices, orders or other documents requiring authentication by a corporation may be signed by any authorized person.

§2. — *Provisions specific to certain corporations*

40. Any person may examine the securities register of a corporation that is a reporting issuer provided the person undertakes in writing to use the information it contains solely in connection with an effort to influence the voting of shareholders, a solicitation of proxies, an offer to acquire shares of the corporation or any other matter relating to the affairs of the corporation.

The undertaking must state the person's name and domicile. In the case of a legal person, the undertaking must be made in the legal person's name by a natural person authorized by the board of directors of the legal person.

On receipt of the undertaking, the corporation must allow access to the register during its regular office hours, and provide extracts from the register on payment of a reasonable fee.

41. A corporation that is a reporting issuer or that has 50 or more shareholders must prepare and maintain, in addition to the securities register, a list of its shareholders containing the name and address of and the number of shares owned by each of them.

A shareholder and, in the case of a reporting issuer, any other person may, on request and on payment of a reasonable fee, obtain from the corporation or its mandatary a copy of the list made up to a date not more than 10 days before the date of receipt of the request.

The request must be filed with an undertaking similar to that required to examine the securities register of a corporation that is a reporting issuer.

The corporation must accede to the request within 10 days of receiving it.

42. A person requesting a copy of the list of shareholders may, on payment of a reasonable fee, require the corporation to furnish a copy of daily updates containing any changes made to the list.

An update must be sent on the date the list is furnished if the information it contains relates to changes that took place prior to that date, or on the business day following the day to which the update relates if the information relates to changes that take place on or after the date the list is furnished.

A corporation must, on request, include on the list or update the name and address of any known holder of an option or right to acquire shares of the corporation.

CHAPTER V

FINANCE

DIVISION I

SHARE CAPITAL

§1. — *General provisions*

43. The share capital of a corporation may be limited or unlimited. It may be constituted of shares with par value, of shares without par value or of both types of shares.

Unless otherwise provided in the articles, a corporation has an unlimited share capital and its shares are without par value.

44. The share capital of a corporation may comprise one or more classes of shares. The classes may each include one or more series of shares.

If there is more than one class of shares, the articles of the corporation must set out the rights and restrictions attaching to each class of shares.

45. If the articles of the corporation provide for a class of shares comprising one or more series of shares, the articles must state the number, which may be unlimited, of shares in each such series and the rights and restrictions attaching to the shares of each such series.

The articles of a corporation may also authorize the board of directors to determine the number, which may be unlimited, of shares in each series of a class of shares, and the designation, rights and restrictions attaching to the shares of each such series.

Before issuing shares of such a series, the board of directors amends the articles of the corporation without shareholder authorization to include the designation of the series and the number of shares it comprises and to set out

the rights and restrictions attaching to the shares of the series. The board of directors authorizes a director or an officer of the corporation to sign the articles of amendment.

46. The shares of a corporation must be in registered form.

47. The share capital of a corporation must include shares that carry

(1) the right to vote at any shareholders meeting of the corporation;

(2) the right to receive any dividend declared by the corporation; and

(3) the right to receive a share of the remaining property of the corporation on liquidation.

All such rights are not required to be attached to one class of shares.

48. Unless otherwise provided in the articles, the rights mentioned in section 47 are attached to every share.

If one of those rights is not attached to any share issued by the corporation, any restriction on that right has no effect until a share to which that right is attached is issued.

49. Unless a class of shares includes one or more series of shares conferring different rights, the rights of the shareholders holding shares of that class are equal in all respects. The rights of the holders of shares of the same series are equal in all respects.

Unless otherwise provided in the articles, the rights of the shareholders holding shares of a class or series are equal in all respects to the rights of the shareholders holding shares of other classes or series.

The articles may provide that the shares of two or more classes or two or more series of the same class carry the same rights and restrictions.

50. Despite the second paragraph of section 49, if cumulative dividends or amounts payable on return of capital in respect of a series of shares are not paid in full, the shares of all series of the same class participate rateably in respect of accumulated dividends, return of capital and premiums on return of capital.

51. Any class or series of a corporation's share capital may include fractional shares.

Unless otherwise provided in the articles, a person holding a fractional share has, in relation to the fractional share, the rights of a shareholder in proportion to the fraction of the share held.

§2. — *Issue of shares*

52. Unless otherwise provided in the by-laws or in a unanimous shareholder agreement and subject to section 55, shares may be issued at the times, to the persons and for the consideration the board of directors determines.

53. Shares may be issued whether or not they are fully paid.

However, shares may only be considered paid if consideration equal to the issue price determined by the board of directors has been paid to the corporation.

54. Consideration for the shares issued by a corporation is payable in money, or in property or past services determined by the board of directors to be the fair equivalent of the money consideration, considering all the circumstances.

A promissory note or a promise to pay made by a person to whom shares are issued, or a person who does not deal at arm's length, within the meaning of that expression in the Taxation Act (R.S.Q., chapter I-3), with a person to whom shares are issued does not constitute consideration for the shares.

55. If the articles of a corporation or a unanimous shareholder agreement so provide, no shares of a class may be issued unless the shares have first been offered to the shareholders holding shares of that class, and those shareholders have a pre-emptive right to acquire the offered shares in proportion to their holdings in shares of that class, at the price and on the terms those shares are to be offered to others.

Shareholders have no pre-emptive right in respect of shares to be issued for consideration payable in property or in services, shares to be issued as share dividends or shares to be issued pursuant to the exercise of exchange rights, options or acquisition rights or other rights previously granted by the corporation.

56. A corporation may issue instruments, certificates or other evidences of an exchange right, option or right to acquire shares of the corporation.

57. If a corporation has granted exchange rights, options or acquisition rights and the articles limit the number of authorized shares, the corporation must reserve and continue to reserve sufficient authorized unissued shares to meet the exercise of those rights.

58. The board of directors may authorize the corporation to pay a reasonable commission to any person in consideration of the person's purchasing or agreeing to purchase shares or other securities of the corporation from the corporation, or procuring or agreeing to procure purchasers for any such shares or securities.

59. A corporation may, by a unanimous resolution of all the shareholders, whether or not their shares otherwise carry the right to vote, validate an irregular issue of shares that is in excess of the corporation's authorized share capital or is otherwise inconsistent with the articles of the corporation. By that resolution, the shareholders authorize a director or officer of the corporation to sign the articles of amendment.

The irregular issue of shares may also be validated by the court at the request of the corporation, a shareholder or another interested person if the court considers that such issue is not prejudicial to the corporation's shareholders or creditors.

60. The validation of an irregular issue of shares is conditional on the filing by the corporation of articles of amendment correcting the irregularity, and a copy of the court judgment, if applicable, with the enterprise registrar.

As of the time that condition is met, the validation is retroactive to the date of the irregular issue of shares.

§3. — *Certificated or uncertificated shares*

61. A share issued by a corporation may be a certificated share or an uncertificated share. A certificated share is represented by a paper certificate in registered form, and an uncertificated share is represented by an entry in the securities register in the name of the shareholder.

Unless otherwise provided in the articles of the corporation, shares are issued as certificated shares unless the board of directors determines, by resolution, that the shares of any class or series of shares or certain shares of a class or series are to be issued as uncertificated shares.

The board of directors may also, by resolution, determine that a certificated share becomes an uncertificated share as soon as the paper certificate is surrendered to the corporation.

Inversely, the board of directors may, by resolution, determine that an uncertificated share becomes a certificated share on delivery to the shareholder of a certificate in the shareholder's name or, in the case of a control agreement under the Act respecting the transfer of securities and the establishment of security entitlements, on delivery to the purchaser, within the meaning of that Act, of a certificate in the purchaser's name, unless there are provisions inconsistent with such an agreement, in which case those provisions apply. The board of directors must give notice of the resolution to the shareholders of the classes or series of shares concerned.

62. The share certificates of a corporation must be signed by at least one of the corporation's directors or officers or by a person acting in their name.

The signature may be affixed by an automatic device or electronic process.

63. In the case of certificated shares, the corporation must issue to the shareholder, without charge, a certificate in registered form stating the number of shares held by the shareholder and their par value, if any. The certificate must also mention, if applicable, that the shares are not fully paid.

A corporation is not required to issue more than one certificate for shares held jointly by two or more persons.

In the absence of any evidence to the contrary, the certificate is proof of the shareholder's title to the shares represented by the certificate.

In the case of uncertificated shares, the corporation must send the shareholder a written notice containing the information required under the first paragraph.

64. A damaged, lost or destroyed certificate must be replaced in accordance with the Act respecting the transfer of securities and the establishment of security entitlements.

65. The certificate representing shares issued by a corporation must set out the name of the issuing corporation and state that the corporation is constituted under this Act, that there are rights and restrictions attaching to the class or series of the shares represented and that the corporation will, on request, provide the text of those rights and restrictions to the shareholder without charge.

In the case of uncertificated shares, the corporation must send the shareholder a written notice containing that information.

66. The enforceability of rights in favour of the corporation with which shares are encumbered and any transfer restriction imposed on shares by the corporation are governed by the Act respecting the transfer of securities and the establishment of security entitlements.

A transfer restriction imposed on an uncertificated share by the corporation is enforceable against any transferee as soon as the corporation notifies to the transferee that it is enforcing the restriction.

A unanimous shareholder agreement is enforceable against a person who becomes a shareholder if its existence is clearly stated on the share certificates or, in the case of uncertificated shares, if notice of its existence has been given to the shareholder.

67. A corporation is not required to inquire into the existence of, or see to the performance or observance of, any duty owed to a third person by a shareholder or beneficiary.

§4. — *Issued and paid-up share capital account*

68. A corporation must maintain an issued and paid-up share capital account.

The account must be subdivided by class of shares and, if applicable, series of shares.

69. A corporation must pay into its issued and paid-up share capital account the money received as consideration for the shares it issues, but not more than the amount of the par value in the case of shares with par value.

70. A corporation that issues shares without par value may pay into the issued and paid-up share capital account all or part of the value of the consideration received for the shares issued

(1) in exchange for property of a person who, at the time of the exchange, is not dealing at arm's length with the corporation within the meaning of that expression in the Taxation Act;

(2) in exchange for property of a person who, at the time of the exchange, is dealing at arm's length with the corporation within the meaning of that expression in the Taxation Act, if the person, the corporation and all the holders of shares in the class or series of shares so issued, whether or not their shares otherwise carry voting rights, consent to the exchange; such consent is not required, however, if the issue of shares does not result in a decrease in the value obtained by dividing the value of the issued and paid-up share capital account maintained for the class or series of shares issued by the number of issued shares in the class or series;

(3) in exchange for shares of a legal person who, at the time of the exchange or immediately afterwards, is not dealing at arm's length with the corporation within the meaning of that expression in the Taxation Act; or

(4) to shareholders of an amalgamating corporation who are receiving the shares in addition to or instead of shares of the amalgamated corporation, in the case of a long-form amalgamation.

71. A corporation modifies its issued and paid-up share capital account every time it acquires shares of its issued share capital or reduces or increases the amount of its issued and paid-up share capital.

72. A corporation that acquires shares or fractional shares it has issued reduces its issued and paid-up share capital account,

(1) in the case of shares with par value, by an amount equal to the result obtained by multiplying the par value of the shares by the number of shares or fractional shares acquired; and

(2) in the case of shares without par value, by an amount equal to the result obtained by multiplying the average amount paid into or credited to the account per share at the time of issue of the shares of the class or series concerned, by the number of shares or fractional shares acquired.

73. On a conversion or exchange of issued shares of a class or series, a corporation

(1) deducts from the issued and paid-up share capital account maintained for the class or series of shares converted or exchanged an amount equal to the result obtained by multiplying the issued and paid-up share capital account for the shares of that class or series by the number of shares of that class or series converted or exchanged, divided by the number of issued shares of that class or series immediately before the conversion or exchange; and

(2) adds the result obtained under paragraph 1 and any additional consideration received as a result of the conversion or exchange to the issued and paid-up share capital account maintained for the new class or series of shares.

74. Unless otherwise provided in the articles, when a corporation issues two classes of shares, and there is attached to each such class a right to exchange a share of that class for a share of the other class, if that right is exercised in respect of a share, the amount of issued and paid-up share capital attributable to a share of either class is the aggregate of the issued and paid-up share capital of both classes divided by the number of issued shares of both classes immediately before the exchange.

§5. — *Unpaid shares*

75. Unless the terms of payment for shares are determined by contract, the board of directors may call for payment of all or part of the unpaid amounts on shares subscribed or held by the shareholders, in the manner, if any, prescribed by the by-laws.

A call for payment is deemed to be made on the day the board of directors passes a resolution providing for it. Notice of the call for payment stating the amount due and the time for payment must be sent to the shareholders.

76. If a shareholder does not make the required payment following a call for payment, the board of directors may confiscate, without further formality, the shares for which payment has not been made. The confiscation is recorded in the securities register.

The board of directors may transfer the shares so confiscated to a new acquirer, register their transfer and, if applicable, cancel their certificates, whether or not the shareholder has returned the endorsed certificates to the corporation, and issue a new certificate to the acquirer.

77. If the terms of payment for shares are determined by contract, the board of directors may, after sending a demand letter, confiscate the shares without further formality if the shareholder who subscribed for or acquired them has failed to comply with the terms.

If the acquirer is not bound by a contract with the corporation with respect to payment of the shares, the provisions relating to a call for payment apply to the acquirer.

78. Within 10 days after disposing of the confiscated shares, the corporation must inform the shareholder of the proceeds obtained from the disposition and remit any surplus to the shareholder. The shareholder is liable for the unpaid balance on the shares if the proceeds of disposition do not cover the amounts payable.

79. Instead of confiscating shares, the corporation may apply to the court in order to recover the amounts due from defaulting shareholders.

80. A shareholder who is in arrears with respect to a call for payment or has defaulted on payment of shares in accordance with the contract between the shareholder and the corporation may not vote at any shareholders meeting.

§6. — *Transfer of shares*

81. Subject to this Act, the transfer of shares is governed by the Act respecting the transfer of securities and the establishment of security entitlements.

82. Shares subject to transfer restrictions may not be offered to the public unless

(1) the restrictions are set out in the articles of the corporation; and

(2) the restrictions are required to allow the corporation, or another corporation in which the corporation has an interest, to obtain, maintain or renew, under the laws of Québec or a jurisdiction other than Québec, an authorization it needs to carry on all or part of its business activity.

83. Shares that are not fully paid but for which no instalment is payable may only be transferred with the authorization of the board of directors.

The directors must reasonably verify the acquirer's ability to pay for the shares before authorizing the transfer.

84. A share may not be transferred until all instalments payable up to the time of transfer have been fully paid.

§7. — *Modification of share capital*

I. — Acquisition of shares

85. A corporation's acquisition of a share or a fractional share of its share capital entails the cancellation of the share or fractional share, unless it was acquired under section 47 of the Act respecting the transfer of securities and the establishment of security entitlements.

However, if the articles limit the number of authorized shares, the cancelled share or fractional share becomes an unissued share or fractional share, unless otherwise provided in the articles.

86. A corporation may not hold its own shares. Except for a period not exceeding 30 days, it may not hold shares of its parent legal person or allow its own shares to be held by one or more of its subsidiaries.

A corporation may not exercise the voting rights attached to the shares it holds in its parent legal person.

Any act contrary to this section is null.

87. Despite section 86, a corporation may hold its own shares after exercising its confiscation right under this Act.

As well, a corporation may hold its own shares and, without being subject to the 30-day limit, shares of its parent legal person if it holds them in the capacity of administrator of the property of others, mandatary or hypothecary creditor.

Voting rights attached to shares held by a corporation under this section may only be exercised at the request of the shareholder and following the shareholder's instructions. However, no voting rights may be exercised with respect to confiscated shares until the corporation disposes of them in accordance with this Act.

88. A corporation that becomes the subsidiary of a legal person must sell or otherwise dispose of the shares it holds in that legal person within five years.

The corporation may not exercise the voting rights attached to those shares.

89. Unless all the shareholders consent, whether or not their shares otherwise carry voting rights, a corporation that is not a reporting issuer must, within 30 days after acquiring by agreement any of its issued shares, notify its shareholders

(1) of the number of shares it has acquired;

(2) of the names of the shareholders from whom it has acquired the shares;

(3) of the price paid for the shares;

(4) if the consideration was not in money, of the nature of the consideration given and the value attributed to it; and

(5) of the balance, if any, remaining due to shareholders from whom it acquired the shares.

A shareholder is entitled on request and without charge to a copy of the agreement under which the corporation has agreed to acquire, or has acquired, any of its own shares.

II. — Splitting, consolidation and conversion of shares

90. The board of directors may authorize the splitting or consolidation of the shares of the corporation. The splitting or consolidation must be approved by special resolution if

(1) any shareholder would hold less than one share as a result of the proposed consolidation; or

(2) the corporation has issued more than one class of shares and the splitting or consolidation would affect the rights attaching to all the shares of any of those classes.

Within 30 days after a splitting or consolidation not requiring shareholder approval, the board of directors must notify the shareholders of how the issued shares have been split or consolidated.

91. The board of directors of a corporation may convert shares of a class or series into shares of another class or series.

The conversion must not increase or decrease the amount paid up or payable on the corporation's issued shares, and must be approved by special resolution.

92. Changes to the maximum number or par value of shares, and any other change to the authorized share capital, arising from the splitting, conversion or consolidation of shares must be set out in articles of amendment.

DIVISION II

MAINTENANCE OF SHARE CAPITAL

§1. — *Acquisition of shares*

93. Unless otherwise provided in the articles and subject to this subdivision, a corporation may, by purchase, redemption, exchange or otherwise, acquire fully paid shares it has issued.

94. A corporation may redeem shares unilaterally in accordance with its articles only if it pays their redemption price in full. Moreover, it may not purchase unilaterally redeemable shares for a price that is higher than their redemption price.

95. A corporation may not make a payment to purchase or redeem shares if there are reasonable grounds for believing that it is, or would after the payment be, unable to pay its liabilities as they become due.

96. A corporation may not make a payment to purchase or redeem shares if the payment would make it unable, in the event of liquidation, to repay shares ranking higher than or equally with the shares so purchased or redeemed, taking into account any waiver of repayment by the higher- or equal-ranking shareholders.

97. A corporation may not be compelled to pay for shares of its share capital that it has acquired if it shows that by doing so it would contravene section 95 or 96.

In such a case, the former holder of the shares becomes a creditor of the corporation and is entitled to be paid as soon as the corporation may legally do so or, in the event of liquidation, to be collocated ahead of the shareholders of the same class and of equal-ranking classes, but behind the other creditors of the corporation.

The corporation must provide an evidence of indebtedness to the former shareholder.

98. An acquisition of shares or a payment for shares contrary to this subdivision may not be declared null if the shareholder was in good faith, unless the corporation remains in the situation described in section 95 or 96 at the time the action in nullity is instituted.

99. A corporation may accept a gift or legacy of shares of its share capital if they are fully paid.

§2. — *Increase and reduction of share capital*

100. Unless the increase results from the payment of shares, a corporation may only increase the amount of its issued and paid-up share capital if authorized to do so by special resolution.

101. A corporation may, if authorized to do so by special resolution, reduce the amount of its issued share capital, in particular to reduce or extinguish the shareholders' obligation to pay for the shares issued, or to repay any part of the issued share capital exceeding its needs to the shareholders.

However, a corporation may not reduce the amount of its issued share capital if there are reasonable grounds for believing that it is, or would after the reduction be, unable to pay its liabilities as they become due.

102. A creditor of a corporation is entitled to apply to the court for an order compelling a shareholder to pay the corporation an amount equal to any liability of the shareholder that was reduced or extinguished contrary to this subdivision or to pay or deliver to the corporation any money or property that was paid or distributed to the shareholder as a consequence of a reduction of share capital made contrary to this subdivision.

§3. — *Declaration and payment of dividends*

103. Unless otherwise provided in the articles or in a unanimous shareholder agreement, the board of directors may declare and the corporation may pay a dividend either in money or property or by issuing fully paid shares or options or rights to acquire fully paid shares of the corporation.

If shares of a corporation are issued in payment of a dividend, the corporation may add all or part of the value of those shares to the appropriate issued and paid-up share capital account.

104. A corporation may not declare and pay a dividend, except by issuing shares or options or rights to acquire shares, if there are reasonable grounds for believing that the corporation is, or would after the payment be, unable to pay its liabilities as they become due.

105. A corporation may deduct from the dividends payable to a shareholder any amount due to the corporation by the shareholder, on account of calls for payment or otherwise.

CHAPTER VI

DIRECTORS AND OFFICERS

DIVISION I

BOARD OF DIRECTORS

106. The board of directors of a corporation is composed of one or more directors.

If the corporation is a reporting issuer, the board of directors is composed of not fewer than three directors, at least two of whom must not be officers or employees of the corporation or an affiliate of the corporation.

107. The term of office of the first directors of a corporation designated by the founders in the list of directors or in the initial declaration filed with the articles of constitution begins on the date the corporation is constituted and ends at the close of the first shareholders meeting.

108. Any natural person may be a director of a corporation, except persons disqualified for the office of director under the Civil Code or persons declared incapable by decision of a court of another jurisdiction.

109. Unless otherwise provided in the articles, a director is not required to be a shareholder.

110. The directors are elected by the shareholders, in the manner and for the term, not exceeding three years, set out in the by-laws.

It is not necessary that all the directors elected hold office for the same term.

A director not elected for an expressly stated term ceases to hold office at the close of the first annual shareholders meeting following the director's election.

If circumstances prevent a shareholders meeting from electing the fixed number or minimum number of directors required by the articles, the directors elected at that meeting may exercise all the powers of the directors if the number of directors so elected constitutes a quorum.

111. The articles may provide for cumulative voting for the election of directors. In such a case, the shareholders are called upon to elect a fixed number of directors required by the articles, and each elector has the right to cast a number of votes equal to the number of votes attached to the shares held by the shareholder multiplied by the number of directors to be elected, and may cast all of those votes in favour of one candidate or distribute them among the candidates in any manner.

The following rules apply to cumulative voting:

(1) a separate vote of the shareholders is to be taken with respect to each candidate unless a resolution is passed unanimously permitting two or more persons to be elected by a single resolution;

(2) if a shareholder has voted for more than one candidate without specifying the distribution of votes, the shareholder is deemed to have distributed the votes equally among those candidates;

(3) if the number of candidates exceeds the number of positions to be filled, the candidates who receive the lowest number of votes are eliminated until the number of candidates remaining equals the number of positions to be filled;

(4) each director ceases to hold office at the close of the first annual shareholders meeting following the director's election; and

(5) a director may be removed from office or the number of directors may be decreased only if the number of votes cast in favour of the removal or the decrease is greater than the product of the number of directors required by the articles and the number of votes cast against the removal or the decrease.

DIVISION II

FUNCTIONS AND POWERS OF BOARD OF DIRECTORS

112. Subject to a unanimous shareholder agreement, the board of directors exercises all the powers necessary to manage, or supervise the management of, the business and affairs of the corporation.

Except to the extent provided by law, such powers may be exercised without shareholder approval and may be delegated to a director, an officer or one or more committees of the board.

113. Unless otherwise provided in the articles or in a unanimous shareholder agreement, the board of directors adopts the corporation's by-laws. The by-laws are effective as of the date of the resolution of the board.

The by-laws must be submitted to the shareholders for approval at the next shareholders meeting, and the shareholders may, by ordinary resolution, ratify, reject or amend them. They cease to be effective at the close of the meeting if they are rejected by or not submitted to the shareholders. However, by-law amendments relating to procedural matters with respect to shareholders meetings take effect only once they have received shareholder approval.

A by-law adopted by the shareholders on a shareholder proposal submitted in accordance with subsection 6 of Division I of Chapter VII is effective as of its adoption and requires no other approval. It may only be repealed with the approval of the shareholders.

The rules of this section apply, with the necessary modifications and subject to the by-laws, to the amendment or repeal of by-laws.

114. Despite section 113, any new by-law made by the board of directors that has substantially the same purpose or effect as a by-law previously rejected by or not submitted to the shareholders at the meeting is not effective until confirmed by the shareholders.

115. Unless otherwise provided in the by-laws or in a unanimous shareholder agreement, the board of directors of a corporation may, on behalf of the corporation,

(1) borrow money;

(2) issue, reissue, sell or hypothecate its debt obligations;

(3) enter into a suretyship to secure performance of an obligation of any person; and

(4) hypothecate all or any of its property, owned or subsequently acquired, to secure any obligation.

116. Unless otherwise provided in the by-laws or in a unanimous shareholder agreement, the board of directors may designate the offices of the corporation, appoint directors or other persons as officers and specify their functions.

The officers are mandataries of the corporation.

The board of directors may create one or more committees made up of directors.

117. Unless otherwise provided in the by-laws or in a unanimous shareholder agreement, the board of directors determines the remuneration of the corporation's directors and officers.

118. The board of directors may not delegate its power

(1) to submit to the shareholders any question or matter requiring their approval;

(2) to fill a vacancy among the directors or in the office of auditor or to appoint additional directors;

(3) to appoint the president of the corporation, the chair of the board of directors, the chief executive officer, the chief operating officer or the chief financial officer regardless of their title, and to determine their remuneration;

(4) to authorize the issue of shares;

(5) to approve the transfer of unpaid shares;

(6) to declare dividends;

(7) to acquire, including by purchase, redemption or exchange, shares issued by the corporation;

(8) to split, consolidate or convert shares;

(9) to authorize the payment of a commission to a person who purchases shares or other securities of the corporation, or procures or agrees to procure purchasers for those shares or securities;

(10) to approve the financial statements presented at the annual meetings of shareholders;

(11) to adopt, amend or repeal by-laws;

(12) to authorize calls for payment;

(13) to authorize the confiscation of shares;

(14) to approve articles of amendment allowing a class of unissued shares to be divided into series, and to determine the designation of and the rights and restrictions attaching to those shares; or

(15) to approve a short-form amalgamation.

DIVISION III

DUTIES OF DIRECTORS AND OFFICERS

§1. — *General provisions*

119. Subject to this division, the directors are bound by the same obligations as are imposed by the Civil Code on any director of a legal person.

Consequently, in the exercise of their functions, the directors are duty-bound toward the corporation to act with prudence and diligence, honesty and loyalty and in the interest of the corporation.

In their capacity as mandataries of the corporation, the officers are bound, among other things, by the same obligations as are imposed on the directors under the second paragraph.

120. Subject to the provisions of section 214, no provision of the articles, the by-laws, a resolution or a contract may relieve a director from their obligations, or from liability for a breach of their obligations.

§2. — *Good faith reliance*

121. A director of a corporation is presumed to have fulfilled the obligation to act with prudence and diligence if the director relied, in good faith and based on reasonable grounds, on a report, information or an opinion provided by

(1) an officer of the corporation who the director believes to be reliable and competent in the functions performed;

(2) legal counsel, professional accountants or other persons retained by the corporation as to matters involving skills or expertise the director believes are matters within the particular person's professional or expert competence or as to which the particular person merits confidence; or

(3) a committee of the board of directors of which the director is not a member if the director believes the committee merits confidence.

§3. — *Disclosure of interest*

122. A director or officer of a corporation must disclose the nature and value of any interest he or she has in a contract or transaction to which the corporation is a party.

For the purposes of this subdivision, "interest" means any financial stake in a contract or transaction that may reasonably be considered likely to influence decision-making. Furthermore, a proposed contract or a proposed transaction, including related negotiations, is considered a contract or transaction.

123. A director or an officer must disclose any contract or transaction to which the corporation and any of the following are a party:

(1) an associate of the director or officer;

(2) a group of which the director or officer is a director or officer;

(3) a group in which the director or officer or an associate of the director or officer has an interest.

The director or officer satisfies the requirement if he or she discloses, in a case specified in subparagraph 2, the directorship or office held within the group or, in a case specified in subparagraph 3, the nature and value of the interest he or she or his or her associate has in the group.

124. Unless it is recorded in the minutes of the first meeting of the board of directors at which the contract or transaction is discussed, the disclosure of an interest, contract or transaction must be made in writing to the board of directors as soon as the director becomes aware of the interest, contract or transaction.

125. In the case of an officer who is not a director, the disclosure required by sections 122 and 123 must be made as soon as

(1) the officer becomes an officer;

(2) the officer becomes aware that the contract or transaction is to be discussed or has been discussed at a meeting of the board; or

(3) the officer or the officer's associate acquires an interest in the contract or transaction, if it was entered into earlier.

126. The disclosure required by sections 122 and 123 must be made even in the case of a contract or transaction that does not require approval by the board of directors.

127. No director may vote on a resolution to approve, amend or terminate the contract or transaction described in section 122 or 123 or be present during deliberations concerning the approval, amendment or termination of such a contract or transaction unless the contract or transaction

(1) relates primarily to the remuneration of the director or an associate of the director as a director of the corporation or an affiliate of the corporation;

(2) relates primarily to the remuneration of the director or an associate of the director as an officer, employee or mandatary of the corporation or an affiliate of the corporation, if the corporation is not a reporting issuer;

(3) is for indemnity or liability insurance under Division VII; or

(4) is with an affiliate of the corporation, and the sole interest of the director is as a director or officer of the affiliate.

128. If no quorum exists for the purpose of voting on a resolution to approve a contract or transaction only because a director is not permitted by section 127 to be present during deliberations, the other directors present are deemed to constitute a quorum for the purpose of voting on the resolution.

129. If all the directors are required by section 127 to abstain from voting, the contract or transaction may be approved solely by the shareholders entitled to vote, by ordinary resolution.

The disclosure required by sections 122 and 123 must be made to the shareholders in a sufficiently clear manner before the contract or transaction is approved.

130. The shareholders of a corporation may, during the usual office hours of the corporation, examine the portions of any minutes of the meetings of the board of directors or of any other document that contain disclosures by directors or officers under sections 122 and 123.

131. If a director or officer fails to comply with this subdivision, the corporation or a shareholder may ask the court to declare the contract or transaction null and to require the director or officer to account to the

corporation for any profit or gain realized on it by the director or officer or the associates of the director or officer, and to remit the profit or gain to the corporation, according to the conditions the court considers appropriate.

132. A contract or transaction for which a disclosure required by section 122 or 123 was made may not be declared null if the contract or transaction was approved by the board of directors and the contract or transaction was in the interest of the corporation when it was approved.

Nor may the director or officer concerned, in such a case, be required to account for any profit or gain realized or to remit the profit or gain to the corporation.

133. Despite this subdivision, a contract or transaction may not be declared null only because a director or officer did not make the disclosure required by sections 122 and 123, if

(1) the contract or transaction was approved by ordinary resolution by the shareholders entitled to vote who do not have an interest in the contract or transaction;

(2) the disclosure required by sections 122 and 123 was made to the shareholders in a sufficiently clear manner before the contract or transaction was approved; and

(3) the contract or transaction was in the best interests of the corporation when it was approved.

If the director or officer acted honestly and in good faith, he or she may not be required to account for the profit or gain realized and to remit the profit or gain to the corporation.

DIVISION IV

MEETINGS OF BOARD OF DIRECTORS

134. Unless otherwise provided in the by-laws, the board of directors may meet at any place.

135. A notice of a meeting of the board of directors must be sent to each director within the time and in the manner specified in the by-laws.

The notice must state the time and place of the meeting and specify any matter to be dealt with relating to powers the board may not delegate. Unless otherwise provided in the by-laws, the notice need not specify the purpose or the business to be transacted at the meeting.

136. A director may, in writing, waive a notice of a meeting of the board. Attendance of a director at a meeting of the board is a waiver of notice of the meeting unless the director attends the meeting for the sole purpose of objecting to the holding of the meeting on the grounds that it was not lawfully called.

137. Unless otherwise provided in the by-laws, the directors may, if all consent, participate in a meeting of the board by means of equipment enabling all participants to communicate directly with one another.

In such a case, they are deemed to be present at the meeting.

138. Unless otherwise provided in the by-laws, a majority of the directors in office constitutes a quorum at any meeting of the board. A quorum of directors may exercise all the powers of the directors despite any vacancy on the board.

139. A director who is present at a meeting of the board or a committee of the board is deemed to have consented to any resolution passed at the meeting unless

(1) the director's dissent has been entered in the minutes;

(2) the director sends a written dissent to the secretary of the meeting before the meeting is adjourned; or

(3) the director delivers a written dissent to the chair of the board, sends it to the chair by any means providing proof of the date of receipt or delivers it to the head office of the corporation immediately after the meeting is adjourned.

A director is not entitled to dissent after voting for or consenting to a resolution.

A director who was not present at a meeting at which a resolution was passed is deemed to have consented to the resolution unless the director records his or her dissent in accordance with this section within seven days after becoming aware of the resolution.

140. A resolution in writing, signed by all the directors entitled to vote on the resolution, has the same force as if it had been passed at a meeting of the board or, as the case may be, of a committee of the board.

If a corporation has only one director, the director may pass a resolution in lieu of holding a meeting.

A copy of the resolution must be kept with the minutes of meetings of the board of directors.

141. Notice of an adjourned meeting of the board of directors is not required to be given if the time and place of the adjourned meeting is announced at the same time as the adjournment.

DIVISION V

CESSATION OF OFFICE AND VACANCY ON BOARD OF DIRECTORS

142. A director ceases to hold office when he or she becomes disqualified from being a director of a corporation, resigns or is removed from office.

The resignation of a director becomes effective at the time the director's written resignation is received by the corporation, or at the time specified in the resignation, whichever is later.

143. Despite the expiry of a director's term, the director, unless he or she resigns, remains in office until re-elected or replaced.

144. Unless the articles provide for cumulative voting, the shareholders may by ordinary resolution at a special meeting remove any director or directors.

If certain shareholders have an exclusive right to elect one or more directors, a director so elected may only be removed by ordinary resolution of those shareholders.

A vacancy created by the removal of a director may be filled at the shareholders meeting at which the director is removed or, if it is not, at a subsequent meeting of the board of directors.

145. A quorum of directors may fill a vacancy on the board.

146. If there is no quorum of directors or if there has been a failure to elect the fixed number or minimum number of directors required by the articles, the directors then in office must without delay call a special shareholders meeting to fill the vacancies on the board.

If the directors refuse or fail to call a meeting or if there are no directors then in office, the meeting may be called by any shareholder.

147. Unless otherwise provided in the articles, if the holders of any class or series of shares have an exclusive right to elect one or more directors and a vacancy occurs among those directors, the vacancy may be filled by the remaining directors elected by the holders of that class or series of shares or, if there are no such remaining directors, by the holders of that class or series of shares by ordinary resolution at a special meeting they call for that purpose.

148. The articles may provide that a vacancy on the board of directors may only be filled by a vote of all the shareholders, or by a vote of the holders of a class or series of shares having an exclusive right to do so.

149. A director appointed or elected to fill a vacancy holds office for the unexpired term of his or her predecessor.

150. A director whose removal is to be proposed at a shareholders meeting may attend the meeting and be heard or, if not in attendance, may explain, in a written statement read by the person presiding over the meeting or made available to the shareholders before or at the meeting, why he or she opposes the resolution proposing his or her removal.

151. The articles may be amended to increase or decrease the fixed number of directors or the minimum or maximum number of directors.

The articles are deemed to be amended as of the date of the special resolution authorizing the amendment, and the shareholders may, at the meeting at which they pass the resolution, elect the number of directors authorized by the resolution.

152. An amendment to the articles that decreases the number of directors does not terminate the term of any incumbent director.

153. If the articles so provide, the directors of a corporation that is a reporting issuer or has 50 or more shareholders may appoint one or more additional directors to hold office for a term expiring not later than the close of the next annual shareholders meeting, but the total number of directors so appointed may not exceed one third of the number of directors elected at the previous annual shareholders meeting.

DIVISION VI

LIABILITY OF DIRECTORS

§1. — *Unpaid wages of employees*

154. Directors of a corporation are solidarily liable to the employees of a corporation for all debts not exceeding six months' wages payable to each such employee for services performed for the corporation while they are directors of the corporation respectively.

However, a director is not liable unless the corporation is sued for the debt within one year after it becomes due and the writ of execution is returned unsatisfied in whole or in part or unless, during that period, a liquidation order is made against the corporation or it becomes bankrupt within the meaning of that expression in the Bankruptcy and Insolvency Act (Revised Statutes of Canada, 1985, chapter B-3) and a claim for the debt is filed with the liquidator or the syndic.

§2. — *Prohibited acts*

155. Directors of a corporation who vote for or consent to a resolution authorizing the issue of shares for consideration payable in property or in past services are solidarily liable to the corporation for any amount by which the consideration received is less than the amount of money the corporation would have received if the shares had been issued for money on the date of the resolution.

However, a director who proves that he or she did not know and could not reasonably have known that the shares were issued for a consideration less than the amount of money the corporation should have received is not liable under the first paragraph.

156. Directors of a corporation who vote for or consent to a resolution authorizing any of the following are solidarily liable to restore to the corporation any amounts involved and not otherwise recovered by the corporation:

(1) a payment of a commission contrary to section 58;

(2) a transfer of not fully paid shares contrary to section 83;

(3) a purchase, redemption or other acquisition of shares contrary to section 94, 95 or 96;

(4) a payment of a dividend contrary to section 104;

(5) a payment of an indemnity contrary to section 160; or

(6) a payment to a shareholder contrary to the second paragraph of section 451.

157. A director liable under section 156 may apply to the court for an order compelling a shareholder or any other recipient under a resolution referred to in that section to pay or deliver to the director any money or property that was paid or distributed to the shareholder or other recipient.

If the court is satisfied that it is equitable to do so, it may grant the application and also make any further order it thinks fit; it may, in particular, order the corporation to return or issue shares to a person from whom the corporation has purchased, redeemed or otherwise acquired shares.

§3. — *Relief from liability*

158. A director cannot be held liable under section 154, 155, 156, 287, 314 or 392 if the director acted with a reasonable degree of prudence and diligence in the circumstances.

Furthermore, for the purposes of sections 155, 156, 287, 314 and 392, the court may, after considering all the circumstances and on the terms the court considers appropriate, relieve a director, either wholly or partly, from the liability the director would otherwise incur if it appears to the court that the director has acted reasonably, honestly and loyally, and ought fairly to be excused.

DIVISION VII

INDEMNIFICATION AND LIABILITY INSURANCE

159. Subject to section 160, a corporation must indemnify a director or officer of the corporation, a former director or officer of the corporation, a mandatary, or any other person who acts or acted at the corporation's request as a director or officer of another group against all costs, charges and expenses reasonably incurred in the exercise of their functions, including an amount paid to settle an action or satisfy a judgment, or arising from any investigative or other proceeding in which the person is involved if

(1) the person acted with honesty and loyalty in the interest of the corporation or, as the case may be, in the interest of the other group for which the person acted as director or officer or in a similar capacity at the corporation's request; and

(2) in the case of a proceeding that is enforced by a monetary penalty, the person had reasonable grounds for believing that his or her conduct was lawful.

The corporation must also advance moneys to such a person for the costs, charges and expenses of a proceeding referred to in the first paragraph.

160. In the event that a court or any other competent authority judges that the conditions set out in subparagraphs 1 and 2 of the first paragraph of section 159 are not fulfilled, the corporation may not indemnify the person and the person must repay to the corporation any monies advanced under that section.

161. A corporation may, with the approval of the court, in respect of an action by or on behalf of the corporation or other group referred to in section 159, against a person referred to in that section, advance the necessary monies to the person or indemnify the person against all costs, charges and expenses reasonably incurred by the person in connection with the action, if the person fulfills the conditions set out in that section.

162. A corporation may purchase and maintain insurance for the benefit of its directors, officers and other mandataries against any liability they may incur as such or in their capacity as directors, officers or mandataries of another group, if they act or acted in that capacity at the corporation's request.

CHAPTER VII

SHAREHOLDERS

DIVISION I

ANNUAL SHAREHOLDERS MEETING

§1. — *Calling of meeting*

163. An annual meeting of shareholders entitled to vote at such a meeting must be held not later than 18 months after the corporation is constituted and, subsequently, not later than 15 months after the last preceding annual shareholders meeting.

The board of directors calls the annual shareholders meeting. Otherwise, the meeting may be called by the shareholders in accordance with sections 208 to 211.

164. The annual shareholders meeting is held at the place within Québec provided in the by-laws or, in the absence of such provision, at the place within Québec determined by the board of directors.

The meeting may be held at a place outside Québec if the articles so allow or, in the absence of such a provision, if all the shareholders entitled to vote at the meeting agree that the meeting is to be held at that place.

165. Notice of a shareholders meeting must be sent to each shareholder entitled to vote at the meeting and to each director within the period provided in the by-laws or, in the absence of such provision, not less than 10 days before the meeting.

However, if the corporation is a reporting issuer, the notice of meeting must be sent not less than 21 days and not more than 60 days before the meeting.

166. If a director or a shareholder entitled to vote at a shareholders meeting gives written notice not less than 10 days before the meeting to the auditor or a former auditor of the corporation, the auditor or former auditor attends the meeting at the corporation's expense and answers any question relating to their duties as auditor.

167. The notice of meeting must specify the time and place of the meeting of shareholders as well as the business to be transacted. It must also specify the time, not exceeding 48 hours, excluding Saturdays and holidays, preceding the meeting or the resumption of a meeting after an adjournment, before which the corporation must receive the proxies of the shareholders who wish to be represented at the meeting.

The notice of meeting must state the business on the agenda in sufficient detail to permit the shareholders to form a reasoned judgment on it, and contain the text of any special resolution to be submitted to the meeting.

Business usually discussed at meetings of shareholders, such as the examination of the financial statements and the auditor's report, the renewal of the auditor's term and the election of directors, need not be included on the agenda.

168. A shareholder or director may waive notice of a shareholders meeting. Their attendance at the meeting is a waiver of notice of the meeting unless they attend the meeting for the sole purpose of objecting to the holding of the meeting on the grounds that it was not lawfully called or held.

169. The by-laws of a corporation that is a reporting issuer or that has 50 or more shareholders may provide for the fixing in advance, in a specified manner, of a date as the record date for the purpose of determining shareholders entitled to receive notice of a shareholders meeting, receive payment of a dividend, participate in a liquidation distribution and vote at a shareholders meeting or for any other purpose.

For the purpose of determining which shareholders are entitled to receive notice of a shareholders meeting or vote at the meeting, the record date must be not less than 21 days and not more than 60 days before the meeting.

§2. — *Proxies*

170. A shareholder may be represented at a shareholders meeting by a proxyholder.

A shareholder so represented is deemed to be present at the meeting.

171. Any person, whether or not a shareholder of the corporation, may be appointed a proxyholder.

172. A proxy must be in writing and signed by the shareholder.

In addition to the date, the proxy must include the name of the proxyholder and, if applicable, revoke any former proxy.

Unless otherwise indicated, a proxy lapses one year after the date it is given. It may be revoked at any time.

173. A proxyholder has the same rights as the shareholder represented to speak at a shareholders meeting in respect of any matter and to vote at the meeting.

However, a proxyholder who has conflicting instructions from more than one shareholder may not vote by a show of hands.

§3. — *Conduct of meeting*

174. Unless otherwise provided in the by-laws, any person entitled to attend a shareholders meeting may participate in the meeting by means of any equipment enabling all participants to communicate directly with one another.

A person participating in a meeting by such means is deemed to be present at the meeting.

175. A shareholders meeting may be held solely by means of equipment enabling all participants to communicate directly with one another, if the by-laws so allow.

176. Unless otherwise provided in the by-laws, a quorum of shareholders is present at a shareholders meeting if, at the opening of the meeting, the holders of a majority of the shares that carry the right to vote at the meeting are present in person or represented by proxy.

If a quorum is not present at the opening of the meeting, the shareholders present may adjourn the meeting to a specific time and place but may not transact any other business.

177. If a corporation has only one shareholder, or only one holder of any class or series of shares, the shareholder present in person or represented by proxy constitutes a shareholders meeting.

178. A resolution in writing signed by the sole shareholder of the corporation or by all the shareholders entitled to vote on the resolution is as valid as if it had been passed at a shareholders meeting.

The resolution must be kept with the minutes of the shareholders meeting.

179. Unless otherwise provided in the articles, each share of a corporation entitles the holder to one vote.

180. A natural person authorized by a resolution of the board of directors or of the management of a shareholder who is a legal person or a group may participate in and vote at a shareholders meeting.

181. A person acting for a shareholder as administrator of the property of others may participate in and vote at a shareholders meeting.

182. Unless otherwise provided in the by-laws, if two or more persons hold shares jointly, one of those shareholders present at a shareholders meeting may, in the absence of the others, exercise the voting right attached to those shares.

If two or more of such shareholders are present at the meeting, they must vote as one.

183. Unless otherwise provided in the by-laws, voting is conducted by a show of hands unless a ballot is demanded by a shareholder entitled to vote at the shareholders meeting.

A shareholder may demand a ballot either before or after a vote by show of hands.

Unless otherwise provided in the by-laws, a vote may be held by any means of communication made available by the corporation.

184. Unless otherwise provided in the by-laws, any shareholder participating in a shareholders meeting by means of equipment enabling all participants to communicate directly with one another may vote by any means enabling votes to be cast in a way that allows them to be verified afterwards and protects the secrecy of the vote when a secret ballot has been requested.

185. At a shareholders meeting, unless a vote is demanded, a declaration by the chair of the meeting that a resolution of the shareholders has been carried and that an entry to that effect has been made in the minutes of the meeting is, in the absence of any evidence to the contrary, proof of that fact, without it being necessary to prove the number or proportion of the votes recorded for and against the resolution.

186. Unless otherwise provided in the by-laws, the president of the corporation chairs a shareholders meeting.

If the person who is to chair the meeting is not present at the meeting within 15 minutes after the time appointed for the meeting, the shareholders present choose one of their number to chair the meeting.

187. The chair of a shareholders meeting must allow shareholders to raise and discuss, for a reasonable period of time, any matter whose primary purpose relates to the business or affairs of the corporation and is not to enforce a personal claim or redress a personal grievance against the corporation or its directors, officers or shareholders.

188. Unless otherwise provided in the by-laws, in the case of a tie, the chair of the meeting casts the tie-breaking vote.

189. A corporation must, for at least three months after a shareholders meeting, keep at its head office the ballots cast and the proxies presented at the meeting.

Any shareholder or proxyholder who was entitled to vote at the meeting may, without charge, inspect the ballots and proxies kept by the corporation.

190. If a shareholders meeting is adjourned for less than 30 days, it is not necessary, unless otherwise provided in the by-laws, to give notice of the adjourned meeting other than by announcement at the original meeting.

If a shareholders meeting is adjourned by one or more adjournments for an aggregate of 30 days or more, notice of the adjourned meeting must be given as for an original meeting.

§4. — *Voting by class*

191. A special resolution that favours certain shareholders of a class or series of shares or changes prejudicially the rights attaching to all the shares of a class or series of shares must be approved by the shareholders of that class or series.

The same applies to a special resolution authorizing the articles to be amended in order to allow the board of directors to change prejudicially the rights attaching to all the shares of a class or series of shares without shareholder authorization.

Approval is given by a special resolution adopted separately by the holders of each class or series of shares concerned, whether or not the shares otherwise carry voting rights.

Such approval is not required if

(1) the special resolution changes prejudicially in the same manner the rights attaching to all the shares issued by the corporation; or

(2) under the amendment to the articles authorized by the special resolution, it is only possible to change prejudicially the rights attaching to all the shares issued by the corporation.

192. A special resolution authorizing a corporation to reduce its issued share capital must be approved in the same manner as a special resolution changing prejudicially the rights attaching to all the shares of a class or series.

However, such approval is not required if the reduction in the amount of share capital changes prejudicially in the same manner all the shares issued by the corporation.

§5. — *Powers of the court*

193. On the application of a director or a shareholder who is entitled to vote at a shareholders meeting, the court, if it thinks fit, may order a shareholders meeting to be called and held in the manner the court directs, including if it is impracticable to call or hold the meeting within the regular time or in the regular manner.

The court may vary or dispense with the required quorum.

§6. — *Shareholder proposals*

194. Any holder or beneficiary of voting shares of a corporation that is a reporting issuer or has 50 or more shareholders may submit to the board of directors notice of any matter the person proposes to raise at an annual shareholders meeting.

The number of proposals presented by a person for a meeting may not exceed the number prescribed by government regulation.

195. To be eligible to submit a shareholder proposal, a person must be, for at least the period prescribed by government regulation, the holder or beneficiary of, or have the support of persons who, including the person submitting the proposal, have been, for at least the prescribed period, holders or beneficiaries of, at least the number or value prescribed by government regulation of outstanding shares of the corporation.

The number or value of the voting shares is calculated as at the date the period mentioned in the first paragraph begins. A person submitting a proposal is not required to acquire additional shares in the event of a downward fluctuation in the value of the person's shares; however, the person must keep the shares until the shareholders meeting at which the proposal is to be discussed.

196. Any shareholder proposal must be attached to the management proxy circular or, if the management is not soliciting proxies, to the notice of meeting for the annual shareholders meeting.

The proposal must be accompanied by the following information:

(1) the name and address of the person and, if applicable, of the person's supporters; and

(2) the number or percentage of shares owned by the person and, if applicable, by the person's supporters, and the date the shares were acquired.

197. If so requested by the person who submits a shareholder proposal, the corporation must attach to the management proxy circular or, as the case may be, to the notice of meeting, a statement in support of the proposal by the person and the name and address of the person. The statement and the proposal must together not exceed the maximum number of words prescribed by government regulation.

The corporation may include in the management proxy circular a statement on the proposal. The statement must not exceed the maximum number of words prescribed under the first paragraph.

198. A shareholder proposal may include nominations for the election of directors if the proposal is signed by one or more holders of shares representing not less than 5% of the shares or 5% of the shares of a class of shares of the corporation that carry the right to vote at the shareholders meeting to which the proposal is to be presented.

This section does not preclude other nominations at the meeting.

199. The presiding officer at a shareholders meeting must allow the person presenting a shareholder proposal to speak in respect of the proposal for a reasonable period of time.

200. A corporation is not required to comply with sections 196 and 197 if

(1) the shareholder proposal is not submitted to the corporation within the period prescribed by government regulation;

(2) the primary purpose of the proposal is to enforce a personal claim or redress a personal grievance against the corporation or its directors, officers or shareholders;

(3) the primary purpose of the proposal does not relate in a significant way to the business or affairs of the corporation, including making or amending by-laws, amending the articles or liquidating or dissolving the corporation;

(4) within the period, prescribed by government regulation, before the receipt of a proposal, a person failed to present, at a shareholders meeting, a proposal that, at the person's request, had been attached to a management proxy circular or the notice of meeting;

(5) substantially the same proposal attached to a management proxy circular or a dissident's proxy circular was presented to the shareholders at a shareholders meeting held within the period, prescribed by government regulation, before the receipt of the proposal and did not receive at the meeting the minimum amount of support prescribed by government regulation; or

(6) the right to present a proposal is being abused to secure publicity.

201. If a person who submits a shareholder proposal fails to continue to be the registered holder or beneficiary of the shares up to and including the day of the shareholders meeting, the corporation is not required to attach to the management proxy circular any proposal submitted by that person for any meeting held within the period prescribed by government regulation.

202. No corporation or mandatary of a corporation incurs any liability by reason only of circulating a shareholder proposal or statement in compliance with this subdivision.

203. If a corporation refuses to include a shareholder proposal in a management proxy circular or a notice of meeting, the corporation must, within the period prescribed by government regulation, notify in writing the person submitting the proposal of its intention to omit the proposal from the management proxy circular or notice of meeting and of the reasons for the refusal.

204. On the application of a person submitting a shareholder proposal who claims to have suffered prejudice following a corporation's refusal to present the person's proposal, the court may postpone the shareholders meeting to which the proposal was sought to be presented and make any further order it thinks fit.

205. The corporation or any person claiming to suffer prejudice from a shareholder proposal may apply to the court for an order permitting the corporation to omit the proposal from the management proxy circular or the notice of meeting.

206. An application under section 204 or 205 that concerns a corporation governed by one of the Acts listed in Schedule 1 to the Act respecting the Autorité des marchés financiers (R.S.Q., chapter A-33.2), other than a private issuer within the meaning of that expression in the regulations under the Securities Act that is not governed by another Act listed in that schedule, must be notified to the Autorité des marchés financiers.

DIVISION II

SPECIAL SHAREHOLDERS MEETING

207. The board of directors may at any time call a special shareholders meeting.

208. The holders of not less than 10% of the issued shares that carry the right to vote at a shareholders meeting sought to be held may requisition the board of directors to call a shareholders meeting for the purposes stated in the requisition.

The requisition, signed by at least one shareholder, must state the business to be transacted at the meeting and must be sent to each director and to the head office of the corporation.

209. On receiving the requisition, the board of directors calls a shareholders meeting to transact the business stated in the requisition.

If the board of directors does not within 21 days after receiving the requisition call a meeting, any shareholder who signed the requisition may call the meeting.

210. Unless the shareholders otherwise resolve at a meeting called by shareholders, the corporation must reimburse the shareholders for the expenses reasonably incurred by them in requisitioning, calling and holding the meeting.

211. No shareholders meeting may be called

(1) to discuss business in respect of which a shareholders meeting has already been called;

(2) to transact business that is not within the powers of the shareholders;

(3) to enforce a personal claim or redress a personal grievance against the corporation or its directors, officers or shareholders;

(4) to transact business that does not relate in a significant way to the business or affairs of the corporation; or

(5) to discuss a matter or business that has been submitted to and rejected by the shareholders within the year preceding the requisition.

212. Subdivisions 1 to 5 of Division I apply to special shareholders meetings, with the necessary modifications.

DIVISION III

UNANIMOUS SHAREHOLDER AGREEMENT

213. All the shareholders of a corporation, whether or not their shares carry voting rights, may agree in writing among themselves or among themselves and one or more third persons to restrict the powers of the board of directors to manage, or supervise the management of, the business and affairs of the corporation, or to withdraw all such powers from the board.

A sole shareholder may make a written declaration that restricts the powers of the board of directors or withdraws all powers from the board. The declaration is equivalent to a unanimous shareholder agreement.

214. To the extent that a unanimous shareholder agreement restricts the powers of the board of directors to manage, or supervise the management of, the business and affairs of the corporation, or withdraws all such powers from the board, parties to the unanimous shareholder agreement who are given those powers have all the rights, powers, duties, obligations and liabilities of directors of the corporation, whether they arise under this Act or otherwise, including any defences available to the directors, and the directors are relieved of their rights, powers, duties and liabilities, including their liability for the wages of the corporation's employees, to the same extent.

215. The corporation must, in accordance with the Act respecting the legal publicity of sole proprietorships, partnerships and legal persons, declare to the enterprise registrar, for entry in the enterprise register, the existence or the termination, including on the corporation becoming a reporting issuer, of a unanimous shareholder agreement.

216. If a unanimous shareholder agreement withdraws all powers from the board of directors and confers them on shareholders or third persons, the corporation must declare to the enterprise registrar the name and domicile of those who have assumed those powers.

The shareholders are in such a case subject to the rules of Divisions I and II, unless otherwise provided in the unanimous shareholder agreement or the by-laws.

The shareholders may choose not to establish a board of directors.

217. Decisions of a sole shareholder on whom all of the powers of the board of directors have been conferred may be made by written resolution.

Any act by such a sole shareholder on behalf of the corporation is deemed to be authorized.

Such a sole shareholder may choose not to establish a board of directors and not to appoint an auditor, and is not required to comply with the requirements of this Act relating to the by-laws, shareholders meetings and meetings of the board of directors.

218. A person who becomes a shareholder subsequent to the signing of a unanimous shareholder agreement is deemed to be a party to the agreement.

However, a person who, on becoming a shareholder, is not given notice of the existence of the unanimous shareholder agreement, by its existence being stated or a reference to the agreement being noted on the share certificate or otherwise, may, no later than 30 days after becoming aware of the existence of the unanimous shareholder agreement, have the transaction by onerous title by which the person became a shareholder annulled.

219. A unanimous shareholder agreement terminates when the corporation becomes a reporting issuer or, subject to the provisions of the amalgamation agreement, when the corporation amalgamates by the long-form process.

220. Nothing in this subdivision prevents shareholders or third persons from fettering their discretion when exercising the powers conferred on them under a unanimous shareholder agreement.

DIVISION IV

PROTECTION AGAINST SQUEEZE-OUT TRANSACTIONS

221. A squeeze-out transaction is a transaction by a corporation that results in the rights of one or more shareholders in every share they hold of a class of the corporation's shares being terminated by any transaction other than by purchase by agreement, without substituting rights of equivalent value in shares issued by the corporation to which are attached equal or greater rights and privileges than the affected shares.

222. A transaction by which a shareholder's rights in shares that are not unilaterally redeemable by the corporation are replaced by rights in unilaterally redeemable shares or in shares that could be converted into unilaterally redeemable shares without shareholder authorization is considered a squeeze-out transaction.

223. Even if a squeeze-out transaction is authorized or approved by the shareholders of a corporation in accordance with its articles or this Act, the corporation, if it is not a reporting issuer, may not carry out the transaction without also being authorized to do so by ordinary resolution of the shareholders concerned, whether or not their shares carry voting rights.

However, affiliates of the corporation and shareholders who, following the squeeze-out transaction, retain shares to which are attached equal or greater rights than the shares of the class affected by the squeeze-out transaction or who would be entitled to consideration of greater value or to superior rights than those available to the other squeezed-out shareholders do not have the right to vote on the resolution.

DIVISION V

LIABILITY OF SHAREHOLDERS

224. Shareholders are not, as shareholders, liable for any act of the corporation.

However, they are debtors to the corporation for any unpaid amount on shares they hold in its share capital.

CHAPTER VIII

FINANCIAL STATEMENTS AND AUDITOR

DIVISION I

FINANCIAL STATEMENTS

225. At every annual shareholders meeting, the board of directors of a corporation must present the corporation's financial statements for the fiscal year ended not more than six months before the meeting.

The board of directors must also present at every annual meeting any further financial information required by the articles, the by-laws or a unanimous shareholder agreement.

As soon as the financial statements are presented at the annual meeting, every shareholder is entitled to a copy upon request.

226. The financial statements of a corporation must include at least a balance sheet and an income statement.

The financial statements must also include the other statements and the notes and other information usually included in audited financial statements, if such statements or information have been approved by the board of directors.

227. The financial statements of a corporation may not be issued, published or circulated unless they have been approved by the board of directors.

The approval of the financial statements by the board of directors is evidenced by the signature of one or more directors, regardless of the means used to sign them.

228. A corporation must keep the financial statements of each of its subsidiaries, and of each other legal person whose accounts are consolidated in the financial statements of the corporation, at the corporation's head office or at any other place within Québec designated by the board of directors.

Shareholders of the corporation may, on request, examine the financial statements during the usual office hours of the corporation and make extracts free of charge, subject to a court order under section 229. However, the corporation may deny a request if the value of the assets, the revenues and the income before taxes of the subsidiary or legal person each represent less than 10% of the corresponding amount in the financial statements of the corporation.

Within 15 days after the corporation denies a shareholder's request, the shareholder may apply to the court for a review of the decision. In such a case, it is up to the corporation to show that the condition set out in the second paragraph is fulfilled.

An application for a review that concerns a corporation governed by one of the Acts listed in Schedule 1 to the Act respecting the Autorité des marchés financiers, other than a private issuer within the meaning of that expression in the regulations under the Securities Act that is not governed by another Act listed in that schedule, must be notified to the Autorité des marchés financiers.

229. A corporation may apply to the court for an order barring examination of the financial statements of one of the corporation's subsidiaries, or of a legal person whose accounts are consolidated in the financial statements of the corporation, if the corporation shows that such examination would be prejudicial to the corporation or one of its subsidiaries.

The application must be filed with the court within 15 days after the shareholder's request to examine the financial statements, and be notified to the shareholder; it must also be notified to the Autorité des marchés financiers if the application concerns a corporation governed by one of the Acts listed in Schedule 1 to the Act respecting the Autorité des marchés financiers, other than a private issuer within the meaning of that expression in the regulations under the Securities Act that is not governed by another Act listed in that schedule.

When ruling on the application, the court may make any order it thinks fit.

230. If they have been audited, the financial statements presented at the annual shareholders meeting or otherwise issued, published or distributed must be accompanied by the auditor's report.

DIVISION II

AUDITOR

231. The shareholders of a corporation appoint an auditor at each annual shareholders meeting.

The auditor is appointed by ordinary resolution.

232. The term of the auditor begins on appointment.

The auditor's remuneration is fixed by ordinary resolution of the shareholders at the time of appointment. If it is not fixed at that time, it is fixed by the board of directors.

233. The auditor may, as part of the auditing mandate, demand any information relating to the corporation, its subsidiaries and any other legal person whose accounts are consolidated in the financial statements of the corporation, and demand access to any of their books, records, accounts, files or other documents. The present and former directors, officers, employees or mandataries of the corporation must, on request, communicate the documents to and facilitate their examination by the auditor.

The board of directors of the corporation must obtain from the present or former directors, officers, employees or mandataries of a subsidiary of the corporation the information demanded by the auditor and make it available to the auditor.

234. The term of the auditor ends when the auditor's successor is appointed, unless it is terminated earlier by the auditor's death, resignation or removal or the auditor's becoming bankrupt or being placed under protective supervision.

235. The auditor's resignation becomes effective on the date a written resignation is sent to the corporation, or on the date specified in the resignation, whichever is later.

236. The shareholders may, by ordinary resolution at a special meeting, remove the auditor from office.

They may appoint a new auditor by ordinary resolution at the same meeting.

237. Subject to the shareholders' right to fill the vacancy after removing an auditor, the board of directors fills a vacancy in the office of auditor without delay for the unexpired term.

If there is no quorum on the board of directors, the directors must, within 21 days after a vacancy in the office of auditor occurs, call a special shareholders meeting to fill the vacancy.

If the directors fail to call a meeting or if there are no directors, the shareholders meeting may be called by any shareholder at the expense of the corporation.

238. The articles may provide that a vacancy in the office of auditor is only to be filled by a vote of the shareholders. In such a case, unless otherwise provided in the articles, the vacancy is filled by ordinary resolution of the shareholders.

239. The shareholders of a corporation other than a reporting issuer may decide not to appoint an auditor.

The decision must be made by unanimous resolution of the shareholders of the corporation, including shareholders not otherwise entitled to vote.

The decision of the shareholders has effect only until the next annual shareholders meeting. It terminates the term of any auditor in office.

CHAPTER IX

AMENDMENT, CORRECTION, CONSOLIDATION AND CANCELLATION OF ARTICLES

DIVISION I

AMENDMENT OF ARTICLES

240. The articles of a corporation may be amended to add any provision that is permitted by this Act to be set out in the articles, or to replace or remove any existing provision.

241. An amendment to the articles must be authorized by special resolution, unless otherwise provided in this Act.

By that resolution, the shareholders authorize a director or an officer of the corporation to sign the articles of amendment.

The shareholders may, by the same resolution or by a separate special resolution, permit the board of directors not to proceed with the amendment.

242. The board of directors of a corporation that has no shareholders may make any amendment to the articles that would otherwise require shareholder authorization. In such a case, the board of directors authorizes a director or an officer of the corporation to sign the articles.

243. Unless otherwise provided in this Act, the articles of a corporation are amended by articles of amendment.

The following must be filed with the articles of amendment:

(1) if the amendment is to the name of the corporation, the declaration required under section 8; and

(2) any other document the Minister may require.

244. The articles of amendment, signed by the director or officer authorized to sign them, any other documents required to be filed with them, and the fee prescribed by government regulation must be sent to the enterprise registrar.

245. Unless otherwise provided in this Act, the articles of amendment are effective as of the date and, if applicable, the time shown on the certificate of amendment issued by the enterprise registrar in accordance with Chapter XVIII.

DIVISION II

CORRECTION OF ARTICLES

§1. — *General provisions*

246. The articles of a corporation may be amended to correct errors, irregularities or illegal provisions they contain.

For the purposes of this division, a reference, typographical, transcription or similar error is considered an obvious error.

247. Court authorization is required if correction of the articles could be prejudicial to the rights of the corporation's creditors.

The same applies if the correction could be prejudicial to the rights of shareholders, unless the correction is authorized by resolution of all the shareholders whose rights would be affected by the correction, including the shareholders not otherwise entitled to vote.

248. A corporation or any interested person may apply to the court for authorization to correct the articles of the corporation.

The application must be notified to the enterprise registrar.

The court may make any order it thinks fit to correct the error, irregularity or illegality.

249. A correction to the articles of a corporation is retroactive to the date and, if applicable, the time shown on the certificate issued by the enterprise registrar in respect of the articles being corrected unless a judgment orders a later date and, if applicable, time.

However, if the date or time on the certificate issued in respect of the articles is corrected, the correction is effective as of the corrected date or time, provided that date or time is later than the date on which the enterprise registrar received the articles being corrected.

250. The enterprise registrar may, on the registrar's own initiative or at the request of any interested person, ask a corporation to correct an obvious error in the articles deposited in the enterprise register.

§2. — *Correction of articles on initiative of board of directors*

251. The board of directors of a corporation may, without shareholder authorization, correct errors, irregularities and illegal provisions contained in the articles of the corporation.

The board of directors authorizes a director or an officer of the corporation to sign the documents required to correct the articles.

252. An irregularity, illegal provision or error other than an obvious error is corrected by articles of amendment in accordance with sections 243 and 244.

If there is no risk that the correction will prejudice the rights of the creditors or the shareholders of the corporation, a declaration to that effect, signed by the director or officer authorized to sign it, must be filed with the articles of amendment. If the correction could be prejudicial to the rights of the shareholders but the shareholders have authorized it under section 247, the shareholder resolution must be filed with the articles of amendment.

If the correction could be prejudicial to the rights of the creditors or the shareholders of the corporation and the shareholders have not authorized it, a judgment authorizing the correction must be filed with the articles of amendment.

253. An obvious error in the articles of the corporation is corrected by means of a correction request addressed to the enterprise registrar.

An obvious error may also be corrected in accordance with section 252, at the same time as a correction is made under that section.

254. The corrected articles, and the related certificate if it contains an error, must be filed with the correction request.

If there is no risk that the correction will prejudice the rights of the creditors or the shareholders of the corporation, a declaration to that effect, signed by the director or officer authorized to sign it, must be filed with the correction request. However, if the correction could be prejudicial to the rights of the shareholders but the shareholders have authorized it under section 247, the shareholder resolution must be filed with the correction request.

If the correction could be prejudicial to the rights of the creditors or the shareholders of the corporation and the shareholders have not authorized it, a judgment authorizing the correction must be filed with the correction request.

255. The correction request, the other documents required to be filed with it, and the fee prescribed by government regulation must be sent to the enterprise registrar.

256. On receipt of the correction request and the other required documents, the enterprise registrar replaces the articles deposited in the enterprise register with the corrected articles.

The enterprise registrar draws up a new certificate only if the correction request makes it necessary to change the text of the certificate issued for the articles being corrected. In that case, the enterprise registrar sends a copy of the corrected articles and the certificate to the corporation or its representative.

§3. — *Correction of obvious error at request of representative of corporation*

257. After receiving from the enterprise registrar articles of the corporation containing an obvious error, and the related certificate, a representative of the corporation may make a correction request without the authorization of the board of directors or the shareholders.

258. The correction request must reflect the original intention and be sent to the enterprise registrar within 60 days after the issue by the enterprise registrar of the certificate relating to the articles containing the error.

259. The following must be filed with the correction request:

(1) the corrected articles;

(2) the related certificate, if it contains an error; and

(3) any document showing the original intention or, failing that, a statement attesting that the correction reflects the original intention.

260. Sections 255 and 256 apply to a correction request under this subdivision.

DIVISION III

CONSOLIDATION OF ARTICLES

261. The board of directors of a corporation may consolidate the corporation's articles without shareholder authorization. It is required to do so when the enterprise registrar so requests.

The board of directors authorizes a director or an officer of the corporation to sign the articles of consolidation.

262. When it consolidates the articles, the board of directors may make the changes of wording or form necessary to obtain a uniform mode of expression and presentation, and correct obvious reference, typographical, transcription and similar errors.

263. The articles of consolidation, signed by the director or officer authorized to sign them, and the fee prescribed by government regulation must be sent to the enterprise registrar.

The articles of consolidation must contain the text of the consolidated articles.

264. The consolidated articles replace the articles as of the date and, if applicable, the time shown on the certificate of consolidation issued by the enterprise registrar in accordance with Chapter XVIII.

DIVISION IV

CANCELLATION OF ARTICLES

265. The board of directors may request the cancellation of the corporation's articles, other than its articles of constitution, and of the related certificate, if the articles were sent to the enterprise registrar by mistake.

The board of directors authorizes a director or an officer of the corporation to sign the documents required to cancel the articles.

266. Court authorization is required if the cancellation of the articles could be prejudicial to the rights of the creditors of the corporation.

The same applies if the cancellation could be prejudicial to the rights of the shareholders, unless the cancellation is authorized by resolution of all the shareholders whose rights would be affected by the cancellation, including the shareholders not otherwise entitled to vote.

267. A corporation or any other interested person may apply to the court for authorization to cancel the articles of the corporation.

The application must be notified to the enterprise registrar.

The court may, to that end, make any order it thinks fit.

268. The cancellation request and the fee prescribed by government regulation must be sent to the enterprise registrar.

If there is no risk that the cancellation will prejudice the rights of the creditors or the shareholders of the corporation, a declaration to that effect, signed by the director or officer authorized to sign it, must be filed with the cancellation request. If the cancellation could be prejudicial to the rights of the shareholders but the shareholders have authorized it under section 266, the shareholder resolution must be filed with the request.

If the cancellation could be prejudicial to the rights of the creditors or the shareholders of the corporation and the shareholders have not authorized it, a judgment authorizing the cancellation must be filed with the request.

The cancellation request must also be filed with

(1) a copy of the articles to be cancelled; and

(2) any other document the Minister may require.

269. The articles and the related certificate are cancelled by the issue of a certificate attesting the cancellation by the enterprise registrar in accordance with Chapter XVIII.

270. Subject to the rights of third persons, the cancelled articles and the related certificate are deemed never to have existed.

CHAPTER X

ALIENATION AFFECTING SIGNIFICANT BUSINESS ACTIVITY

271. A corporation may not make an alienation of its property if, as a result of the alienation, the corporation would be unable to retain a significant part of its business activity, unless the alienation is authorized by the shareholders or is in favour of a wholly-owned subsidiary of the corporation.

For the purposes of this chapter, alienation of property means the sale, exchange or lease of its property.

272. Shareholder authorization is given by special resolution.

The shareholders may, by the same resolution or by a separate special resolution,

(1) fix or authorize the board of directors to fix the terms of the alienation; and

(2) permit the board of directors not to proceed with the alienation.

A copy or summary of the proposed act of alienation must be attached to the notice of meeting.

273. A corporation must prevent its subsidiary from alienating property if, assuming the subsidiary's property were the corporation's property and the subsidiary's business activity were included in the corporation's business activity, the corporation would be unable, as a result of the alienation, to retain a significant part of its business activity.

However, the corporation is not obliged to prevent such an alienation if

(1) the alienation occurs in the ordinary course of business of the subsidiary;

(2) the alienation is in favour of a wholly-owned subsidiary of the subsidiary; or

(3) the corporation has been authorized by special resolution of its shareholders to allow the alienation of the subsidiary's property.

A copy or summary of the proposed act of alienation must be attached to the notice of meeting.

274. A corporation is deemed to retain a significant part of its business activity after an alienation if the business activity retained

(1) required the use of at least 25% of the value of the corporation's assets as at the date of the end of the most recently completed fiscal year; and

(2) generated at least 25% of either the corporation's revenues or its income before taxes during the most recently completed fiscal year.

In the case of the alienation of property of a subsidiary, the assets, revenues and income referred to in the first paragraph are computed on the basis of the consolidated financial information of the subsidiary and of the parent corporation.

275. For the purposes of this chapter, a corporation's loss of control of a subsidiary is deemed to be an alienation of all of the property of the subsidiary.

CHAPTER XI

AMALGAMATION

DIVISION I

GENERAL PROVISIONS

276. Two or more corporations may amalgamate and continue as one corporation.

The regular or long form of amalgamation may, in cases allowing it, be replaced by a short-form process.

DIVISION II

LONG-FORM AMALGAMATION

277. Each corporation proposing to amalgamate must enter into an amalgamation agreement containing

(1) in respect of the amalgamated corporation, the provisions that are required to be included in the corporation's articles of constitution, except the particulars concerning the founders;

(2) the name and domicile of each director of the amalgamated corporation;

(3) the manner in which the shares of each amalgamating corporation are to be converted into shares of the amalgamated corporation;

(4) if the shares of one of the amalgamating corporations are not to be wholly converted into shares of the amalgamated corporation, the amount of money or other form of payment the shareholders holding those shares are to receive in addition to or instead of shares of the amalgamated corporation;

(5) if applicable, the amount of money or other form of payment that is to be received instead of fractional shares of the amalgamated corporation;

(6) if applicable, a provision stating that any shares of an amalgamating corporation that are held by another amalgamating corporation are to be cancelled when the amalgamation becomes effective without any repayment of capital in respect of the shares, and that such shares are not to be converted into shares of the amalgamated corporation;

(7) the by-laws proposed for the amalgamated corporation, or a statement that the by-laws of the amalgamated corporation are to be those of one of the amalgamating corporations; and

(8) details of any arrangements necessary to complete the amalgamation and to provide for the subsequent management and operation of the amalgamated corporation.

278. The amalgamation agreement must be submitted for approval to the shareholders of each amalgamating corporation by its board of directors.

A copy or summary of the amalgamation agreement must be attached to the notices of meeting.

279. The amalgamation agreement must be approved by a separate special resolution of the shareholders of each amalgamating corporation.

By that resolution, the shareholders of each amalgamating corporation authorize a director or an officer of the corporation to sign the articles of amalgamation.

280. If the amalgamation agreement so permits, it may be terminated by the board of directors of an amalgamating corporation.

That right may not be exercised once the enterprise registrar has issued the amalgamation certificate.

DIVISION III

SHORT-FORM AMALGAMATION

281. Corporations may amalgamate by simple resolution of the board of directors of each amalgamating corporation if all of their issued shares are held either by the shareholder who controls the amalgamating corporations or by that shareholder and one or more of the amalgamating corporations.

Each such resolution must provide that

(1) all shares of the amalgamating corporations, except the shares held in one amalgamating corporation by the shareholder who controls the amalgamating corporations, are to be cancelled without any repayment of capital in respect of the shares;

(2) the articles of amalgamation are to be the same as the articles of the corporation whose shares are not cancelled, except as concerns the name of the amalgamated corporation, which may be the name of one of the other amalgamating corporations; and

(3) the issued and paid-up share capital account of the amalgamating corporations is to be added, to the extent determined by the corporations, to that of the amalgamating corporation whose shares are not cancelled.

By the same resolution, each board of directors authorizes a director or an officer of the corporation to sign the articles of amalgamation.

282. A parent corporation and its subsidiaries may amalgamate by a simple resolution of the board of directors of each amalgamating corporation if all of the shares issued by the subsidiaries are held by one or more of the amalgamating corporations.

Each such resolution must provide that

(1) the shares of the subsidiaries are to be cancelled without any repayment of capital in respect of the shares;

(2) the articles of amalgamation are to be the same as the articles of the parent corporation, except as concerns the name of the amalgamated corporation, which may be the name of one of the other amalgamating corporations;

(3) no shares are to be issued by the amalgamated corporation in connection with the amalgamation; and

(4) the directors of the amalgamated corporation are to be those of the parent corporation and its by-laws are to be those of the parent corporation or those determined by the board of directors of the parent corporation; in the latter case, the by-laws are to be submitted for approval at the next shareholders meeting.

By the same resolution, each board of directors authorizes a director or an officer of the corporation to sign the articles of amalgamation.

DIVISION IV

ARTICLES OF AMALGAMATION

283. An amalgamation of corporations requires the filing of articles of amalgamation.

284. In addition to the other provisions permitted by this Act to be set out in articles of amalgamation, the articles of amalgamation must contain

(1) in the case of a long-form amalgamation, the elements required under paragraphs 1, 3, 4 and 5 of section 277; and

(2) in the case of a short-form amalgamation, the provisions required under subparagraph 2 of the second paragraph of section 281 or 282, as the case may be.

In the case of a long-form amalgamation, the articles must be filed with the documents required under section 8. However, the declaration required under that section with respect to the name chosen is not necessary if the amalgamated corporation keeps the name of one of the amalgamating corporations.

285. The articles of amalgamation, signed by the director or officer of each amalgamating corporation who is authorized to sign them, any other document required to be filed with them, and the fee prescribed by government regulation must be sent to the enterprise registrar.

286. A certificate of amalgamation, issued by the enterprise registrar in accordance with Chapter XVIII, attests the amalgamation of the corporations as of the date and, if applicable, the time shown on the certificate.

As of that time, the amalgamating corporations are continued as one corporation and, as of that time, their patrimonies are joined together to form the patrimony of the amalgamated corporation. The rights and obligations of the amalgamating corporations become rights and obligations of the amalgamated corporation and the latter becomes a party to any judicial or administrative proceeding to which the amalgamating corporations were parties.

DIVISION V

LIABILITY FOR DEBTS

287. Directors of corporations that amalgamated although there were reasonable grounds for believing that the amalgamated corporation would be unable to pay its liabilities as they became due are solidarily liable for the debts of the amalgamated corporation that subsist after discussion of its property.

CHAPTER XII

CONTINUANCE

DIVISION I

CONTINUANCE UNDER THIS ACT

288. A legal person constituted under the laws of Québec or a jurisdiction other than Québec may, if so authorized to do so by the Act governing it, be continued as a corporation under this Act.

289. The continuance of a legal person requires the filing of articles of continuance.

A legal person continued as a corporation under this Act may, by means of articles of continuance, make any amendment to the legal person's constituting instrument that a corporation may make to its articles under this Act.

290. The articles of continuance must contain the provisions required to be set out in a corporation's articles of constitution, except the particulars concerning the founders.

The articles of continuance of a legal person constituted under the laws of a jurisdiction other than Québec must also contain the title of and exact reference to the Act under which the legal person was constituted and the date of constitution or, if applicable, the date of the most recent continuance or conversion.

291. The list of the directors of the corporation and the notice of the address of the head office, required under section 8, must be filed with the articles of continuance.

However, those documents need not be filed if the initial declaration required under the Act respecting the legal publicity of sole proprietorships, partnerships and legal persons is filed with the articles or if the legal person is already registered in accordance with that Act.

The articles of continuance must also be filed with

(1) the declaration required under section 8 with respect to the name chosen; and

(2) any other document the Minister may require.

292. The articles of continuance, signed by the director or officer authorized to sign them, any other document required to be filed with them, and the fee prescribed by government regulation must be sent to the enterprise registrar.

293. The certificate of continuance, issued by the enterprise registrar in accordance with Chapter XVIII, attests the continuance of a legal person as a corporation under this Act as of the date and, if applicable, the time shown on the certificate.

As of that time, the articles of continuance are deemed to be the articles of constitution of the continued corporation.

294. The rights, obligations and acts of a legal person continued as a corporation under this Act, and those of the members of the legal person, are unaffected by the continuance.

The continued corporation remains a party to any judicial or administrative proceeding to which the legal person was a party.

295. The enterprise registrar sends a copy of the certificate of continuance to the authority responsible for the administration of the Act that governed the legal person before its continuance.

296. Any participation issued by a legal person before the continuance is deemed to have been issued in accordance with the articles of the legal person and this Act.

DIVISION II

CONTINUANCE UNDER THE LAWS OF A JURISDICTION OTHER THAN QUÉBEC

297. A corporation may, if so authorized by its shareholders and by the enterprise registrar, apply to the appropriate authority of a jurisdiction other than Québec requesting that the corporation be continued as if it had been constituted under the laws of that other jurisdiction.

298. Shareholder authorization is given by special resolution.

By that resolution, the shareholders authorize a director or an officer of the corporation to sign the documents required for its continuance.

The shareholders may, by the same resolution or a separate special resolution, authorize the board of directors not to proceed with the continuance.

299. To obtain the authorization of the enterprise registrar, a request for authorization must be filed with

(1) a declaration, signed by the director or officer authorized to sign it, attesting that the shareholders of the corporation will not suffer prejudice as a result of the continuance;

(2) a certified copy of the special resolution authorizing the corporation to apply for continuance;

(3) any other document the Minister may require; and

(4) the fee prescribed by government regulation.

300. The enterprise registrar grants a request for authorization if

(1) the corporation shows in the request that, once continued, it will remain a legal person, retain its rights and obligations as such and remain a party to any judicial or administrative proceeding to which it is a party; and

(2) the corporation has complied with its obligations under the Act respecting the legal publicity of sole proprietorships, partnerships and legal persons.

301. If the enterprise registrar authorizes a corporation to apply for continuance, the enterprise registrar issues an authorization certificate to the corporation.

302. On receipt of a document from the appropriate authority of a jurisdiction other than Québec attesting the continuance or any other conversion of a corporation under those laws, the enterprise registrar deposits the document in the enterprise register.

The enterprise registrar issues a certificate of discontinuance attesting that the corporation is continued under the laws of the jurisdiction concerned, stating the date and, if applicable, the time shown on the document received from the authority. The enterprise registrar deposits the certificate in the enterprise register and sends a copy to the corporation or the corporation's representative.

303. This Act ceases to apply to the corporation as of the date and, if applicable, the time shown on the certificate of discontinuance issued by the enterprise registrar.

CHAPTER XIII

DISSOLUTION, LIQUIDATION AND REVIVAL

DIVISION I

DISSOLUTION

§1. — *General provisions*

304. A corporation may be dissolved by consent of the shareholders, by consent of the directors or by the filing of a declaration of dissolution by the sole shareholder of the corporation.

A corporation may also be dissolved by a decision of the court in accordance with subdivision 8 of Division II of Chapter XVII.

305. The shareholders of a corporation at the time of its dissolution are, as of that time, liable for the performance of the corporation's obligations up to the value of the share of the remaining property they received and any amount outstanding on the shares they held at the time of dissolution.

306. Despite its dissolution, a corporation remains a party to any judicial or administrative proceeding to which it was a party before its dissolution, and a proceeding may be brought against it within three years after its dissolution.

307. Service or notification of a document in connection with a judicial or administrative proceeding to which a dissolved corporation is a party may be effected by serving the document on or notifying it to any person who was a director or an officer of the corporation at the time of its dissolution.

§2. — *Dissolution of corporation by consent of shareholders*

308. Shareholder consent to dissolution of a corporation is given by special resolution.

By that resolution, the shareholders authorize a director or an officer of the corporation to sign the declaration of dissolution.

The resolution by which the shareholders consent to the dissolution of the corporation does not in any case confer on a shareholder the right to demand that the corporation repurchase the shareholder's shares in accordance with Chapter XIV.

309. The dissolution of the corporation by consent of the shareholders requires that it first be liquidated, if the corporation has obligations or property.

Liquidation is not required, however, if the shareholders whose shares entitle them to participate in the distribution of the remaining property of the corporation, whether or not they otherwise carry the right to vote, demand by special resolution that the board of directors perform the obligations of the corporation, obtain forgiveness of those obligations or otherwise make provision for them.

The special resolution is adopted at the shareholders meeting at which the shareholders consent to the dissolution of the corporation.

310. If the shareholders have demanded that the board of directors perform the obligations of the corporation, obtain forgiveness of those obligations or otherwise make provision for them, the board of directors distributes the remaining property of the corporation in money, unless authorized to distribute

it otherwise by special resolution of all the shareholders whose shares entitle them to participate in the distribution of the remaining property, whether or not they otherwise carry the right to vote.

If the board of directors is authorized to distribute the remaining property otherwise than in money, it follows, as needed, the rules governing the distribution of the remaining property of a corporation in the event of liquidation.

311. Unless otherwise provided in the articles, the board of directors distributes the remaining property of the corporation among the shareholders in proportion to their holdings in shares.

§3. — *Dissolution of corporation by filing of declaration of sole shareholder*

312. A corporation may be dissolved by the filing of a declaration of dissolution by the shareholder who holds all the shares issued by the corporation.

A shareholder who, without holding all the shares of the corporation, holds at least 90% of them may, in anticipation of filing a declaration of the dissolution, acquire the shares held by the other shareholders of the corporation in accordance with Chapter XV.

However, unless the corporation is a reporting issuer, the notice of intention under section 401 must state the offeror's intention to dissolve the corporation and the price offered for the shares held by the other shareholders instead of stating the shareholders' acceptance of the bid; the shareholder is not required to send the notice to the Autorité des marchés financiers.

313. As of the dissolution of the corporation, its rights and obligations become those of the shareholder, and the shareholder becomes a party to any judicial or administrative proceeding to which the corporation was a party.

Sections 305 to 307 do not apply to a dissolution under this subdivision.

314. If the sole shareholder of the corporation is a legal person, the directors of the legal person, if it filed a declaration of dissolution although there were reasonable grounds for believing that the legal person would be unable to pay the liabilities of the corporation as they became due, are solidarily liable for any obligations of the corporation that the legal person is unable to perform.

315. A creditor of the corporation who suffers prejudice from the dissolution of the corporation by the filing of a declaration of dissolution by the sole shareholder although there were reasonable grounds for believing that the shareholder would be unable to pay the liabilities of the corporation as they became due may ask the court to declare the dissolution unenforceable against the creditor.

§4. — *Dissolution of corporation by consent of board of directors*

316. A corporation that has no obligations, no property and no shareholders may be dissolved by consent of the board of directors.

The board of directors authorizes a director or an officer of the corporation to sign the declaration of dissolution.

§5. — *Declaration of dissolution*

317. A declaration of dissolution is required to dissolve a corporation unless its liquidation is required under section 309 or its dissolution is ordered by the court.

318. The declaration of dissolution is sent to the enterprise registrar.

The declaration of dissolution must state whether

(1) the corporation's board of directors has performed the corporation's obligations, obtained forgiveness of those obligations or otherwise made provision for them and, if applicable, whether the remaining property of the corporation has been distributed;

(2) the corporation's rights and obligations become those of its sole shareholder who is filing the declaration of dissolution, and the sole shareholder is able to pay the liabilities of the corporation as they become due; or

(3) at the time of consent to the dissolution, the corporation had no obligations, no property and, if applicable, no shareholders.

319. The declaration of dissolution sent to the enterprise registrar must be signed by the director or officer authorized to sign it or, if applicable, the sole shareholder of the corporation who is filing the declaration of dissolution.

320. Unless it is filed by the sole shareholder of the corporation, the declaration of dissolution must be filed with a certified copy of the resolution by which the shareholders or the directors consented to the dissolution.

321. The corporation ceases to exist on the date and, if applicable, the time shown on the certificate of dissolution issued by the enterprise registrar in accordance with Chapter XVIII.

322. The person who signs the declaration of dissolution must preserve or ensure the preservation of the records of the corporation for five years after the date shown on the certificate of dissolution, or for a longer period if the records are required as evidence in a judicial or administrative proceeding.

DIVISION II

LIQUIDATION

§1. — *General provisions*

323. Liquidation consists in determining the assets of a corporation, recovering its claims, performing or obtaining forgiveness of its obligations or otherwise making provision for them, paying the liquidation expenses, and subsequently giving a final account to the shareholders and distributing the remaining property of the corporation among them.

324. Only those shareholders whose shares entitle them to participate in the distribution of the remaining property of the corporation, whether or not their shares otherwise carry voting rights, may vote on resolutions concerning decisions relating to the liquidation of the corporation.

§2. — *Appointment, removal and replacement of liquidator*

325. The shareholders of a corporation whose liquidation is required under section 309 must appoint one or more liquidators, who are appointed by special resolution at the shareholders meeting at which the shareholders consent to the dissolution of the corporation.

If the court orders the liquidation of a corporation, it appoints one or more liquidators.

326. Any natural person fully capable of exercising his or her civil rights may be appointed liquidator.

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

327. The remuneration of the liquidator is determined by the shareholders or the court, as the case may be.

When the shareholders determine the remuneration of the liquidator, they do so by ordinary resolution.

The liquidator is entitled to the reimbursement of the expenses incurred in the performance of the duties of office.

328. The liquidator is not obliged to take out insurance or to provide security for the performance of the liquidator's obligations, unless the shareholders require it by ordinary resolution, or the court orders it.

If the liquidator is required to provide security but refuses or neglects to do so, the liquidator forfeits office, unless relieved from the default by the shareholders or, as the case may be, by the court.

329. The shareholders may, by special resolution, remove a liquidator from office.

They may, by the same resolution, appoint a new liquidator.

A shareholders meeting may be called by any shareholder. The notice of meeting must mention that the removal or replacement of a liquidator is to be proposed.

330. A court may remove a liquidator from office on the application of a shareholder or any other interested person giving sufficient grounds.

331. The shareholders must, without delay, fill a vacancy in the office of liquidator by special resolution.

A shareholders meeting may be called by any shareholder or by any remaining liquidator.

332. If the shareholders fail to appoint a liquidator, or to replace a liquidator within 15 days after the day on which the office becomes vacant, a shareholder or any other interested person may ask the court to do so.

333. As of the appointment of a liquidator, the board of directors is dissolved and the corporation may act only for the purposes of the liquidation and dissolution of the corporation.

§3. — *Conduct of liquidation*

I. — General provisions

334. As of the appointment of the liquidator and for the time required for the liquidation, the liquidator is seized of the property of the corporation.

The liquidator acts as administrator of the property of others entrusted with full administration.

The directors, officers and shareholders of the corporation must, at the request of the liquidator, communicate any document and provide any explanation to the liquidator concerning the rights and obligations of the corporation.

335. The liquidator sends a notice of liquidation without delay to the enterprise registrar, who deposits it in the enterprise register.

The notice must be filed with a certified copy of the special resolution by which the shareholders consented to the dissolution of the corporation.

336. If the liquidation 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 to the shareholders.

II. — Recovery of claims and performance of obligations

337. The liquidator recovers the claims of the corporation. The liquidator may demand payment of any amount outstanding on shares held by the shareholders, even if they are not yet due.

338. The liquidator performs the obligations of the corporation of which forgiveness has not been obtained, as and when the creditors come forward or in accordance with terms agreed on with the creditors. However, the liquidator may instead constitute adequate provision for the performance of those obligations.

III. — Final account

339. After performing or obtaining forgiveness of the obligations of the corporation or otherwise making provision for them, the liquidator produces a final account.

340. The purpose of the final account is to determine the assets of the corporation at the time the liquidator is appointed and the remaining property to be distributed among the shareholders at the close of the liquidation.

In the final account, the liquidator reports on the disposal of the corporation's property, the sums realized, the obligations of the corporation that were performed, those of which the liquidator obtained forgiveness and those for which the liquidator otherwise made provision, and the overall manner in which the liquidation was conducted.

The final account must be approved by special resolution of the shareholders. If such approval cannot be given, the liquidation continues under the supervision of the court.

IV. — Distribution proposal and distribution of remaining property

341. The distribution proposal sets out how the remaining property is to be distributed. The liquidator may, among other things, propose that the remaining property be sold or otherwise alienated and that the proceeds be distributed among the shareholders, or that the remaining property be distributed in kind.

In the proposal, the liquidator specifies the share of the remaining property that each shareholder is to receive, in money or in kind.

342. Unless otherwise provided in the articles, each shareholder shares in the distribution of the remaining property in proportion to the person's holdings in shares ; however, any unpaid amounts on those shares are deducted from the person's share in the distribution.

343. The liquidator may not distribute the remaining property unless the distribution proposal has been approved by the shareholders.

344. No distribution proposal may be submitted to the shareholders for approval before the filing of the liquidator's final account unless the liquidator has made clearly adequate provision for the performance of the obligations of the corporation.

345. A distribution proposal that suggests that the distribution be entirely in money must be approved by special resolution. In all other cases, it must be approved by resolution of all the shareholders, who may make their approval subject to the amendment of the distribution terms proposed by the liquidator.

If approval is not given, the liquidation continues under court supervision.

346. The liquidator distributes the remaining property in accordance with the distribution proposal approved by the shareholders or the directives of the court, as the case may be.

§4. — *Closure of liquidation*

347. The liquidation of a corporation is terminated by sending the enterprise registrar a notice of closure of the liquidation.

The liquidator states in the notice that the final account and, if applicable, the distribution proposal have been approved, describes the conduct of the liquidation in accordance, if applicable, with the orders of the court, and signs the notice.

348. A corporation ceases to exist from the date and, if applicable, the time shown on the certificate of dissolution issued by the enterprise registrar in accordance with Chapter XVIII.

349. Within 30 days after the certificate of dissolution is issued, the liquidator remits to the Minister of Revenue the dividends and sums that have not been claimed and paid by that time, with a statement of the dividends and sums indicating the name and last known address of the persons entitled to them and the date of remittance to the Minister of Revenue.

The provisions of the Public Curator Act (R.S.Q., chapter C-81) relating to unclaimed property apply, with the necessary modifications, to the remitted dividends and sums.

350. The liquidator must preserve the records of a corporation for five years after the closure of the liquidation, or for a longer period if they are required as evidence in a judicial or administrative proceeding.

§5. — *Liquidation under court supervision*

351. As of the time the shareholders of a corporation consent to its dissolution, a shareholder or any other interested person may ask the court to order the liquidation of the corporation under court supervision.

At any time during the liquidation of the corporation, a shareholder or any other interested person may ask the court to order that the liquidation continue under court supervision.

352. As soon as the judgment ordering that the corporation be liquidated, or that the liquidation of the corporation be continued, under the supervision of the court is rendered, the clerk of the court sends a copy of the judgment to the enterprise registrar, who deposits it in the enterprise register.

If the judgment is appealed, the clerk sends notice of the appeal without delay to the enterprise registrar, who deposits it in the enterprise register.

353. An application under this subdivision concerning a corporation governed by one of the Acts listed in Schedule 1 to the Act respecting the Autorité des marchés financiers, other than a private issuer within the meaning of that expression in the regulations under the Securities Act that is not governed by another Act listed in that schedule, must be notified to the Autorité des marchés financiers.

354. When ruling on an application under this subdivision, the court may make any order concerning the liquidation of the corporation. It may, among other things,

(1) suspend any judicial or administrative proceeding against the corporation, on the conditions the court considers appropriate;

(2) prescribe any measure to identify and perform the obligations of the corporation or make provision for them;

(3) give instructions to the liquidator;

(4) approve the performance of any obligation of the corporation;

(5) order that provision be made for the performance of any obligation of the corporation;

(6) fix, on the conditions it determines, a time after which no person may, without the authorization of the court, make a claim against the corporation, the shareholders who received a share of the remaining property of the corporation or those who held unpaid shares at the time of the dissolution;

(7) approve any measure that could exclude or limit the liability of shareholders receiving a share of the remaining property of the corporation or of those who held unpaid shares at the time of the dissolution;

(8) specify each shareholder's share of the remaining property of the corporation; and

(9) approve the liquidator's final account or the distribution proposal.

§6. — *Discontinuation of liquidation*

I. — Common provisions

355. The liquidation of a corporation may be discontinued as long as the corporation's remaining property has not been distributed.

356. If the liquidation arises from the dissolution of the corporation by consent of the shareholders, such consent must be withdrawn in order to discontinue the liquidation; in other cases, the discontinuation of the liquidation must be ordered by the court.

357. The liquidation is discontinued as soon as the fixed number or minimum number of directors required by the articles has been attained. As of that time, the liquidator ceases to hold office and the corporation may act for any purpose other than the liquidation.

While the liquidation is suspended, the liquidator has simple administration of the corporation's property.

358. The discontinuation of the liquidation does not entail the annulment of the acts of the liquidator performed prior to the discontinuation.

359. The board of directors sends a notice of the discontinuation of the liquidation without delay to the enterprise registrar, who deposits it in the enterprise register.

II. — Withdrawal of shareholder consent

360. Withdrawal of consent to the dissolution of the corporation is effected in the same manner consent was given.

A shareholders meeting may be called by the holders of not less than 10% of the issued voting shares of the corporation. The notice of meeting stating that withdrawal of consent to the dissolution of the corporation is to be proposed must be sent to the liquidator.

361. Withdrawal of consent suspends the liquidation, the board of directors of the corporation is re-established and the most recent directors, if they consent, resume their term of office.

If the fixed number or minimum number of directors required by the articles has not been attained, the liquidator must call a special shareholders meeting as soon as possible to fill the vacancies on the board of directors. If the liquidator fails to call a meeting, any shareholder may do so.

The liquidation resumes if the fixed number or minimum number of directors required by the articles is not attained within 90 days after shareholder consent to the dissolution is withdrawn.

362. If the liquidation of the corporation is being carried out under the supervision of the court, a shareholder or any other interested person may ask the court to determine the terms on which the shareholders may, within the period determined by the court,

(1) withdraw consent to the dissolution of the corporation; and

(2) elect the fixed number or minimum number of directors required by the articles.

The liquidation is suspended as of the time the court grants the request.

The liquidation resumes if the shareholders fail to reach a decision with respect to withdrawing consent to the dissolution or to elect directors within the period fixed by the court.

The request must be notified to the liquidator.

III. — Discontinuation of liquidation by court

363. A shareholder or any other interested person may ask the court to order the discontinuation of the liquidation if it arises from a court decision to dissolve the corporation. The court may make the discontinuation subject to shareholder approval, on the terms determined by the court, in particular with respect to the vote required for that purpose.

If the court grants the request, it determines how the directors are to be elected following the re-establishment of the board of directors, unless it is shown to the court that the fixed number or minimum number of directors required by the articles will be attained.

The request must be notified to the liquidator.

364. The liquidation is suspended from the time the court orders the discontinuation until the fixed number or minimum number of directors required by the articles has been attained.

However, if the discontinuation is subject to shareholder approval, the liquidation is suspended until the time the shareholders vote on the matter.

DIVISION III

REVIVAL

365. The enterprise registrar may, on an application by any interested person and on the conditions determined by the enterprise registrar, revive a corporation dissolved in accordance with this chapter.

Likewise, the enterprise registrar may revive, as a corporation governed by this Act, a corporation to which the Companies Act applied and that was dissolved or liquidated, voluntarily or by the sole operation of law.

366. Any interested person may ask the court to order the revival of a corporation dissolved by a decision of the court.

When granting an order under this section, the court may subject the revival to the conditions it determines.

367. The application for revival or, as the case may be, the judgment ordering the revival, the documents the Minister may require and the fee prescribed by government regulation must be sent to the enterprise registrar.

368. The enterprise registrar sends notice of the application for revival to the most recent directors and shareholders registered in the enterprise register at the address appearing in the register.

369. If the name of the corporation is not in compliance with the requirements of any of paragraphs 1 to 6 and 8 of section 16 at the time of the application for revival, the enterprise registrar assigns a designating number to the corporation.

370. A corporation is revived as of the date and, if applicable, the time shown on the certificate of revival issued by the enterprise registrar in accordance with Chapter XVIII.

371. Subject to section 24, to the conditions determined under this division and to rights acquired by a third party after the dissolution of the corporation, the revived corporation is deemed never to have been dissolved.

The articles of the corporation at the time of dissolution are the articles of the revived corporation.

CHAPTER XIV

RIGHT TO DEMAND REPURCHASE OF SHARES

DIVISION I

GENERAL PROVISIONS

§1. — *Conditions giving rise to right*

372. The adoption of any of the resolutions listed below confers on a shareholder the right to demand that the corporation repurchase all of the person's shares if the person exercised all the voting rights carried by those shares against the resolution:

(1) an ordinary resolution authorizing the corporation to carry out a squeeze-out transaction;

(2) a special resolution authorizing an amendment to the articles to add, change or remove a restriction on the corporation's business activity or on the transfer of the corporation's shares;

(3) a special resolution authorizing an alienation of corporation property if, as a result of the alienation, the corporation is unable to retain a significant part of its business activity;

(4) a special resolution authorizing the corporation to permit the alienation of property of its subsidiary;

(5) a special resolution approving an amalgamation agreement;

(6) a special resolution authorizing the continuance of the corporation under the laws of a jurisdiction other than Québec; or

(7) a resolution by which consent to the dissolution of the corporation is withdrawn if, as a result of the alienation of property begun during the liquidation of the corporation, the corporation is unable to retain a significant part of its business activity.

The adoption of a resolution referred to in any of subparagraphs 3 to 7 of the first paragraph confers on a shareholder whose shares do not carry voting rights the right to demand that the corporation repurchase all of the person's shares.

373. The adoption of a special resolution described in section 191 confers on a shareholder holding shares of the class or series specified in that section the right to demand that the corporation repurchase all of the person's shares of that class or series. That right is subject to the shareholder having exercised all the person's available voting rights against the adoption and approval of the special resolution.

That right also exists if there is only one class of shares; in that case, the right is subject to the shareholder having exercised all of the person's available voting rights against the adoption of the special resolution.

374. The right to demand a repurchase conferred by the adoption of a resolution is subject to the corporation carrying out the action approved by the resolution.

375. A notice of a shareholders meeting at which a special resolution that could confer the right to demand a repurchase may be adopted must mention that fact.

The action approved by the resolution is not invalidated solely because of the absence of such a mention in the notice of meeting.

Moreover, if the meeting is called to adopt a resolution described in section 191 or in any of subparagraphs 3 to 7 of the first paragraph of section 372, the corporation notifies the shareholders whose shares do not carry voting rights of the possible adoption of a resolution that could give rise to the right to demand a repurchase of shares.

§2. — *Conditions for exercise of right and terms of repurchase*

I. — Prior notices

376. Shareholders intending to exercise the right to demand the repurchase of their shares must so inform the corporation; otherwise, they are deemed to renounce their right, subject to Division II.

To inform the corporation of the intention to exercise the right to demand the repurchase of shares, a shareholder must send a notice to the corporation before the shareholders meeting or advise the chair of the meeting during the meeting. In the case of a shareholder described in the second paragraph of section 372 none of whose shares carry voting rights, the notice must be sent to the corporation not later than 48 hours before the shareholders meeting.

377. As soon as a corporation takes the action approved by a resolution giving rise to the right to demand a repurchase of shares, it must give notice to all shareholders who informed the corporation of their intention to exercise that right.

The repurchase notice must mention the repurchase price offered by the corporation for the shares held by each shareholder and explain how the price was determined.

If the corporation is unable to pay the full redemption price offered because there are reasonable grounds for believing that it is or would be unable to pay its liabilities as they become due, the repurchase notice must mention that fact and indicate the maximum amount of the price offered the corporation will legally be able to pay.

378. The repurchase price is the fair value of the shares as of the close of the offices of the corporation on the day before the resolution conferring the right to demand a repurchase is adopted.

When the action approved by the resolution is taken following a take-over bid with respect to all the shares of a class of shares issued by a corporation that is a reporting issuer and the bid is closed within 120 days before the resolution is adopted, the repurchase price may be determined to be the fair value of the shares on the day before the take-over bid closed if the offeror informed the shareholders, on making the take-over bid, that the action would be submitted to shareholder authorization or approval.

379. The repurchase price of all shares of the same class or series must be the same, regardless of the shareholder holding them.

380. Within 30 days after receiving a repurchase notice, shareholders must confirm to the corporation that they wish to exercise their right to demand a repurchase. Otherwise, they are deemed to have renounced their right.

The confirmation may not be limited to only part of the repurchasable shares. It does not affect a shareholder's right to demand an increase in the repurchase price offered.

II. — Payment of repurchase price

381. A corporation must pay the offered repurchase price to all shareholders who confirmed their decision to exercise their right to demand the repurchase of their shares within 10 days after such confirmation.

However, a corporation that is unable to pay the full repurchase price offered because there are reasonable grounds for believing that it is or would be unable to pay its liabilities as they become due is only required to pay the maximum amount it may legally pay the shareholders. In that case, the shareholders remain creditors of the corporation for the unpaid balance of the repurchase price and are entitled to be paid as soon as the corporation is legally able to do so or, in the event of the liquidation of the corporation, are entitled to be collocated after the other creditors but by preference over the other shareholders.

III. — Increase in repurchase price

382. To contest a corporation's appraisal of the fair value of their shares, shareholders must notify the corporation within the time given to confirm their decision to exercise their right to demand a repurchase.

Such contestation is a confirmation of a shareholder's decision to exercise the right to demand a repurchase.

383. A corporation may increase the repurchase price offered within 30 days after receiving a notice of contestation.

The increase in the repurchase price of the shares of the same class or series must be the same, regardless the shareholder holding them.

384. If a corporation does not follow up on a shareholder's contestation within 30 days after receiving a notice of contestation, the shareholder may ask the court to determine the increase in the repurchase price. The same applies when a shareholder contests the increase in the repurchase price offered by the corporation.

The shareholder must, however, make the application not less than 90 days after receiving the repurchase notice.

385. As soon as an application is filed under section 384, it must be notified by the corporation to all the other shareholders who are still contesting the appraisal of the fair value of their shares or the increase in the repurchase price offered by the corporation.

386. All shareholders to whom the corporation notified the application are bound by the court judgment.

387. The court may entrust the appraisal of the fair value of the shares to an expert.

388. The corporation must, without delay, pay the increase in the repurchase price to all shareholders who did not contest the increase offered. It must pay the increase determined by the court to all shareholders who, under section 386, are bound by the court judgment, within 10 days after the judgment.

However, a corporation that is unable to pay the full increase in the repurchase price because there are reasonable grounds for believing that it is or would be unable to pay its liabilities as they become due is only required to pay the maximum amount it may legally pay the shareholders. In such a case, the shareholders remain creditors of the corporation for the unpaid balance of the repurchase price and are entitled to be paid as soon as the corporation is legally able to do so or, in the event of the liquidation of the corporation, are entitled to be collocated after the other creditors but by preference over the other shareholders.

DIVISION II

SPECIAL PROVISIONS FOLLOWING FAILURE TO NOTIFY SHAREHOLDERS

389. If shareholders were unable to inform the corporation of their intention to exercise the right to demand the repurchase of their shares within the period prescribed by section 376 because the corporation failed to notify

them of the possible adoption of a resolution giving rise to that demand, they may demand the repurchase of their shares as though they had informed the corporation and had voted against the resolution.

Shareholders entitled to vote may not exercise the right to demand the repurchase of their shares if they voted in favour of the resolution or were present at the meeting but abstained from voting on the resolution.

A shareholder is presumed to have been notified of the proposed adoption of the resolution if notice of the shareholders meeting was sent to the address entered in the security register for that shareholder.

390. A shareholder must demand the repurchase of shares within 30 days after becoming aware that the action approved by the resolution conferring the right to demand a repurchase has been taken.

However, the repurchase demand may not be made later than 90 days after that action is taken.

391. As soon as the corporation receives a repurchase demand, it must notify the shareholder of the repurchase price it is offering for the shareholder's shares.

The repurchase price offered for the shares of a class or series must be the same as that offered to shareholders, if any, who exercised their right to demand a repurchase after informing the corporation of their intention to do so in accordance with Division I.

392. The corporation may not pay the repurchase price offered to the shareholder if such payment would make it unable to pay the maximum amount mentioned in the repurchase notice sent to the shareholders who informed the corporation, in accordance with section 376, of their intention to exercise their right to demand the repurchase of their shares.

If the corporation cannot pay to the shareholder the full amount offered to the shareholder, the directors are solidarily liable for payment to the shareholder of the sums needed to complete the payment of that amount. The directors are subrogated to the shareholder's rights against the corporation, up to the sums they have paid.

DIVISION III

SPECIAL PROVISIONS WITH RESPECT TO BENEFICIARY

393. A beneficiary who may give instructions to a shareholder as to the exercise of rights attaching to a share has the right to demand the repurchase of that share as though the beneficiary were a shareholder; however, the beneficiary may only exercise that right by giving instructions for that purpose to the shareholder.

The beneficiary's instructions must allow the shareholder to exercise the right in accordance with this chapter.

394. A shareholder is required to notify the beneficiary of the calling of any shareholders meeting at which a resolution that could give rise to the right to demand a repurchase may be adopted, specifying that the beneficiary may exercise that right as though the beneficiary were a shareholder.

The shareholder is presumed to have fulfilled that obligation if the beneficiary is notified in accordance with any applicable regulations under the Securities Act.

395. A shareholder must inform the corporation of the identity of a beneficiary who intends to demand the repurchase of shares, and of the number of shares to be repurchased, within the period prescribed by section 376.

396. A shareholder who demands the repurchase of shares in accordance with the instructions of a beneficiary may demand the repurchase of part of the shares to which that right is attached.

397. The beneficiary's claim with respect to shares for which the full repurchase price could not be paid, as well as the other rights granted to a beneficiary under this chapter, may be exercised directly against the corporation.

Likewise, after the repurchase price has been fully paid, the rights granted to a beneficiary under this chapter regarding an increase in the repurchase price may be exercised directly against the corporation.

CHAPTER XV

COMPELLED ACQUISITION OF SHARES

DIVISION I

GENERAL CONDITIONS OF ACQUISITION

398. A person (the "offeror") who makes a take-over bid for all the shares of a class of shares issued by a corporation that is a reporting issuer is entitled, on complying with the rules of this chapter, to acquire the shares of that class held by shareholders who do not accept the take-over bid (the "dissenting shareholders"), if within 120 days after the date of the take-over bid, the bid is accepted by the holders of not less than 90% of the shares of the class concerned, other than the shares held at that date by the offeror or the offeror's affiliates or associates.

399. For the purposes of this chapter, shares include instruments convertible into shares governed by this chapter within 60 days after the take-over bid, as well as options or rights to acquire such shares or securities that are exercisable within 60 days after the take-over bid.

400. This chapter applies, with the necessary modifications, to issuer bids with respect to all the issued shares of a class.

DIVISION II

EXERCISE OF RIGHT TO ACQUIRE

401. An offeror who intends to acquire the shares held by dissenting shareholders must send a notice of intention by registered mail to the dissenting shareholders, the corporation and the Autorité des marchés financiers within 60 days after termination of the take-over bid and not later than 180 days after the take-over bid.

The notice must state the acceptance of the bid by the holders of not less than 90% of the shares of the class concerned, and set out the obligations of the dissenting shareholders under section 402.

As of receipt of the notice, the corporation is, for the purposes of the Act respecting the transfer of securities and the establishment of security entitlements, considered to have notice of the offeror's adverse claim on the shares concerned.

As of receipt of the notice, dissenting shareholders may not transfer to a third party their shares to which the take-over bid relates. The notice is considered to be a restriction on transfer within the meaning of that expression in paragraph 5 of section 85 of the Act respecting the transfer of securities and the establishment of security entitlements.

402. Within 20 days after receiving the notice sent by the offeror, the dissenting shareholders must

(1) return to the corporation, in the case of certificated shares, the share certificates to which the take-over bid relates, endorsed to the offeror or blank; and

(2) sell their shares to which the take-over bid relates to the offeror on the same terms as those accepted by the other holders of such shares, or notify the offeror of their intention to demand payment of the fair value of their shares.

Dissenting shareholders who fail to give the notice referred to in subparagraph 2 of the first paragraph within the time prescribed in that paragraph are deemed to accept the take-over bid.

403. Within 20 days after sending the notice, the offeror must pay or transfer to the corporation the amount of money or other consideration necessary to acquire all the dissenting shareholders' shares to which the take-over bid relates at the take-over bid price.

If the offeror fails to pay or transfer the money or consideration within the prescribed time, the offeror is deemed to renounce the right to acquire the shares of the dissenting shareholders.

404. The corporation holds in trust for the dissenting shareholders the money or other consideration received from the offeror.

The corporation must deposit the money in a separate account in a financial services cooperative, trust company, bank or other institution governed by the Deposit Insurance Act (R.S.Q., chapter A-26) or the Canada Deposit Insurance Corporation Act (Revised Statutes of Canada, 1985, chapter C-3) and place any other consideration in the custody of such an institution.

405. If the offeror has complied with section 403, a corporation must without delay

(1) transfer to the offeror all the shares to which the take-over bid relates that were held by the dissenting shareholders, register their transfer and, if applicable, cancel the certificates received and issue a certificate to the offeror for the total number of those shares;

(2) give to the dissenting shareholders who accepted or are deemed to have accepted the take-over bid and who, if applicable, returned their share certificates to the corporation the money or other consideration they are entitled to;

(3) send to the dissenting shareholders who accepted or are deemed to have accepted the take-over bid and who, if applicable, have not returned their share certificates a notice stating that

(*a*) their shares to which the take-over bid relates have been transferred to the offeror;

(*b*) the corporation holds in trust for them the money or other consideration they are entitled to; and

(*c*) the corporation will send that money or other consideration to them as soon as it receives their share certificates;

(4) send to the dissenting shareholders who sent notice of their intention to demand payment of the fair value of their shares a notice stating that

(*a*) their shares to which the take-over bid relates have been transferred to the offeror;

(*b*) the corporation holds in trust for them the money or other consideration they are entitled to;

(*c*) they have 20 days from the payment or transfer required under section 403 to ask the court to set the fair value of the shares they held, and that if no shareholder makes such an application to the court, they will be deemed to have accepted the terms of the take-over bid;

(*d*) the corporation will send to them the money or other consideration they are entitled to in accordance with an irrevocable court judgment setting the fair value of the shares they held, unless, if applicable, the corporation has not received the related share certificates, in which case the corporation will send the money or other consideration on receipt of the share certificates; and

(*e*) if no dissenting shareholder applies within the prescribed time to the court to set the fair value of the shares held by the shareholder, the corporation will send to all the dissenting shareholders the money or any other consideration they are entitled to, unless, if applicable, the corporation has not received the related share certificates, in which case the corporation will send the money or other consideration on receipt of the share certificates.

406. If the offeror has not complied with section 403, the corporation must, within the 30 days after the offeror sends the notice,

(1) notify the dissenting shareholders and the offeror that the offeror has failed to pay the money or other consideration for the shares to which the take-over bid relates and that the offeror is deemed to have renounced the right to acquire those shares; and

(2) return to the dissenting shareholders the share certificates they sent to the corporation.

407. Within 20 days after the payment or transfer required under section 403, a dissenting shareholder may ask the court to set the fair value of all the dissenting shareholders' shares.

If no application is made to the court within that time, all the dissenting shareholders are deemed to have accepted the terms of the offer.

408. If an application under section 407 is made to the court, the offeror must, within 10 days after notification of the application, send to all the dissenting shareholders who notified the offeror of their intention to demand payment of the fair value of their shares a notice informing them that an application has been filed with the court, that they may intervene in the proceedings and that they will be bound by the decision.

In addition to the parties to the application, the decision binds all the dissenting shareholders who were notified within the prescribed period.

409. In connection with an application under section 407, the court may make any order it thinks fit, including

(1) an order determining any money or other consideration the offeror must pay or transfer to the corporation in addition to the money and other consideration paid or transferred to the corporation under section 403; and

(2) an order granting each dissenting shareholder interest at a reasonable rate for the period between the date the conditions set out in section 402 are met and the date on which the offeror pays the shareholder.

410. On an irrevocable judgment setting the fair value of the dissenting shareholders' shares to which the take-over bid relates, an offeror must pay or transfer the additional money or consideration to the corporation.

If it has the money or other consideration, the corporation must

(1) send to the dissenting shareholders, except, if applicable, those who have not returned their share certificates to the corporation, the money or other consideration they are entitled to;

(2) if applicable, send to the dissenting shareholders who have not returned their share certificates a notice stating that

(*a*) the court has rendered an irrevocable judgment setting the fair value of their shares to which the take-over bid relates;

(*b*) the corporation holds in trust for them the money or other consideration they are entitled to; and

(*c*) the corporation will send that money or other consideration as soon as it receives their share certificates; and

(3) reimburse any amount remaining to the offeror.

CHAPTER XVI

REORGANIZATION AND ARRANGEMENT

DIVISION I

REORGANIZATION

411. When ruling on an application for approval of a proposal under the Bankruptcy and Insolvency Act (Revised Statutes of Canada, 1985, chapter B-3) or any other application under the Companies' Creditors Arrangement Act (Revised Statutes of Canada, 1985, chapter C-36), the court may make any order it thinks fit, including an order directing

(1) the amendment of the articles of the corporation in order to add, change or remove any provision that is permitted by this Act to be set out in the articles;

(2) the issue by the corporation of debt obligations, whether or not convertible into shares of any class of the corporation or carrying any rights or options to acquire shares of any class, and fixing the terms of such issue; and

(3) the appointment or replacement of directors of the corporation.

412. If the court orders the amendment of the articles of the corporation, the board of directors must send without delay to the enterprise registrar a copy of the order and of the articles of amendment required by this Act, with any documents required by the Act respecting the legal publicity of sole proprietorships, partnerships and legal persons.

413. Actions ordered by the court under section 411 do not require shareholder authorization or approval unless the court decides otherwise.

DIVISION II

ARRANGEMENT

414. A corporation that is not insolvent may, in the absence of adequate legal provisions or if existing provisions are impracticable or too onerous in the circumstances, apply to the court for the approval of an arrangement proposed by the corporation.

An application concerning a corporation governed by one of the Acts listed in Schedule 1 to the Act respecting the Autorité des marchés financiers, other than a private issuer within the meaning of that expression in the regulations under the Securities Act that is not governed by another Act listed in that schedule, must be notified to the Autorité des marchés financiers.

415. An arrangement submitted to a court for approval may relate to, among other things, one or more of the following actions:

(1) an amendment to the articles of the corporation to add, change or remove any provision that is permitted by this Act to be set out in the articles;

(2) the amalgamation of the corporation with another corporation or another legal person to form a corporation;

(3) a division of the business carried on by the corporation;

(4) a transfer of property of the corporation if, as a result of the alienation, the corporation would be unable to retain a significant part of its business activity;

(5) an exchange of securities, participations or debt obligations of the corporation for money or other securities, participations or debt obligations or other property of the corporation or of another legal person;

(6) the dissolution and liquidation of the corporation;

(7) a change in the business or affairs of the corporation if the change would affect the rights of the holders of options or rights to acquire any of the corporation's securities or participations;

(8) a limitation on the right of the creditors or a group of creditors of the corporation to demand full and prompt performance of the corporation's obligations; or

(9) the squeezing-out of a shareholder.

416. Before ruling on an application for approval, the court may, if the corporation so requests, subject the arrangement to a procedure that is different from that provided by law for the action or actions included in the arrangement; the court is not bound by any procedure proposed by the corporation.

The court may also, before ruling on the application for approval, make any order it thinks fit in order, among other things, to protect the rights of interested persons, including

(1) an order determining the notice to be given to those persons or dispensing with notice to any person;

(2) an order appointing an advocate, at the corporation's expense, to defend the rights of those persons;

(3) an order requiring the corporation to call a meeting of those persons in the manner the court directs;

(4) an order directing the arrangement proposed be submitted to those persons for authorization, in the manner directed by the court, in particular as regards the vote required for that purpose; and

(5) an order allowing the exercise by those persons of the right to demand the repurchase of their shares, on the terms determined by the court.

417. The court may make its approval subject to the corporation amending the arrangement in the manner directed by the court.

418. An arrangement approved by a court requires the filing of articles of arrangement.

The articles of arrangement must be prepared in the manner directed by the court; the court authorizes a director or an officer of the corporation to sign the articles.

419. The articles of arrangement, signed by the director or the officer authorized to sign them, the other documents that must be filed with them, and the fee prescribed by government regulation must be sent to the enterprise registrar.

The articles of arrangement must be filed with the documents required under section 8 and a copy of the court judgment.

420. An arrangement is effective as of the date and, if applicable, the time shown on the certificate of arrangement issued by the enterprise registrar in accordance with Chapter XVIII.

CHAPTER XVII

MONITORING AND CONTROL MECHANISMS

DIVISION I

INVESTIGATION

421. A registered holder or beneficiary of a corporation's securities may apply to the court for an order directing an investigation to be made of the corporation and any of its affiliates.

The application may be presented in the absence of the corporation and, in such a case, is heard *in camera*. However, if the court considers the absence to be unwarranted, it may order that the corporation be given such notice as the court directs.

422. The court may order the investigation applied for to be made if it considers that such an investigation would help or permit facts to be established and allow the applicant, if necessary, to seek a remedy under Division II, and if it appears to the court that

(1) the business of the corporation or any of its affiliates is or has been carried on with intent to defraud any person, or the corporation or any of its affiliates was formed or is to be dissolved for a fraudulent or unlawful purpose;

(2) persons concerned with the constitution, business or affairs of the corporation or any of its affiliates have acted fraudulently or dishonestly in connection therewith; or

(3) the business or affairs of the corporation or any of its affiliates are or have been carried on or conducted, or the powers of the directors are or have been exercised, in a manner that is oppressive or unfairly prejudicial to a registered holder or beneficiary of shares of the corporation.

423. An application under this division concerning a corporation governed by one of the Acts listed in Schedule 1 to the Act respecting the Autorité des marchés financiers, other than a private issuer within the meaning of that expression in the regulations under the Securities Act that is not governed by another Act listed in that schedule, must be notified to the Autorité.

424. No person may publish, disclose or distribute information relating to proceedings under this division brought in the absence of the corporation concerned, except with the authorization of the court or the written consent of the corporation concerned.

Unless the court decides otherwise, that prohibition ends as of the beginning of the investigation ordered by the court.

425. In connection with an application for an investigation, the court may, at any time, make any order it thinks fit, including

(1) an order to investigate;

(2) an order appointing and determining the remuneration of an inspector, or replacing an inspector;

(3) an order determining any notice to be given to interested persons or any other person;

(4) an order authorizing an inspector to enter any premises in which the court is satisfied there might be relevant information, and to examine any thing and make copies of any document found on the premises;

(5) an order requiring any person to make available to the inspector any information concerning the business or affairs of the corporation and any related document;

(6) an order authorizing the inspector to conduct a hearing, administer oaths, and examine any person on oath;

(7) an order authorizing the inspector to prescribe rules for the conduct of hearings the inspector may be required to hold in the exercise of investigation powers;

(8) an order giving directions to an inspector or any interested person;

(9) an order requiring the inspector to make an interim or final report to the court;

(10) an order determining whether a report of the inspector should be given to the applicant, whether copies should be sent to any person the court designates, or whether the report should be published;

(11) an order requiring the inspector to suspend or discontinue an investigation; and

(12) an order requiring the corporation to pay the costs of the investigation.

426. An inspector may only exercise the powers set out in the order and those granted under this Act.

427. An inspector authorized by the court to conduct an investigation is to that end vested with the powers and immunity of commissioners appointed under the Act respecting public inquiry commissions (R.S.Q., chapter C-37), except the power to order imprisonment.

No person is excused from giving evidence or producing documents to an inspector by reason only that the evidence tends to incriminate that person or subject that person to any proceeding or penalty. However, no such evidence may be used or is receivable against that person in any proceeding under any Act, other than a proceeding for perjury or for the giving of contradictory evidence.

428. An inspector authorized by a court to exercise the powers described in paragraph 4 of section 425 may exercise them personally or designate another person to exercise them on behalf of the inspector and report to the inspector. The designation must be recorded in a document.

Any person having custody, possession or control of documents concerning the business or affairs of the corporation must make them available on request to the authorized inspector or any person acting on behalf of the inspector, and facilitate their examination.

429. An inspector must, on request, produce to any interested person a copy of the order of appointment and a copy of any order made by the court under section 425.

A person designated by the inspector to exercise on behalf of the inspector the powers described in paragraph 4 of section 425 must, on request, produce identification, a copy of the order authorizing the exercise of those powers and a copy of the document evidencing the designation.

No judicial proceedings may be brought against an inspector or a person designated to act on behalf of an inspector for acts in good faith in the exercise of their functions.

430. Any interested person may apply to a court for an order that a hearing conducted by an inspector be heard *in camera*.

431. A person whose conduct is being investigated or who is being examined at a hearing conducted by an inspector may be assisted or represented by counsel.

432. An inspector may communicate any information or document to, or exchange any information or document and otherwise cooperate with, any authority in Canada or elsewhere that is authorized to exercise investigative powers and may, in respect of the corporation, investigate any allegation of improper conduct that is the same as or similar to the conduct described in paragraphs 1 and 2 of section 422. However, in the case of information protected by professional secrecy obtained under section 433, the inspector must first obtain court authorization.

433. The court may order an accountant who is a member of a professional order of accountants mentioned in the Professional Code (R.S.Q., chapter C-26) to communicate to the inspector any information or document relating to a corporation under investigation under this division if the information or document was obtained or prepared for the purposes of an audit or the preparation or examination of the financial statements of the corporation and the corporation refuses, neglects or is unable to communicate the information or document in accordance with an order under paragraph 5 of section 425, provided that, in the opinion of the court, the information or document appears to be necessary for the purposes of the investigation.

Communication of information or documents may be ordered even if it could result in the disclosure of information protected by professional secrecy. However, before granting the application, the court must give the corporation and the accountant concerned the opportunity to be heard.

434. Any information or document obtained under section 433 is presumed to be confidential and may only be used in connection with the investigation authorized by the court and subject to the conditions determined by the court, if any. The right to professional secrecy may not in any other respect be affected by such a use.

435. This division does not operate to allow the communication, examination or copying of a document or information protected by the professional secrecy by which a member of a professional order other than a professional order of accountants mentioned in the Professional Code is bound.

436. Before ordering that the inspector's report be given to the applicant or sent to any other person, or that it be published, the court must ensure that any information or document obtained in accordance with section 433 and contained in the report is necessary for the purposes of a proceeding under Division II. To that end, the court may make any order it thinks fit to protect the confidentiality of the information or document.

Moreover, in all cases in which the report contains information protected by professional secrecy, the court must take the necessary measures to limit the breach of professional secrecy.

437. Unless the court decides otherwise, any report made to the court by the inspector and sent to the applicant in connection with an investigation ordered under this division is presumed to constitute evidence of the facts established in the report for the purposes of any proceeding under this Act.

438. The inspector may not testify regarding information or a document obtained in accordance with section 433 unless the court is of the opinion that the testimony is necessary for the purposes of a proceeding arising from the investigation. The court may make any order it thinks fit to protect the confidentiality of the information or document.

DIVISION II

REMEDIES

§1. — *Special provisions applicable to exercise of certain remedies*

439. Applications under subdivisions 2 and 3 may be made by any of the following:

(1) a registered holder or beneficiary, and a former holder or beneficiary, of a security of a corporation or any of its affiliates;

(2) a director or an officer or a former director or officer of a corporation or any of its affiliates;

(3) any other person who, in the discretion of the court, has the interest required to make an application under this division.

440. An application made under subdivision 2 or 3 may not be dismissed on the sole ground that it is shown that an alleged breach of a right of or an obligation owed to a corporation or its subsidiary has been or may be approved by the corporation's shareholders, but evidence of approval by the shareholders may be taken into account by a court in making a decision under either of those subdivisions.

441. An application made or an action brought or intervened in under subdivision 2 may not be discontinued or settled without the approval of the court given on such terms as the court thinks fit.

442. Unless the court decides otherwise, an applicant, even one not residing in Québec, is not required to give security for costs in any application made under subdivision 2 or 3.

443. In an application made under subdivision 2, 3, 5 or 7, the court may, at any time, order a corporation or any of its subsidiaries to pay to the applicant interim costs, including judicial and extrajudicial fees, to the extent that they are reasonable. The applicant may be held accountable for such interim costs at the time of the final decision.

The court grants interim costs, on the terms determined by the court, if it considers that

(1) the financial situation of the corporation or its subsidiary enables payment of such costs;

(2) the application appears reasonably founded; and

(3) the financial situation of the applicant would not allow the application to be made or maintained without payment of such interim costs.

In its assessment of the financial situation of the applicant, the court need not consider whether or not the situation results from the conduct of the corporation or its subsidiary.

444. An application concerning a corporation governed by one of the Acts listed in Schedule 1 to the Act respecting the Autorité des marchés financiers, other than a private issuer within the meaning of that expression in the regulations under the Securities Act that is not governed by another Act listed in that schedule, must be notified to the Autorité.

§2. — *Authorization to act on behalf of a corporation*

445. An applicant may apply to the court for leave to bring an action in the name and on behalf of a corporation or any of its subsidiaries, or intervene in an action to which the corporation or affiliate is a party, for the purpose of prosecuting, defending or discontinuing the action on behalf of the corporation or affiliate.

446. No application for authorization may be made unless the applicant has given the directors of a corporation or its subsidiary 14 days' prior notice of the applicant's intention to apply to the court.

Authorization may be granted if the court is satisfied that the board of directors of the corporation or its subsidiary has not brought, diligently prosecuted or defended or discontinued the action, and if the court considers that the applicant is acting in good faith and that it appears to be in the interests of the corporation or its subsidiary that the action be brought, prosecuted, defended or discontinued.

When all the directors of the corporation or its subsidiary have been named as defendants, prior notice to the directors of the applicant's intention to apply to the court is not required.

447. In connection with an action brought or intervened in under this subdivision, the court may make any order it thinks fit, including

(1) an order authorizing the applicant or any other person to control the conduct of the action;

(2) an order giving directions for the conduct of the action;

(3) an order revising the functioning of the corporation or its subsidiary by amending the articles or the by-laws or by establishing or amending a unanimous shareholder agreement;

(4) an order making appointments to the board of directors of the corporation or its subsidiary, either to replace all or some of the directors or to increase the number of directors;

(5) an order directing an investigation to be made under Division I;

(6) an order directing that any amount awarded against a defendant be paid, in whole or in part, directly to former and present security holders of the corporation or its subsidiary instead of to the corporation or its subsidiary; and

(7) an order requiring the corporation or its subsidiary to pay, in whole or in part, the extrajudicial fees and other reasonable costs incurred by the applicant in connection with the action or intervention.

448. If, under section 447, the court orders an amendment of the articles or the by-laws of a corporation or a unanimous shareholder agreement, no other amendment to the articles or by-laws or to the unanimous shareholder agreement may be made without court authorization, for the period or under the conditions determined by the court.

If the court orders an amendment of the articles, the board of directors must send without delay to the enterprise registrar a copy of the order, the articles of amendment required by this Act, and the documents required by the Act respecting the legal publicity of sole proprietorships, partnerships and legal persons.

Shareholders do not have the right to demand the repurchase of their shares under Chapter XIV if an amendment of the articles is directed by an order of the court.

449. If authorized by the court under section 445 to act on behalf of the corporation, the applicant is deemed to be the representative of the corporation for the purposes of the proceeding and, to that end, the applicant has a right of access to all relevant information and documents held by the corporation and to any document which is held or was prepared for the corporation by

any person, including a mandatary or a provider of goods or services, who rendered a service to the corporation in connection with the action or intervention authorized by the court or which relates to the facts at issue.

The court may, on application, order a person who holds any information or document referred to in the first paragraph to communicate it to the applicant if communication of the information or document appears to be necessary for the purposes of the proceeding or intervention authorized by the court. Before granting the application, the court must give interested persons the opportunity to be heard.

However, any information or document obtained by the applicant under this section is presumed to be confidential and may only be used in connection with the action or intervention authorized by the court and subject to the conditions determined by the court, if any.

§3. — *Rectification of abuse of power or iniquity*

450. An applicant may obtain an order from the court to rectify a situation if the court is satisfied that

(1) any act or omission of the corporation or any of its affiliates effects or threatens to effect a result,

(2) the business or affairs of the corporation or any of its affiliates have been, are or are threatened to be conducted in a manner, or

(3) the powers the board of directors of the corporation or any of its affiliates have been, are or are threatened to be exercised in a manner

that is or could be oppressive or unfairly prejudicial to any security holder, director or officer of the corporation.

451. In connection with an application under this subdivision, the court may make any order it thinks fit, including

(1) an order restraining the conduct complained of;

(2) an order appointing a receiver;

(3) an order revising the functioning of the corporation by amending the articles or the by-laws or establishing or amending a unanimous shareholder agreement;

(4) an order directing an issue or exchange of securities;

(5) an order making appointments to the board of directors, either to replace all or some of the directors or to increase the number of directors;

(6) an order directing the corporation or any other person to purchase securities of a security holder;

(7) an order directing the corporation or any other person to pay a security holder all or any part of the monies that the security holder paid for securities;

(8) an order varying or setting aside a contract or a transaction to which the corporation is a party and compensating the corporation or any other party to the contract or transaction;

(9) an order requiring a corporation, within a time specified by the court, to make available to the court or an interested person the financial statements referred to in sections 225 and 226, or an accounting of them in the form determined by the court;

(10) an order compensating a person who has suffered prejudice;

(11) an order directing rectification of the records of a corporation in accordance with sections 456 and 457;

(12) an order dissolving the corporation and winding it up if it has property or obligations;

(13) an order directing an investigation to be made under Division I; and

(14) an order condemning, not only in the case of improper use of procedure but also whenever the court thinks fit, any party to the proceedings to pay, in whole or in part, the extrajudicial fees and other costs of any other party.

The corporation may not make any payment to a shareholder under subparagraph 6 or 7 of the first paragraph if there are grounds for believing that it would or could cause the corporation to be unable to pay its liabilities as they become due.

452. Despite article 468 of the Code of Civil Procedure, the court may make any order it thinks fit under section 451, whether or not the order has been requested by the applicant. However, if the order has not been requested by the applicant, the court must give the parties an opportunity before the order is made to make representations on the remedy proposed by the court.

453. If the court, under section 451, orders an amendment of the articles or the by-laws of a corporation or a unanimous shareholder agreement, no other amendment to the articles or by-laws or to the unanimous shareholder agreement may be made without the consent of the court, for the period or under the conditions determined by the court.

If the court orders an amendment of the articles, the board of directors must send without delay to the enterprise registrar a copy of the order, the articles of amendment required by this Act, and the documents required by the Act respecting the legal publicity of sole proprietorships, partnerships and legal persons.

Shareholders do not have the right to demand the repurchase of their shares under Chapter XIV if an amendment to the articles is directed by an order of the court.

§4. — *Disputed election*

454. A corporation, shareholder or director may apply to the court to determine any controversy with respect to the election of a director or the appointment of an auditor of the corporation.

455. The court seized of an application under section 454 may make any order it thinks fit, including

(1) an order restraining the director or auditor whose election or appointment is challenged from acting pending determination of the dispute;

(2) an order declaring the result of the disputed election or appointment;

(3) an order requiring a new election or appointment, including directions for the management of the business and affairs of the corporation until a new election is held or appointment made; and

(4) an order determining the voting rights of shareholders and of persons claiming to be beneficiaries of shares.

§5. — *Rectification of records*

456. If nominative or other information is alleged to have been wrongly entered or retained in, or wrongly deleted or omitted from, the records of a corporation, the corporation or any interested person may apply to the court for an order that the records be rectified.

457. In connection with an application for rectification, the court may make any order it thinks fit, including

(1) an order requiring the records of the corporation to be rectified;

(2) an order restraining the corporation from calling or holding a shareholders meeting or paying a dividend before such rectification;

(3) an order determining the right of a party to the proceedings to have their name entered or retained in, or deleted or omitted from, the records of the corporation; and

(4) an order compensating a party who has suffered prejudice.

§6. — *Correction of mistakes*

458. On an application by any interested person, the court may make any order it thinks fit to correct, or modify the consequences in law of, a mistake, or to validate any act vitiated as a result of the mistake, and may give any related directions it considers necessary.

For the purposes of this subdivision, "mistake" includes an omission, defect, defect of form, error or irregularity that has occurred in the conduct of the affairs of the corporation as a result of which

(1) a breach of a provision of this Act, an Act replaced by this Act or the regulations under any of them has occurred;

(2) there has been default in compliance with the articles or the by-laws of the corporation or a unanimous shareholder agreement; or

(3) an action approved or decision made by the shareholders meeting, the board of directors or one of its committees has been rendered ineffective.

459. Before making an order under this subdivision, the court must consider the effect that the order might have on the corporation and on its directors, officers, creditors and shareholders.

Unless the court decides otherwise, an order may not prejudice the rights of any third person without notice of the mistake that is the subject of the order.

§7. — *Non-compliance*

460. If a corporation or a director, officer, employee, mandatary or auditor of a corporation does not comply with this Act, the articles, the by-laws or a unanimous shareholder agreement, any interested person may, without prejudice to any other right that person has, apply to the court for an order directing the corporation or any person concerned to comply. The court may, to that end, make any further order it thinks fit.

§8. — *Dissolution, cancellation of articles and judicial liquidation*

461. Any interested person may apply to the court for an order to dissolve a corporation, cancel its articles and the related certificate or take any other measure the court thinks fit if a certificate has been obtained illegally, by fraud or in ignorance of some material fact, or if the articles contain illegal provisions or false or erroneous statements.

462. On an application by any interested person, the court may order the dissolution of a corporation if the court is satisfied that there is sufficient cause warranting the dissolution or if the corporation

(1) has failed for two or more consecutive years to comply with the requirements of this Act with respect to the holding of annual shareholders meetings;

(2) is carrying on business in violation of its articles; or

(3) has contravened section 32 or 228.

For the purposes of the first paragraph and to ensure that the dissolution is in the public interest, "sufficient cause" includes a conviction of the corporation of an offence under the Criminal Code (Revised Statues of Canada, 1985, chapter C-46) or any other federal or provincial Act.

463. A court may order the dissolution of a corporation or any of its affiliates on the application of a shareholder if

(1) the court is satisfied that in respect of a corporation or any of its affiliates

(*a*) any act or omission of the corporation or any of its affiliates effects a result,

(*b*) the business or affairs of the corporation or any of its affiliates are or have been carried on or conducted in a manner, or

(*c*) the powers of the directors of the corporation or any of its affiliates are or have been exercised in a manner

that is oppressive or unfairly prejudicial to any security holder, director or officer; or

(2) if the court is satisfied that a unanimous shareholder agreement entitles the shareholder to demand dissolution of the corporation after the occurrence of a specified event and that event has occurred; or

(3) if the court considers it is just and equitable in the circumstances that the corporation should be dissolved.

464. When a court is seized of an application for dissolution under section 462 or 463, it may make any order it thinks fit, including, in the case of an application under section 463, an order described in section 451.

However, if the court orders the dissolution on an application under this subdivision, it must also order that the corporation first be liquidated if the corporation has property or debts.

465. Any application under this subdivision must be notified to the enterprise registrar.

466. As soon as a judgment ordering the dissolution of a corporation is rendered, the clerk of the court must send a copy of the judgment to the enterprise registrar, who deposits it in the enterprise register.

467. A corporation ceases to exist on the date of the judgment ordering its dissolution or, if its liquidation was also ordered, on the date and, if applicable, the time shown on the certificate of dissolution issued by the enterprise registrar in accordance with Chapter XVIII.

CHAPTER XVIII

DOCUMENTS RECEIVED OR DRAWN UP BY ENTERPRISE REGISTRAR

DIVISION I

GENERAL PROVISIONS

468. The enterprise registrar is the custodian of all registers and archives required for the carrying out of this Act.

Certificates drawn up by the enterprise registrar and the related articles are authentic.

469. The persons concerned are responsible for verifying the lawfulness and the accuracy of the articles and documents sent to the enterprise registrar for deposit in the enterprise register under this Act.

470. The form of the articles and other documents to be filed with the enterprise registrar and the manner in which they are to be sent are determined by the Minister according to the medium or technology used.

471. If this Act requires that a document be attached to or filed with another, and they are sent separately, the enterprise registrar is deemed to have received the documents when the last is received.

472. On receiving articles and other documents required by this Act, the enterprise registrar

(1) records the date of receipt;

(2) issues the appropriate certificate and assigns a date to it;

(3) deposits the articles, the related certificate and the accompanying documents in the enterprise register; and

(4) sends the corporation or its representative a copy of the articles and the certificate.

473. Unless otherwise provided in this Act, the enterprise registrar assigns to a certificate

(1) the date and, if applicable, the time specified in the articles if later than the date of receipt of the articles;

(2) the date and, if applicable, the time determined by the court; or

(3) in other cases, the date of receipt of the articles.

474. The enterprise registrar refuses to issue the appropriate certificate if the articles

(1) do not contain the contents required by this Act; or

(2) are not filed in the form prescribed by the Minister.

The enterprise registrar also refuses to issue such a certificate if

(1) the articles specify a corporation name that is not in compliance with paragraphs 1 to 6 and 8 of section 16;

(2) the documents required by this Act have not been sent to the enterprise registrar; or

(3) the fee determined by government regulation has not been paid.

475. Unless the dissolution has been ordered by the court, the enterprise registrar refuses to issue a certificate of dissolution if the corporation has not complied with its obligations under the Act respecting the legal publicity of sole proprietorships, partnerships and legal persons.

476. Sections 472 to 474 and 477 apply, with the necessary modifications, to an application for cancellation of the articles, a declaration of dissolution, a notice of closure of liquidation and an application for revival of a corporation.

The same applies to a judgment ordering the cancellation of the articles or the dissolution or revival of a corporation.

However, for the purposes of paragraph 4 of section 472, in all those cases, the enterprise registrar only sends the corporation or its representative a copy of the certificate.

477. The articles of a corporation are not null solely because of irregularities in compliance with the prescribed formalities.

478. The form of the documents drawn up by the enterprise registrar and the manner in which they are to be sent are determined by the Minister according to the medium or technology used.

DIVISION II

TECHNOLOGY-BASED DOCUMENTS

479. Signature requirements for technology-based documents filed with the enterprise registrar, including what may stand in lieu of a signature, are determined by the Minister.

480. A document sent to the enterprise registrar, using a technology-based medium, by an intermediary or a representative of any person who is required to sign it is presumed to be validly signed if the intermediary or representative concerned verified the identity of the person and ascertained that the person consented to the sending of the document.

481. The Minister may require of an intermediary who has regular dealings with the enterprise registrar that a document required to be filed under this Act be sent using a specific medium or a specific method of transmission, according to the terms and conditions determined by the Minister.

"Intermediary" means a person or group of persons engaged in the business of acting on behalf of others to draw up or send documents relating to legal persons or to be deposited in the enterprise register.

482. The time as of which a technology-based document is considered received by the enterprise registrar is determined by the Minister, according to the medium and the method of transmission used.

DIVISION III

CORRECTION OF DOCUMENTS

483. On the enterprise registrar's own initiative or at the request of an interested person, the enterprise registrar may correct certificates, notices and other documents drawn up by the enterprise registrar if they are incomplete or contain an error. The enterprise registrar may also, with the authorization of their signatory and in the same circumstances, correct documents sent to the enterprise registrar under this Act, other than those filed under the Act respecting the legal publicity of sole proprietorships, partnerships and legal persons.

A correction is retroactive to the date of the corrected document or, as the case may be, the date that should have been shown on the document.

484. When a certificate is corrected, the enterprise registrar deposits the corrected certificate in the enterprise register and, if the correction is substantial, sends a copy to the corporation.

CHAPTER XIX

CONTESTATION OF DECISION BEFORE ADMINISTRATIVE TRIBUNAL OF QUÉBEC

485. Any interested person may contest a decision made under this Act by the enterprise registrar before the Administrative Tribunal of Québec within 30 days of notification of the decision.

486. Despite the second paragraph of section 15 of the Act respecting administrative justice (R.S.Q., chapter J-3), the Tribunal may only confirm or quash a contested decision.

487. If a contestation concerns a decision referred to in section 26, the enterprise registrar deposits a notice of the contestation in the enterprise register.

The enterprise registrar makes any required changes in the enterprise register, and records in the register that a decision has been rendered by the Tribunal.

CHAPTER XX

REGULATORY POWERS

488. The Government may, by regulation, determine the fees payable

(1) on reserving a name under section 17;

(2) on filing an application for a name change under section 25; and

(3) on sending the enterprise registrar documents in relation to which the enterprise registrar issues a certificate, or with respect to any other action the enterprise registrar may or must take for the purposes of this Act.

The regulation may prescribe different fees according to the type of document, the medium and method of transmission used and according to whether the document is given priority, if so requested.

489. The Government may also, by regulation,

(1) specify the public authorities referred to in paragraph 6 of section 16;

(2) determine, for the purposes of paragraph 7 of section 16, the cases in which the name of a corporation falsely suggests that the corporation is related to another person or a group of persons;

(3) determine the criteria to be taken into account for the purposes of paragraphs 7 to 9 of section 16;

(4) prescribe, for the purposes of section 194, the maximum number of proposals that may be presented by a shareholder;

(5) prescribe, for the purposes of section 195, the number or value of shares a person must hold to be able to present a shareholder proposal;

(6) prescribe the periods referred to in sections 195 and 200;

(7) prescribe, for the purposes of section 197, the maximum number of words a proposal and statement prepared by a shareholder may contain;

(8) prescribe, for the purposes of paragraph 5 of section 200, the minimum amount of support a person needs to present a shareholder proposal;

(9) determine the times and periods referred to in sections 200, 201 and 203; and

(10) take any other measure for the carrying out of this Act.

CHAPTER XXI

PENAL PROVISIONS

490. A corporation that contravenes the first or fourth paragraph of section 41 commits an offence and is liable to a fine of not less than $5,000 and not more than $50,000.

491. A person who fails to honour an undertaking under section 40 or 41 commits an offence and is liable to a fine of not less than $5,000 and not more than $50,000.

492. A person who makes a false declaration under section 252, 254, 268 or 299 commits an offence and is liable to a fine of not less than $5,000 and not more than $50,000.

493. A director or officer of a corporation who ordered, authorized or advised the commission of an offence under section 490, or consented to or otherwise participated in the offence, is deemed to be party to the offence and is liable to the applicable fine, whether or not the corporation has been prosecuted for or convicted of the offence.

Furthermore, a director or officer who knowingly authorizes or makes an untrue entry in the corporation's registers or other records is liable to a fine of not less than $5,000 and not more than $50,000.

CHAPTER XXII

MISCELLANEOUS PROVISIONS

494. The Minister of Finance is responsible for the administration of this Act, except the provisions relating to the responsibilities of the enterprise registrar, which are under the administration of the Minister of Revenue.

495. For the purposes of sections 8, 243, 268, 291, 299, 367, 470, 474, 478, 479, 481 and 482, the powers conferred on the Minister of Finance are exercised by the Minister of Revenue.

496. Not later than (*insert the date that is five years after the date of coming into force of this section*) and subsequently every five years, the Minister of Finance must report to the Government on the carrying out of this Act and, if applicable, on the advisability of amending it.

The report must be tabled in the National Assembly within the next 15 days or, if the Assembly is not sitting, within 15 days of resumption.

CHAPTER XXIII

AMENDING PROVISIONS

DEPOSIT INSURANCE ACT

497. Section 25 of the Deposit Insurance Act (R.S.Q., chapter A-26) is amended by replacing "compagnie" in paragraph *b* in the French text by "société".

ACT RESPECTING INSURANCE

498. Section 1 of the Act respecting insurance (R.S.Q., chapter A-32) is amended by replacing "joint stock company" in paragraph *b* by "business corporation".

499. Section 20 of the Act is amended by replacing the second paragraph by the following paragraph:

"No insurance company may be constituted after (*insert the date of coming into force of section 728*) otherwise than under the Business Corporations Act (2009, chapter 52)."

500. Section 23 of the Act is amended

(1) by replacing "Part IA of the Companies Act (chapter C-38)" in the first paragraph by "the Business Corporations Act (2009, chapter 52)";

(2) by replacing "section 123.15" in the second paragraph by "section 472".

501. Section 33.1 of the Act is amended by striking out "charter, letters patent or" in the third paragraph.

502. Section 35 of the Act is amended by striking out the first paragraph.

503. Section 35.1 of the Act is replaced by the following sections:

"**35.1.** The Business Corporations Act (2009, chapter 52), except Chapter X, Division II of Chapter XII and Chapters XIII, XIV, XVI and XVII, applies, subject to this Act and with the necessary modifications, to any insurance company constituted on or after (*insert the date of coming into force of section 728*) or continued, converted or amalgamated on or after that date.

"**35.1.1.** Sections 49, 50 and 123.107 to 123.110 of the Companies Act (chapter C-38) continue to apply, with the necessary modifications, to an insurance company governed by this Act."

504. Section 35.2 of the Act is amended

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

"**35.2.** Articles of amendment filed by an insurance company may not be sent to the enterprise registrar without the authorization of the Authority. The same applies to articles of consolidation and an application for authorization to cancel the articles.";

(2) by inserting "for authorization" after "The application" in the second paragraph;

(3) by replacing the third paragraph by the following paragraphs:

"If the Authority considers it advisable, it may authorize articles of amendment, articles of consolidation or an application for cancellation of the articles to be sent to the enterprise registrar.

However, the Authority may not grant a request for the cancellation of articles of amalgamation or continuance unless it has received prior authorization from the Minister.

In addition, the Authority may request the consolidation of the articles of a company."

505. Section 35.3 of the Act is amended by replacing "or Part I, IA or II of the Companies Act (chapter C-38)" by ", in Part II of the Companies Act (chapter C-38) or in the Business Corporations Act (2009, chapter 52)".

506. Section 39 of the Act is amended by replacing "section 123.15 of the Companies Act (chapter C-38)" in the first paragraph by "section 472 of the Business Corporations Act (2009, chapter 52)".

507. Section 52.2 of the Act is amended

(1) by striking out "application for letters patent or, as the case may be, an" in the portion before paragraph 1;

(2) by striking out "the letters patent were granted or, as the case may be," in paragraphs 1 and 2.

508. Section 66.2 of the Act is amended by replacing "Companies Act (chapter C-38)" in the second paragraph by "Business Corporations Act (2009, chapter 52)".

509. Section 93.22 of the Act is amended

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

"(2) include an expression which the law reserves for another person or prohibits the association from using;";

(2) by replacing "mentioned in the regulation" in paragraph 6 by "determined by government regulation";

(3) by replacing paragraph 7 by the following paragraph:

"(7) falsely suggest that the association is related to another person or group of persons, particularly in the cases and in view of the criteria determined by government regulation;";

(4) by replacing paragraphs 8 and 9 by the following paragraphs:

"(8) be identical to a name reserved for or used by another person or group of persons in Québec, particularly in view of the criteria determined by government regulation;

"(9) be confusingly similar to a name reserved for or used by another person or group of persons in Québec, particularly in view of the criteria determined by government regulation; or";

(5) by adding the following paragraph:

"(10) be misleading in any other manner."

510. Section 93.27 of the Act is amended by replacing "section 123.145 of the Companies Act (chapter C-38)" in the second paragraph by "section 485 of the Business Corporations Act (2009, chapter 52)".

511. Section 184.1 of the Act is amended

(1) by replacing "Part I, IA or II" in the first paragraph by "Part II" and by inserting "or by the Business Corporations Act (2009, chapter 52)" after "(chapter C-38)" in that paragraph;

(2) by replacing "sections 123.116 to 123.130 of the Companies Act" in the second paragraph by "Divisions II, IV and V of Chapter XI of the Business Corporations Act";

(3) by striking out "under Part IA of the said Act" in the third paragraph and by replacing "sections 123.131 to 123.139 of that Act" in that paragraph by "Division I of Chapter XII of the Business Corporations Act".

512. Section 186 of the Act is amended by replacing "joint stock" in subparagraphs *g* and *g*.1 of the first paragraph by "capital stock".

513. Section 194 of the Act is amended, in the second paragraph,

(1) by replacing "joint stock" in subparagraphs *f* and *f*.1 by "capital stock";

(2) by replacing "au pair" in subparagraph *f* in the French text by "nominale";

(3) by replacing "capital social" in subparagraph *h* in the French text by "capital-actions".

514. Section 200.0.2 of the Act is amended by replacing "section 123.15 of the Companies Act (chapter C-38)" by "section 472 of the Business Corporations Act (2009, chapter 52)".

515. Section 200.0.4 of the Act, enacted by section 79 of chapter 70 of the statutes of 2002 and amended by section 90 of chapter 37 of the statutes of 2004, is again amended by replacing "Part IA of the Companies Act (chapter C-38)" in the first paragraph by "the Business Corporations Act (2009, chapter 52)".

516. Section 200.0.9 of the Act, enacted by section 79 of chapter 70 of the statutes of 2002, is amended

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

"**200.0.9.** The articles of demutualization shall include the provisions required by section 5 of the Business Corporations Act (2009, chapter 52), except those required by paragraph 2, and may contain those permitted by section 6 of that Act.";

(2) by replacing "in section 123.14" in the second paragraph by "in section 8".

517. Section 200.0.11 of the Act, enacted by section 79 of chapter 70 of the statutes of 2002 and amended by section 90 of chapter 37 of the statutes of 2004, is again amended by replacing "section 123.15 of the Companies Act (chapter C-38)" by "section 472 of the Business Corporations Act (2009, chapter 52)".

518. Section 200.0.12 of the Act, enacted by section 79 of chapter 70 of the statutes of 2002, is amended by replacing "as a company governed by Part IA of the Companies Act (chapter C-38)" in subparagraph 1 of the first paragraph by "as a business corporation governed by the Business Corporations Act (2009, chapter 52)".

519. Sections 200.0.14 and 200.0.15 of the Act are repealed.

520. Section 200.3 of the Act is amended, in the second paragraph,

(1) by replacing "joint stock" in subparagraphs *f* and *f*.1 by "capital stock";

(2) by replacing "au pair" in subparagraph *f* in the French text by "nominale".

521. Section 200.6 of the Act is amended by replacing "section 123.15 of the Companies Act (chapter C-38)" in the first paragraph by "section 472 of the Business Corporations Act (2009, chapter 52)".

522. Section 200.8 of the Act is amended by replacing "of its letters patent" by "shown on the certificate of continuance".

523. Section 420 of the Act is amended

(1) by striking out ", the issuance of letters patent" in paragraph *k*;

(2) by replacing "Companies Act (chapter C-38)" in paragraph *ac* by "Business Corporations Act (2009, chapter 52)".

524. The Act is amended by replacing "Part IA of the Companies Act" in paragraphs 2 and 3 of section 37 by "the Business Corporations Act", "Part IA of the Companies Act (chapter C-38)" in the first paragraph of section 200.0.16 by "Business Corporations Act (2009, chapter 52)", and "Companies Act (chapter C-38), any other provision necessary for the application of Part IA of that Act" in subparagraph 16 of the first paragraph of section 420.1 by "Business Corporations Act (2009, chapter 52), any other provision necessary for the application of that Act".

ACT RESPECTING THE BARREAU DU QUÉBEC

525. Section 128 of the Act respecting the Barreau du Québec (R.S.Q., chapter B-1) is amended by replacing "companies" in paragraph *c* of subsection 1 by "legal persons".

CHARTER OF VILLE DE MONTRÉAL

526. Section 11 of Schedule C to the Charter of Ville de Montréal (R.S.Q., chapter C-11.4) is amended by replacing "Part IA of the Companies Act (chapter C-38), a company" by "the Business Corporations Act (2009, chapter 52), a business corporation".

527. Section 12 of Schedule C to the Charter is amended by replacing "company" wherever it appears by "business corporation".

528. Section 140 of Schedule C to the Charter is amended by replacing "public utility companies" in subparagraph 1 of the first paragraph by "public utilities".

529. Section 180 of Schedule C to the Charter is amended by replacing "public utility companies" in the second paragraph by "public utilities".

530. Section 187 of Schedule C to the Charter is amended by replacing "ou de fidéicommis" in the first paragraph in the French text by "ou société de fiducie".

531. Section 222 of Schedule C to the Charter is amended by replacing "companies" wherever it appears in paragraph 2 by "business corporations".

532. Section 233 of Schedule C to the Charter is amended by replacing "savings and credit union or a trust company" in the second paragraph by "financial services cooperative or a trust company".

533. Section 262 of Schedule C to the Charter is amended by replacing "company" in the second paragraph by "business corporation".

CHARTER OF VILLE DE QUÉBEC

534. Section 38 of Schedule C to the Charter of Ville de Québec (R.S.Q., chapter C-11.5) is amended by replacing "compagnie" in the second paragraph in the French text by "entreprise".

535. Section 162 of Schedule C to the Charter is amended by replacing "trust companies or institutions governed by the Savings and Credit Unions Act (chapter C-4.1)" in the first paragraph by "trust companies or institutions governed by the Act respecting financial services cooperatives (chapter C-67.3)".

CINEMA ACT

536. Section 101 of the Cinema Act (R.S.Q., chapter C-18.1) is amended by replacing "company" in subparagraphs 1 and 1.1 of the first paragraph by "legal person".

537. Section 110 of the Act is amended by replacing "company" in subparagraphs 1 and 1.1 of the first paragraph by "legal person".

538. Section 122.5 of the Act is amended by replacing "company" in subparagraphs 1 and 1.1 of the first paragraph by "legal person".

CITIES AND TOWNS ACT

539. Section 114.2 of the Cities and Towns Act (R.S.Q., chapter C-19) is amended by replacing "company" in the second paragraph by "business corporation".

540. Section 465.3 of the Act is amended by replacing "section 9.1 of the Companies Act (chapter C-38)" in the second paragraph by "section 16 of the Business Corporations Act (2009, chapter 52)".

541. Section 465.6 of the Act is amended by replacing "section 9.1 of the Companies Act (chapter C-38)" in the second paragraph by "section 16 of the Business Corporations Act (2009, chapter 52)".

542. Section 465.9.1 of the Act is amended by replacing "section 18.1 of the Companies Act (chapter C-38)" by "section 25 of the Business Corporations Act (2009, chapter 52)".

543. Section 465.10 of the Act is amended by replacing "The second paragraph of section 35 and section 35.3 of the said Act apply" in the second paragraph by "Section 35.3 of the said Act applies".

CODE OF CIVIL PROCEDURE

544. Article 570 of the Code of Civil Procedure (R.S.Q., chapter C-25) is amended by replacing "corporations" by "business corporations".

545. Article 631 of the Code is amended by replacing "company" by "legal person" wherever it appears in the first paragraph.

MUNICIPAL CODE OF QUÉBEC

546. Article 25 of the Municipal Code of Québec (R.S.Q., chapter C-27.1) is amended by replacing "person or company, which" in paragraph 20 by "person who" and by striking out the comma before "is deemed".

547. Article 209 of the Code is amended by replacing "company" in the second paragraph by "business corporation".

548. Article 711.4 of the Code is amended by replacing "section 9.1 of the Companies Act (chapter C-38)" in the second paragraph by "section 16 of the Business Corporations Act (2009, chapter 52)".

549. Article 711.7 of the Code is amended by replacing "section 9.1 of the Companies Act (chapter C-38)" in the second paragraph by "section 16 of the Business Corporations Act (2009, chapter 52)".

550. Article 711.10.1 of the Code is amended by replacing "section 18.1 of the Companies Act (chapter C-38)" by "section 25 of the Business Corporations Act (2009, chapter 52)".

551. Article 711.11 of the Code is amended by replacing "The second paragraph of section 35 and section 35.3 of the said Act apply" in the second paragraph by "Section 35.3 of the said Act applies".

COMPANIES ACT

552. Sections 227.2 and 227.3 of the Companies Act (R.S.Q., chapter C-38) are repealed.

TELEGRAPH AND TELEPHONE COMPANIES ACT

553. Section 2.1 of the Telegraph and Telephone Companies Act (R.S.Q., chapter C-45) is amended by replacing "section 9.1 of the Companies Act (chapter C-38)" by "section 16 of the Business Corporations Act (2009, chapter 52)".

554. Section 4 of the Act is amended by replacing "section 9.1 of the Companies Act (chapter C-38)" in subsection 1.1 by "section 16 of the Business Corporations Act (2009, chapter 52)".

555. Section 6.1 of the Act is amended by replacing "section 123.27.1 of the Companies Act (chapter C-38)" by "the first paragraph of section 25 of the Business Corporations Act (2009, chapter 52)".

MINING COMPANIES ACT

556. Section 2 of the Mining Companies Act (R.S.Q., chapter C-47) is amended by replacing "Part I of the Companies Act (chapter C-38)" by "the Business Corporations Act (2009, chapter 52)".

CHARTERED ACCOUNTANTS ACT

557. Section 22 of the Chartered Accountants Act (R.S.Q., chapter C-48) is amended by replacing "company law" in subparagraph *d* of the second paragraph by "the law relating to legal persons".

COOPERATIVES ACT

558. Section 143 of the Cooperatives Act (R.S.Q., chapter C-67.2) is amended by replacing "company" wherever it appears in the third paragraph by "business corporation".

559. Section 149 of the Act is amended by replacing "company" by "business corporation".

560. Section 149.3 of the Act is amended by replacing "company" in the second paragraph by "business corporation".

561. Section 149.4 of the Act is amended by replacing "company" in the second paragraph by "business corporation".

562. The heading of Division IV of Chapter XXI of Title I of the Act is amended by replacing "COMPANY" by "BUSINESS CORPORATION".

563. Section 173 of the Act is amended

(1) by replacing "company governed by Part I or IA of the Companies Act (chapter C-38)" in the portion before paragraph 1 by "business corporation governed by the Business Corporations Act (2009, chapter 52)";

(2) by replacing "company" in paragraph 1 by "business corporation".

564. Section 174 of the Act is amended by replacing "company" wherever it appears in subparagraph 2 of the second paragraph by "business corporation".

565. Section 176 of the Act is amended by replacing "company" wherever it appears by "business corporation".

566. Section 185 of the Act is amended by replacing "company" in the third paragraph by "business corporation".

567. Section 188 of the Act is amended

(1) by replacing "Part IA" in the second paragraph by "the Business Corporations Act (2009, chapter 52)";

(2) by inserting "the Business Corporations Act or" after "under" in the third paragraph.

568. Section 224.7 of the Act is amended by replacing "company" in the first paragraph by "business corporation".

569. Section 225 of the Act is amended by replacing "company" wherever it appears by "business corporation".

570. Section 225.1 of the Act is amended by replacing "company" wherever it appears by "business corporation".

571. Section 225.2 of the Act is amended by replacing "company" by "business corporation".

572. Section 225.3 of the Act is amended by replacing "company" wherever it appears by "business corporation".

573. Section 225.4 of the Act is amended by replacing "company" by "business corporation".

574. Section 225.5 of the Act is amended by replacing "company" by "business corporation".

575. Section 225.6 of the Act is amended by replacing "company" wherever it appears in paragraphs 1 and 2 by "business corporation".

576. Section 257 of the Act is replaced by the following section:

"**257.** A cooperative liable to dissolution under section 188 may continue as a business corporation governed by the Business Corporations Act (2009, chapter 52) or as a legal person governed by Part III of the Companies Act (chapter C-38).

To do so, the cooperative must submit a plan of continuance, which must be approved by the Minister and then authorized by its members."

577. Section 258 of the Act is amended by replacing "company" in subparagraph 6 of the first paragraph and wherever it appears in the second paragraph by "business corporation".

578. The Act is amended by adding the following sections after section 259:

"**259.1.** The members must, at a special meeting called for that purpose, adopt a by-law authorizing the continuance of the cooperative as a business corporation governed by the Business Corporations Act (2009, chapter 52) or as a legal person governed by Part III of the Companies Act (chapter C-38).

"**259.2.** The by-law must be adopted by two-thirds of the votes cast by the members or representatives present at the special meeting.

The by-law must authorize

(1) one of the directors to sign the articles of continuance required under the Business Corporations Act (2009, chapter 52) if the cooperative is to continue as a business corporation governed by that Act; or

(2) no fewer than three directors to sign the application required under Part III of the Companies Act (chapter C-38) if the cooperative is to continue as a legal person governed by that Part."

579. Section 260 of the Act is amended by replacing "A company governed by Part I or IA of the Companies Act (chapter C-38)" in the first paragraph by "A business corporation governed by the Business Corporations Act (2009, chapter 52)".

580. Section 261 of the Act is amended by replacing "company" by "business corporation".

581. Section 263 of the Act is replaced by the following section:

"**263.** The continuance of the business corporation as a cooperative must be authorized by the shareholders, in accordance with section 298 of the Business Corporations Act (2009, chapter 52).

The shareholders may then exercise the same rights as may be exercised by shareholders following the adoption of a special resolution authorizing continuance under the laws of a jurisdiction other than Québec."

582. Section 264 of the Act is replaced by the following section:

"**264.** The directors may, if so authorized by a special resolution of the shareholders, decide not to proceed with the continuance."

583. Section 265.1 of the Act is amended

(1) by replacing "company" in paragraph 1 by "business corporation";

(2) by replacing "company" and "sections 263 and 264" in paragraph 5 by "business corporation" and "section 263" respectively.

584. Section 266 of the Act is amended

(1) by replacing "company" wherever it appears in the first paragraph by "business corporation";

(2) by replacing "company" in subparagraph 1 of the second paragraph by "business corporation".

585. Section 268 of the Act is amended by replacing "company" in paragraph 1 by "business corporation".

586. Section 269 of the Act is amended by replacing "company" by "business corporation".

587. The Act is amended by inserting the following sections after section 327:

"**327.1.** A company governed by Part I of the Companies Act (chapter C-38) may amalgamate with a cooperative before (*insert the date of coming into force of section 563*) in accordance with the provisions of Division IV of Chapter XXI of Title I of this Act, as they read before that date.

"**327.2.** A company governed by Part I of the Companies Act (chapter C-38) may be converted into a cooperative in order to continue under this Act before (*insert the date of coming into force of section 563*) in accordance with the provisions of Chapter III of Title VII of this Act, as they read before that date."

588. The Act is amended by replacing "COMPANY" in the headings of Chapters II and III of Title VII by "BUSINESS CORPORATION".

ACT RESPECTING FINANCIAL SERVICES COOPERATIVES

589. Section 480 of the Act respecting financial services cooperatives (R.S.Q., chapter C-67.3) is amended

(1) by inserting "before (*insert the date of coming into force of section 728*) or by a legal person constituted or continued after that date under the Business Corporations Act (2009, chapter 52) and" after "(chapter C-38)" in the first paragraph;

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

"The deposit of articles containing a provision relating to the objects of a legal person referred to in the first paragraph requires the approval of the Authority."

BUSINESS CONCERNS RECORDS ACT

590. Section 3 of the Business Concerns Records Act (R.S.Q., chapter D-12) is amended

(1) by replacing "company" wherever it appears in paragraph *a* by "legal person";

(2) by replacing "company or person, as defined by the Securities Act, (chapter V-1)" in paragraph *b* by "natural or legal person, a partnership or an association that is not a legal person" and "company or person" by "person, partnership or association";

(3) by replacing "company or person" wherever it appears in paragraph *c* by "person, partnership or association".

MINING DUTIES ACT

591. Section 3 of the Mining Duties Act (R.S.Q., chapter D-15) is amended

(1) by replacing "company" in paragraph *c* by "business corporation";

(2) by replacing "companies" in paragraph *d* by "business corporations";

(3) by replacing "company" wherever it appears in paragraph *e* by "business corporation".

PUBLIC OFFICERS ACT

592. Section 21 of the Public Officers Act (R.S.Q., chapter E-6) is amended by replacing "any company constituted as a legal person" in the second paragraph by "any legal person".

EDUCATION ACT FOR CREE, INUIT AND NASKAPI NATIVE PERSONS

593. Section 617 of the Education Act for Cree, Inuit and Naskapi Native Persons (R.S.Q., chapter I-14) is amended by replacing "company" wherever it appears in the third paragraph by "business corporation".

ACT RESPECTING ADMINISTRATIVE JUSTICE

594. Schedule IV to the Act respecting administrative justice (R.S.Q., chapter J-3) is amended by replacing paragraph 7 by the following paragraph:

"(7) section 485 of the Business Corporations Act (2009, chapter 52);".

WINDING-UP ACT

595. Section 1 of the Winding-up Act (R.S.Q., chapter L-4) is amended by adding the following paragraph after the first paragraph:

"This Act does not apply to a business corporation to which the Business Corporations Act (2009, chapter 52) applies."

ACT RESPECTING THE MARKETING OF AGRICULTURAL, FOOD AND FISH PRODUCTS

596. Section 59 of the Act respecting the marketing of agricultural, food and fish products (R.S.Q., chapter M-35.1) is amended by replacing "company" in the second paragraph by "corporation".

PRESS ACT

597. Section 10 of the Press Act (R.S.Q., chapter P-19) is amended by replacing "companies" in subparagraph *c* of the first paragraph by "legal persons".

ACT RESPECTING THE LEGAL PUBLICITY OF SOLE PROPRIETORSHIPS, PARTNERSHIPS AND LEGAL PERSONS

598. Section 2 of the Act respecting the legal publicity of sole proprietorships, partnerships and legal persons (R.S.Q., chapter P-45) is amended by adding ", unless it is continued under the laws of a jurisdiction other than Québec and no circumstance described in subparagraph 5 applies to it" at the end of subparagraph 4 of the first paragraph.

599. The Act is amended by inserting the following section after section 2:

"**2.1.** Except for the purposes of the second paragraph of section 19, "legal person constituted in Québec" includes a legal person constituted under the laws of a jurisdiction other than Québec that is continued under the Business Corporations Act (2009, chapter 52)."

600. Section 9 of the Act is amended by adding the following paragraph at the end:

"If the original of the constituting act is unavailable, the enterprise registrar shall deposit a certified copy in the register."

601. Section 10 of the Act is amended by adding "or, if all powers have been withdrawn from the board of directors by a unanimous shareholder agreement under the Business Corporations Act (2009, chapter 52), the name and domicile of the shareholders or third persons who have assumed those powers" at the end of subparagraph 2 of the second paragraph.

602. Section 12 of the Act is amended

(1) by inserting ", province or territory" after "State" in paragraphs 1 and 2;

(2) by adding the following paragraph after paragraph 4:

"(5) a statement as to the existence or not of a unanimous shareholder agreement that restricts, in whole or in part, the powers of the directors under the Business Corporations Act (2009, chapter 52)."

603. Sections 15 and 16 of the Act are repealed.

604. Section 17 of the Act is replaced by the following section:

"**17.** A declaration of registration must

(1) be filed in the form prescribed by the Minister;

(2) be signed by the registrant or the registrant's representative;

(3) be sent in the manner determined by the Minister; and

(4) be presented with the fees prescribed by government regulation."

605. Section 18 of the Act is amended by replacing "either section 15 or 17" in subparagraph 3 of the first paragraph by "any of paragraphs 1, 2 and 4 of section 17".

606. Section 19 of the Act is amended by replacing subparagraph 2 of the first paragraph by the following subparagraph:

"(2) is not filed in the form determined by the Minister."

607. Section 21 of the Act is amended

(1) by inserting "the date of registration and" after "register" in the first paragraph;

(2) by striking out the second paragraph.

608. Section 22 of the Act is replaced by the following section:

"**22.** The enterprise registrar shall deposit the declaration of registration in the register."

609. Section 23 of the Act is replaced by the following section:

"**23.** When registration is effected upon the deposit of a legal person's constituting act in the register, the legal person shall file with the enterprise registrar an initial declaration in the form and with the content prescribed for a declaration of registration."

610. Section 23.1 of the Act is amended, in the first paragraph,

(1) by replacing subparagraphs 1 and 2 by the following subparagraphs:

"(1) be signed by the registrant, the registrant's representative or, if it is filed with the constituting act, one of the founders;

"(2) be sent in the manner determined by the Minister; and";

(2) by adding "unless it is filed with the constituting act" at the end of subparagraph 3.

611. Section 24 of the Act is amended by replacing subparagraphs 3 and 4 of the first paragraph by the following subparagraphs:

"(3) is not filed in the form and with the content prescribed for a declaration of registration;

"(4) is not in conformity with subparagraph 1 of the first paragraph of section 23.1; or".

612. Section 26.1 of the Act is replaced by the following section:

"**26.1.** A registrant who must file a fiscal return with the Minister under section 1000 of the Taxation Act (chapter I-3) or, in the case of a natural person operating a sole proprietorship, who would be required to file such a return if tax were payable by the person under Part I of that Act, may, during the filing period for an annual declaration, declare, in the registrant's fiscal return, whether or not the information in the register concerning the registrant and referred to in sections 10 and 12 is up to date.

If the registrant declares that the information is up to date, the enterprise registrar shall enter in the statement of information that the registrant has satisfied the annual updating obligation for the current year.

If the registrant declares that the information is not up to date, the registrant shall file an annual declaration in accordance with section 26."

613. Section 28 of the Act is amended by striking out the second paragraph.

614. Section 30 of the Act, amended by section 52 of chapter 38 of the statutes of 2006, is again amended by striking out "in a single copy" in the first paragraph.

615. Section 30.1 of the Act is amended

(1) by replacing "regulation" in the first paragraph by "the Minister";

(2) by striking out the second paragraph.

616. Section 31 of the Act, amended by section 53 of chapter 38 of the statutes of 2006, is again amended

(1) by replacing subparagraphs 3 and 4 of the first paragraph by the following subparagraphs:

"(3) is not filed in the form and with the content prescribed for a declaration of registration;

"(4) is not signed by the registrant or the registrant's representative; or";

(2) by striking out ", or, in the case of a document filed by a registrant and transferred under section 72.1, if it does not indicate the number of the reference document sent previously by the Minister" in the second paragraph.

617. Section 33 of the Act is amended by striking out ", 72.1" in the first paragraph.

618. Section 34 of the Act is amended

(1) by adding "or, if all powers have been withdrawn from the board of directors by a unanimous shareholder agreement under the Business Corporations Act (2009, chapter 52), the name and domicile of the shareholders or third persons who have assumed those powers" at the end of paragraph 6;

(2) by adding the following paragraph after paragraph 14:

"(15) a statement as to the existence or not of a unanimous shareholder agreement that restricts, in whole or in part, the powers of the directors under the Business Corporations Act."

619. Section 35 of the Act is amended by replacing "simplified amalgamation with the meaning of section 123.129 or 123.130 of the Companies Act (chapter C-38)" by "short-form amalgamation within the meaning of the Business Corporations Act (2009, chapter 52)".

620. Section 37 of the Act is amended by replacing the second paragraph by the following paragraph:

"A legal person is exempted from filing such a declaration, if notice to that effect for the purposes of another Act has been sent to the enterprise registrar."

621. Section 39 of the Act is amended by striking out the second paragraph.

622. Section 41 of the Act is amended

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

"(1) be filed in the form prescribed by the Minister;";

(2) by replacing paragraph 3 by the following paragraphs:

"(3) be signed by the registrant or the registrant's representative; and

"(4) be sent in the manner determined by the Minister.";

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

"Likewise, a document transferred under section 72 or 73 must be drawn up in accordance with the specifications set out in subparagraphs 1 to 3 of the first paragraph."

623. Section 41.1 of the Act is repealed.

624. Section 42 of the Act is amended

(1) by replacing "the provisions" in subparagraph 3 of the first paragraph by "any of paragraphs 1 to 3";

(2) by replacing ", paragraph 2 of section 41 or section 41.1" in the second paragraph by "or with paragraph 2 of section 41".

625. Section 43 of the Act is amended, in the first paragraph,

(1) by striking out "a copy of";

(2) by replacing "and return the second copy to the registrant; in the case of a document referred to in section 40, the enterprise registrar shall deposit it" by "or the document referred to in section 40".

626. Section 47 of the Act, amended by section 57 of chapter 38 of the statutes of 2006, is again amended by replacing paragraphs 1 and 2 by the following paragraphs:

"(1) be filed in the form determined by the Minister;

"(2) be signed by the registrant or the registrant's representative;

"(2.1) be sent in the manner determined by the Minister;".

627. Section 49 of the Act is amended by striking out "a copy of" and ", and return the second copy to the registrant whose registration is struck off".

628. Section 53 of the Act is amended by adding the following paragraph:

"If the legal person is dissolved under the Business Corporations Act (2009, chapter 52), the enterprise registrar shall, *ex officio*, strike off the legal person's registration upon deposit of the certificate of dissolution or of

the judgment ordering the dissolution. However, if the judgment also orders the liquidation of the legal person, the enterprise registrar shall strike off the registration upon deposit of the certificate of dissolution."

629. The heading of Chapter IV.1 of the Act is replaced by the following heading:

"SENDING OF DOCUMENTS".

630. Section 57.1 of the Act is repealed.

631. The Act is amended by inserting the following after section 57.1:

"**DIVISION I**

"GENERAL PROVISIONS

"**57.1.0.1.** Except to the extent provided by law, the form of declarations and other documents required to be filed with or transferred to the enterprise registrar and the manner in which they are to be sent are determined by the Minister according to the medium or technology used.

"**57.1.0.2.** If a document is required by law to be attached to or filed with another, and they are sent separately, the enterprise registrar is deemed to have received the documents when the last is received.

"**57.1.0.3.** The form of the documents required by law to be drawn up by the registrar and the manner in which they are to be sent are determined by the Minister.

"**DIVISION II**

"TECHNOLOGY-BASED DOCUMENTS

"**57.1.0.4.** Signature requirements for technology-based documents filed with the enterprise registrar, including what may stand in lieu of a signature, are determined by the Minister.

"**57.1.0.5.** A person who verifies by any reasonable means the identity of a person required to file and sign a document under this Act and sends the document to the registrar using a technology-based medium is presumed to be authorized to draw up, sign and send that document in the other person's name.

If a representative of the person required to sign a document entrusts the sending of the document to a third person in the circumstances described in the first paragraph, it is the responsibility of the representative to verify the person's identity under that paragraph.

"**57.1.0.6.** The Minister may require of an intermediary who has regular dealings with the enterprise registrar that a document required to be filed under this Act be sent using a specific medium or a specific method of transmission, according to the terms determined by the Minister.

"Intermediary" means a person or group of persons engaged in the business of acting on behalf of others to draw up or send documents relating to legal persons or to be deposited in the register.

"**57.1.0.7.** The time as of which a technology-based document is considered received by the enterprise registrar is determined by the Minister, according to the medium and the method of transmission used.

"**DIVISION III**

"WAIVER OF THE FILING OF DOCUMENTS".

632. Section 61 of the Act is amended by striking out ", 72.1".

633. Section 62 of the Act is amended

(1) by striking out ", 72.1" in the first paragraph;

(2) by adding "or, if all powers have been withdrawn from the board of directors by a unanimous shareholder agreement under the Business Corporations Act (2009, chapter 52), the name and domicile of the shareholders or third persons who have assumed those powers" at the end of subparagraph 6 of the second paragraph;

(3) by inserting ", province or territory" after "State" in subparagraphs 14 and 15 of the second paragraph.

634. Section 63 of the Act is amended by striking out "in as many copies as he considers necessary" in the second paragraph.

635. Section 64 of the Act is amended by replacing "support media he determines" by "media and technologies the registrar determines".

636. Section 70 of the Act is amended

(1) by replacing "section 53" by "the first paragraph of section 53, a notice of liquidation under the Business Corporations Act (2009, chapter 52)";

(2) by striking out ", 72.1".

637. Section 72.1 of the Act is repealed.

638. Section 74 of the Act is amended by replacing the second paragraph by the following paragraph:

"The register may be consulted at the locations and during the hours determined by the Minister. It may also be consulted by remote access."

639. Section 82 of the Act is amended

(1) by striking out ", 72.1" in the first paragraph;

(2) by adding "or, if all powers have been withdrawn from the board of directors by a unanimous shareholder agreement under the Business Corporations Act (2009, chapter 52), the name and domicile of the shareholders or third persons who have assumed those powers" at the end of subparagraph 6 of the second paragraph;

(3) by inserting ", province or territory" after "State" in subparagraphs 13 and 14 of the second paragraph.

640. Section 83 of the Act is amended by replacing "the law or with the regulations" in the first paragraph by "this Act".

641. Section 84 of the Act is amended

(1) by replacing "section 53" by "the first paragraph of section 53, a notice of liquidation under the Business Corporations Act (2009, chapter 52)";

(2) by striking out ", 72.1".

642. Section 87 of the Act is amended by striking out ", be signed" in the first paragraph.

643. Section 97 of the Act is amended by striking out subparagraph 5 of the first paragraph.

644. Section 98 of the Act, amended by section 79 of chapter 38 of the statutes of 2006, is again amended by replacing "offices of" in subparagraph 8 of the first paragraph by "offices designated by".

645. Section 102.1 of the Act is replaced by the following section:

"**102.1.** A registrant or a person referred to in section 5 who makes a declaration under section 26.1 that the registrant or person knows to be false or misleading is guilty of an offence."

646. Section 109 of the Act is amended by inserting ", 102.1" after "102" in the first paragraph.

ACT RESPECTING THE LAND REGIME IN THE JAMES BAY AND NEW QUÉBEC TERRITORIES

647. Section 32 of the Act respecting the land regime in the James Bay and New Québec territories (R.S.Q., chapter R-13.1) is amended by replacing "public bodies, legal persons and companies" by "public bodies and legal persons established in the public interest".

648. Section 123 of the Act is amended by replacing "public bodies, legal persons and companies" by "public bodies and legal persons established in the public interest".

649. Section 191.16 of the Act is amended by replacing "public bodies, legal persons and companies" by "public bodies and legal persons established in the public interest".

ACT RESPECTING THE ENTERPRISE REGISTRAR

650. Schedule I to the Act respecting the enterprise registrar (R.S.Q., chapter R-17.1) is amended by inserting "Business Corporations Act (2009, chapter 52)" in alphabetical order.

ACT RESPECTING FARMERS' AND DAIRYMEN'S ASSOCIATIONS

651. Section 3.1 of the Act respecting farmers' and dairymen's associations (R.S.Q., chapter S-23) is amended by replacing "section 9.1 of the Companies Act (chapter C-38)" by "section 16 of the Business Corporations Act (2009, chapter 52)".

652. Section 3.2 of the Act is amended by replacing "section 9.1 of the Companies Act (chapter C-38)" by "section 16 of the Business Corporations Act (2009, chapter 52)".

653. Section 5.4 of the Act is amended by replacing "section 9.1 of the Companies Act (chapter C-38)" in the second paragraph by "section 16 of the Business Corporations Act (2009, chapter 52)".

ACT RESPECTING MIXED ENTERPRISE COMPANIES IN THE MUNICIPAL SECTOR

654. Section 12 of the Act respecting mixed enterprise companies in the municipal sector (R.S.Q., chapter S-25.01) is amended by replacing "Part IA of the Companies Act (chapter C-38)" in the first paragraph by "the Business Corporations Act (2009, chapter 52)".

655. Section 17 of the Act is amended by replacing "Companies Act (chapter C-38)" in the first paragraph by "Business Corporations Act (2009, chapter 52)".

656. Section 19 of the Act is amended by replacing "Every by-law of the mixed enterprise company under section 93 of the Companies Act (chapter C-38) and every unanimous shareholders' agreement under section 123.91 of that Act" by "Any by-law made by a mixed enterprise company to distribute the assets to the shareholders and any unanimous shareholders' agreement under section 213 of the Business Corporations Act (2009, chapter 52)".

657. Section 25 of the Act is amended by striking out ", notwithstanding section 123.20 of the Companies Act (chapter C-38)," in the second paragraph.

658. Section 50 of the Act is amended by replacing "sections 123.87 to 123.89 of the Companies Act (chapter C-38)" in the second paragraph by "sections 159 to 161 of the Business Corporations Act (2009, chapter 52)".

659. Section 55 of the Act is amended by replacing "Notwithstanding the second paragraph of section 123.77 of the Companies Act (chapter C-38), a" by "A".

660. Section 60 of the Act is amended

(1) by replacing "sections 123.98 to 123.100 of the Companies Act (chapter C-38)" by "section 239 of the Business Corporations Act (2009, chapter 52)";

(2) by replacing "section 123.97" by "section 231".

661. Section 61 of the Act is amended by replacing "mentioned in section 98 of the Companies Act (chapter C-38)" in the first paragraph by "specified in sections 226 and 230 of the Business Corporations Act (2009, chapter 52)".

HORTICULTURAL SOCIETIES ACT

662. Section 2.1 of the Horticultural Societies Act (R.S.Q., chapter S-27) is amended by replacing "section 9.1 of the Companies Act (chapter C-38)" by "section 16 of the Business Corporations Act (2009, chapter 52)".

663. Section 3 of the Act is amended by replacing "section 9.1 of the Companies Act (chapter C-38)" in the second paragraph by "section 16 of the Business Corporations Act (2009, chapter 52)".

664. Section 10 of the Act is amended by replacing "section 9.1 of the Companies Act (chapter C-38)" in the second paragraph by "section 16 of the Business Corporations Act (2009, chapter 52)".

ACT RESPECTING TRUST COMPANIES AND SAVINGS COMPANIES

665. Section 5 of the Act respecting trust companies and savings companies (R.S.Q., chapter S-29.01) is replaced by the following section:

"**5.** The Business Corporations Act (2009, chapter 52), except Chapter X, Division II of Chapter XII and Chapters XIII, XIV, XVI and XVII, applies to Québec companies, subject to this Act and with the necessary modifications.

However, sections 49, 50 and 123.107 to 123.110 of the Companies Act (chapter C-38) continue to apply to a company, with the necessary modifications."

666. Section 6 of the Act is amended

(1) by replacing the definition of "instrument of incorporation" by the following definition:

""**instrument of incorporation"** means the articles and any other instrument of incorporation;";

(2) by replacing "règlement" in the definition of "dirigeant" in the French text by "règlement intérieur";

(3) by inserting the following definition in alphabetical order:

""**special resolution"** means a resolution that requires at least two thirds of the votes cast at a shareholders' meeting by the shareholders entitled to vote on the resolution, or a resolution that requires the signature of all such shareholders;".

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

"**11.** From (*insert the date of coming into force of section 728*), no company shall be incorporated in Québec otherwise than under the Business Corporations Act (2009, chapter 52).

The articles of constitution required under that Act may be deposited in the register only if the Minister has authorized the incorporation."

668. Section 12 of the Act is amended by adding the following paragraph at the end:

"The articles of constitutions, the documents required to be filed with them and the fees prescribed under the Business Corporations Act (2009, chapter 52) must be filed with the application."

669. Section 16 of the Act is amended

(1) by replacing "the latter to issue letters patent to incorporate" in the first paragraph by "the incorporation of";

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

"If authorization is given, the Authority sends the articles of constitution, the documents required to be filed with them and the prescribed fees to the enterprise registrar."

670. Section 17 of the Act is amended by replacing "of the letters patent" by "shown on its certificate of incorporation issued by the enterprise registrar".

671. The Act is amended by replacing the heading of Chapter III by the following heading:

"AMENDMENT OF ARTICLES".

672. Section 18 of the Act is replaced by the following section:

"**18.** No articles of amendment of a Québec company may be sent to the enterprise registrar without the authorization of the Authority. The same applies to articles of consolidation and a request for the cancellation of articles.

The application for authorization must contain the information prescribed by regulation and be filed with the articles or the cancellation request signed by an authorized person, the other documents required to be filed with them and the fees prescribed under the Business Corporations Act (2009, chapter 52). The Authority may request any additional document or information it considers relevant for the examination of the application.

If it considers it advisable, the Authority may authorize articles of amendment, articles of consolidation or a request for the cancellation of the articles to be sent to the enterprise registrar.

However, the Authority may not grant a request for the cancellation of articles of amalgamation or continuance unless it has received prior authorization from the Minister.

In addition, the Authority may request the consolidation of the articles of a company."

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

"**19.** An application for authorization under section 18 must be signed by the person who signed the articles or the cancellation request; it may not be submitted to the Authority unless a notice summarizing the articles or the cancellation request has been sent to the Authority, together with the fees prescribed by regulation. The notice must be sent to the enterprise registrar for deposit in the register, at least one week before the application for authorization is submitted."

674. Section 20 of the Act is repealed.

675. Section 21 of the Act is amended by inserting ", if so authorized by its shareholders," after "may".

676. The Act is amended by inserting the following section after section 21:

"**21.1.** Shareholder authorization to a continuance is given by special resolution.

By that resolution, the shareholders authorize a director or an officer of the company to sign the articles of continuance."

677. Section 22 of the Act is amended

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

"**22.** The company must prepare articles of continuance, which may be deposited in the register only if the Minister has authorized the continuance.";

(2) by replacing "The by-law shall indicate" in the second paragraph by "In addition to the provisions that are required to be set out in the articles of constitution of a Québec company, with the exception of the provisions relating to the founders, the articles of continuance must contain".

678. Section 23 of the Act is repealed.

679. Section 24 of the Act is amended by replacing "of the by-law" by "of the resolution" wherever it appears and by striking out "of sole proprietorships, partnerships and legal persons".

680. Section 25 of the Act is replaced by the following section:

"**25.** Within six months after the date of deposit of the notice in the register, the company shall send to the Authority the articles of continuance, signed by an authorized director or officer, a certified true copy of the special resolution authorizing the continuance, an application to the Minister for authorization of the continuance and the fees prescribed by regulation."

681. Section 28 of the Act is amended by striking out the second sentence.

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

"**29.** If the Minister grants the application, the Authority sends the articles of continuance and the documents required to be filed with them to the enterprise registrar."

683. Section 30 of the Act is replaced by the following section:

"**30.** The enterprise registrar shall draw up a certificate evidencing the continuance in accordance with section 474 of the Business Corporations Act (2009, chapter 52). The enterprise registrar shall send a copy of the articles and of the certificate of continuance to the Authority."

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

"**31.** The company that applied for continuance shall cease to exist on the date appearing on the certificate of continuance.

The company resulting from the continuance shall have the rights and assume the obligations of the company that applied for continuance."

685. Section 34 of the Act is replaced by the following section:

"**34.** A Québec company may not amalgamate otherwise than with one or more other Québec companies.

The articles of amalgamation required by the Business Corporations Act (2009, chapter 52) may not be deposited in the register unless the Minister has authorized the amalgamation."

686. Section 36 of the Act is replaced by the following section:

"**36.** The amalgamation agreement shall be submitted for approval to the shareholders of each amalgamating company by its board of directors.

The agreement must be approved by a special resolution of the general meeting of each amalgamating company."

687. Section 38 of the Act is amended by replacing "of each by-law approving the amalgamation and a joint application for ratification of the amalgamation by the Minister" by "of each resolution approving the amalgamation, a joint application requesting the Minister to authorize the amalgamation, the articles of amalgamation signed by an authorized director or officer of each of the amalgamating companies, any other document required to be filed with them and the fees prescribed under the Business Corporations Act (2009, chapter 52)".

688. Section 41 of the Act is amended by striking out the second sentence.

689. Section 42 of the Act is repealed.

690. Section 43 of the Act is replaced by the following section:

"**43.** If the Minister grants the application, the Authority sends the articles of amalgamation, any other document required to be filed with them and the prescribed fees to the enterprise registrar."

691. Section 44 of the Act is repealed.

692. Section 47 of the Act is amended by adding the following paragraph at the end:

"The articles of continuance required by the Business Corporations Act (2009, chapter 52) may not be deposited in the register unless the Minister has authorized the continuance."

693. Section 51 of the Act is amended by replacing "and an application for approval of the continuance by the Minister" by "an application requesting the Minister to authorize the continuance, the articles of continuance signed by an authorized director or officer, any other document required to be filed with them and the fees prescribed under the Business Corporations Act (2009, chapter 52)".

694. Section 54 of the Act is amended by striking out the second sentence.

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

"**55.** If the Minister grants the application, the Authority sends the articles of continuance, any other document required to be filed with them and the fees prescribed under the Business Corporations Act (2009, chapter 52) to the enterprise registrar."

696. Sections 56 to 58 of the Act are repealed.

697. Section 64 of the Act is amended by replacing subparagraph 4 of the first paragraph by the following subparagraph:

"(4) shares issued pursuant to a conversion or a continuance."

698. Section 85 of the Act is amended by replacing "règlement" in the second paragraph in the French text by "règlement intérieur".

699. Section 88 of the Act is amended by replacing "internal by-laws" by "by-laws".

700. Section 101 of the Act is amended by replacing "in accordance with paragraph 3 of section 89 of the Companies Act (chapter C-38)" in the first paragraph by "or, if it is not, in accordance with section 145 of the Business Corporations Act (2009, chapter 52)".

701. Section 104 of the Act is amended

(1) by replacing "a by-law approved by at least two-thirds of the votes of the shareholders at a meeting called" in the portion of the first paragraph before subparagraph 1 by "a special resolution passed";

(2) by inserting ", exchange" after "purchase" in subparagraph 7 of the first paragraph;

(3) by inserting the following subparagraph after subparagraph 7 of the first paragraph:

"(7.1) to split, consolidate or convert shares;";

(4) by replacing subparagraph 9 of the first paragraph by the following subparagraph:

"(9) to make, amend or repeal by-laws; and";

(5) by replacing "by a by-law approved by at least two-thirds of the votes of the shareholders at a meeting called" in the second paragraph by "if a special resolution has been passed".

702. Section 105 of the Act is amended by replacing "Every Québec company shall fix by by-law" and "the by-law is adopted" by "The shareholders of a Québec company shall pass a special resolution to fix" and "the resolution is passed", respectively.

703. Section 106 of the Act is repealed.

704. Section 155 of the Act is amended

(1) by replacing "at least 2/3 of the votes given by the shareholders" in paragraph 1 by "special resolution";

(2) by replacing "register of sole proprietorships, partnerships and legal persons" in paragraph 3.1 by "register".

705. Section 222 of the Act is amended by replacing "ses règlements" in paragraph 6 in the French text by "son règlement intérieur".

706. Section 234 of the Act is replaced by the following section:

"**234.** If a company fails to change its name within the prescribed time, the Authority asks the enterprise registrar to replace its name with another name or a designating number if it is a Québec company. In the case of an extra-provincial company, the Authority may suspend or revoke its licence.

On assigning a designating number or a new name to a Québec company, the enterprise registrar draws up a certificate evidencing the change and deposits it in the register. The enterprise registrar sends a duplicate of the certificate to the company or its representative. A copy of the certificate is sent to the Authority.

The change takes effect as of the date shown on the certificate."

707. Section 351 of the Act is amended by replacing ", issuance of letters patent or supplementary letters patent and" in paragraph 1 by "the deposit and examination of articles and the issuance of certificates".

708. The Act is amended

(1) by replacing "register of sole proprietorships, partnerships and legal persons" wherever it appears in sections 13, 37, 50, 97, 163, 169.1, 169.2 and 236 by "register";

(2) by replacing "les règlements de la société" in the second paragraph of section 108 and paragraph 5 of section 287 in the French text by "le règlement intérieur de la société".

ACT RESPECTING QUÉBEC BUSINESS INVESTMENT COMPANIES

709. Section 1 of the Act respecting Québec business investment companies (R.S.Q., chapter S-29.1) is amended by adding the following sentence at the end of the first paragraph: "It also applies to any investment company constituted under the Business Corporations Act (2009, chapter 52) and registered as such with Investissement Québec."

ACT RESPECTING NORTHERN VILLAGES AND THE KATIVIK REGIONAL GOVERNMENT

710. Section 20 of the Act respecting Northern villages and the Kativik Regional Government (R.S.Q., chapter V-6.1) is amended by replacing "legally constituted company" in the second paragraph of subparagraph 4 of the first paragraph by "legally constituted business corporation", and by replacing "such company", "that company" and "such corporation" in that paragraph by "the business corporation".

711. Section 190 of the Act is amended by replacing "public utility company" and "such company" by "public utility" and "the public utility", respectively.

712. Section 245 of the Act is amended by replacing "legally constituted company" in the second paragraph of paragraph 1 by "legally constituted business corporation", and by replacing "such company" wherever it appears in that paragraph by "the business corporation".

ACT TO AMEND THE ACT RESPECTING INSURANCE AND OTHER LEGISLATIVE PROVISIONS

713. Section 39 of the Act to amend the Act respecting insurance and other legislative provisions (2002, chapter 70) is amended by replacing "98.2 to 98.12" in the second paragraph of proposed section 88.1 of the Act respecting insurance by "194 to 206 of the Business Corporations Act (2009, chapter 52)".

OTHER AMENDING PROVISIONS

714. The word "company" wherever it appears in the following provisions is replaced by "business corporation":

(1) section 10 of the Act respecting the acquisition of farm land by non-residents (R.S.Q., chapter A-4.1);

(2) paragraph 2 of section 305 of the Act respecting elections and referendums in municipalities (R.S.Q., chapter E-2.2);

(3) the first paragraph of section 13 of the Family Housing Act (R.S.Q., chapter H-1);

(4) paragraph 1 of section 1 of the Municipal Aid Prohibition Act (R.S.Q., chapter I-15); and

(5) paragraph *b* of section 10 of the Act respecting the James Bay Native Development Corporation (R.S.Q., chapter S-9.1).

CHAPTER XXIV

TRANSITIONAL AND FINAL PROVISIONS

715. A company constituted, continued or resulting from an amalgamation under Part I of the Companies Act (R.S.Q., chapter C-38) must, before (*insert the date that is five years after the date of coming into force of section 728*), send articles of continuance to the enterprise registrar in accordance with this Act. Otherwise, it is dissolved as of that date.

In the case of an insurance company within the meaning of that expression in the Act respecting insurance (R.S.Q., chapter A-32) or a trust company or a savings company within the meaning of those expressions in the Act respecting trust companies and savings companies (R.S.Q., chapter S-29.01) to which Part I of the Companies Act applies, the articles of continuance must be sent to the enterprise registrar before (*insert the date that is two years after the date of coming into force of section 728*). Otherwise, this Act, except Chapter X, Division II of Chapter XII and Chapters XIII, XIV, XVI and XVII, is deemed to apply to the company as of that date, with the necessary modifications and subject to the Act respecting insurance.

Chapter XVIII applies to all companies governed by this section. In addition, sections 123.132 and 123.133 of the Companies Act apply to the continuance of those companies as business corporations.

716. A company constituted, continued or resulting from an amalgamation under Part IA of the Companies Act becomes, on (*insert the date of coming into force of section 728*), a business corporation governed by this Act.

The same applies to an insurance company within the meaning of that expression in the Act respecting insurance to which Part IA of the Companies Act applies.

717. The liquidation or the dissolution of a company to which Part I or IA of the Companies Act applies, begun before (*insert the date of coming into force of section 728*) under the Act that was applicable to it at that time, is continued in accordance with that Act.

718. A share issued before (*insert the date of coming into force of section 728*) by a company constituted, continued or resulting from an amalgamation under Part I or IA of the Companies Act for which a certificate was not issued is deemed, for the purposes of a transfer, to be a certificated share, unless it has been converted into an uncertificated share under the third paragraph of section 61. The issuing company must, at the shareholder's request, issue a certificate for the share in accordance with section 63.

719. A person who holds a bearer certificate issued by a company to which Part I or IA of the Companies Act applies may request that the company replace the bearer certificate by a certificate in registered form; in such a case, the company must issue a certificate in registered form in accordance with section 63.

720. A corporation which, on (*insert the date of coming into force of section 86*), holds shares of a legal person who controls the corporation's parent legal person must cease to hold the shares within five years after that date. Otherwise, it may not, at the expiry of that period, exercise the voting rights attached to those shares, and any act in contravention of section 86 is null.

721. An intelligible and legible reference on a share certificate issued before (*insert the date of coming into force of section 728*) to the existence of a restriction on the transfer of shares is considered to be noted conspicuously on the certificate in accordance with section 37 of the Act respecting the transfer of securities and the establishment of security entitlements (2008, chapter 20).

722. A reference, in the articles of a company to which Part I or IA of the Companies Act applies that becomes subject to this Act, to the judicial district in which the company's head office is established is deemed not written.

723. Section 21 does not apply to a company to which Part I or IA of the Companies Act applies which, as of (*insert the date preceding the date of coming into force of section 21*), uses a name other than its own in accordance with that Act.

724. A company that becomes a corporation to which this Act applies may fulfill the requirements of section 215 by declaring the existence of a unanimous shareholder agreement to the enterprise registrar when filing its first annual declaration after (*insert the date of coming into force of section 215*).

725. A regulation made by the Government under section 23 or 123.169 of the Companies Act continues to apply until it is repealed or replaced by a regulation made by the Government under section 488 or 489 of this Act or until procedures or directives to the same effect are established by the Minister of Revenue in accordance with this Act.

Moreover, despite being repealed or replaced by a new regulation made by the Government or by procedures or directives established by the Minister of Revenue in accordance with this Act, a regulation made under the Companies Act for the purposes of Parts I and IA of that Act retains its effects insofar as the regulation is necessary for the purposes of Parts II and III of that Act. Such a regulation also retains its effects until (*insert the date that is five years after the date of coming into force of section 728*) in respect of any company constituted, continued or resulting from an amalgamation under Part I before (*insert the date of coming into force of section 728*).

726. Any by-law sanctioned in accordance with section 77 of the Companies Act or adopted in accordance with section 92 of that Act is deemed to be a by-law approved in accordance with this Act.

727. The Government may, by a regulation made within one year after the date of coming into force of this section, enact any other transitional measure necessary for the carrying out of this Act.

Such a regulation is not subject to the publication requirement set out in section 8 of the Regulations Act (R.S.Q., chapter R-18.1).

728. This Act replaces Parts I and IA of the Companies Act, comprising sections 1 to 123.172.

However, Parts I and IA of that Act continue to have effect insofar as they are necessary for the purposes of Parts II and III of that Act or for the purposes of any other Act that provides for their application.

Likewise, Part I of that Act continues to have effect until (*insert the date that is five years after the date of coming into force of this section*) in respect of any company constituted, continued or resulting from an amalgamation under Part I of that Act before (*insert the date of coming into force of this section*).

729. The provisions of this Act come into force on the date or dates to be set by the Government.

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NATIONAL ASSEMBLY

FIRST SESSION THIRTY-NINTH LEGISLATURE

Bill 65
(2009, chapter 53)

An Act respecting Infrastructure Québec

Introduced 21 October 2009
Passed in principle 3 November 2009
Passed 25 November 2009
Assented to 4 December 2009

Québec Official Publisher
2009

EXPLANATORY NOTES

This Act establishes a body under the name "Infrastructure Québec" whose mission it is to contribute, through its advice and expertise, to the planning and carrying out of infrastructure projects by public bodies, to the planning of their maintenance and to the improvement of the quality of services delivered to the public through those projects.

The Act applies to all public infrastructure projects the purpose of which is the construction, maintenance, improvement or demolition of a building, facility or civil engineering structure, including a transport infrastructure, that is considered major by the Government and to which the Government contributes financially, either directly or indirectly.

The Act confers on Infrastructure Québec the functions currently exercised by the Agence des partenariats public-privé du Québec. Moreover, several of those functions are extended to public infrastructure projects where a different project delivery approach —such as the traditional, management contract or turnkey approach— is used.

The Act provides that a public body planning a major public infrastructure project must work with Infrastructure Québec to prepare a business case that assesses the project's relevance, identifies the options available to meet the need and determines the preferred option and the project delivery approach.

It also provides that, if the public-private partnership or turnkey approach has been chosen as the project delivery approach, the public body must work with Infrastructure Québec so that the latter may coordinate the selection of the enterprise or group of enterprises that will be involved in the project.

Under the Act, a public or municipal body may work with Infrastructure Québec to carry out various operations related to an infrastructure project, whether or not it is considered major.

In addition, the Conseil du trésor may, where warranted by the circumstances, establish mechanisms for the control and follow-up of the management of a public infrastructure project carried out by a

public body and entrust their implementation to that body or to Infrastructure Québec.

As well, the Act sets out the organizational and operational rules applicable to Infrastructure Québec.

Lastly, the Act contains transitional provisions and consequential amendments necessary for the establishment of Infrastructure Québec and the transfer of the personnel and the rights, property and records of the Agence des partenariats public-privé du Québec.

LEGISLATION AMENDED BY THIS ACT:

– Financial Administration Act (R.S.Q., chapter A-6.001);

– Act respecting transport infrastructure partnerships (R.S.Q., chapter P-9.001);

– Act respecting the process of negotiation of the collective agreements in the public and parapublic sectors (R.S.Q., chapter R-8.2);

– Act respecting the Government and Public Employees Retirement Plan (R.S.Q., chapter R-10);

– Act respecting the pension plan of management personnel (R.S.Q., chapter R-12.1);

– Act respecting contracting by public bodies (2006, chapter 29).

LEGISLATION REPEALED BY THIS ACT:

– Act respecting the Agence des partenariats public-privé du Québec (R.S.Q., chapter A-7.002).

Bill 65

AN ACT RESPECTING INFRASTRUCTURE QUÉBEC

THE PARLIAMENT OF QUÉBEC ENACTS AS FOLLOWS:

CHAPTER I

ESTABLISHMENT

1. A body is established under the name "Infrastructure Québec".

2. Infrastructure Québec is a legal person and a mandatary of the State.

Its property forms part of the domain of the State, but the execution of its obligations may be levied against its property.

Infrastructure Québec binds none but itself when it acts in its own name.

3. The head office of Infrastructure Québec is located in the territory of Ville de Québec. Notice of the location and any relocation of the head office is published in the *Gazette officielle du Québec*.

CHAPTER II

MISSION, FUNCTIONS AND POWERS

4. The mission of Infrastructure Québec is to contribute, through its advice and expertise, to the planning and carrying out of public infrastructure projects by public bodies in order to obtain quality infrastructures and ensure the optimal management of risks, costs and scheduling, and to take part in the planning of infrastructure maintenance, all of which to ensure the sound management of public funds.

Infrastructure Québec thus contributes to the improvement of the quality of services delivered to the public through the public infrastructure projects in which it is involved.

For the purposes of this Act, a public infrastructure project is a project, considered major by the Government, the purpose of which is the construction, maintenance, improvement or demolition of a building, facility or civil engineering structure, including a transport infrastructure, and to which the

Government contributes financially, either directly or indirectly. A public infrastructure project carried out under a public-private partnership may include the delivery of a public service.

A public infrastructure project is considered a major project if it meets the criteria determined by the Government or if the Government expressly qualifies it as such.

5. In pursuing its mission, Infrastructure Québec

(1) advises the Government on any matter of public infrastructure projects;

(2) provides expert services to public bodies in respect of any public infrastructure project, in particular with regard to identifying the elements to be taken into consideration in assessing project relevance, to identifying the options available to meet the need with due regard for the functional, durable and harmonious nature of the proposed infrastructure, and to determining the preferred option and the project delivery approach;

(3) provides public bodies with strategic, financial and other advice with regard to public infrastructure projects;

(4) participates in the meetings of the committee responsible for the follow-up of public infrastructure projects, including with regard to scheduling and budget control;

(5) operates a documentation centre accessible to all interested persons on matters related to the planning, carrying out and management of public infrastructure projects; for that purpose, Infrastructure Québec collects and analyzes information on similar experiences in Canada and abroad; and

(6) exercises any other function assigned to it by the Government.

6. Possible project delivery approaches include the traditional, management contract, turnkey and public-private partnership approaches.

For the purposes of this Act, under the turnkey approach, an enterprise or group of enterprises is given responsibility for the drawing up of the plans and specifications and the construction of the public infrastructure, while under the public-private partnership approach, a public body brings in a private-sector enterprise as a partner, with or without a financial contribution, to participate in designing, building and operating a public infrastructure.

7. A public body that is a party to a public-private partnership contract may, subject to the conditions it determines, delegate to a partner any function that is required for the carrying out of the contract.

It may authorize the subdelegation of any function subject to the conditions it determines.

A subdelegation under the second paragraph does not exempt the partner from the obligations imposed on the partner under the public-private partnership contract.

8. For the purposes of this Act, public bodies include the entities that are subject to the Act respecting contracting by public bodies (2006, chapter 29), the Agence métropolitaine de transport and any other body, except the National Assembly, designated by the Government.

9. A public body planning a public infrastructure project must work with Infrastructure Québec to prepare a business case that assesses the project's relevance, identifies the options available to meet the need with due regard for the functional, durable and harmonious nature of the proposed infrastructure, and determines the preferred option and the project delivery approach. Infrastructure Québec coordinates the business case preparation process and determines what studies are to be carried out by Infrastructure Québec or the public body.

In addition, if the public-private partnership or turnkey approach has been chosen, the public body must also work with Infrastructure Québec so the latter may coordinate the selection of the enterprise or group of enterprises that will be carrying out the project.

The public body may also work with Infrastructure Québec to follow up and manage the contracts arising from a public infrastructure project and to carry out any other project-related operation they have agreed upon.

A public body planning an infrastructure project that is not considered major may also work with Infrastructure Québec to carry out any operation related to the project.

In addition, if the public body planning a public infrastructure project is a body in the education network or the health and social services network or a body under the responsibility of the Minister of Transport, a request to Infrastructure Québec under any of the first four paragraphs must originate from the Minister responsible for the public body. The Minister must also be involved in the carrying out of the project.

In all cases, the public body remains responsible for the project and retains control over it.

Despite the other provisions of this section, if the public body planning a public infrastructure project comes under section 19 of the Act respecting the Société immobilière du Québec (R.S.Q., chapter S-17.1) and the purpose of the project is not excluded by a government order made under that section, the first four paragraphs of this section apply to the Société immobilière du Québec, which is responsible for the project and retains control over it.

10. A municipal body referred to in the first paragraph of section 5 of the Act respecting Access to documents held by public bodies and the Protection of personal information (R.S.Q., chapter A-2.1) that is planning a public infrastructure project, whether or not the project is considered major, may work with Infrastructure Québec to carry out the operations referred to in section 9 of this Act.

In such a case, the municipal body remains responsible for the project and retains control over it.

11. The Conseil du trésor may, where warranted by the circumstances, establish control and monitoring mechanisms for managing public infrastructure projects of public bodies, particularly in order to ensure that the operations referred to in section 9 are carried out in a rigorous manner.

The Conseil du trésor may entrust Infrastructure Québec or the public body with the implementation of those mechanisms and require that it report back on it. When Infrastructure Québec is given such a mandate by the Conseil du trésor, it may require any relevant documents and information from the public body.

12. Infrastructure Québec issues advisory opinions, attaching any recommendations it may have, on any matter within its purview that is submitted to it by the chair of the Conseil du trésor.

13. Subject to the applicable legislative provisions, Infrastructure Québec may enter into an agreement with a government other than that of Québec, with a department of such a government, with an international organization or with a body of such a government or organization.

Likewise, Infrastructure Québec may, to carry out its mission, enter into an agreement with a person, partnership or body, and participate in joint projects with them.

14. Infrastructure Québec may not, without the Government's authorization,

(1) contract a loan that causes the total of its current outstanding loans to exceed the amount determined by the Government;

(2) make a financial commitment in excess of the limits or contrary to the conditions determined by the Government;

(3) acquire, hold or dispose of shares in a legal person or an interest in a partnership in excess of the limits or contrary to the conditions determined by the Government;

(4) acquire or dispose of other assets in excess of the limits or contrary to the conditions determined by the Government; or

(5) accept a gift or legacy to which a charge or condition is attached.

CHAPTER III

ORGANIZATION AND OPERATION

15. Infrastructure Québec is administered by a board of directors composed of the chief executive officer of Infrastructure Québec and eight other members appointed by the Government, five of whom are from public bodies and three of whom, including an engineer appointed after consultation with the Ordre des ingénieurs du Québec and an architect appointed after consultation with the Ordre des architectes du Québec, are from the private sector.

16. The chief executive officer is appointed by the Government for a term not exceeding five years; the other board members are appointed for a term not exceeding three years.

Despite the expiry of their term, board members remain in office until replaced or reappointed.

17. The chair and vice-chair of the board of directors are designated by the Government from among the members of the board.

18. The positions of chair of the board of directors and chief executive officer may not be held concurrently.

19. The chief executive officer is responsible for the administration and direction of Infrastructure Québec in keeping with its by-laws and policies. The functions of the chief executive officer are exercised on a full-time basis.

The chair calls and presides at meetings of the board of directors, sees to the proper conduct of the board's proceedings and exercises any other functions assigned by the board.

The vice-chair exercises the functions of the chair when the latter is absent or unable to act.

20. A vacancy on the board of directors is filled by the Government in the manner prescribed for the appointment of the member to be replaced.

Non-attendance at a number of board meetings determined by the by-laws of Infrastructure Québec, in the cases and circumstances specified, constitutes a vacancy.

21. The remuneration, employee benefits and other conditions of employment of the chief executive officer are determined by the Government.

The other board members receive no remuneration except in the cases, on the conditions and to the extent that may be determined by the Government. They are entitled, however, to the reimbursement of expenses incurred in the

exercise of their functions in the cases, on the conditions and to the extent determined by the Government.

22. The quorum at meetings of the board of directors is the majority of its members, including the chair or vice-chair of the board.

Decisions of the board are made by a majority vote of the members present. In the case of a tie vote, the person presiding at the meeting has a casting vote.

23. The minutes of the meetings of the board of directors, approved by the board and certified by the chair, the chief executive officer, the secretary or another person authorized by Infrastructure Québec, are authentic. The same applies to documents and copies emanating from Infrastructure Québec or forming part of its records, if they are so certified.

24. An intelligible transcription of a decision or other data stored by Infrastructure Québec in a computer or in any electronic form is a document of Infrastructure Québec and constitutes proof of its contents if it is certified by a person referred to in section 23.

25. A deed, document or writing is binding on and may be attributed to Infrastructure Québec only if it is signed by the chair, the chief executive officer, the vice-chair, the secretary or another personnel member authorized by Infrastructure Québec and, in the latter case, only to the extent determined by the by-laws of Infrastructure Québec.

26. Infrastructure Québec may, by by-law and subject to specified conditions, allow a signature to be affixed by means of an automatic device, an electronic signature to be affixed, or a facsimile of a signature to be engraved, lithographed or printed on specified documents. However, the facsimile has the same force as the signature itself only if the document is countersigned by a person referred to in section 23.

27. Infrastructure Québec may, in its by-laws, determine the mode of operation of the board of directors. It may form an executive committee and any other committee, determine their mode of operation and delegate powers of the board to them.

28. The standards of ethics and professional conduct adopted by Infrastructure Québec for the members of the board of directors in accordance with a regulation made under section 3.0.1 of the Act respecting the Ministère du Conseil exécutif (R.S.Q., chapter M-30) must be published by Infrastructure Québec in its operations report.

29. Infrastructure Québec establishes standards of ethics and professional conduct for its personnel. The standards must include, as a minimum, the requirements prescribed for public servants under the Public Service Act (R.S.Q., chapter F-3.1.1) and must be published by Infrastructure Québec in its operations report.

30. The members of the personnel of Infrastructure Québec are appointed in accordance with the staffing plan established by by-law of Infrastructure Québec.

Subject to the provisions of a collective agreement, the standards and scales of remuneration, employee benefits and other conditions of employment of the members of the personnel are determined by by-law of Infrastructure Québec in accordance with the conditions determined by the Government.

31. Any personnel member of Infrastructure Québec who has a direct or indirect interest in an enterprise causing the personnel member's personal interest to conflict with that of Infrastructure Québec must, on pain of forfeiture of office, disclose the interest in writing to the chief executive officer.

32. The chair of the Conseil du trésor may issue directives concerning the policies and general objectives to be pursued by Infrastructure Québec.

The directives are submitted to the Government for approval. Once approved, they are binding on Infrastructure Québec.

The directives are laid before the National Assembly within 15 days of their approval by the Government or, if the Assembly is not sitting, within 15 days of resumption.

CHAPTER IV

FINANCIAL PROVISIONS

33. The fiscal year of Infrastructure Québec ends on 31 March.

34. The Government may, subject to the conditions it determines,

(1) guarantee payment of the principal and interest on any loan contracted by Infrastructure Québec and guarantee its obligations; and

(2) authorize the Minister of Finance to advance to Infrastructure Québec any amount considered necessary to meet its obligations or pursue its mission.

The sums required for the purposes of this section are taken out of the consolidated revenue fund.

35. Infrastructure Québec may determine a tariff of commissions and professional and other fees for the use of its goods and services.

The tariff must be submitted to the Conseil du trésor for approval.

36. The operations of Infrastructure Québec are funded by the revenue it derives from the commissions and professional and other fees it charges and the other monies it receives.

37. The monies received by Infrastructure Québec must be allocated to the payment of its obligations. Infrastructure Québec retains any surpluses, unless the Government decides otherwise.

38. Each year, Infrastructure Québec submits its budgetary estimates for the following fiscal year to the chair of the Conseil du trésor, in accordance with the form and content and the schedule determined by the chair of the Conseil du trésor.

The estimates must be submitted to the Government for approval.

CHAPTER V

ACCOUNTS AND REPORTS

39. Not later than 31 July each year, Infrastructure Québec files its financial statements and an operations report for the preceding fiscal year with the chair of the Conseil du trésor.

The financial statements and the operations report must contain all the information required by the chair of the Conseil du trésor.

40. The chair of the Conseil du trésor lays the financial statements and operations report of Infrastructure Québec before the National Assembly within 30 days of their receipt or, if the Assembly is not sitting, within 30 days of resumption.

41. Infrastructure Québec formulates a business plan in accordance with the form and content and the schedule determined by the chair of the Conseil du trésor. The plan must be submitted to the Government for approval.

On expiry, the business plan continues to apply until a new plan is approved.

42. The Auditor General audits the books and accounts of Infrastructure Québec each year and whenever so ordered by the Government.

The Auditor General's report must be submitted with the operations report and financial statements of Infrastructure Québec.

The Auditor General may conduct a value-for-money audit without obtaining the prior concurrence provided for in the second paragraph of section 28 of the Auditor General Act (R.S.Q., chapter V-5.01).

43. Infrastructure Québec must communicate to the chair of the Conseil du trésor any information required by the chair of the Conseil du trésor concerning its operations.

CHAPTER VI

AMENDING PROVISIONS

FINANCIAL ADMINISTRATION ACT

44. Schedule 2 to the Financial Administration Act (R.S.Q., chapter A-6.001) is amended

(1) by striking out "Agence des partenariats public-privé du Québec";

(2) by inserting "Infrastructure Québec" in alphabetical order.

ACT RESPECTING TRANSPORT INFRASTRUCTURE PARTNERSHIPS

45. Section 1.1 of the Act respecting transport infrastructure partnerships (R.S.Q., chapter P-9.001) is replaced by the following section:

"**1.1.** Section 9 of the Act respecting Infrastructure Québec (2009, chapter 53) applies to a transport infrastructure project carried out under a partnership agreement if the project is a public infrastructure project within the meaning of that Act, except in the cases and subject to the conditions determined by the Government."

ACT RESPECTING THE PROCESS OF NEGOTIATION OF THE COLLECTIVE AGREEMENTS IN THE PUBLIC AND PARAPUBLIC SECTORS

46. Schedule C to the Act respecting the process of negotiation of the collective agreements in the public and parapublic sectors (R.S.Q., chapter R-8.2) is amended

(1) by striking out "the Agence des partenariats public-privé du Québec";

(2) by inserting "Infrastructure Québec" in alphabetical order.

ACT RESPECTING THE GOVERNMENT AND PUBLIC EMPLOYEES RETIREMENT PLAN

47. Schedule I to the Act respecting the Government and Public Employees Retirement Plan (R.S.Q., chapter R-10) is amended, in paragraph 1,

(1) by striking out "the Agence des partenariats public-privé du Québec";

(2) by inserting "Infrastructure Québec" in alphabetical order.

ACT RESPECTING THE PENSION PLAN OF MANAGEMENT PERSONNEL

48. Schedule II to the Act respecting the Pension Plan of Management Personnel (R.S.Q., chapter R-12.1) is amended, in paragraph 1,

(1) by striking out "the Agence des partenariats public-privé du Québec";

(2) by inserting "Infrastructure Québec" in alphabetical order.

ACT RESPECTING CONTRACTING BY PUBLIC BODIES

49. Section 3 of the Act respecting contracting by public bodies (2006, chapter 29) is amended by replacing subparagraph 1 of the second paragraph by the following subparagraph:

"(1) public-private partnership contracts entered into for the purposes of a public infrastructure project carried out under a public-private partnership within the meaning of the Act respecting Infrastructure Québec (2009, chapter 53);".

50. Section 18 of the Act is amended by replacing ", the principles set out in section 2 of this Act and those set out in the second paragraph of section 4 of the Act respecting the Agence des partenariats public-privé du Québec (2004, chapter 32)" by "and the principles set out in section 2 of this Act".

CHAPTER VII

REPEALING, TRANSITIONAL AND FINAL PROVISIONS

51. Infrastructure Québec is substituted for the Agence des partenariats public-privé du Québec established under the Act respecting the Agence des partenariats public-privé du Québec (R.S.Q., chapter A-7.002). It acquires the rights and assumes the obligations of that agency.

52. The by-laws of the Agence des partenariats public-privé du Québec in force on (*insert the date preceding the date of coming into force of this section*) are deemed to be by-laws of Infrastructure Québec.

53. The files, records and other documents of the Agence des partenariats public-privé du Québec become files, records and documents of Infrastructure Québec.

54. The current business of the Agence des partenariats public-privé du Québec is continued by Infrastructure Québec.

55. Infrastructure Québec becomes, without continuance of suit, a party to any proceedings to which the Agence des partenariats public-privé du Québec was a party.

56. The chief executive officer of the Agence des partenariats public-privé du Québec in office on (*insert the date preceding the date of coming into force of this section*) continues in office on the same terms, for the unexpired portion of his term, as chief executive officer of Infrastructure Québec.

57. The term of the members of the board of directors of the Agence des partenariats public-privé du Québec, other than the chief executive officer, in office on (*insert the date preceding the date of coming into force of this section*) ends on (*insert the date of coming into force of this section*).

58. The members of the personnel of the Agence des partenariats public-privé du Québec in office on (*insert the date preceding the date of coming into force of this section*) become, without further formality, members of the personnel of Infrastructure Québec under the same conditions of employment.

59. The standards of ethics and professional conduct established by the Agence des partenariats public-privé du Québec for its personnel are considered to have been adopted by Infrastructure Québec under section 29.

60. Unless the Government decides otherwise, Chapter II applies to public infrastructure projects underway on (*insert the date preceding the date of coming into force of this section*) that meet one of the defining criteria of major projects for the purposes of the Act respecting the Agence des partenariats public-privé du Québec determined by Order in Council 65-2006 (2006, G.O. 2, 1285, French only), regardless of the project delivery approach considered or chosen.

61. The sums required for the purposes of this Act for the fiscal year 2009-2010 are taken out of the consolidated revenue fund to the extent determined by the Government.

62. Not later than *(insert the date that occurs five years after the date of coming into force of this section*) and subsequently every five years, the chair of the Conseil du trésor must report to the Government on the carrying out of this Act and the advisability of maintaining it in force or amending it.

The report is tabled in the National Assembly within 30 days or, if the Assembly is not sitting, within 30 days of resumption.

63. The Act respecting the Agence des partenariats public-privé du Québec is repealed, except sections 62 to 67 of that Act, which continue to apply to the employees referred to in section 60 of that Act who are transferred to Infrastructure Québec under section 58.

64. The chair of the Conseil du trésor is responsible for the administration of this Act.

65. The provisions of this Act come into force on the date or dates to be set by the Government, but not later than 31 March 2010.

NATIONAL ASSEMBLY

FIRST SESSION THIRTY-NINTH LEGISLATURE

Bill 66
(2009, chapter 54)

An Act to amend the Act to protect persons with regard to activities involving firearms and amending the Act respecting safety in sports

Introduced 20 October 2009
Passed in principle 27 October 2009
Passed 2 December 2009
Assented to 4 December 2009

Québec Official Publisher
2009

EXPLANATORY NOTES

This Act provides that persons admitted as members of a shooting club between 31 August 2008 and 1 September 2009 are deemed to be members of the club, even if they have not complied with section 46.42 of the Act respecting safety in sports.

The Act also states that persons who were members of a shooting club on 31 August 2009 have until 1 April 2010 to provide the shooting club operator with an attestation to the effect that they have passed the competency test in the safe practice of the sport of target shooting with restricted firearms or prohibited firearms.

LEGISLATION AMENDED BY THIS ACT:

– Act to protect persons with regard to activities involving firearms and amending the Act respecting safety in sports (2007, chapter 30).

Bill 66

AN ACT TO AMEND THE ACT TO PROTECT PERSONS WITH REGARD TO ACTIVITIES INVOLVING FIREARMS AND AMENDING THE ACT RESPECTING SAFETY IN SPORTS

THE PARLIAMENT OF QUÉBEC ENACTS AS FOLLOWS:

1. Section 25 of the Act to protect persons with regard to activities involving firearms and amending the Act respecting safety in sports (2007, chapter 30) is replaced by the following section:

"**25.** A person who was admitted as a member of a shooting club between 31 August 2008 and 1 September 2009 is deemed to be a member of the club from the date of the person's admission, even if that person has not complied with section 46.42 of the Act respecting safety in sports enacted by section 14 of this Act.

Members of a shooting club on 31 August 2009 who, at that date, had not provided the operator of the shooting club to which they belong with an attestation to the effect that they had passed the competency test in the safe practice of the sport of target shooting with restricted firearms or prohibited firearms, have until 1 April 2010 to do so."

2. This Act comes into force on 4 December 2009.

NATIONAL ASSEMBLY

FIRST SESSION THIRTY-NINTH LEGISLATURE

Bill 69
(2009, chapter 55)

An Act to amend the Highway Safety Code as regards driving schools

Introduced 11 November 2009
Passed in principle 19 November 2009
Passed 2 December 2009
Assented to 4 December 2009

Québec Official Publisher
2009

EXPLANATORY NOTES

This Act amends the Highway Safety Code to extend by one year the suspension of the power to recognize new driving schools.

The Act grants the Government the regulatory power to set the minimum and maximum amounts chargeable for a course to drive a passenger vehicle.

The Act also provides that the Société de l'assurance automobile du Québec has jurisdiction over the withdrawal of a driving school's recognition.

Lastly, the Act dissociates, in chapter 40 of the statutes of 2007, the coming into force of certain provisions relating to sanctions applicable to the holder of a driver's licence from the coming into force of the requirement to take a driving course, and associates it instead with the coming into force of provisions relating to the number of demerit points that result in a sanction. It also contains a transitional provision.

LEGISLATION AMENDED BY THIS ACT:

– Highway Safety Code (R.S.Q., chapter C-24.2);

– Act to amend the Highway Safety Code and the Regulation respecting demerit points (2007, chapter 40).

Bill 69

AN ACT TO AMEND THE HIGHWAY SAFETY CODE AS REGARDS DRIVING SCHOOLS

THE PARLIAMENT OF QUÉBEC ENACTS AS FOLLOWS:

1. Section 62 of the Highway Safety Code (R.S.Q., chapter C-24.2) is amended

(1) by replacing "authorize the organizations it designates to certify" by "approve specific bodies to recognize";

(2) by adding the following paragraph:

"Only the Société may suspend or revoke the recognition of a driving school for non-compliance with the conditions for recognition."

2. Section 66.1 of the Code, enacted by section 11 of chapter 40 of the statutes of 2007, is amended by adding the following paragraph:

"In addition, the Government may, by regulation, set the maximum and minimum amounts chargeable for a course to drive a passenger vehicle."

3. Section 660 of the Code is amended

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

"**660.** The power to recognize new driving schools granted to specific bodies approved under section 62 is suspended. The suspension ends one year after the date of coming into force of the requirement established by section 66.1, enacted by section 11 of chapter 40 of the statutes of 2007, to have successfully completed a driving course.";

(2) by replacing "authorized" in the second paragraph by "approved".

4. Sections 98 and 99 of the Act to amend the Highway Safety Code and the Regulation respecting demerit points (2007, chapter 40) are amended by replacing "*section 95*" wherever it appears by "*section 92*".

5. The first regulation made under the third paragraph of section 66.1 of the Highway Safety Code (R.S.Q., chapter C-24.2), amended by section 2, is not subject to the publication requirement or the requirement as regards its date of

coming into force set out in sections 8 and 17 of the Regulations Act (R.S.Q., chapter R-18.1). It comes into force on the date of its publication in the *Gazette officielle du Québec*.

6. This Act comes into force on 17 January 2010.

NATIONAL ASSEMBLY

FIRST SESSION THIRTY-NINTH LEGISLATURE

Bill 70
(2009, chapter 56)

An Act to amend various pension plans in the public sector

Introduced 10 November 2009
Passed in principle 17 November 2009
Passed 26 November 2009
Assented to 4 December 2009

Québec Official Publisher
2009

EXPLANATORY NOTES

This Act amends various Acts establishing pension plans for public sector employees, in particular in response to certain technical recommendations made by the retirement committees. The Act also amends the Pension plan for federal employees transferred to employment with the gouvernement du Québec and empowers the Government to amend that plan to harmonize it with the other public sector pension plans.

In addition, the Act maintains the provisions that override section 15 of the Constitution Act, 1982, found in the Act respecting the Pension Plan of Certain Teachers, the Act respecting the Government and Public Employees Retirement Plan, the Act respecting the Teachers Pension Plan, the Act respecting the Civil Service Superannuation Plan and the Act respecting the Pension Plan of Management Personnel.

LEGISLATION AMENDED BY THIS ACT:

– Act respecting the Pension Plan of Certain Teachers (R.S.Q., chapter R-9.1);

– Act respecting the Pension Plan of Peace Officers in Correctional Services (R.S.Q., chapter R-9.2);

– Act respecting the Government and Public Employees Retirement Plan (R.S.Q., chapter R-10);

– Act respecting the Teachers Pension Plan (R.S.Q., chapter R-11);

– Act respecting the Civil Service Superannuation Plan (R.S.Q., chapter R-12);

– Act respecting the Pension Plan of Management Personnel (R.S.Q., chapter R-12.1).

Bill 70

AN ACT TO AMEND VARIOUS PENSION PLANS IN THE PUBLIC SECTOR

THE PARLIAMENT OF QUÉBEC ENACTS AS FOLLOWS:

1. Section 41.8 of the Act respecting the Pension Plan of Certain Teachers (R.S.Q., chapter R-9.1), amended by section 33 of chapter 25 of the statutes of 2008, is again amended by replacing "this chapter" in paragraph 1 by "Chapter VI.1".

2. The second paragraph of section 62 of the Act is again enacted and therefore reads as follows:

"The provisions of this Act have effect despite section 15 of the Constitution Act, 1982 (Schedule B to the Canada Act, chapter 11 in the 1982 volume of the Acts of the Parliament of the United Kingdom)."

3. Section 47.2 of the Act respecting the Pension Plan of Peace Officers in Correctional Services (R.S.Q., chapter R-9.2), enacted by section 41 of chapter 25 of the statutes of 2008, is amended by replacing "by section 14.1" in the second paragraph by "by the first paragraph of section 14.1".

4. Section 74 of the Act is amended by replacing the last sentence of the first paragraph by the following sentences: "Following the death of a beneficiary of a pension, the balance of the contributions and of any accrued interest bears interest, compounded annually, at the rate determined in Schedule VII to the Act respecting the Government and Public Employees Retirement Plan (chapter R-10) in force on the first day of the month following the death and computed from that date. In addition, for every period during which no benefit was paid, the balance of the contributions and of any accrued interest, established on the first day of the period, bears interest, compounded annually, at the rates determined in Schedule VI to that Act."

5. Section 36.1.2 of the Act respecting the Government and Public Employees Retirement Plan (R.S.Q., chapter R-10), enacted by section 10 of chapter 25 of the statutes of 2008, is amended by replacing "by section 18.1" in the second paragraph by "by the first paragraph of section 18.1".

6. Section 58 of the Act is amended by replacing the last sentence of the first paragraph by the following sentences: "Following the death of a beneficiary of a pension, the balance of the contributions and of any accrued

interest bears interest, compounded annually, at the rate determined in Schedule VII in force on the first day of the month following the death and computed from that date. In addition, for every period during which no benefit was paid, the balance of the contributions and of any accrued interest, established on the first day of the period, bears interest, compounded annually, at the rates determined in Schedule VI."

7. Section 59 of the Act is amended

(1) by adding the following sentences at the end of the second paragraph: "The excess amount bears interest, compounded annually, at the rate determined in Schedule VII in force on the first day of the month following the death and computed from that date until the date of the refund. In addition, for every period during which no amount was paid as pension credit, the excess amount, established on the first day of the period, bears interest, compounded annually, at the rates determined in Schedule VI.";

(2) by striking out the third and fourth paragraphs.

8. Section 91 of the Act is amended by replacing the second paragraph by the following paragraph:

"The pension credit is paid to the pensioner until the first day of the month following the pensioner's death."

9. Section 215.17 of the Act is amended by replacing "in sections 164 and 173.1" in the first paragraph by "in section 163 of this Act and section 196.2 of the Act respecting the Pension Plan of Management Personnel (chapter R-12.1)".

10. The second paragraph of section 223.1 of the Act is again enacted and therefore reads as follows:

"They have effect despite section 15 of the Constitution Act, 1982 (Schedule B to the Canada Act, chapter 11 in the 1982 volume of the Acts of the Parliament of the United Kingdom)."

11. Section 35.1.2 of the Act respecting the Teachers Pension Plan (R.S.Q., chapter R-11), enacted by section 61 of chapter 25 of the statutes of 2008, is amended by replacing "by section 15.1" in the second paragraph by "by the first paragraph of section 15.1".

12. Section 73 of the Act, amended by section 67 of chapter 25 of the statutes of 2008, is again amended by inserting "the annualized pensionable salary," after "pensionable salary," in paragraph 4.3.

13. The second paragraph of section 78.1 of the Act is again enacted and therefore reads as follows:

"Sections 28, 32 and 51 have effect despite section 15 of the Constitution Act, 1982 (Schedule B to the Canada Act, chapter 11 in the 1982 volume of the Acts of the Parliament of the United Kingdom)."

14. Section 62.7 of the Act respecting the Civil Service Superannuation Plan (R.S.Q., chapter R-12), enacted by section 71 of chapter 25 of the statutes of 2008, is amended by replacing "by section 62.1" in the second paragraph by "by the first paragraph of section 62.1".

15. Section 99.9.4 of the Act is amended by inserting "the annualized pensionable salary," after "pensionable salary," in the first paragraph.

16. Section 109 of the Act, amended by section 76 of chapter 25 of the statutes of 2008, is again amended by inserting "the annualized pensionable salary," after "pensionable salary," in paragraph 8.1.2.

17. The second paragraph of section 114.1 of the Act is again enacted and therefore reads as follows:

"Sections 56 and 84 have effect despite section 15 of the Constitution Act, 1982 (Schedule B to the Canada Act, chapter 11 in the 1982 volume of the Acts of the Parliament of the United Kingdom)."

18. Section 53.2 of the Act respecting the Pension Plan of Management Personnel (R.S.Q., chapter R-12.1), enacted by section 87 of chapter 25 of the statutes of 2008, is amended by replacing "by section 30" in the second paragraph by "by the first paragraph of section 30".

19. Section 53.6 of the Act, enacted by section 87 of chapter 25 of the statutes of 2008, is amended by replacing "50.2" in the introductory clause by "50.3".

20. Section 79 of the Act is amended by replacing the last sentence of the first paragraph by the following sentences: "Following the death of a beneficiary of a pension, the balance of the contributions and of any accrued interest bears interest, compounded annually, at the rate determined in Schedule VIII in force on the first day of the month following the death and computed from that date. In addition, for every period during which no amount was paid as pension, the balance of the contributions and of any accrued interest, established on the first day of the period, bears interest, compounded annually, at the rates determined in Schedule VII."

21. Section 143 of the Act is repealed.

22. Section 196 of the Act, amended by section 159 of chapter 43 of the statutes of 2007 and by section 95 of chapter 25 of the statutes of 2008, is again amended by inserting "the annualized pensionable salary," after "pensionable salary," in subparagraph 11 of the first paragraph.

23. The second paragraph of section 211 of the Act is again enacted and therefore reads as follows:

"They have effect despite section 15 of the Constitution Act, 1982 (Schedule B to the Canada Act, chapter 11 in the 1982 volume of the Acts of the Parliament of the United Kingdom)."

24. Section 55.1 of the Pension plan for federal employees transferred to employment with the gouvernement du Québec (Order in Council 430-93 dated 31 March 1993 (1993, G.O. 2, 2389)), enacted by Order in Council 735-96 dated 19 June 1996 (1996, G.O. 2, 2878), is amended by inserting the following paragraph after the first paragraph:

"For the purposes of the first paragraph, despite sections 14.1 and 16 of the provincial Act, the salary paid after 31 December 2007 for which no service is credited is part of the pensionable salary of the last year during which service is credited and which is prior to the year during which the salary is paid."

MISCELLANEOUS, TRANSITIONAL AND FINAL PROVISIONS

25. The first amendment to section 3.0.1 of the Regulation under the Act respecting the Pension Plan of Peace Officers in Correctional Services (Order in Council 1842-88 dated 14 December 1988 (1988, G.O. 2, 4149)) enacted after this Act has been assented to may have effect from a date not prior to 1 January 2006.

26. The first order in council amending the Pension plan for federal employees transferred to employment with the gouvernement du Québec (Order in Council 430-93 dated 31 March 1993 (1993, G.O. 2, 2389)) enacted after this Act has been assented to may have effect from a date not prior to 1 January 2008.

27. The listing of the Association québécoise d'établissements de santé et de services sociaux in Schedules I and III to the Act respecting the Government and Public Employees Retirement Plan (R.S.Q., chapter R-10) and in Schedules II and V to the Act respecting the Pension Plan of Management Personnel (R.S.Q., chapter R-12.1) has effect from 1 June 2005.

28. Section 21 has effect from 1 January 2005.

29. Sections 4, 6, 7 and 20 have effect from 1 June 2005.

30. Section 24 has effect from 1 January 2008.

31. Section 8 has effect from 7 May 2008.

32. This Act comes into force on 4 December 2009, except sections 2, 3, 5, 10 to 19, 22 and 23, which come into force on 1 January 2010.

NATIONAL ASSEMBLY

FIRST SESSION THIRTY-NINTH LEGISLATURE

Bill 73
(2009, chapter 57)

An Act to provide for measures to fight crime in the construction industry

Introduced 10 November 2009
Passed in principle 17 November 2009
Passed 4 December 2009
Assented to 4 December 2009

Québec Official Publisher
2009

EXPLANATORY NOTES

This Act amends various legislative provisions concerning the conditions that apply to the issue of building contractor and owner-builder licences and the restriction that may be attached to the licences and that prevents the obtention of a public contract. It also amends various penal provisions relating to the construction industry.

The Act provides for additional indictable offences that prevent the issue of a building contractor or owner-builder licence to persons convicted of them. It prohibits the issue of a licence to a wider range of shareholders of the licence applicant than previously determined, if they have been convicted of certain offences. The Act also introduces the obligation for the licence applicant to provide a list of its lenders and a statement of any previous convictions from each lender.

With respect to licences containing a restriction preventing the obtention of a public contract, the Act broadens the notion of public contract, in particular by adding certain bodies, such as state-owned enterprises and universities, that may be party to such contracts. The Act also abolishes the requirement for municipalities to receive a government grant for a construction project in order for a contract related to that project to be considered a public contract. The Act also provides that a conviction under certain laws will result in a restriction on a licence preventing the holder from obtaining a public contract.

In addition, the Act increases the amount of certain fines, in particular with respect to false statements for the purpose of obtaining a licence, failure to respect the conditions attached to acting in the capacity of job-site steward, offers of an advantage by an employer to a union representative in the performance of his or her functions, the acceptance of such an advantage by a representative, the refusal to furnish the Commission de la construction du Québec with certain information and the hindering of the work of an employee of the Commission in the exercise of the functions of office.

The Act also adds new penal offences, including one that applies to any person who uses intimidation to cause a slowdown or stoppage of activities on a construction site, and an offence for a contractor who enters into a contract for the loan of money with a lender who

refuses to provide a statement of any previous convictions or with a lender the contractor knows was convicted of an indictable offence connected with the lender's business.

Lastly, the fines provided for in the Building Act and the Act respecting labour relations, vocational training and workforce management in the construction industry will be indexed annually.

LEGISLATION AMENDED BY THIS ACT:

– Building Act (R.S.Q., chapter B-1.1);

– Act respecting labour relations, vocational training and workforce management in the construction industry (R.S.Q., chapter R-20).

Bill 73

AN ACT TO PROVIDE FOR MEASURES TO FIGHT CRIME IN THE CONSTRUCTION INDUSTRY

THE PARLIAMENT OF QUÉBEC ENACTS AS FOLLOWS:

1. Section 58 of the Building Act (R.S.Q., chapter B-1.1) is amended

(1) by replacing subparagraph 8 of the first paragraph by the following subparagraph:

"(8) he has not, in the five years preceding the application, been convicted of an offence under a fiscal law or an indictable offence connected with the business that he intends to carry on in the construction industry, or an indictable offence under sections 467.11 to 467.13 of the Criminal Code (Revised Statutes of Canada, 1985, chapter C-46), unless he has obtained a pardon;";

(2) by inserting the following subparagraph after subparagraph 8.1 of the first paragraph:

"(8.2) he has provided a list of any lenders he may have under a contract for the loan of money, along with a statement from each lender stipulating whether the lender or, in the case of a partnership or a legal person, its officers, whose names the lender must provide, have, in the five years preceding the loan, been convicted of an offence under a fiscal law or an indictable offence unless they have obtained a pardon;";

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

"Subparagraph 8.2 of the first paragraph does not apply to insurers as defined by the Act respecting insurance (chapter A-32) and duly authorized to act in that capacity, financial services cooperatives as defined by the Act respecting financial services cooperatives (chapter C-67.3), trust companies and savings companies as defined by the Act respecting trust companies and savings companies (chapter S-29.01) and duly authorized to act in that capacity, or banks listed in Schedule I or II to the Bank Act (Statutes of Canada, 1991, chapter 46)."

2. Section 60 of the Act is amended

(1) by replacing subparagraphs 6 and 6.1 of the first paragraph by the following subparagraph:

"(6) neither it nor any of its officers or, if it is not a reporting issuer within the meaning of the Securities Act (chapter V-1.1), any of its shareholders has, in the five years preceding the application, been convicted of an offence under a fiscal law or an indictable offence connected with the business that the person intends to carry on in the construction industry, or an indictable offence under sections 467.11 to 467.13 of the Criminal Code (Revised Statutes of Canada, 1985, chapter C-46) or, if convicted of such an offence, a pardon was granted;";

(2) by inserting the following subparagraph after subparagraph 7 of the first paragraph:

"(8) it has provided a list of any lenders it may have under a contract for the loan of money, along with a statement from each lender stipulating whether the lender and, in the case of a partnership or a legal person, its officers whose names the lender must provide, have, in the five years preceding the loan, been convicted of an offence under a fiscal law or an indictable offence, unless they have obtained a pardon;";

(3) by replacing "subparagraphs 6 and 6.1" in the last paragraph by "subparagraph 6";

(4) by adding the following sentence at the end of the last paragraph: "It must also refuse to issue a licence where an officer of a partnership or legal person that holds shares in the partnership or legal person is convicted of an offence described in subparagraph 6.";

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

"Subparagraph 8 of the first paragraph also applies to lenders and officers of lenders whose loans are granted personally to an officer of the partnership or legal person for the purposes of the partnership or legal person. However, under no circumstances does it apply to insurers as defined by the Act respecting insurance and duly authorized to act in that capacity, financial services cooperatives as defined by the Act respecting financial services cooperatives, trust companies and savings companies as defined by the Act respecting trust companies and savings companies and duly authorized to act in that capacity, or banks listed in Schedule I or II to the Bank Act."

3. Section 61 of the Act is amended by replacing subparagraph 2 of the first paragraph by the following subparagraph:

"(2) was an officer of a partnership or a legal person which, in the five years preceding the application, was convicted of an offence under a fiscal law or an indictable offence connected with the business that the person intends to carry on in the construction industry, or an indictable offence under sections 467.11 to 467.13 of the Criminal Code (Revised Statutes of Canada, 1985, chapter C-46), unless he has obtained a pardon;".

4. Section 65.1 of the Act is amended by adding the following paragraph at the end:

"The Board shall also indicate on the licence that it contains a restriction as regards the obtention of a public contract when the licence holder or, in the case of a partnership or a legal person, a person referred to in subparagraph 6 of the first paragraph of section 60 was convicted, in the last five years, under section 45 of the Competition Act (Revised Statutes of Canada, 1985, chapter C-34) or sentenced, in the last five years, to five or more years of imprisonment under section 462.31 of the Criminal Code (Revised Statutes of Canada, 1985, chapter C-46) or section 5, 6 or 7 of the Controlled Drugs and Substances Act (Statutes of Canada, 1996, chapter 19)."

5. Section 65.4 of the Act, amended by section 31 of chapter 29 of the statutes of 2006, is replaced by the following section:

"**65.4.** For the purposes of this subdivision, a public contract is a construction contract and any construction subcontract that relates directly or indirectly to such a contract to which the following bodies are party:

(1) a government department;

(2) a body all or part of whose expenditures are provided for in the budgetary estimates tabled in the National Assembly otherwise than under a transferred appropriation;

(3) a body to which the Government or a minister appoints the majority of the members, to which, by law, the personnel are appointed in accordance with the Public Service Act (chapter F-3.1.1), or whose capital stock forms part of the domain of the State;

(4) a school board, the Comité de gestion de la taxe scolaire de l'île de Montréal, a general and vocational college, or a university institution referred to in paragraphs 1 to 11 of section 1 of the Act respecting educational institutions at the university level (chapter E-14.1);

(5) a health and social services agency or a public institution under the Act respecting health services and social services (chapter S-4.2), a legal person or a joint procurement group referred to in section 383 of that Act, the James Bay Cree health and social services council established under the Act respecting health services and social services for Cree Native persons (chapter S-5), a health communication centre referred to in the Act respecting pre-hospital emergency services (chapter S-6.2) or the Corporation d'hébergement du Québec; or

(6) a municipality, a regional county municipality, a metropolitan community, the Kativik Regional Government, a mixed enterprise company under the Act respecting mixed enterprise companies in the municipal sector (chapter S-25.01), an intermunicipal board, a public transit authority, an

intermunicipal board of transport, or any other body referred to in section 307 of the Act respecting elections and referendums in municipalities (chapter E-2.2).

A person appointed or designated by the Government or a minister, together with the personnel directed by the person, in the exercise of the functions assigned to the person by law, the Government or a minister, is considered to be a body."

6. Section 70 of the Act is amended

(1) by inserting the following subparagraph after subparagraph 3.1 of the first paragraph:

"(3.2) enters into a contract for the loan of money with a lender even though he was notified by the Board that the lender or an officer of the lender was convicted of an offence under paragraph 2 of section 194 or was convicted of an offence under a fiscal law or an indictable offence connected with the lender's business, or an indictable offence under sections 467.11 to 467.13 of the Criminal Code (Revised Statutes of Canada, 1985, chapter C-46), unless he has obtained a pardon;";

(2) by inserting the following paragraph before the last paragraph:

"For the purposes of subparagraph 3.2 of the first paragraph in respect of an offence under a fiscal law, the Board shall consider whether the serious nature of the offence or the frequency of offences justifies the issue of a notice."

7. Section 196 of the Act is amended by replacing "except paragraph 5" in the first paragraph by "except paragraphs 1, 2 and 5".

8. The Act is amended by inserting the following sections after section 196:

"**196.1.** Any person who contravenes paragraph 1 or 2 of section 194 is liable to a fine of $650 to $1,400 in the case of an individual and $1,400 to $5,000 in the case of a legal person.

On a second conviction, the minimum and maximum fines are doubled; on any subsequent conviction, they are tripled.

"**196.2.** An owner-builder or contractor who is a party to a contract for the loan of money even though the lender refuses or fails to provide the statement required under subparagraph 8.2 of the first paragraph of section 58 or subparagraph 8 of the first paragraph of section 60 or even though he is aware that the lender or one of his officers within the meaning of section 45 was convicted, in the five years preceding the loan, of an indictable offence connected with the lender's business, or an indictable offence under

sections 467.11 to 467.13 of the Criminal Code (Revised Statutes of Canada, 1985, chapter C-46), unless he has obtained a pardon, is guilty of an offence and liable to a fine of $1,000 to $10,000 in the case of an individual and $2,000 to $50,000 in the case of a legal person.

"**196.3.** A fine under this Act is indexed annually according to the percentage increase in the Consumer Price Index for Canada published by Statistics Canada under the Statistics Act (Revised Statutes of Canada, 1985, chapter S-19), for the 12 months of the preceding year in relation to the 12 months of the year preceding that year.

The resulting amount is increased to the nearest dollar if it contains decimals equal to or greater than 50; the amount is reduced to the nearest dollar if it contains decimals lower than 50.

The Board shall publish in the *Gazette officielle du Québec* the results of any indexation carried out under this section."

9. Sections 83, 83.1 and 83.2 of the Act respecting labour relations, vocational training and workforce management in the construction industry (R.S.Q., chapter R-20) are amended by replacing "$200 to $400 in the case of an individual and $800 to $1,600" by "$400 to $800 in the case of an individual and $1,600 to $5,000".

10. Section 84 of the Act is amended by replacing "$650 to $1,300" by "$1,300 to $5,000".

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

"**113.1.** Any person who uses intimidation or threats to cause an obstruction to or a slowdown or stoppage of activities on a job site is guilty of an offence and liable to a fine of $1,000 to $10,000 for each day or part of a day during which the offence continues."

12. Section 115 of the Act is amended by replacing "$700" in the second paragraph by "$1,500".

13. Section 115.1 of the Act is amended by replacing "not less than $200 and not more than $400 in the case of an individual, and not less than $800 and not more than $1,600" by "$400 to $800 in the case of an individual and $1,000 to $2,000".

14. Section 119 of the Act is amended by replacing "$700" by "$1,400".

15. Section 122 of the Act is amended by replacing "$400 to $1,600 and, in the case of a second or subsequent conviction, to a fine of $800 to $3,200" at the end of subsection 2 by "$1,000 to $2,500 and, in the case of a subsequent conviction, to a fine of $1,600 to $5,000".

16. The Act is amended by inserting the following section after section 122:

"**122.1.** A fine under this Act is indexed annually according to the percentage increase in the Consumer Price Index for Canada published by Statistics Canada under the Statistics Act (Revised Statutes of Canada, 1985, chapter S-19), for the 12 months of the preceding year in relation to the 12 months of the year preceding that year.

The resulting amount is increased to the nearest dollar if it contains decimals equal to or greater than 50; the amount is reduced to the nearest dollar if it contains decimals lower than 50.

The Commission shall publish in the *Gazette officielle du Québec* the results of any indexation carried out under this section."

17. The provisions of this Act come into force on 4 December 2009, except paragraphs 2 and 3 of section 1, paragraph 1 of section 2 as regards shareholders of the partnership or legal person applying for the issue of a licence, paragraphs 2, 4 and 5 of section 2, section 6 and section 8 insofar as it relates to section 196.2, which come into force on the date of coming into force of the first regulation made after that date under paragraph 8 of section 185 of the Building Act (R.S.Q., chapter B-1.1), as well as section 8 insofar as it relates to section 196.3, and section 16, which come into force on 1 January 2011.

NATIONAL ASSEMBLY

FIRST SESSION THIRTY-NINTH LEGISLATURE

Bill 74
(2009, chapter 58)

An Act to amend various legislative provisions principally to tighten the regulation of the financial sector

Introduced 12 November 2009
Passed in principle 25 November 2009
Passed 3 December 2009
Assented to 4 December 2009

Québec Official Publisher
2009

EXPLANATORY NOTES

This Act amends several Acts that regulate financial institutions and other players in the financial markets in order to reinforce investor confidence in Québec.

More specifically, the Deposit Insurance Act is amended so as to, among other things, eliminate the cap on the financial commitments made by the Autorité des marchés financiers that can be guaranteed by the Government, clarify the responsibilities of a security fund established under the Act respecting financial services cooperatives and confer new special powers on the Authority regarding the administration of the deposit insurance scheme.

The provisions of the Act respecting insurance that relate to the adequacy of assets, management practices and business practices are amended to make them applicable to all insurers operating in Québec.

The Act respecting the Autorité des marchés financiers is also amended, among other things, to grant new powers to the Bureau de décision et de révision en valeurs mobilières with respect to the distribution of financial products and services.

The Code of Penal Procedure is amended in order to provide expressly that a judge may impose consecutive prison terms.

In addition, the Act modifies certain provisions of the Act respecting the distribution of financial products and services that govern a distribution carried out otherwise than through a representative, and harmonizes the offence system under that Act with the offence system applicable under the Securities Act and the Derivatives Act.

Amendments to the Securities Act include provisions to regulate credit rating organizations.

Administrative penalties and fines under the Act respecting the distribution of financial products and services, the Securities Act and the Derivatives Act are increased. Those Acts are also amended to confer new special powers on the Authority, particularly for the purposes of pan-Canadian harmonization.

Finally, the Act makes technical and consequential amendments to several other statutes.

LEGISLATION AMENDED BY THIS ACT:

– Financial Administration Act (R.S.Q., chapter A-6.001);

– Deposit Insurance Act (R.S.Q., chapter A-26);

– Act respecting insurance (R.S.Q., chapter A-32);

– Act respecting the Autorité des marchés financiers (R.S.Q., chapter A-33.2);

– Act respecting international financial centres (R.S.Q., chapter C-8.3);

– Code of Penal Procedure (R.S.Q., chapter C-25.1);

– Act respecting financial services cooperatives (R.S.Q., chapter C-67.3);

– Real Estate Brokerage Act (R.S.Q., chapter C-73.1);

– Act respecting the distribution of financial products and services (R.S.Q., chapter D-9.2);

– Taxation Act (R.S.Q., chapter I-3);

– Act respecting labour standards (R.S.Q., chapter N-1.1);

– Notaries Act (R.S.Q., chapter N-3);

– Securities Act (R.S.Q., chapter V-1.1);

– Real Estate Brokerage Act (2008, chapter 9);

– Derivatives Act (2008, chapter 24);

– Act to amend the Securities Act and other legislative provisions (2009, chapter 25).

Bill 74

AN ACT TO AMEND VARIOUS LEGISLATIVE PROVISIONS PRINCIPALLY TO TIGHTEN THE REGULATION OF THE FINANCIAL SECTOR

THE PARLIAMENT OF QUÉBEC ENACTS AS FOLLOWS:

FINANCIAL ADMINISTRATION ACT

1. Schedule 2 to the Financial Administration Act (R.S.Q., chapter A-6.001), amended by section 44 of chapter 7 of the statutes of 2009 and section 24 of chapter 32 of the statutes of 2009, is again amended by replacing "Bureau de décision et de révision en valeurs mobilières" by "Bureau de décision et de révision".

DEPOSIT INSURANCE ACT

2. The heading of Division I of the Deposit Insurance Act (R.S.Q., chapter A-26) is replaced by the following heading:

"PURPOSE, SCOPE AND DEFINITIONS".

3. Section 1 of the Act is replaced by the following sections:

"**1.** The purpose of this Act is to foster the stability of the financial system in Québec by establishing a plan to protect deposits of money in the event of the actual or apprehended insolvency of a registered institution.

"**1.1.** This Act applies to all deposits of money made in Québec.

However, this Act does not apply to the following deposits, funds, sums or instruments:

(1) deposits that are not payable in Canada or in Canadian currency;

(2) deposits made with banks that are not member institutions of the Canada Deposit Insurance Corporation established by the Canada Deposit Insurance Corporation Act (Revised Statutes of Canada, 1985, chapter C-3);

(3) deposits whose term exceeds that prescribed by the regulations;

(4) funds obtained at the time of an issue of securities in accordance with the Securities Act (chapter V-1.1), unless otherwise provided by the regulations;

(5) sums payable under an insurance or annuity contract issued by an insurer carrying on business in Québec, in accordance with the Insurance Act (chapter A-32);

(6) a promissory note payable in one year or less and, if distributed to a natural person, evidencing a debt of $50,000 or more;

(7) any other deposit determined by regulation.

"**1.2.** In this Act, unless the context indicates a different meaning,

"bank" means a bank listed in Schedule I or II of the Bank Act (Statutes of Canada, 1991, chapter 46);

"equivalent scheme" means any law providing protection to depositors that is similar to the protection provided by this Act;

"institution" means a legal person other than a bank;

"registered institution" means an insurer that holds a licence under the Act respecting insurance (chapter A-32), a financial services cooperative within the meaning of the Act respecting financial services cooperatives (chapter C-67.3), a trust company or a savings company that holds a licence under the Act respecting trust companies and savings companies (chapter S-29.01) or any other institution determined by regulation that holds a permit under this Act."

4. Sections 17, 18, 25 and 26 of the Act are repealed.

5. Section 27 of the Act is amended

(1) by inserting "fees payable and the" after "accompanied by the" in subsection 1;

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

"(3) The decision must be published in the Authority's bulletin and in the *Gazette officielle du Québec*."

6. Section 28 of the Act is amended by replacing "savings and credit union" by "financial services cooperative, an insurer".

7. Section 31.3 of the Act is amended

(1) by inserting the following paragraphs after paragraph *a*:

"(*a*.1) the institution's no longer holding an insurer's licence under the Act respecting insurance or a trust company or savings company licence under the Act respecting trust companies and savings companies, or its no longer being a financial services cooperative within the meaning of the Act respecting financial services cooperatives;

"(*a*.2) the institution's not having received deposits of money for over three years;

"(*a*.3) the institution's having, in the opinion of the Authority, inadequate assets, which compromises repayment to depositors of guaranteed deposits of money;";

(2) by striking out paragraph *e*.

8. Section 31.4 of the Act is amended by striking out the first paragraph.

9. Section 32.1 of the Act is replaced by the following section:

"**32.1.** The Authority shall publish the suspension or cancellation of the permit of a registered institution in the Authority's bulletin and in the *Gazette officielle du Québec*."

10. Section 33.1 of the Act is amended by inserting "34.4," after "34," in the fifth paragraph.

11. Section 34.1 of the Act is replaced by the following section:

"**34.1.** The Authority shall execute its obligation under a guarantee if the institution is unable to make a payment covered by the guarantee when the payment becomes due because

(*a*) the institution is under a court order;

(*b*) the institution is being dissolved;

(*c*) the institution is being liquidated or wound up following the adoption or approval by its shareholders or members of a resolution ordering its liquidation or winding-up, other than a resolution requesting the issue of an order referred to in subparagraph *e*;

(*d*) the institution is under a liquidation or winding-up order for any reason other than bankruptcy or insolvency; or

(*e*) the institution is under a winding-up order issued under the Winding-up Act (Revised Statutes of Canada, 1985, chapter W-11).

For the purposes of the first paragraph, the word "institution" includes a bank.

In the case of a financial services cooperative that is a member, within the meaning of the Act respecting financial services cooperatives (chapter C-67.3), of a security fund, the Authority's obligation under a guarantee is enforceable only if the fund is exhausted."

12. Section 34.2 of the Act is amended by striking out the first paragraph.

13. The Act is amended by inserting the following section after section 34.3:

"**34.4.** The Authority may, with the authorization of the Minister, if the institution is being liquidated or wound-up within the meaning of subparagraphs *d* and *e* of the first paragraph of section 34.1, grant a depositor interest on the deposit of money, at a rate determined by regulation, for the period beginning on the date of liquidation or winding-up and ending on the date of the final payment in respect of the deposit of money. The total paid by the Authority must not exceed $100,000."

14. Section 35 of the Act is amended

(1) by replacing "of the depositary" and "the depositary" in the first paragraph by "of the registered institution" and "the institution", respectively;

(2) by replacing "the depositary" in the second paragraph by "the registered institution".

15. The Act is amended by inserting the following section after section 35:

"**35.1.** Where the Authority repays part of a guaranteed deposit of money, the Authority ranks equally with the depositor in respect of the amount so repaid and the interest accrued and payable under section 34.4."

16. Section 40 of the Act is amended

(1) by inserting the following subparagraphs after subparagraph *e* of the first paragraph:

"(*f*) obtain the authorization of the Minister to

i. constitute a legal person or a partnership under an Act of Québec to carry out the winding-up of the assets acquired from a registered institution; or

ii. acquire any security issued by a registered institution; and

"(*g*) apply to the Superior Court for an order to force the sale or amalgamation of a registered institution whose permit has been suspended or cancelled.";

(2) by replacing "savings and credit union" in the third paragraph by "financial services cooperative".

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

"**40.0.1.** The Authority may, after consulting the Minister, provide guidelines to registered institutions concerning the advertising of, and information supplied about, the guarantee covering money deposit products.

If the registered institutions are financial services cooperatives, the Authority shall also consult the federation to which they belong.

Guidelines are not regulations. They may pertain to the development, interpretation or use of the advertising or information referred to in the first paragraph, whether or not it is dealt with in a regulation under this Act.

"**40.0.2.** A registered institution that does not comply with the guidelines is presumed not to be adhering to sound commercial practices.

"**40.0.3.** The Authority may, if it considers it expedient, give written directions to a registered institution concerning the advertising or information referred to in the first paragraph of section 40.0.1.

Before exercising that power, the Authority must notify the registered institution and give it an opportunity to present observations.

"**40.0.4.** The Authority may order a registered institution to cease a course of action or to implement measures specified by the Authority if, in its opinion, the registered institution is not adhering to sound commercial practices, in particular as regards the advertising or information referred to in the first paragraph of section 40.0.1.

"**40.0.5.** The Authority may also order a registered institution to cease a course of action or to implement measures specified by the Authority if, in its opinion, the registered institution is not complying with a provision of this Act, a regulation or a written instruction.

At least 15 days before issuing an order, the Authority shall notify the registered institution concerned as prescribed in section 5 of the Act respecting administrative justice (chapter J-3), stating the grounds which appear to justify the order, the date on which the order is to take effect and the right of the institution to submit observations.

"**40.0.6.** The order of the Authority must state the reasons which support it, and be sent to all the persons to whom it applies. It must also be sent to every director of the registered institution concerned. The order becomes effective on the day it is served or on any later date indicated in the order.

"**40.0.7.** The Authority may, without prior notice, issue a provisional order valid for a period not exceeding 15 days if, in its opinion, any period of time allowed to the registered institution concerned to submit observations may be detrimental.

Such an order must state the reasons on which it is based and becomes effective on the day it is served on the institution to which it applies. The institution may submit observations to the Authority within six days of receiving the order.

"**40.0.8.** The Authority may revoke an order issued under this Act.

"**40.0.9.** The Authority may, by a motion, apply to a judge of the Superior Court for an injunction in respect of any matter relating to this Act or a regulation under this Act.

The motion for an injunction constitutes an action.

The procedure prescribed in the Code of Civil Procedure (chapter C-25) applies, except that the Authority shall not be ordered to give security."

18. The Act is amended by inserting the following section after section 40.2:

"**40.2.1.** For the purpose of calculating the premium payable, a registered institution must file the declaration of guaranteed deposits on the form prescribed by the Authority, after determining the actual sum of the deposits of money it holds.

Despite the first paragraph, a registered institution may file its declaration of guaranteed deposits after estimating the deposits of money using a method determined by regulation of the Authority."

19. Section 40.3.1 of the Act is replaced by the following section:

"**40.3.1.** The premium of a financial services cooperative is reduced by one half if the cooperative is a member, within the meaning of the Act respecting financial services cooperatives (chapter C-67.3), of a security fund whose mission is to avoid or reduce disbursements by the Authority under this Act.

At the Authority's request, the Government may fix a different reduction."

20. Sections 40.3.2 and 40.3.3 of the Act are repealed.

21. The Act is amended by inserting the following section after section 41.2:

"**41.3.** The Authority may audit or commission an audit of any book, register, account, contract, record or other document of a registered institution if, in its opinion, the execution of its obligation under a guarantee seems unavoidable. It must notify the Minister of the audit.

The expenses incurred for the audit are determined by the Authority and charged to the registered institution."

22. Section 42 of the Act is amended by replacing "examine", "examined" and "examination" wherever they appear by "inspect", "inspected" and "inspection", respectively.

23. Section 43 of the Act is amended

(1) by inserting the following paragraph after paragraph *c*:

"(*c*.1) establishing a fee scale for the issue of permits;";

(2) by inserting the following paragraph after paragraph *e*:

"(*e*.0.1) determining, for the purposes of the second paragraph of section 40.2.1, a method for estimating deposits of money;";

(3) by striking out paragraphs *e*.2 and *e*.3;

(4) by replacing "savings and credit unions" in paragraph *h* by "financial services cooperatives";

(5) by inserting the following paragraph after paragraph *h*:

"(*h*.1) determining the rate of interest applicable to a deposit of money for the purposes of section 34.4;";

(6) by replacing paragraph *k* by the following paragraph:

"(*k*) determining the form and tenor of the information that a security fund must provide for the purposes of the second paragraph of section 40.3.1, and when it must be provided;";

(7) by inserting the following paragraph after paragraph *l*:

"(*l*.1) determining audit expenses for the purposes of section 41.3;";

(8) by replacing "examination" in paragraph *m*.1 by "inspection".

24. Section 45 of the Act is replaced by the following section:

"**45.** A regulation of the Authority under this Act must be submitted for approval to the Minister, who may approve it with or without amendment.

However, a regulation of the Authority under paragraph *c*.1, *l*.1, *m*.1 or *s* of section 43 must be submitted for approval to the Government, which may approve it with or without amendment.

A draft of a regulation referred to in the first paragraph may not be submitted for approval and the regulation may not be made before the expiry of 30 days after the publication of the draft regulation. The regulation comes into force on the date of its publication in the *Gazette officielle du Québec* or on any later date determined in the regulation. Sections 4, 8, 11 and 17 to 19 of the Regulations Act (chapter R-18.1) do not apply to the regulation.

The Minister may make a regulation referred to in the first paragraph if the Authority fails to act within the prescribed time.

The Government may make a regulation referred to in the second paragraph if the Authority fails to act within the prescribed time."

25. The Act is amended by inserting the following section after section 45:

"**45.1.** The Authority may prescribe forms for the purposes of this Act."

26. Sections 51 and 55 of the Act are repealed.

27. Section 57 of the Act is amended by replacing "a similar plan" and "any similar plan" wherever they appear by "an equivalent scheme" and "any equivalent scheme", respectively.

ACT RESPECTING INSURANCE

28. Section 243 of the Act respecting insurance (R.S.Q., chapter A-32) is amended by adding the following paragraph at the end:

"Sections 269, 275, 275.0.0.1, 275.3 and 275.3.1 also apply to insurers constituted under an Act of a jurisdiction other than Québec."

29. Section 269 of the Act is replaced by the following section:

"**269.** Every insurer shall maintain adequate assets to guarantee the performance of its obligations in Québec."

30. The Act is amended by inserting the following section after section 285.36:

"**285.37.** Sections 285.30 to 285.36 do not apply to an insurer that transacts exclusively in reinsurance."

31. Section 325.0.2 of the Act is amended by replacing subparagraph 1 of the first paragraph by the following subparagraphs:

"(1) the maintenance of assets for the purposes of section 269;

"(1.1) the adequacy of the capital;".

ACT RESPECTING THE AUTORITÉ DES MARCHÉS FINANCIERS

32. The Act respecting the Autorité des marchés financiers (R.S.Q., chapter A-33.2) is amended by inserting the following section after section 35:

"**35.1.** Subject to a recourse under section 322 of the Securities Act (chapter V-1.1) or section 113 of the Derivatives Act (2008, chapter 24), the Authority may review its decisions at any time, except in the event of an error in law.

A person having rendered a decision under delegated powers may review it if justified by a new fact."

33. Section 38.2 of the Act is amended by replacing "section 115" in the first paragraph by "the second paragraph of section 115 and section 419".

34. Section 61 of the Act, amended by section 114 of chapter 50 of the statutes of 2006, is again amended by inserting "where it concerns an exchange or clearing house that is subject to section 17 of the Derivatives Act (2008, chapter 24) or" after "except" in the second paragraph.

35. Section 73 of the Act, amended by section 116 of chapter 50 of the statutes of 2006, is again amended by inserting "where it concerns an exchange or clearing house that is subject to section 17 of the Derivatives Act (2008, chapter 24) or" after "except" in the second paragraph.

36. The heading of Title IV of the Act is amended by striking out "EN VALEURS MOBILIÈRES".

37. The Act is amended by inserting the following after the heading of Title IV:

"**CHAPTER I**

"ESTABLISHMENT, OPERATION AND POWERS".

38. Section 92 of the Act is amended by striking out "en valeurs mobilières".

39. Section 93 of the Act, amended by section 192 of chapter 24 of the statutes of 2008, is again amended by inserting "this Act, the Act respecting the distribution of financial products and services (chapter D-9.2)," after "under" in the first paragraph.

40. Section 94 of the Act, amended by section 193 of chapter 24 of the statutes of 2008, is again amended by inserting "this Act, the Act respecting the distribution of financial products and services (chapter D-9.2)," after "under".

41. Section 95 of the Act is amended by replacing "Bureau de décision et de révision en valeurs mobilières" by "board".

42. Section 96 of the Act is repealed.

43. Section 114 of the Act is amended by replacing "Bureau de décision et de révision en valeurs mobilières" in the first paragraph by "board".

44. Section 115 of the Act is amended by replacing "Bureau de décision et de révision en valeurs mobilières" by "board".

45. The Act is amended by inserting the following after section 115:

"**CHAPTER II**

"RULES APPLICABLE TO HEARINGS AND DECISIONS OF THE BOARD

"**115.1.** The board may, within the scope of its powers, hold hearings in conjunction with and consult with any authority responsible for supervising the distribution of financial products and services, or the marketing or distribution of derivatives or securities.

"**115.2.** The board shall determine the rules of procedure applicable to its hearings.

"**115.3.** The first paragraph of section 6 and sections 9, 10, 11, 12, 13 and 16 of the Act respecting public inquiry commissions (chapter C-37) apply to the hearings, with the necessary modifications.

The board has, for the purposes of a hearing, all the powers of a judge of the Superior Court, except the power to order imprisonment.

"**115.4.** No person called upon to testify in the course of a hearing or being examined under oath may refuse to answer or to produce any document on the ground that he or she might thereby be incriminated or exposed to a penalty or civil proceedings, subject to the Canada Evidence Act (Revised Statutes of Canada, 1985, chapter C-5).

"**115.5.** The board may require the submission or delivery of any document related to the object of the hearing. The board has the power to return such documents or to determine what should be done with them.

A person who has delivered documents to the board may inspect them or copy them at the person's own expense, by arrangement with the board.

"**115.6.** By way of exception, the board may suspend the holding of a hearing until the applicant undertakes to pay the cost of the research work that the board considers necessary in order to rule on the issue submitted to it.

Similarly, the board may require one of the parties to pay the representation costs incurred by investors or clients or, if it is in the public interest, it may pay such costs itself.

"**115.7.** Any person appearing before the board may request that the hearing be recorded, at the person's own expense. If the person requests that the hearing be transcribed, the person is required, at the request of the board, to provide it with a copy of the transcript.

"**115.8.** The board, before rendering a decision that adversely affects the rights of a person, must give the person an opportunity to be heard.

"**115.9.** A decision adversely affecting the rights of a person may, where it is imperative to do so, be rendered without a prior hearing.

In such a case, the board must give the person concerned the opportunity to be heard within 15 days.

"**115.10.** For the purpose of rendering a decision, the board may, within the scope of a consultation mechanism established by a regulation under the Derivatives Act (2008, chapter 24) or the Securities Act (chapter V-1.1) or by an agreement under the second paragraph of section 33, consider a factual analysis prepared by the personnel of an organization pursuing similar objects.

"**115.11.** The board must give reasons for every decision that adversely affects the rights of a person.

"**115.12.** The board may file an authentic copy of each of its decisions at the office of the clerk of the Superior Court of the district in which the residence or domicile of the person concerned is situated or, if the person has neither residence nor domicile in Québec, at the office of the Superior Court of the district of Montréal.

The decision on being filed becomes enforceable in the same way as, and has all the effects of, a decision of the Superior Court.

"**115.13.** On its own initiative or at the request of one of the parties, the board may rectify a decision containing a clerical error, a mistake in calculation or any other error of form.

"**115.14.** The board may review its decisions at any time, except in the case of an error in law.

"**115.15.** An application to the board for a review of a decision does not suspend the execution of the decision, unless the board decides otherwise.

"**CHAPTER III**

"APPEAL

"**115.16.** Any person directly interested in a final decision of the board may appeal the decision to the Court of Québec.

"**115.17.** The appeal is brought by filing a notice to that effect with the secretary of the board within 30 days from the date of the contested decision.

Filing of the notice is in lieu of service on the board.

"**115.18.** The secretary shall immediately send the notice to the office of the Court of Québec, together with two copies of the contested decision.

"**115.19.** The appeal is governed by articles 491 to 524 of the Code of Civil Procedure (chapter C-25), with the necessary modifications. However, the parties are required to file only two copies of the factum of their pretensions.

"**115.20.** The rules of practice of the Court of Appeal in civil matters also apply, except that the secretary of the board is substituted for the clerk of the Superior Court.

"**115.21.** An appeal does not suspend the execution of the contested decision, unless the board or a judge of the Court of Québec decides otherwise.

"**115.22.** The decision of the Court of Québec may be appealed to the Court of Appeal with leave of a judge of that court."

ACT RESPECTING INTERNATIONAL FINANCIAL CENTRES

46. Section 4 of the Act respecting international financial centres (R.S.Q., chapter C-8.3), amended by section 1 of chapter 15 of the statutes of 2009 and section 52 of chapter 25 of the statutes of 2009, is again amended

(1) by replacing the definitions of "adviser" and "dealer" by the following definitions:

""adviser" means an adviser within the meaning of section 3 of the Derivatives Act (2008, chapter 24) or section 5 of the Securities Act (chapter V-1.1), authorized to act in that capacity under those Acts;

""dealer" means a dealer within the meaning of section 3 of the Derivatives Act or section 5 of the Securities Act, authorized to act in that capacity under those Acts;";

(2) by inserting "a derivative within the meaning of section 3 of the Derivatives Act or" after "means" in the definition of "security".

CODE OF PENAL PROCEDURE

47. Article 241 of the Code of Penal Procedure (R.S.Q., chapter C-25.1) is replaced by the following article:

"**241.** Subject to sections 350 and 351, when imposing more than one term of imprisonment on a defendant or imposing a term of imprisonment on a defendant who is already in detention, a judge may order that the terms be served consecutively."

ACT RESPECTING FINANCIAL SERVICES COOPERATIVES

48. Section 487 of the Act respecting financial services cooperatives (R.S.Q., chapter C-67.3) is amended by inserting the following subparagraph after subparagraph 3 of the first paragraph:

"(4) to avoid or reduce disbursements by the Authority with respect to the Deposit Insurance Act."

REAL ESTATE BROKERAGE ACT

49. Section 1 of the Real Estate Brokerage Act (R.S.Q., chapter C-73.1) is amended by inserting "a transaction involving a derivative within the meaning of the Derivatives Act (2008, chapter 24) or" after "except".

50. Section 2 of the Act is amended by replacing paragraph 7 by the following paragraph:

"(7) receivers appointed under the Act respecting the Autorité des marchés financiers (chapter A-33.2);".

51. Section 20 of the Act, amended by section 53 of chapter 25 of the statutes of 2009, is again amended by inserting "the Derivatives Act (2008, chapter 24) or" after "within the meaning of" in paragraph 2.

ACT RESPECTING THE DISTRIBUTION OF FINANCIAL PRODUCTS AND SERVICES

52. Section 59 of the Act respecting the distribution of financial products and services (R.S.Q., chapter D-9.2), amended by section 61 of chapter 25 of the statutes of 2009 and section 76 of chapter 35 of the statutes of 2009, is again amended by inserting "Title III of the Derivatives Act (2008, chapter 24) or" after "in accordance with" in the third paragraph.

53. Section 72 of the Act, amended by section 62 of chapter 25 of the statutes of 2009, is again amended by inserting "the Derivatives Act (2008, chapter 24) or" after "under" after the last dash in the second paragraph.

54. Section 83 of the Act, amended by section 64 of chapter 25 of the statutes of 2009, is again amended by striking out the second and third paragraphs.

55. Section 100 of the Act is amended by inserting "the Derivatives Act (2008, chapter 24) or" after "a securities dealer or securities adviser governed by" in the first paragraph.

56. Section 105 of the Act is amended by replacing "an independent representative or independent" in the first paragraph by "another firm, an independent representative or an independent".

57. Section 115 of the Act is replaced by the following section:

"**115.** The Authority may request the Bureau de décision et de révision to cancel a firm's registration for a given sector, suspend registration or subject it to restrictions or conditions if, in its opinion, the firm is not complying with this Act or the regulations, or if necessary in order to protect the public. The Authority may also request the Bureau to impose a penalty not exceeding $2,000,000 on the firm.

The Authority may suspend a firm's registration, subject it to restrictions or conditions or impose an administrative monetary penalty not exceeding $5,000 on the firm, if it does not comply with section 81, 82, 83 or 103.1 or fails to file documents as required by regulation. The Authority may also cancel a firm's registration if it does not comply with section 82 or with section 81, 83 or 103.1 if it is not the first instance of non-compliance."

58. Sections 117, 119, 121, 122 and 124 of the Act are repealed.

59. Section 127 of the Act is replaced by the following section:

"**127.** A firm whose registration has been cancelled or revoked for a given sector must transfer all related records, books and registers to another firm, an independent partnership or an independent representative that is registered for that sector. The firm must inform the Authority in writing beforehand.

The Authority may object to the transfer or make it subject to the conditions it considers appropriate.

With the authorization of the Authority, the firm may, rather than transferring the records, books and registers, dispose of them otherwise.

If the firm refuses or is unable to transfer or dispose of the records, books and registers, the Authority shall take possession and determine the manner of disposing of them."

60. Section 136 of the Act is amended by striking out the third paragraph.

61. Section 146 of the Act, amended by section 70 of chapter 25 of the statutes of 2009, is again amended

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

"**146.** Sections 74, 75, 79, 102, 103 to 103.4, 106 to 113, 114.1, 126 and 127, adapted as required, apply to independent representatives.";

(2) by replacing "103.2, 106 to 113, 114.1, 115, 117, 119, 121, 122, 124" in the second paragraph by "103.4, 106 to 113, 114.1".

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

"**146.1.** The first paragraph of section 115 applies to an independent representative or independent partnership that does not comply with this Act or the regulations, or if necessary in order to protect the public. The second paragraph of that section applies, with the necessary modifications, if an independent representative or independent partnership does not comply with section 103.1, 128, 135 or 136 of this Act or fails to file documents as required by regulation."

63. Section 210 of the Act is repealed.

64. Section 217 of the Act is amended by replacing ", 278, 423 and 443" in the second paragraph by "and 278, paragraph 3 of section 423".

65. Section 376 of the Act is amended

(1) by replacing ", adapted as required, apply" by ", except subparagraph *c* of the first paragraph of section 156, apply, adapted as required,";

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

"The discipline committee may impose a fine of not less than $2,000 nor more than $50,000 for each offence. In determining the fine, the committee shall consider the damage caused to clients and the benefits derived from the commission of the offence."

66. Section 378 of the Act is amended by replacing "$2,000" by "$5,000".

67. Section 379 of the Act is amended by replacing "326 to 328 and 330 of the Securities Act (chapter V-1.1)" in the second paragraph by "115.16 to 115.22 of the Act respecting the Autorité des marchés financiers (chapter A-33.2)".

68. Sections 381 to 383 of the Act are repealed.

69. The Act is amended by inserting the following section after section 408:

"**408.1.** The only insurance products relating to a vehicle or an immovable sold by a distributor that may be offered by the distributor are those described in section 424.

An automobile within the meaning of the Automobile Insurance Act (chapter A-25) and a vehicle to which the Act respecting off-highway vehicles (chapter V-1.2) applies are considered to be vehicles."

70. Section 414 of the Act is replaced by the following section:

"**414.** The insurer must, before offering an insurance product through a distributor, forward to the Authority a copy of the distribution guide that will be given to the client, and the documents prescribed by regulation. The same applies any time a change is made to the guide or one of those documents."

71. Section 419 of the Act is replaced by the following section:

"**419.** The Authority may, if it considers that an insurer or distributor is not complying with this Title or a regulation under section 226 or 423, impose an administrative penalty not exceeding $100,000 on the insurer or distributor.

Moreover, the Authority may order an insurer to cease distributing an insurance product through distributors."

72. Section 423 of the Act is replaced by the following section:

"**423.** The Authority may, by regulation, determine

(1) the procedure for filing and reviewing distribution guides and related documents;

(2) the documents that must accompany the distribution guide pursuant to section 414;

(3) the fees to be paid by an insurer for the examination of a distribution guide;

(4) the nature, form and tenor of a compliance return, a list of insurance product distributors and a distribution guide;

(5) the notices and other information that must be provided to a client by a distributor or a person who distributes an insurance product on behalf of a distributor and the manner in which they must be provided;

(6) the steps a distributor must take to ensure that every person assigned to distributing an insurance product is sufficiently familiar with it; and

(7) the measures an insurer must take to ensure that its distributors are sufficiently familiar with any insurance product they offer."

73. Section 424 of the Act, amended by section 105 of chapter 25 of the statutes of 2009, is again amended by inserting the following paragraph after paragraph 4:

"(5) replacement insurance, that is, property insurance under which the insurer guarantees the replacement of the insured vehicle or insured parts and the form and conditions of which are approved by the Authority pursuant to section 422 of the Act respecting insurance (chapter A-32)."

74. Section 426 of the Act is amended by inserting ", health and employment" after "life" in paragraph 2.

75. Section 434 of the Act is repealed.

76. Section 436 of the Act is amended

(1) by inserting "or prescribed by a regulation under section 423" after "section 431";

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

"The insurer is also liable if the distributor's non-compliance results from the insurer's failure to comply with this Title or a regulation referred to in the first paragraph."

77. Section 453 of the Act is amended by replacing "and 219" by "to 220".

78. Sections 455 and 456 of the Act are repealed.

79. The Act is amended by inserting the following section after section 466:

"**466.1.** Every person that pays a commission in connection with the sale of a financial product or the provision of a financial service in contravention of section 100 or 143 is guilty of an offence."

80. Section 468 of the Act is replaced by the following section:

"**468.** Every person that

(1) contravenes a decision of the Authority or the Bureau de décision et de révision,

(2) fails to provide, within the prescribed time, information or documents required under this Act or the regulations,

(3) fails to appear after summons, refuses to testify or refuses to communicate or deliver a document or thing required by the Authority or an agent appointed by it, in the course of an investigation or inspection, or

(4) attempts, in any manner, to hinder a representative of the Authority in the exercise of his or her functions in the course or for the purposes of an investigation or inspection

is guilty of an offence."

81. The Act is amended by inserting the following sections after section 469:

"**469.1.** Every person that in any manner makes a misrepresentation to the Authority, an insured, a client or any other person when pursuing activities governed by this Act or the regulations is guilty of an offence.

"**469.2.** Every representative who contravenes the trading instructions of a client or fails to execute transactions requested by a client is guilty of an offence.

"**469.3.** Every firm, independent representative, independent partnership or representative that grants a premium rebate that does not appear in the insurance contract issued by or on behalf of the insurer is guilty of an offence."

82. The Act is amended by inserting the following section after section 470:

"**470.1.** Every firm, independent representative or independent partnership that employs as a representative a person who does not hold a representative's certificate issued by the Authority is guilty of an offence."

83. Section 483 of the Act is repealed.

84. Sections 485 to 490 of the Act are replaced by the following sections:

"**485.** Unless otherwise specially provided, every person that contravenes a provision of this Act or the regulations is guilty of an offence and is liable to a minimum fine of $2,000 in the case of a natural person and $3,000 in other cases, double the profit realized or one fifth of the sums entrusted to or collected by the person, whichever is the greatest amount. The maximum fine is $150,000 in the case of a natural person and $200,000 in other cases, four times the profit realized or half the sums entrusted to or collected by the person, whichever is the greatest amount.

In the case of an offence under section 468, 469.1 or 469.3, the minimum fine is $5,000 or any other minimum fine determined under the first paragraph, whichever is the greatest amount.

In the case of an offence under section 469.1 or 469.3, the maximum fine is $1,000,000 or any other maximum fine determined under the first paragraph, whichever is the greatest amount.

In the case of a second or subsequent conviction, the minimum and maximum fines are doubled.

"**486.** A legal person convicted of an offence under any of sections 463, 464, 477 and 478 is liable to a minimum fine of $4,000, double the profit realized or one fifth of the sums entrusted to or collected by the legal person, whichever is the greatest amount. The maximum fine is $200,000, four times the profit realized or half the sums entrusted to or collected by the legal person, whichever is the greatest amount.

In the case of a second or subsequent conviction, the minimum and maximum fines are doubled.

"**487.** An insurer convicted of an offence under section 480 or 482 is liable to a minimum fine of $10,000, double the profit realized or one fifth of the sums entrusted to or collected by the insurer, whichever is the greatest amount. The maximum fine is $200,000, four times the profit realized or half the sums entrusted to or collected by the insurer, whichever is the greatest amount.

In the case of a second or subsequent conviction, the minimum and maximum fines are doubled.

"**488.** An executive officer, director or employee of the principal offender, including a person remunerated on commission, who authorizes or permits an offence under this Act is liable to the same penalties as the principal offender.

"**489.** The contravention of a regulation made under this Act constitutes an offence that is subject to the same provisions as offences under this Act."

85. Section 491 of the Act is replaced by the following section:

"**491.** A person who, by an act or omission, helps or induces another person to commit an offence is guilty of the offence as if the person had committed it. The person is liable to the same penalty as that prescribed for the commission of the offence.

The same applies to a person who, by encouragement or advice or by an order, induces another person to commit an offence."

86. Section 566 of the Act is amended by replacing "117, 119, 121, 122, 124, 126 and 127" in the second paragraph by "126 and 127 of this Act and sections 115.1 to 115.22 of the Act respecting the Autorité des marchés financiers (chapter A-33.2)".

TAXATION ACT

87. Section 737.18.29 of the Taxation Act (R.S.Q., chapter I-3) is amended by inserting "section 17 of the Derivatives Act (2008, chapter 24) or under" after "under" in the definition of "recognized business" in the first paragraph.

88. Section 965.55 of the Act, amended by section 107 of chapter 25 of the statutes of 2009, is again amended, in the first paragraph,

(1) by inserting "section 3 of the Derivatives Act (2008, chapter 24) or within the meaning of" after "within the meaning of" in the definition of "dealer";

(2) by inserting "any standardized derivative within the meaning of section 3 of the Derivatives Act (2008, chapter 24) or" after "means" in the definition of "negotiable instrument".

ACT RESPECTING LABOUR STANDARDS

89. Section 77 of the Act respecting labour standards (R.S.Q., chapter N-1.1), amended by section 108 of chapter 25 of the statutes of 2009, is again amended by inserting "section 56 of the Derivatives Act (2008, chapter 24) or of" after "within the meaning of" in subparagraph 4 of the first paragraph.

NOTARIES ACT

90. Section 18 of the Notaries Act (R.S.Q., chapter N-3) is amended by replacing "Securities Act (chapter V-1.1) or the regulations" in paragraph *b* by "Derivatives Act (2008, chapter 24), the Securities Act (chapter V-1.1) or any regulation under those Acts".

SECURITIES ACT

91. Section 5 of the Securities Act (R.S.Q., chapter V-1.1), amended by section 2 of chapter 25 of the statutes of 2009, is again amended

(1) by inserting the following definition in alphabetical order:

""credit rating organization" means any person that issues credit ratings;";

(2) by inserting the following definition in alphabetical order:

""credit rating" means an assessment, disclosed publicly or distributed by subscription, of the creditworthiness of an issuer as an entity or with respect to specific securities or a specific portfolio of securities or assets;".

92. The Act is amended by inserting the following sections after section 71:

"**71.1.** In accordance with the rules applicable to an accountant's audit of the affairs of any person subject to this Act, an accounting firm that audits the financial statements of a reporting issuer must participate in the inspection program of a body that has entered into an agreement to that effect with the Authority.

"**71.2.** Sections 74 to 84 and 86 to 91 of the Act respecting the Autorité des marchés financiers (chapter A-33.2) apply to the body described in section 71.1, with the necessary modifications and in accordance with the terms of the agreement mentioned in section 71.1.

"**71.3.** An accounting firm that is directly affected by a decision made by a body described in section 71.1 may, within 30 days, apply for a review of the decision to the Bureau de décision et de révision established under section 92 of the Act respecting the Autorité des marchés financiers (chapter A-33.2)."

93. The heading of Chapter II of Title III of the Act is amended by adding "AND GOVERNANCE" at the end.

94. Section 73 of the Act is amended by inserting "including its governance practices," after "internal affairs,".

95. The Act is amended by inserting the following section after section 73:

"**73.1.** A reporting issuer must organize its affairs in accordance with the governance rules prescribed by regulation."

96. Section 152 of the Act, amended by section 19 of chapter 25 of the statutes of 2009, is again amended by striking out "en valeurs mobilières".

97. Section 166 of the Act is amended by replacing "and conflicts" by "and conflicts of interest".

98. The heading of Title VI of the Act is replaced by the following heading:

"SELF-REGULATORY ORGANIZATIONS, SECURITIES EXCHANGE OR CLEARING ACTIVITIES AND CREDIT RATING ORGANIZATIONS".

99. Section 172 of the Act, amended by section 208 of chapter 24 of the statutes of 2008, is again amended by striking out "en valeurs mobilières".

100. The Act is amended by inserting the following sections after section 186:

"**186.1.** The Authority may, in accordance with the criteria and conditions determined by regulation, designate a credit rating organization as being subject to this Act.

"**186.2.** A designated credit rating organization must comply with the requirements set by regulation, including requirements relating to

(1) the establishment, publication and enforcement of a code of conduct applicable to its directors, officers and employees, including the minimum requirements for such a code;

(2) a prohibition to issue or maintain a credit rating;

(3) procedures regarding conflicts of interest between the designated credit rating organization and the person whose securities are being rated;

(4) the keeping of the books and registers necessary for the conduct of its business;

(5) the disclosure of information to the Authority, the public and the person whose securities are being rated; and

(6) the appointment of a compliance officer.

"**186.3.** The Authority has the power to inspect the affairs of a designated credit rating organization to verify compliance with the law.

Sections 151.2 to 151.4 apply, with the necessary modifications, to such an inspection.

"**186.4.** A designated credit rating organization or another person acting on its behalf may not make any representation, written or oral, that the Authority has in any way passed upon the merits of the designated credit rating organization.

"**186.5.** The Authority may not regulate the content of a credit rating or the methodology used by a designated credit rating organization.

"**186.6.** The Authority may impose changes in the practices and procedures of a designated credit rating organization if it considers that such a measure is necessary to protect the public."

101. Section 188 of the Act is amended by replacing the portion before paragraph 1 by the following:

"**188.** No insider of a reporting issuer having privileged information relating to securities of the issuer may disclose that information or recommend that another party trade in the securities of the issuer, except in the following cases:".

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

"**191.1.** No person with knowledge of material order information may trade in a security that is the subject of the material order information, recommend that another party do so or disclose the information to anyone, except in the following cases:

(1) the person is justified in believing that the other party already knew of the material order information;

(2) the person must disclose the material order information in the course of business, and there are no grounds for the person to be justified in believing the material order information will be used or disclosed contrary to this section;

(3) the person enters into a transaction under a written automatic dividend reinvestment plan, written automatic purchase plan or other similar written automatic plan in which the person agreed to participate before obtaining knowledge of the material order information;

(4) the person entered into a transaction as a result of a written obligation that the person entered into before obtaining knowledge of the material order information; or

(5) the person entered into a sale or purchase as agent under the specific unsolicited instructions of the principal, or under instructions that the agent solicited from the principal before obtaining knowledge of the material order information.

For the purposes of this section, "material order information" means any information relating to an order, a projected or unexecuted order to purchase or trade a security, or even an intention to place such an order, that is likely to have a significant effect on the market price of the security."

103. Section 195 of the Act is amended by striking out "en valeurs mobilières" in paragraphs 1 and 2.

104. Section 199 of the Act is amended by replacing subparagraph 4 of the first paragraph by the following subparagraph:

"(4) to declare that the security will be listed or that an application has been or will be made to that end, except in the following cases:

(*a*) the Authority expressly authorized such a declaration;

(*b*) the declaration appears in a preliminary or final prospectus for which the Authority has issued a receipt;

(*c*) the declaration appears in an offering memorandum prescribed by this Act or the regulations;

(*d*) an application to have the security listed has been made and securities of the same issuer are already listed; or

(*e*) the stock exchange has already conditionally or otherwise approved the listing of the issuer's securities or agreed to their being traded, or consented or indicated that it did not object to such a declaration."

105. Section 204 of the Act, amended by section 211 of chapter 24 of the statutes of 2008, is again amended by replacing "190" in the first paragraph by "191.1".

106. Section 207 of the Act is amended by replacing "or 204" by ", 204 or 204.1".

107. Section 208 of the Act is amended by replacing "or 204" in the first paragraph by ", 204 or 204.1".

108. Section 208.1 of the Act is amended by replacing "190" by "191.1".

109. Section 211 of the Act, amended by section 152 of chapter 7 of the statutes of 2008, is again amended by replacing "190" in the first paragraph by "191.1".

110. Section 233.2 of the Act is amended by striking out "en valeurs mobilières" in the portion before paragraph 1.

111. Section 237 of the Act is amended by adding the following subparagraph after subparagraph 6 of the first paragraph:

"(7) a designated credit rating organization".

112. Section 249 of the Act is amended by striking out "en valeurs mobilières" in the portion before paragraph 1.

113. Section 250 of the Act, amended by section 213 of chapter 24 of the statutes of 2008, is again amended by striking out "en valeurs mobilières" wherever it appears in the second paragraph.

114. Section 255 of the Act is amended by striking out "en valeurs mobilières".

115. Section 262.1 of the Act is amended by striking out "en valeurs mobilières" in the portion before paragraph 1.

116. The heading of Chapter III of Title IX of the Act is amended by striking out "EN VALEURS MOBILIÈRES".

117. Sections 264 and 265 of the Act are amended by striking out "en valeurs mobilières" wherever it appears.

118. Section 266 of the Act, amended by section 39 of chapter 25 of the statutes of 2009, is again amended by striking out "en valeurs mobilières".

119. Sections 270 and 273 of the Act are amended by striking out "en valeurs mobilières" wherever it appears.

120. Section 273.1 of the Act is amended

(1) by striking out "en valeurs mobilières" in the first and second paragraphs;

(2) by replacing "$1,000,000" in the third paragraph by "$2,000,000".

121. Section 273.2 of the Act is amended by striking out "en valeurs mobilières".

122. Section 273.3 of the Act, amended by section 111 of chapter 50 of the statutes of 2006 and section 40 of chapter 25 of the statutes of 2009, is again amended by striking out "en valeurs mobilières" wherever it appears.

123. Section 274.1 of the Act is amended by replacing "the provisions of Title III" by "the provisions of, or a regulation under, Title II or III".

124. Section 305.1 of the Act, amended by section 216 of chapter 24 of the statutes of 2008, is again amended by striking out "en valeurs mobilières" in the definition of "Québec autority" and in paragraph 4 of the definition of "Québec securities laws" in the first paragraph.

125. Section 307.4 of the Act is amended by striking out "en valeurs mobilières".

126. Sections 307.6 and 307.8 of the Act are amended by striking out "en valeurs mobilières" in the first paragraph.

127. Section 308.0.3 of the Act is amended by striking out "en valeurs mobilières" wherever it appears.

128. Sections 308.2.2 and 320.1 of the Act are amended by striking out "en valeurs mobilières".

129. Section 321 of the Act is amended by striking out the first paragraph.

130. Section 322 of the Act, amended by section 222 of chapter 24 of the statutes of 2008, and the heading of Chapter V of Title X of the Act are amended by striking out "en valeurs mobilières" and "EN VALEURS MOBILIÈRES", respectively.

131. Sections 323 to 323.4 of the Act are repealed.

132. Section 323.5 of the Act is amended by replacing "third" by "second".

133. Sections 323.6 to 323.8 of the Act are repealed.

134. Section 323.8.1 of the Act is amended by replacing "sections 323.3, 323.4 and 323.6 to 323.8" in the first paragraph by "sections 115.1 to 115.10 of the Act respecting the Autorité des marchés financiers (chapter A-33.2)".

135. Sections 323.9 to 323.13 of the Act are repealed.

136. Chapter VI of Title X of the Act, comprising sections 324 to 330, is repealed.

137. Section 331 of the Act, amended by section 44 of chapter 25 of the statutes of 2009, is again amended by replacing "Title III" in subparagraph 11.1 of the first paragraph by "Title II, Title III".

138. Section 331.1 of the Act, amended by section 225 of chapter 24 of the statutes of 2008 and sections 45 and 115 of chapter 25 of the statutes of 2009, is again amended

(1) by inserting ", including governance rules," after "management rules" in paragraph 8;

(2) by inserting the following paragraphs after paragraph 9.1:

"(9.2) determine the criteria and conditions in accordance with which the Authority may designate a credit rating organization;

"(9.3) determine the rules applicable to designated credit rating organizations and to the disclosure of information to the Authority, the public and the person whose securities are being rated;

"(9.4) prescribe requirements in respect of designated credit rating organizations, including requirements relating to the code of conduct, a prohibition to issue or maintain a credit rating, procedures regarding conflicts of interest between a designated credit rating organization and the person whose securities are being rated, the keeping of the books and registers necessary for the conduct of its business, and the appointment of a compliance officer and of its officers;";

(3) by striking out paragraph 18;

(4) by inserting the following paragraph after paragraph 19.4:

"(19.5) establish rules pertaining to reporting issuer governance;";

(5) by striking out "en valeurs mobilières" in paragraph 33.4.

REAL ESTATE BROKERAGE ACT

139. Section 1 of the Real Estate Brokerage Act (2008, chapter 9) is amended by inserting "to a transaction involving a derivative within the meaning of the Derivatives Act (2008, chapter 24) or" after "does not apply" in the second paragraph.

140. Section 40 of the Act is repealed.

141. Section 41 of the Act is amended by replacing ", 38 and 40" by "and 38".

142. Section 42 of the Act is amended by replacing "The operating rules of such a committee, including those concerning its composition and decision-making," in the second paragraph by "The operating and decision-making rules of such a committee".

143. Section 43 of the Act is amended by replacing ", 38 or 40" in the first paragraph by "or 38".

144. The Act is amended by inserting the following section after section 44:

"**44.1.** Decisions of the Organization to suspend or revoke a licence or to impose conditions or restrictions on a licence must be made public according to the terms and conditions prescribed by regulation."

145. Section 46 of the Act is amended

(1) by replacing "additional training and" in paragraph 2 by "rules governing additional training, including";

(2) by replacing "form and tenor of the" in paragraph 9 by "form and tenor of the records,";

(3) by inserting the following paragraph after paragraph 10:

"(10.1) what measures may be taken to safeguard money entrusted to a licence holder or held in trust, and who may take such measures;".

146. Section 76 of the Act is amended by striking out ", including those applicable to its composition,".

147. Section 84 of the Act is amended

(1) by adding the following sentence at the end of the first paragraph: "The syndic may retain the services of any person needed to carry out an investigation.";

(2) by inserting the following sentence at the end of the second paragraph: "The complaint may also require a provisional measure."

148. Section 95 of the Act is amended by replacing ", including those applicable to the filing and hearing of complaints, and, in particular, those providing for the committee's sitting in divisions, and those to be applied when a committee member must be replaced or becomes disqualified," in the first paragraph by "—including those applicable to the filing and hearing of complaints and those applicable to its decision-making process, such as the imposition of provisional measures—".

149. Section 97 of the Act is amended by adding the following sentence at the end of the second paragraph: "The discipline committee has jurisdiction to the exclusion of any court, in first instance."

150. Section 98 of the Act is amended

(1) by inserting ", after giving them the opportunity to present their case," after "discipline committee" in the second sentence of the first paragraph;

(2) by striking out the last three paragraphs.

151. The Act is amended by inserting the following section after section 98:

"**98.1.** The discipline committee must, on rendering a decision to suspend, revoke or impose restrictions or conditions on a licence, decide whether or not it will publish a notice of the decision in a newspaper distributed in the place where the broker's or agency's establishment is located. If the discipline committee orders the publication of such a notice, it must, in addition, decide whether the publication costs are to be paid by the broker or agency, by the Organization, or divided as specified between the broker or agency and the Organization.

The notice must include the name of the broker or agency found guilty, the location of the establishment, the date and nature of the offence, and the date and summary of the decision.

A decision of the discipline committee ordering the broker or agency to pay costs, imposing a fine on the broker or agency, or ordering the broker, the agency or the Organization to pay the publication costs referred to in the first paragraph may, if not complied with, be homologated by the Superior Court or the Court of Québec, according to their respective jurisdictions, and becomes enforceable as a judgment of that Court."

152. Section 101 of the Act is amended by adding the following paragraph at the end:

"The discipline committee may at any time rectify a decision so long as it has not become enforceable, unless it is being appealed."

153. Section 107 of the Act is amended by replacing "including those applicable to its composition" by "including those applicable to its decision-making process".

DERIVATIVES ACT

154. Section 3 of the Derivatives Act (2008, chapter 24) is amended by replacing "accredited investors within the meaning of the Securities Act" in paragraph 11 of the definition of "accredited counterparty" by "accredited counterparties within the meaning of this Act".

155. Section 14 of the Act is amended by replacing "publishes a notice of the application in its Bulletin and invites" in the second paragraph by "may publish a notice of the application inviting".

156. Section 49 of the Act is amended by striking out "en valeurs mobilières" in the first paragraph.

157. Section 81 of the Act is amended by striking out "en valeurs mobilières" in the French text.

158. Section 82 of the Act is amended by replacing "public" in the third paragraph by "public, or may impose restrictions or conditions on a person's qualification".

159. Section 85 of the Act is replaced by the following section:

"**85.** A qualified person must provide periodic disclosure about its business and internal affairs, timely disclosure of a material change and any other disclosure prescribed by regulation, in accordance with the conditions and in the manner determined by regulation."

160. Section 86 of the Act is amended by replacing "on its own initiative or on application by an interested person" in the first paragraph by "on the conditions it determines".

161. Section 111 of the Act is amended by striking out the first paragraph.

162. Sections 113 and 114 of the Act are amended by striking out "en valeurs mobilières" in the French text.

163. Section 119 of the Act is amended by striking out "en valeurs mobilières" in the portion before paragraph 1 in the French text.

164. Section 120 of the Act is amended by striking out "en valeurs mobilières" in the second paragraph in the French text.

165. Section 125 of the Act is amended by striking out "en valeurs mobilières" in the French text.

166. Section 127 of the Act is amended by striking out "en valeurs mobilières" in the portion before paragraph 1 in the French text.

167. The heading of Chapter II of Title V of the Act is amended by striking out "EN VALEURS MOBILIÈRES".

168. Section 130 of the Act is amended by striking out "en valeurs mobilières" in the first paragraph in the French text.

169. Section 134 of the Act is amended by replacing "$1,000,000" in the third paragraph by "$2,000,000".

170. Sections 136 to 138 of the Act are repealed.

171. Division II of Chapter II of Title V of the Act, comprising sections 139 and 140, is repealed.

172. The Act is amended by inserting the following section after section 145:

"**145.1.** No person with knowledge of material order information may trade in a standardized derivative that is the subject of the material order information, recommend that another party do so, or disclose the information to anyone, except in the following cases:

(1) the person is justified in believing that the other party already knew of the material order information;

(2) the person must disclose the material order information in the course of business, and there are no grounds for the person to be justified in believing the material order information will be used or disclosed contrary to this section;

(3) the person enters into a transaction under a written automatic standardized derivatives purchase plan or other similar written automatic plan in which the person agreed to participate before obtaining knowledge of the material order information;

(4) the person entered into a transaction as a result of a written obligation that the person entered into before obtaining knowledge of the material order information; or

(5) the person entered into a transaction as agent under the specific unsolicited instructions of the principal, or under instructions that the agent solicited from the principal before obtaining knowledge of the material order information.

For the purposes of this section, "material order information" means any information relating to an order, a projected or unexecuted order to purchase or trade a standardized derivative or underlying interest, or even an intention to place such an order, that is likely to have a significant effect on the market price of the standardized derivative."

173. Section 148 of the Act is amended by striking out "en valeurs mobilières" in paragraph 1 in the French text.

174. Section 162 of the Act is amended by inserting "145.1," after "offence under section".

175. Section 166 of the Act is amended by inserting "145.1," after "sections".

176. Section 169 of the Act is amended by inserting ", 145.1" after "144" in the first paragraph.

177. Section 175 of the Act, amended by section 123 of chapter 25 of the statutes of 2009, is again amended by replacing subparagraph 22 of the first paragraph by the following subparagraph:

"(22) prescribe any other disclosure for the purposes of section 85, and the conditions and manner of any disclosure required under that section;".

178. Section 235 of the Act is amended by striking out "en valeurs mobilières" in the French text.

ACT TO AMEND THE SECURITIES ACT AND OTHER LEGISLATIVE PROVISIONS

179. Section 130 of the Act to amend the Securities Act and other legislative provisions (2009, chapter 25) is amended by replacing "A complaint," by "A".

180. Section 131 of the Act is amended by replacing "Bureau de décision et de révision en valeurs mobilières" by "Bureau de décision et de révision".

TRANSITIONAL AND FINAL PROVISIONS

181. A proceeding regarding a firm, an independent representative or an independent partnership commenced before 1 April 2010 by the Autorité des marchés financiers for the purposes of section 115 of the Act respecting the distribution of financial products and services (R.S.Q., chapter D-9.2) is continued in accordance with that Act as it read before that date.

182. The Bureau de décision et de révision exercises its powers under section 115 of the Act respecting the distribution of financial products and services with respect to a person registered in accordance with that Act from 1 April 2010, even if the person contravened that Act or a regulation before that date.

183. The Bureau de décision et de révision may use the name "Bureau de décision et de révision en valeurs mobilières" until 1 April 2010.

184. The rules of procedure determined by the Bureau de décision et de révision en valeurs mobilières in accordance with section 323.1 of the Securities Act (R.S.Q., chapter V-1.1) and in force on 3 December 2009, are deemed to have been determined by the Bureau de décision et de révision in accordance with section 115.2 of the Act respecting the Autorité des marchés financiers (R.S.Q., chapter A-33.2). They continue to apply, with the necessary modifications, until replaced or repealed by new rules determined by the Bureau de décision et de révision in accordance with that section 115.2.

185. Unless the context indicates a different meaning, in any statutory instrument or other document, the words "Bureau de décision et de révision en valeurs mobilières", or "Bureau" or "Board" when pertaining to the Bureau de décision et de révision en valeurs mobilières, refer to the Bureau de décision et de révision.

186. Regulations made by the Authority under section 210 of the Act respecting the distribution of financial products and services are deemed to have been made by the Authority under section 423 of that Act. The regulations continue to apply, with the necessary modifications, until replaced or repealed by a regulation made under that section 423.

187. This Act comes into force on 4 December 2009, except sections 28 to 31, which come into force on 1 January 2010, and paragraph 1 of section 5, section 13, section 18 to the extent that it enacts the second paragraph of section 40.2.1 of the Deposit Insurance Act (R.S.Q., chapter A-26), sections 75, 91, 92, 100, 111, paragraph 2 of section 138 and sections 139 to 153, 158, 159 and 177, which come into force on the date or dates to be set by the Government.

NATIONAL ASSEMBLY

FIRST SESSION THIRTY-NINTH LEGISLATURE

Bill 75
(2009, chapter 59)

An Act to amend the Police Act as regards cross-border policing

Introduced 17 November 2009
Passed in principle 24 November 2009
Passed 2 December 2009
Assented to 4 December 2009

Québec Official Publisher
2009

EXPLANATORY NOTES

This Act amends the Police Act to allow police officers to be granted cross-border powers, and to determine which police ethics system is to apply to officers with such powers.

To that end, it establishes a process by which an authorizing official designated by the Minister of Public Security may authorize a police officer of another province or a territory of Canada to perform police duties in Québec. The authorizing official sets the duration of the authorization and specifies the duties the police officer is authorized to perform as well as the area in which and the conditions subject to which he or she is to perform them. The authorization may be terminated at any time by the authorizing official.

Under the Act, a police officer from another jurisdiction, while performing duties in Québec within the limits set out in his or her written authorization, has all the powers and protections enjoyed by Québec police officers.

As regards police ethics, the Act stipulates that a person may lodge a complaint with Québec's Police Ethics Commissioner about the conduct in Québec of a police officer from another jurisdiction, but that the Commissioner may impose no penalty under the Police Act on such an officer. The Act sets out how the Commissioner is to deal with such complaints and what information the Commissioner must send to the authority that would normally deal with the complaint in the police officer's home province or territory.

In addition, the Act provides that a Québec police officer may be authorized by the competent authority of another province or a territory of Canada to perform police duties in that province or territory, and that the Police Act continues to apply to such a police officer in the performance of duties in that province or territory. If a complaint is lodged against a Québec police officer in that province or territory, it may be referred to Québec's Police Ethics Commissioner, who will deal with it as if the police officer's conduct that is the subject of the complaint had occurred in Québec.

Lastly, the Act contains provisions on reciprocal indemnification, by the authorities responsible for the police forces concerned, for costs arising from the exercise of cross-border policing powers.

LEGISLATION AMENDED BY THIS ACT:

– Police Act (R.S.Q., chapter P-13.1).

Bill 75

AN ACT TO AMEND THE POLICE ACT AS REGARDS CROSS-BORDER POLICING

THE PARLIAMENT OF QUÉBEC ENACTS AS FOLLOWS:

1. The Police Act (R.S.Q., chapter P-13.1) is amended by inserting the following chapter after section 104:

"**CHAPTER I.1**

"CROSS-BORDER POWERS OF POLICE OFFICERS

"**DIVISION I**

"POLICE OFFICERS OF ANOTHER PROVINCE OR A TERRITORY OF CANADA

"§1. — *Authorization procedure*

"**104.1.** A police officer of another province or a territory of Canada may be authorized to perform police duties in Québec in accordance with this division by an authorizing official designated by the Minister.

The Minister may, by directive, determine how the powers and duties of an authorizing official are to be exercised.

"**104.2.** A request for authorization is made by the director of the police force of which the police officer is a member or by a person designated by the director of that police force.

The request must be made in writing. In urgent circumstances, the request may be made orally and must specify the reasons why it cannot be made in writing.

In all cases, the request must include the following information:

(1) the name, date of birth, rank, badge number and contact information of the police officer;

(2) the name, title and contact information of the person making the request;

(3) the duration of the requested authorization;

(4) the reasons for the request, a general description of the police officer's duties in Québec and the area where the police officer is expected to perform those duties;

(5) an assessment of the risks associated with the police officer's duties, including the possibility of firearms being used.

"**104.3.** The authorizing official shall review the request and shall, to that end, consult the director of the police force, or the officer in charge of the Sûreté du Québec police station, in the area where the police officer is expected to perform duties. The authorizing official may also require any additional information from the person making the request.

"**104.4.** The authorizing official must make a decision within 10 days after receiving the request for authorization or as soon as possible if the request is made in urgent circumstances.

If the authorizing official is of the opinion that it is appropriate to grant the request, he or she shall draw up a written authorization; otherwise, he or she shall advise the person who made the request that it has been denied.

"**104.5.** The duration of the authorization may not exceed three years.

However, if the authorization is granted in urgent circumstances, its duration may not exceed 72 hours. It may be renewed once if a request has been made in writing beforehand.

"**104.6.** The written authorization, in the form determined by the Minister, must include the following information:

(1) the name, rank, badge number of the police officer and the name of the police force of which he or she is a member;

(2) the effective date and time of the authorization and its duration;

(3) the duties the police officer is authorized to perform;

(4) the area where the police officer is authorized to perform those duties;

(5) the conditions imposed on the performance of those duties, including the name of the police force under whose authority the police officer is to perform them.

"**104.7.** Before the effective date of the written authorization and not later than five days after drawing it up, the authorizing official shall send two copies to the person who made the request for authorization, who must give one of them to the authorized police officer. The authorizing official shall also issue proof of authorization to the police officer.

The authorizing official shall send a copy of the written authorization to the Minister and to the police force under whose authority the police officer is to perform duties.

If the authorization is granted in urgent circumstances and is to become effective before the person who made the request or the police officer receives a copy of the written authorization, the authorizing official shall orally inform that person of the information contained in the written authorization so that he or she may inform the authorized police officer.

"§2. — *Authorized police officer's status and duties*

"**104.8.** An authorized police officer, while performing duties in Québec, has all the powers and protections conferred on Québec police officers, subject to the limits set out in his or her written authorization.

"**104.9.** An authorized police officer does not, by virtue of the authorization granted to him or her, become an employee or member of a Québec police force. The police officer continues at all times to be a member of the police force of his or her home province or territory.

However, for the purposes of section 25.1 of the Criminal Code (Revised Statutes of Canada, 1985, chapter C-46) and section 55 of the Controlled Drugs and Substances Act (Statutes of Canada, 1996, chapter 19) as they relate to justification for acts or omissions that could otherwise constitute offences, an authorized police officer is deemed to be a member of the police force under whose authority he or she performs duties in Québec.

"**104.10.** An authorized police officer must carry proof of authorization with him or her at all times while performing duties in Québec and show it on request, unless exempted from doing so by the terms of the authorization.

"**104.11.** An authorized police officer must provide the director of the police force or the officer in charge of the Sûreté du Québec police station under whose authority the authorized police officer performs duties, or the representative of the director or officer in charge, with any information that person requires on the duties performed by the police officer in Québec and any other information the authorized police officer considers relevant.

The authorized police officer must also comply with any directions given to him or her by that person regarding the performance of those duties.

"§3. — *Termination of authorization*

"**104.12.** An authorizing official may at any time terminate a police officer's authorization, including

(1) if the authorized police officer has failed to comply with a condition imposed on his or her authorization or with a provision of this Act that applies to him or her;

(2) if the authorized police officer has failed to act in a professional manner in the performance of duties in Québec.

The authorizing official must terminate the authorization on receiving a request that it be terminated from the director of the police force of which he or she is a member, or a person designated by the director of that police force.

"**104.13.** The authorizing official shall give written notice of the termination to the police officer concerned and to the director of the police force of which he or she is a member. The termination is effective on the date and at the time specified in the notice.

The authorizing official shall also send a copy of the notice of termination to the Minister and to the police force under whose authority the police officer performed or was to perform duties.

"**DIVISION II**

"QUÉBEC POLICE OFFICERS

"**104.14.** A Québec police officer may be authorized by the competent authority of another province or a territory of Canada to perform police duties in that province or territory.

Unless special provisions apply, a Québec police officer so authorized continues to be subject to this Act while performing duties in that province or territory.

"**104.15.** A Québec police officer authorized to perform duties in another province or a territory of Canada must cooperate in any investigation, hearing or other proceeding underway in that province or territory concerning his or her conduct or an operation in which he or she participated in that province or territory, subject to the rights and privileges a police officer of that province or territory would have in the same situation.

If a Québec police officer is the subject of such a proceeding, the police force of which he or she is a member shall, on request, provide the competent person with all the relevant information and documents in its possession, subject to the rights and privileges a police force of that province or territory would have in the same situation.

"**104.16.** No statement or deposition made by a Québec police officer in the course of a proceeding referred to in section 104.15 may be used without his or her consent in police ethics or discipline proceedings instituted under this Act.

"**DIVISION III**

"INDEMNIFICATION

"**104.17.** The competent authority in respect of a Québec police force may enter into an agreement with the competent authority in another province or a territory of Canada regarding indemnification for costs arising out of the authorization granted a Québec police officer to perform police duties in that province or territory or the authorization granted a police officer of that province or territory to perform police duties in Québec.

Subject to such an agreement, the competent authority in respect of a Québec police force shall indemnify the competent authority in that province or territory against all costs, charges and expenses, including an amount paid to settle an action or satisfy a judgment, reasonably incurred in respect of a civil, penal, criminal or administrative action or proceeding, if the police force of that province or territory is a party to the action or proceeding and the action or proceeding arises out of the duties performed in that province or territory by an authorized police officer who is a member of the Québec police force."

2. Section 126 of the Act, replaced by section 14 of chapter 10 of the statutes of 2008, is amended by inserting the following paragraph after the first paragraph:

"However, only subdivision 4 of Division II applies to a police officer of another province or a territory of Canada who performs duties in Québec by virtue of cross-border powers."

3. Section 128 of the Act is amended by replacing "section 143" in the first paragraph by "section 143 or 143.1 or subdivision 4, as applicable".

4. The Act is amended by inserting the following section after section 143:

"**143.1.** A complaint about the conduct of a Québec police officer, in the performance of duties in another province or a territory of Canada, that constitutes a transgression of the Code of ethics may be referred to the Commissioner even if it has been lodged in that province or territory. In the latter case, the director of the police force of which the police officer is a member, on being notified that such a complaint has been lodged, must inform the Commissioner and forward the documents received, if any, to the Commissioner.

The Commissioner shall deal with such a complaint as if the police officer's conduct had occurred in Québec."

5. Section 149 of the Act is amended by replacing "and the director of the police force concerned" in paragraph 4 by ", the director of the police force concerned and, in the case of a complaint about the conduct of a Québec police officer in another province or a territory of Canada, the competent authority with which the complaint has been lodged in that province or territory,".

6. Section 169 of the Act is amended by replacing "and the police officer whose conduct is the subject-matter of the complaint" by ", the police officer whose conduct is the subject-matter of the complaint and, in the case of a complaint about the conduct of a Québec police officer in another province or a territory of Canada, the competent authority with which the complaint has been lodged in that province or territory".

7. Section 170 of the Act is amended by replacing "and the director of the police force to which he belongs" in the second paragraph by ", the director of the police force of which he or she is a member and, in the case of a complaint about the conduct of a Québec police officer in another province or a territory of Canada, the competent authority with which the complaint has been lodged in that province or territory".

8. Section 176 of the Act is amended by replacing "three" by "six".

9. Section 177 of the Act is amended by adding the following paragraph at the end:

"If a complaint about a Québec police officer has been lodged with the competent authority of another province or a territory of Canada and the competent authority has produced a report about the officer's conduct in that province or territory, the Commissioner may ask the competent authority to conduct a supplementary investigation."

10. Section 179 of the Act is amended by replacing "and the director of the police force to which he belongs," in the first paragraph by ", the director of the police force of which he or she is a member and, in the case of a complaint about the conduct of a Québec police officer in another province or a territory of Canada, the competent authority with which the complaint has been lodged in that province or territory,".

11. The Act is amended by inserting the following subdivision after section 193:

"§4. — *Complaints about the conduct in Québec of police officers of another province or a territory of Canada*

"**193.1.** Any person may lodge a complaint with the Commissioner about the conduct of a police officer of another province or a territory of Canada in the performance of duties in Québec that were authorized under Division I of Chapter I.1 of Title II. The complaint must be in writing.

Sections 144, 150 to 154, 156 to 162, 164, 165, 171, 173, 174, 176 and 189 to 193 apply, with the necessary modifications, to such a complaint.

"**193.2.** The Commissioner shall inform the complainant of the procedure for dealing with complaints about the conduct in Québec of police officers of another province or a territory of Canada.

The Commissioner shall also inform the complainant that no penalty may be imposed on such a police officer under this Act and give the complainant the contact information of the authority that would normally deal with the complaint in the police officer's home province or territory.

"**193.3.** Within 20 days after the receipt of the complaint, a copy of the complaint and the evidence collected is forwarded to the authority that would normally deal with the complaint in the police officer's home province or territory and to the authorizing official concerned.

"**193.4.** The Commissioner may submit the complaint to conciliation, deal with it under the Commissioner's authority if it relates to a case described in section 148, or reject it.

"**193.5.** Within 60 days after the receipt of the complaint or the identification of the police officer concerned, the Commissioner must, after a preliminary analysis of the complaint,

(1) decide whether the complaint is to be dealt with under the Commissioner's authority or must be rejected;

(2) refer the complaint to the appropriate police force for the purposes of a criminal investigation if it appears to the Commissioner that a criminal offence may have been committed;

(3) where applicable, designate a conciliator and forward the file;

(4) inform the complainant, the authority that would normally deal with the complaint in the police officer's home province or territory and the authorizing official concerned of the Commissioner's decision to refer the complaint to conciliation, to deal with it under the Commissioner's authority or to reject it.

The authorizing official shall then inform the police officer concerned and the director of the police force of which he or she is a member of the substance of the complaint, of the facts enabling the event that gave rise to the complaint to be identified and of the Commissioner's decision.

"**193.6.** The Commissioner, taking all circumstances into account, including the nature and gravity of the facts alleged in the complaint, may order the holding of an investigation.

The Commissioner may refuse to hold an investigation or may terminate an investigation if, in the Commissioner's opinion,

(1) the complaint is frivolous, vexatious or made in bad faith;

(2) the complainant without valid reasons refuses to participate in the conciliation procedure or refuses to cooperate in the investigation;

(3) having regard to all circumstances, investigation or further investigation is not necessary.

"**193.7.** The Commissioner shall notify, in writing, the complainant, the authority that would normally deal with the complaint in the police officer's home province or territory and the authorizing official concerned of any decision under section 193.6, including reasons. The Commissioner shall also inform the complainant of the complainant's right to obtain a review of the decision by submitting new facts or elements to the Commissioner within 15 days. The Commissioner shall make a decision on a review within 10 days and the decision is final.

The authorizing official shall notify, in writing, the police officer and the police force of which he or she is a member of the Commissioner's decision.

"**193.8.** Not later than 45 days after deciding to hold an investigation, and afterwards as needed during the course of the investigation, the Commissioner shall notify, in writing, the complainant, the authority that would normally deal with the complaint in the police officer's home province or territory and the authorizing official concerned of the status of the investigation, unless, in the Commissioner's opinion, to do so might adversely affect the investigation.

The authorizing official shall send a copy of the notice to the police officer concerned and the director of the police force of which he or she is a member.

"**193.9.** The Commissioner shall send the investigation report to the authority that would normally deal with the complaint in the police officer's home province or territory and the authorizing official concerned. The Commissioner may conduct a supplementary investigation on the authority's request.

The Commissioner shall notify the complainant in writing that the investigation is completed and that the report has been sent to the authority.

Once the report has been sent or the supplementary investigation is completed, the Commissioner's jurisdiction over the complaint terminates.

"**193.10.** The Commissioner shall, at the Minister's request, hold an investigation in accordance with this subdivision on the conduct in Québec of a police officer of another province or a territory of Canada."

12. Section 236 of the Act is amended by adding the following paragraph at the end:

"If the decision pertains to the conduct of a Québec police officer in another province or a territory of Canada, the Commissioner shall send a copy of the decision as soon as possible to the authority with which the complaint was lodged in that province or territory."

13. This Act comes into force on 4 December 2009.

NATIONAL ASSEMBLY

FIRST SESSION THIRTY-NINTH LEGISLATURE

Bill 80
(2009, chapter 60)

An Act to extend the term of the person designated to act temporarily as Lobbyists Commissioner

Introduced 3 December 2009
Passed in principle 3 December 2009
Passed 3 December 2009
Assented to 4 December 2009

Québec Official Publisher
2009

EXPLANATORY NOTES

This Act extends the term of the person who has been acting temporarily as Lobbyists Commissioner since 6 July 2009 until a Commissioner is appointed or until 11 June 2010, whichever occurs first.

Bill 80

AN ACT TO EXTEND THE TERM OF THE PERSON DESIGNATED TO ACT TEMPORARILY AS LOBBYISTS COMMISSIONER

THE PARLIAMENT OF QUÉBEC ENACTS AS FOLLOWS:

1. Despite the time limit specified in section 34.1 of the Lobbying Transparency and Ethics Act (R.S.Q., chapter T-11.011), the term of the person who has been acting temporarily as Lobbyists Commissioner since 6 July 2009 is extended until a Commissioner is appointed or until 11 June 2010, whichever occurs first.

2. This Act comes into force on 4 December 2009.

Regulations and other Acts

Gouvernement du Québec

O.C. 12-2010, 13 January 2010

An Act to amend the Securities Act and other legislative provisions
(2009, c. 25)

Transitional measures for the carrying out of the Act

Regulation enacting transitional measures for the carrying out of the Act to amend the Securities Act and other legislative provisions

WHEREAS the Act to amend the Securities Act and other legislative provisions (2009, c. 25) was assented to on 17 June 2009;

WHEREAS the first paragraph of section 136 of the Act provides that the Government may, by a regulation made within 12 months after the date of coming into force of that section, enact any transitional measure conducive to the carrying out of the Act;

WHEREAS the second paragraph of section 136 provides that a regulation made under that section is not subject to the publication requirement set out in section 8 of the Regulations Act (R.S.Q., c. R-18.1);

WHEREAS section 136 came into force on 17 June 2009;

WHEREAS it is expedient to make the Regulation enacting transitional measures for the carrying out of the Act to amend the Securities Act and other legislative provisions to prescribe the transitional provisions required for the supervision of representatives of mutual fund dealers and representatives of scholarship plan dealers registered under Title V of the Securities Act (R.S.Q., c. V-1.1) until the date of coming into force of section 137 of the Real Estate Brokerage Act (S.Q. 2008, c. 9);

IT IS ORDERED, therefore, on the recommendation of the Minister of Finance:

THAT the Regulation enacting transitional measures for the carrying out of the Act to amend the Securities Act and other legislative provisions, attached to this Order in Council, be made.

GÉRARD BIBEAU,
Clerk of the Conseil exécutif

Regulation enacting transitional measures for the carrying out of the Act to amend the Securities Act and other legislative provisions

An Act to amend the Securities Act and other legislative provisions
(2009, c. 25, s. 136)

1. The provisions of sections 96 and 206 of the Act respecting the distribution of financial products and services (R.S.Q., c. D-9.2) and those of the Regulation made under that section 206, as they read on 27 September 2009, apply insofar as they concern representatives of mutual fund dealers and representatives of scholarship plan dealers registered under Title V of the Securities Act (R.S.Q., c. V-1.1) until the date of coming into force of section 137 of the Real Estate Brokerage Act (2008, c. 9).

2. This Regulation comes into force on the fifteenth day following the date of its publication in the *Gazette officielle du Québec*.

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Gouvernement du Québec

O.C. 13-2010, 13 January 2010

Financial Administration Act
(R.S.Q., c. A-6.001)

Amendments to Schedules 1, 2 and 3 to the Financial Administration Act

WHEREAS, under section 2 of the Financial Administration Act (R.S.Q., c. A-6.001), as amended by chapter 58 of the Statutes of 2009, for the purposes of the Act, the budget-funded bodies listed in Schedule 1 and the bodies other than budget-funded bodies listed in Schedule 2 are government bodies, and the enterprises listed in Schedule 3 are government enterprises;

WHEREAS, under section 3 of the Act, the Government may amend a schedule to the Act following the establishment or abolition of a body or enterprise or the amendment of the Act constituting a body or enterprise, or where a body or enterprise no longer possesses the characteristics of the category in which it is classified according to the Government's accounting policies;

WHEREAS, under that section, the Government may also amend a schedule to the Act to add a body or enterprise that has acquired the characteristics of a government body or enterprise according to the Government's accounting policies;

WHEREAS, following the amendments made to the Courts of Justice Act (R.S.Q., c. T-16), the committee on the remuneration of the judges of the Court of Québec and the judges of the municipal courts, established under section 246.29 of that Act, is called "Comité de la rémunération des juges";

WHEREAS Immobilière SHQ no longer possesses the characteristics of the category in which it is classified according to the Government's accounting policies and it has acquired the characteristics of a body other than a budget-funded body according to those policies;

WHEREAS it is expedient to amend Schedules 1, 2 and 3 to the Act;

IT IS ORDERED, therefore, on the recommendation of the Minister of Finance:

THAT Schedule 1 to the Financial Administration Act be amended by striking out "de la Cour du Québec et des cours municipales";

THAT Schedule 2 to the Financial Administration Act be amended by inserting "Immobilière SHQ" in alphabetical order;

THAT Schedule 3 to the Financial Administration Act be amended by striking out "Immobilière SHQ".

GÉRARD BIBEAU,
Clerk of the Conseil exécutif

9673

Gouvernement du Québec

O.C. 15-2010, 13 January 2010

Court Bailiffs Act
(R.S.Q., c. H-4.1)

Tariff of fees and transportation expenses of bailiffs — Amendments

Regulation to amend the Tariff of fees and transportation expenses of bailiffs

WHEREAS, under section 13 of the Court Bailiffs Act (R.S.Q., c. H-4.1), a bailiff shall not charge, for acts described in section 8 of that Act, fees or costs other than those fixed in the tariff established by regulation of the Government;

WHEREAS, in accordance with sections 10 and 11 of the Regulations Act (R.S.Q., c. R-18.1), a draft of the Regulation attached to this Order in Council was published in Part 2 of the *Gazette officielle du Québec* of 6 May 2009 with a notice that it could be made by the Government on the expiry of 45 days following that publication;

WHEREAS it is expedient to make the Regulation with amendments;

IT IS ORDERED, therefore, on the recommendation of the Minister of Justice:

THAT the Regulation to amend the Tariff of fees and transportation expenses of bailiffs, attached to this Order in Council, be made.

GÉRARD BIBEAU,
Clerk of the Conseil exécutif

Regulation to amend the Tariff of fees and transportation expenses of bailiffs*

Court Bailiffs Act
(R.S.Q., c. H-4.1, s. 13)

1. The Tariff of fees and transportation expenses of bailiffs is amended in section 12 by replacing subsection 1 by the following:

* The Tariff of fees and transportation expenses of bailiffs (R.R.Q., 1981, c. H-4, r.3) was last amended by the regulation made by Order in Council 937-2004 dated 6 October 2004 (2004, *G.O.* 2, 2951). For previous amendments, refer to the *Tableau des modifications et Index sommaire*, Québec Official Publisher, 2009, updated to 1 November 2009.

"(1) For each notice of sale subsequent to the notice forming part of the minutes of seizure in execution or the notice of sale referred to in article 588 or 592.3 of the Code of Civil Procedure, the bailiff is entitled to the fees prescribed for

(a) drawing up;

(b) service on the debtor;

(c) service on the guardian if other than the debtor;

(d) service on the holders of rights published in the register of personal and movable real rights of the certified copy of the bailiff's minutes of seizure and of the notice of sale if the bailiff ascertains that rights have been granted by the debtor in the seized property;

(e) transportation.".

2. The following is added after section 21:

"**22.** To certify the authenticity of the copy of the facsimile of a document sent by fax for the purposes of article 82.1 of the Code of Civil Procedure, the bailiff is entitled to the fees in section 24 of Schedule 1.".

3. Schedule 1 is amended

(1) in section 1 by replacing "$7" in Class 1 by "$8" and "$18" in Class 2 by "$21";

(2) in section 2 by replacing "$7" in Class 1 and Class 2 by "$8";

(3) in section 3 by replacing "$7" in Class 2 by "$8";

(4) in section 5 by replacing "$7" in Class 1 and Class 2 by "$8";

(5) in section 6 by replacing "$7" in Class 1 and Class 2 by "$8";

(6) in section 7 by replacing "$7" in Class 1 and Class 2 by "$8";

(7) in section 8 by replacing

(a) "$5" in paragraphs *a* and *c* of Class 1 and Class 2 by "$6";

(b) "$10" in paragraph *b* of Class 1 and Class 2 by "$12";

(8) in section 9 by replacing "$5" in paragraphs *a* and *b* of Class 1 and Class 2 by "$6";

(9) in section 10 by replacing "$40" in Class 1 by "$46" and "$63" in Class 2 by "$72";

(10) in section 10.1 by replacing "$10" in Class 1 and Class 2 by "$12";

(11) by replacing section 11 by the following:

	Class 1	Class 2
"11. (1) Demand for payment:		
(a) not followed by seizure or sale of moveable property:	$36	$53
(b) not followed by seizure or sale of immoveable property:	$23	$40
(2) Seizure or verification:	$46	$72
(3) *Nulla bona* report in respect of seizable property, including the demand for payment:	$36	$53
(4) Operations respecting the installation and removal of a device used to immobilize a motor vehicle:		
(a) for the execution of a first writ:	$146	$146
(b) for any additional writ:		
i. execution:	$46	$46
ii. service:	$8	$8
(5) Operations respecting the immobilization and, not less than 24 hours after that operation, the towing away of a motor vehicle:		
(a) for the execution of a first writ:	$212	$212
(b) for any additional writ:		
i. execution:	$46	$46
ii. service:	$8	$8
(6) Operations respecting the immediate towing away of a motor vehicle:		
(a) for the execution of a first writ:	$173	$173

(b) for any additional writ:

i. execution:	$46	$46
ii. service:	$8	$8";

(12) in section 12

(a) by replacing "$9" in subsections 1 to 3 of Class 1 by "$10" and "$17" in subsections 1 to 3 of Class 2 by "$20";

(b) by replacing "$25" in subsection 4 of Class 1 and Class 2 by "$29";

(13) in section 13 by replacing "$9" in subsections 1 and 2 of Class 1 by "$10" and "$17" in subsections 1 and 2 of Class 2 by "$20";

(14) in section 14

(a) by replacing paragraph *a* by the following:

	Class 1	**Class 2**
"*(a)* of each notice of sale subsequent to the notice forming part of the minutes of seizure in execution or the notice of sale referred to in article 588 or 592.3 of the Code of Civil Procedure:	$7	$9 ;

(b) by replacing "$6" in paragraphs *b* to *d* of Class 1 by "$7" and "$8" in paragraphs *b* to *d* of Class 2 by "$9";

(15) in section 15 by replacing "$58" in subsections 1 and 2 of Class 1 and Class 2 by "$67";

(16) in section 15.1 by replacing "$69" in Class 1 and Class 2 by "$79";

(17) in section 16 by replacing "$9" in Class 1 and Class 2 by "$10";

(18) in section 17

(a) by replacing "$40" in paragraph *a* of Class 1 by "$46" and "$69" in paragraph *a* of Class 2 by "$79";

(b) by replacing "$75" in paragraph *b* of Class 1 and Class 2 by "$86";

(19) in section 17.1 by replacing "$20" in Class 1 and Class 2 by "$23";

(20) in section 18 by replacing "$16" in Class 1 and Class 2 by "$18";

(21) in section 19 by replacing "$29" in Class 1 by "$33" and "$52" in Class 2 by "$60";

(22) by replacing sections 19.1 and 19.2 by the following:

	Class 1	**Class 2**
"19.1 Drawing up of a scheme of collocation:	$46	$46
Apportioning of the proceeds of the sale:	$23	$23
19.2 Certification of the authenticity of the copy of the minutes of seizure and of a notice of sale or a scheme of collocation:	$3	$3 ;

(23) by replacing section 20 by the following:

	Class 1	**Class 2**
"20. *(a)* Transportation fees per kilometre travelled:	$0.63/km	$0.63/km
(b) Transportation expenses are equal to double the amount prescribed per kilometre travelled as compensation for the use of a personal automobile under the Politique de gestion contractuelle concernant les frais de déplacement des personnes engagées à honoraires par certains organismes publics (C.T. 208455 dated 9 December 2009).".		

(24) in section 21 by replacing "$12" in Class 1 and Class 2 by "$14";

(25) in section 23 by replacing "$50" in subsections 1 and 2 of Class 1 and Class 2 by "$58".

4. Schedule 1 is amended by adding the following section:

	Class 1	**Class 2**
"24. Certification of the authenticity of the copy of the facsimile of a document sent by fax:	$10	$10".

5. This Regulation comes into force on the fifteenth day following the date of its publication in the *Gazette officielle du Québec*.

9674

M.O., 2010

Order number V-1.1-2010-01 of the Minister of Finance dated 15 January 2010

Securities Act
(R.S.Q., c. V-1.1)

CONCERNING the Regulation to amend Regulation 21-101 respecting marketplace operation and the Regulation to amend Regulation 23-101 respecting trading rules

WHEREAS subparagraphs 1, 2, 3, 8, 9.1, 32 and 34 of section 331.1 of the Securities Act (R.S.Q., c. V-1.1), amended by section 138 of chapter 58 of the statutes of 2009, stipulate that the *Autorité des marchés financiers* may make regulations concerning the matters referred to in those paragraphs;

WHEREAS the third and fourth paragraphs of section 331.2 of the said Act stipulate that a draft regulation shall be published in the *Bulletin de l'Autorité des marchés financiers*, accompanied with the notice required under section 10 of the Regulations Act (R.S.Q., c. R-18.1) and may not be submitted for approval or be made before 30 days have elapsed since its publication;

WHEREAS the first and fifth paragraphs of the said section stipulate that every regulation made under section 331.1 must be approved, with or without amendment, by the Minister of Finance and comes into force on the date of its publication in the *Gazette officielle du Québec* or any later date specified in the regulation;

WHEREAS the Regulation 21-101 respecting marketplace operation was made by decision no. 2001-C-0409 dated August 28, 2001 (*Bulletin hebdomadaire* vol. 32, no 35, dated August 31, 2001);

WHEREAS the Regulation 23-101 respecting trading rules was made by decision no. 2001-C-0411 dated August 28, 2001 (*Bulletin hebdomadaire* vol. 32, no 35, dated August 31, 2001);

WHEREAS there is cause to amend those regulations;

WHEREAS the draft Regulation to amend Regulation 21-101 respecting marketplace operation and the draft Regulation to amend Regulation 23-101 respecting trading rules were published in the *Bulletin de l'Autorité des marchés financiers*, volume 5, no. 41 of October 17, 2008;

WHEREAS, by the decisions no. 2009-PDG-0194 and no. 2009-PDG-0195 dated December 23, 2009, the *Autorité des marchés financiers* made the Regulation to amend Regulation 21-101 respecting marketplace operation and the Regulation to amend Regulation 23-101 respecting trading rules;

WHEREAS there is cause to approve those regulations without amendment;

CONSEQUENTLY, the Minister of Finance approves without amendment the Regulation to amend Regulation 21-101 respecting marketplace operation and the Regulation to amend Regulation 23-101 respecting trading rules appended hereto.

January 15, 2010

RAYMOND BACHAND,
Minister of Finance

Regulation to amend Regulation 21-101 respecting marketplace operation[*]

Securities Act
(R.S.Q., c. V-1.1, s. 331.1, par. (1), (3), (8), (32) and (34); 2009, c. 58, s. 138)

1. Section 1.1 of Regulation 21-101 respecting Marketplace Operation is amended:

(1) by deleting the definition of "IDA";

(2) by replacing paragraph (b) of the definition of "recognized exchange" with the following:

"(b) in Québec, an exchange recognized by the securities regulatory authority under securities or derivatives legislation as an exchange or self-regulatory organization;";

(3) by replacing the definition of "inter-dealer bond broker" with the following:

""inter-dealer bond broker" means a person that is approved by the IIROC under IIROC Rule 36 Inter-Dealer Bond Brokerage Systems, as amended, and is subject to IIROC Rule 36 and IIROC Rule 2100 Inter-Dealer Bond Brokerage Systems, as amended;";

* Regulation 21-101 respecting Marketplace Operation, adopted pursuant to Decision No. 2001-C-0409 dated August 28, 2001 (*Bulletin hebdomadaire* Vol. 32, No. 35 dated August 31, 2001), was only amended by the Regulation adopted pursuant to Decision No. 2002-C-0128 dated March 28, 2002 (*Bulletin hebdomadaire* Vol. 33, No. 23 dated June 14, 2002), the Regulation approved by Ministerial Order No. 2007-01 dated March 6, 2007 (2007, *G.O.* 2, 1263) and the Regulation approved by Ministerial Order No. 2008-14 dated August 22, 2008 (2008, *G.O.* 2, 4547).

(4) by inserting, after the definition of "government debt security", the following:

" "IIROC" means the Investment Industry Regulatory Organization of Canada;";

(5) by replacing the definition of "recognized quotation and trade reporting system" with the following:

" "recognized quotation and trade reporting system" means

(a) in every jurisdiction other than British Columbia and Québec, a quotation and trade reporting system recognized by the securities regulatory authority under securities legislation to carry on business as a quotation and trade reporting system;

(b) in British Columbia, a quotation and trade reporting system recognized by the securities regulatory authority under securities legislation as a quotation and trade reporting system or as an exchange; and

(c) in Québec, a quotation and trade reporting system recognized by the securities regulatory authority under securities or derivatives legislation as an exchange or a self-regulatory organization;".

2. Section 1.4 of the Regulation is amended by adding, after paragraph (2), the following:

"(3) In Québec, the term "security", when used in this Regulation, includes a standardized derivative as this notion is defined in the Derivatives Act (R.S.Q., c. I-14.01).".

3. The title of part 10 of the Regulation is replaced with the following:

"PART 10 TRADING FEES FOR MARKETPLACES".

4. The Regulation is amended by adding, after section 10.2, the following:

"10.3. Discriminatory Terms

With respect to the execution of an order, a marketplace shall not impose terms that have the effect of discriminating between orders that are routed to that marketplace and orders that are entered on that marketplace.".

5. Section 11.5 of the Regulation is replaced with the following:

"11.5. Synchronization of Clocks

(1) A marketplace trading exchange-traded securities or foreign exchange-traded securities, an information processor receiving information about those securities, and a dealer trading those securities shall synchronize the clocks used for recording or monitoring the time and date of any event that must be recorded under this Part and under Regulation 23-101 respecting Trading Rules with the clock used by a regulation services provider monitoring the activities of marketplaces and marketplace participants trading those securities.

(2) A marketplace trading corporate debt securities or government debt securities, an information processor receiving information about those securities, a dealer trading those securities, and an inter-dealer bond broker trading those securities shall synchronize the clocks used for recording or monitoring the time and date of any event that must be recorded under this Part and under Regulation 23-101 respecting Trading Rules with the clock used by a regulation services provider monitoring the activities of marketplaces, inter-dealer bond brokers or dealers trading those securities.".

6. Sections 12.1 to 12.3 of the Regulation are replaced with the following:

"12.1. System Requirements

For each of its systems that support order entry, order routing, execution, trade reporting, trade comparison, data feeds, market surveillance and trade clearing, a marketplace shall

(a) develop and maintain

(i) reasonable business continuity and disaster recovery plans;

(ii) an adequate system of internal control over those systems; and

(iii) adequate information technology general controls, including without limitation, controls relating to information systems operations, information security, change management, problem management, network support and system software support;

(b) in accordance with prudent business practice, on a reasonably frequent basis and, in any event, at least annually,

(i) make reasonable current and future capacity estimates;

(ii) conduct capacity stress tests to determine the ability of those systems to process transactions in an accurate, timely and efficient manner; and

(iii) test its business continuity and disaster recovery plans; and

(c) promptly notify the regulator or, in Québec, the securities regulatory authority and, if applicable, its regulation services provider, of any material systems failure, malfunction or delay.

"**12.2. System Reviews**

(1) For each of its systems that support order entry, order routing, execution, trade reporting, trade comparison, data feeds, market surveillance and trade clearing, a marketplace shall annually engage a qualified party to conduct an independent systems review and prepare a report in accordance with established audit standards to ensure that it is in compliance with paragraph 12.1(a).

(2) A marketplace shall provide the report resulting from the review conducted under subsection (1) to

(a) its board of directors, or audit committee, promptly upon the report's completion, and

(b) the regulator or, in Québec, the securities regulatory authority, within 30 days of providing the report to its board of directors or the audit committee.

"**12.3. Availability of Technology Requirements and Testing Facilities**

(1) A marketplace shall make publicly available all technology requirements regarding interfacing with or accessing the marketplace in their final form,

(a) if operations have not begun, for at least three months immediately before operations begin; and

(b) if operations have begun, for at least three months before implementing a material change to its technology requirements.

(2) After complying with subsection (1), a marketplace shall make available testing facilities for interfacing with or accessing the marketplace,

(a) if operations have not begun, for at least two months immediately before operations begin; and

(b) if operations have begun, for at least two months before implementing a material change to its technology requirements.

(3) A marketplace shall not begin operations until it has complied with paragraphs (1)(a) and (2)(a).

(4) Subsections 12.3(1)(b) and (2)(b) do not apply to a marketplace if the change must be made immediately to address a failure, malfunction or material delay of its systems or equipment if

(a) the marketplace immediately notifies the regulator, or in Québec, the securities regulatory authority, and, if applicable, its regulation services provider of its intention to make the change; and

(b) the marketplace publishes the changed technology requirements as soon as practicable.".

7. Section 14.5 of the Regulation is replaced with the following:

"**14.5. System Requirements**

An information processor shall

(a) develop and maintain

(i) reasonable business continuity and disaster recovery plans;

(ii) an adequate system of internal controls over its critical systems; and

(iii) adequate information technology general controls, including, without limitation, controls relating to information systems operations, information security, change management, problem management, network support, and system software support;

(b) in accordance with prudent business practice, on a reasonably frequent basis and in any event, at least annually,

(i) make reasonable current and future capacity estimates for each of its systems;

(ii) conduct capacity stress tests of its critical systems to determine the ability of those systems to process information in an accurate, timely and efficient manner; and

(iii) test its business continuity and disaster recovery plans;

(c) annually engage a qualified party to conduct an independent systems review and prepare a report in accordance with established audit standards to ensure that it is in compliance with paragraph (a);

(d) provide the report resulting from the review conducted under paragraph (c) to

(i) its board of directors or the audit committee promptly upon the report's completion, and

(ii) the regulator or, in Québec, the securities regulatory authority, within 30 days of providing it to the board of directors or the audit committee; and

(e) promptly notify the following of any failure, malfunction or material delay of its systems or equipment

(i) the regulator or, in Québec, the securities regulatory authority; and

(ii) any regulation services provider, recognized exchange or recognized quotation and trade reporting system monitoring trading of the securities about which information is provided to the information processor.".

8. This Regulation comes into force on January 28, 2010.

Regulation to amend Regulation 23-101 respecting trading rules*

Securities Act
(R.S.Q., c. V-1.1, s. 331.1, par. (1), (2), (3), (8), (9.1), (32) and (34); 2009, c. 58, s. 138)

1. Section 1.1 of Regulation 23-101 respecting Trading Rules is amended:

(1) by inserting, after the introductory phrase, the following definition:

" "automated functionality" means the ability to

(a) immediately allow an incoming order that has been entered on the marketplace electronically to be marked as immediate-or-cancel;

(b) immediately and automatically execute an order marked as immediate-or-cancel against the displayed volume;

(c) immediately and automatically cancel any unexecuted portion of an order marked as immediate-or-cancel without routing the order elsewhere;

(d) immediately and automatically transmit a response to the sender of an order marked as immediate-or-cancel indicating the action taken with respect to the order; and

(e) immediately and automatically display information that updates the displayed orders on the marketplace to reflect any change to their material terms;";

(2) by inserting, after the definition of "best execution", the following:

""calculated-price order" means an order for the purchase or sale of an exchange-traded security, other than an option, that is entered on a marketplace and for which the price of the security

(a) is not known at the time of order entry; and

(b) is not based, directly or indirectly, on the quoted price of an exchange-traded security at the time the commitment to execute the order was made;

"closing-price order" means an order for the purchase or sale of an exchange-traded security, other than an option, that is

(a) entered on a marketplace on a trading day; and

(b) subject to the conditions that

(i) the order be executed at the closing sale price of that security on that marketplace for that trading day; and

(ii) the order be executed subsequent to the establishment of the closing price;

"directed-action order" means a limit order for the purchase or sale of an exchange-traded security, other than an option, that,

(a) when entered on or routed to a marketplace is to be immediately

(i) executed against a protected order with any remainder to be booked or cancelled; or

(ii) placed in an order book;

(b) is marked as a directed-action order; and

* Regulation 23-101 respecting Trading Rules, adopted pursuant to Decision No. 2001-C-0411 dated August 28, 2001 (*Bulletin hebdomadaire* Vol. 32, No. 35 dated August 31, 2001), was only amended by the Regulation adopted pursuant to Decision No. 2002-C-0128 dated March 28, 2002 (*Bulletin hebdomadaire* Vol. 33, No. 23 dated June 14, 2002), the Regulation approved by Ministerial Order No. 2007-02 dated March 6, 2007 (2007, *G.O.* 2, 1269) and the Regulation approved by Ministerial Order No. 2008-15 dated August 22, 2008 (2008, *G.O.* 2, 4550).

(c) is entered or routed at the same time as one or more additional limit orders that are entered on or routed to one or more marketplaces, as necessary, to execute against any protected order with a better price than the order referred to in paragraph (a);

"non-standard order" means an order for the purchase or sale of an exchange-traded security, other than an option, that is entered on a marketplace and is subject to non-standardized terms or conditions related to settlement that have not been set by the marketplace on which the security is listed or quoted;

"protected bid" means a bid for an exchange-traded security, other than an option

(a) that is displayed on a marketplace that provides automated functionality; and

(b) about which information is required to be provided pursuant to Part 7 of Regulation 21-101 respecting Marketplace Operation, adopted by the Commission des valeurs mobilières du Québec pursuant to decision No. 2001-C-0409 dated August 28, 2001, to an information processor or, if there is no information processor, to an information vendor that meets the standards set by a regulation services provider;

"protected offer" means an offer for an exchange-traded security, other than an option,

(a) that is displayed on a marketplace that provides automated functionality; and

(b) about which information is required to be provided pursuant to Part 7 of Regulation 21-101 respecting Marketplace Operation to an information processor or, if there is no information processor, to an information vendor that meets the standards set by a regulation services provider;

"protected order" means a protected bid or protected offer; and

"trade-through" means the execution of an order at a price that is,

(a) in the case of a purchase, higher than any protected offer, or

(b) in the case of a sale, lower than any protected bid.".

2. Section 1.2 of the Regulation is amended by deleting ", adopted by the Commission des valeurs mobilières du Québec pursuant to decision No. 2001-C-0409 dated August 28, 2001".

3. Section 3.1 of the Regulation is amended by replacing, in paragraph (2), "the Securities Act (R.S.Q., C.V-V-1.1)" with "the Derivatives Act (R.S.Q., c. I-14.01) and the Securities Act (R.S.Q., c. V-1.1),".

4. The title of part 6 and section 6.1 of the Regulation are replaced with the following:

"**PART 6 TRADING HOURS AND LOCKED OR CROSSED ORDERS**

"6.1. Trading Hours

Each marketplace shall set requirements in respect of the hours of trading to be observed by marketplace participants.

"**6.2. Locked or Crossed Orders**

A marketplace participant shall not intentionally

(a) enter on a marketplace a protected order to buy a security at a price that is the same as or higher than the best protected offer; or

(b) enter on a marketplace a protected order to sell a security at a price that is the same as or lower than the best protected bid.".

5. The title of part 6 and section 6.1 of the Regulation are replaced with the following:

"**PART 6 ORDER PROTECTION**

"**6.1. Marketplace Requirements for Order Protection**

(1) A marketplace shall establish, maintain and ensure compliance with written policies and procedures that are reasonably designed

(a) to prevent trade-throughs on that marketplace other than the trade-throughs referred to in section 6.2; and

(b) to ensure that the marketplace, when executing a transaction that results in a trade-through referred to in section 6.2, is doing so in compliance with this Part.

(2) A marketplace shall regularly review and monitor the effectiveness of the policies and procedures required under subsection (1) and shall promptly remedy any deficiencies in those policies and procedures.

(3) At least 45 days before implementation, a marketplace shall file with the securities regulatory authority and, if applicable, its regulation services provider the

policies and procedures, and any significant changes to those policies and procedures, established under subsection (1).

"**6.2. List of Trade-throughs**

The following are the trade-throughs referred to in paragraph 6.1(1)(a):

(a) a trade-through that occurs when the marketplace has reasonably concluded that the marketplace displaying the protected order that was traded through was experiencing a failure, malfunction or material delay of its systems or equipment or ability to disseminate marketplace data;

(b) the execution of a directed-action order;

(c) a trade-through by a marketplace that simultaneously routes a directed-action order to execute against the total displayed volume of any protected order that is traded through;

(d) a trade-though if, immediately before the trade-through, the marketplace displaying the protected order that is traded through displays as its best price a protected order with a price that is equal or inferior to the price of the trade-through;

(e) a trade-through that results when executing

(i) a non-standard order;

(ii) a calculated-price order; or

(iii) a closing-price order;

(f) a trade-through that was executed at a time when the best protected bid for the security traded through was higher than the best protected offer.

"**6.3. Systems or Equipment Failure, Malfunction or Material Delay**

(1) If a marketplace experiences a failure, malfunction or material delay of its systems, equipment or its ability to disseminate marketplace data, the marketplace shall immediately notify

(a) all other marketplaces;

(b) all regulation services providers;

(c) its marketplace participants; and

(d) any information processor or, if there is no information processor, any information vendor that disseminates its data under Part 7 of Regulation 21-101 respecting Marketplace Operation.

(2) If executing a transaction described in paragraph 6.2(a), and a notification has not been sent under subsection (1), a marketplace that routes an order to another marketplace shall immediately notify

(a) the marketplace that it reasonably concluded is experiencing a failure, malfunction or material delay of its systems or equipment or its ability to disseminate marketplace data;

(b) all regulation services providers;

(c) its marketplace participants; and

(d) any information processor disseminating information under Part 7 of Regulation 21-101 respecting Marketplace Operation.

(3) If a marketplace participant reasonably concludes that a marketplace is experiencing a failure, malfunction or material delay of its systems or equipment or its ability to disseminate marketplace data, and routes an order to execute against a protected order on another marketplace displaying an inferior price, the marketplace participant must notify the following of the failure, malfunction or material delay

(a) the marketplace that may be experiencing a failure, malfunction or material delay of its systems or equipment or its ability to disseminate marketplace data; and

(b) all regulation services providers.

"**6.4. Marketplace Participant Requirements for Order Protection**

(1) A marketplace participant must not enter a directed-action order unless the marketplace participant has established, and maintains and ensures compliance with, written policies and procedures that are reasonably designed

(a) to prevent trade-throughs other than the trade-throughs listed below:

(i) a trade-through that occurs when the marketplace participant has reasonably concluded that the marketplace displaying the protected order that was traded through was experiencing a failure, malfunction or material delay of its systems or equipment or ability to disseminate marketplace data;

(ii) a trade-through by a marketplace participant that simultaneously routes a directed-action order to execute against the total displayed volume of any protected order that is traded through;

(iii) a trade-through if, immediately before the trade-through, the marketplace displaying the protected order that is traded through displays as its best price a protected order with a price that is equal or inferior to the price of the trade-through transaction;

(iv) a trade-through that results when executing

(A) a non-standard order;

(B) a calculated-price order; or

(C) a closing-price order;

(v) a trade-through that was executed at a time when the best protected bid for the security traded through was higher than the best protected offer; and

(b) to ensure that when executing a trade-through listed in paragraphs (a)(i) to (a)(v), it is doing so in compliance with this Part.

(2) A marketplace participant that enters a directed-action order shall regularly review and monitor the effectiveness of the policies and procedures required under subsection (1) and shall promptly remedy any deficiencies in those policies and procedures.

"**6.5. Locked or Crossed Orders**

A marketplace participant shall not intentionally

(a) enter on a marketplace a protected order to buy a security at a price that is the same as or higher than the best protected offer; or

(b) enter on a marketplace a protected order to sell a security at a price that is the same as or lower than the best protected bid.

"**6.6. Trading Hours**

A marketplace shall set the hours of trading to be observed by marketplace participants.

"**6.7. Anti-Avoidance**

No person shall send an order to an exchange, quotation and trade reporting system or alternative trading system that does not carry on business in Canada in order to avoid executing against better-priced orders on a marketplace.

"**6.8. Application of this Part**

In Québec, this Part does not apply to standardized derivatives.".

6. Section 7.2 of the Regulation is amended by replacing paragraph (c) with the following:

"(c) that the recognized exchange will transmit to the regulation services provider the information required by Part 11 of Regulation 21-101 respecting Marketplace Operation and any other information reasonably required to effectively monitor:

(i) the conduct of and trading by marketplace participants on and across marketplaces, and

(ii) the conduct of the recognized exchange, as applicable; and".

7. Section 7.4 of the Regulation is amended by replacing paragraph (c) with the following:

"(c) that the recognized quotation and trade reporting system will transmit to the regulation services provider the information required by Part 11 of Regulation 21-101 respecting Marketplace Operation and any other information reasonably required to effectively monitor:

(i) the conduct of and trading by marketplace participants on and across marketplaces, and

(ii) the conduct of the recognized quotation and trade reporting system, as applicable; and".

8. Section 7.5 of the Regulation is amended by replacing the words "under this Part" with "under Parts 7 and 8".

9. Section 8.3 of the Regulation is amended by replacing paragraph (d) with the following:

"(d) that the ATS will transmit to the regulation services provider the information required by Part 11 of Regulation 21-101 respecting Marketplace Operation and any other information reasonably required to effectively monitor:

(i) the conduct of and trading by marketplace participants on and across marketplaces, and

(ii) the conduct of the ATS; and".

10. Section 9.3 of the Regulation is amended by replacing the words "IDA Policy No. 5 Code of Conduct for IDA Member Firms Trading in Domestic Debt

Markets" with the words "IIROC Rule 2800 Code of Conduct for Corporation Dealer Member Firms Trading in Wholesale Domestic Debt Markets".

11. The provisions of paragraph (1) and paragraph (2), to the extent that it sets out the definitions of "protected bid", "protected offer" and "protected order", of section 1, and sections 2 to 4 and 6 to 10 of this Regulation come into force on January 28, 2010.

12. The provisions of paragraph (2), to the extent that it sets out the definitions of "calculated-price order", "closing-price order", "directed-action order", "non-standard order" and "trade-through", of section 1 and section 5 this Regulation come into force on February 1, 2011.

9677

M.O., 2010

Order number V-1.1-2010-03 of the Minister of Finance dated 15 January 2010

Securities Act
(R.S.Q., c. V-1.1)

CONCERNING the Regulation to repeal Regulation 54-102 respecting interim financial statement and report exemption

WHEREAS subparagraphs 2, 4.1, 11, 19, 20 and 34 of section 331.1 of the Securities Act (R.S.Q., c. V-1.1), amended by section 138 of chapter 58 of the statutes of 2009, stipulate that the *Autorité des marchés financiers* may make regulations concerning the matters referred to in those paragraphs;

WHEREAS the third and fourth paragraphs of section 331.2 of the said Act stipulate that a draft regulation shall be published in the *Bulletin de l'Autorité des marchés financiers*, accompanied with the notice required under section 10 of the Regulations Act (R.S.Q., c. R-18.1) and may not be submitted for approval or be made before 30 days have elapsed since its publication;

WHEREAS the first and fifth paragraphs of the said section stipulate that every regulation made under section 331.1 must be approved, with or without amendment, by the Minister of Finance and comes into force on the date of its publication in the *Gazette officielle du Québec* or any later date specified in the regulation;

WHEREAS the Regulation 54-102 respecting interim financial statement and report exemption was adopted pursuant to decision no. 2003-C-0085 dated March 3, 2003 (*Bulletin hebdomadaire* vol. 34, no. 19, dated May 16, 2003)

WHEREAS there is cause to repeal this regulation;

WHEREAS the draft Regulation to repeal Regulation 54-102 respecting interim financial statement and report exemption was published in the *Bulletin de l'Autorité des marchés financiers*, volume 6, no. 42 of October 23, 2009;

WHEREAS, by the decision no. 2009-PDG-0193 dated December 23, 2009, the *Autorité des marchés financiers* made the Regulation to repeal Regulation 54-102 respecting interim financial statement and report exemption;

WHEREAS there is cause to approve this regulation without amendment;

CONSEQUENTLY, the Minister of Finance approves without amendment the Regulation to repeal Regulation 54-102 respecting interim financial statement and report exemption appended hereto.

January 15, 2010

RAYMOND BACHAND,
Minister of Finance

Regulation to repeal Regulation 54-102 respecting interim financial statement and report exemption*

Securities Act
(R.S.Q., c. V-1.1, s. 331.1, pars. (2), (4.1), (11), (19), (20) and (34); 2009, c. 58, s. 138)

1. Regulation 54-102 respecting Interim Financial Statement and Report Exemption is repealed.

2. This Regulation comes into force on January 28, 2010.

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* Regulation 54-102 respecting Interim Financial Statement and Report Exemption, was adopted pursuant to Decision No. 2003-C-0085 dated March 3, 2003 and published in the Supplement to the weekly Bulletin of the *Commission des valeurs mobilières du Québec*, Volume 34, No. 19, dated May 16, 2003, and has not been amended since its adoption.

Draft Regulations

Draft Regulation

Building Act
(R.S.Q., c. B-1.1)

Regulation
— Fight crime in the construction industry
— Amendment

Notice is hereby given, in accordance with sections 10 and 11 of the Regulations Act (R.S.Q., c. R-18.1), that the Regulation to amend the Regulation respecting the application of the Building Act, appearing below, may be made by the Government with or without amendments on the expiry of 45 days following this publication.

The draft Regulation proposes to remove exemptions with respect to the verification of judicial records of owner-builders in order to fight crime in the construction industry. The draft Regulation is a complement to the Regulation to amend the Regulation respecting the professional qualification of contractors and owner-builders.

The draft Regulation has no impact on the public and should not have any negative impact on enterprises, including small and medium-sized businesses.

Further information may be obtained by contacting Anne-Marie Gaudreau, Régie du bâtiment du Québec, 545, boulevard Crémazie Est, 3e étage, Montréal (Québec) H2M 2V2; telephone: 514 873-6606; fax: 514 873-3418.

Any person wishing to comment on the draft Regulation is requested to submit written comments within the 45-day period to Michel Beaudoin, Chairman and Chief Excutive Officer, Régie du bâtiment du Québec, 545, boulevard Crémazie Est, 3e étage, Montréal (Québec) H2M 2V2.

SAM HAMAD,
Minister of Labour

Regulation to amend the Regulation respecting the application of the Building Act*

Building Act
(R.S.Q., c. B-1.1, s. 182, 1st par., subpar. 1)

1. The Regulation respecting the application of the Building Act is amended in section 2

(1) by replacing "subparagraphs 5 and 8" in paragraph 2 by "subparagraph 5";

(2) by replacing "2, 5 and 8" in paragraph 3 by "2 and 5";

(3) by replacing "subparagraphs 1, 6 and 6.1" in paragraph 5 by "subparagraph 1".

2. This Regulation comes into force on the fifteenth day following the date of its publication in the *Gazette officielle du Québec*.

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Draft Regulation

Building Act
(R.S.Q., c. B-1.1)

Professional qualification of contractors and owner-builders
— Fight crime in the construction industry
— Amendment

Notice is hereby given, in accordance with sections 10 and 11 of the Regulations Act (R.S.Q., c. R-18.1), that the Regulation to amend the Regulation respecting the professional qualification of contractors and owner-builders, appearing below, may be approved by the Government with or without amendments on the expiry of 45 days following this publication.

* The Regulation respecting the application of the Building Act, made by Order in Council 375-95 dated 22 March 1995 (1995, *G.O.* 2, 1100), was last amended by the regulation made by Order in Council 143-2009 dated 18 February 2009 (2009, *G.O.* 2, 204). For previous amendments, refer to the *Tableau des modifications et Index sommaire*, Québec Official Publisher, 2009, updated to 1 November 2009.

The draft Regulation tightens the conditions for obtaining a licence in order to fight crime in the construction industry. It extends the verification of judicial records of contractors and owner-builders to all criminal offences.

The draft Regulation proposes to obtain from every legal person acting as contractor or owner-builder, that is not a reporting issuer within the meaning of the Securities Act (R.S.Q., c. V-1.1), the names, addresses, dates of birth and telephone numbers of all shareholders in order to verify if they have been convicted of an offence under a fiscal law or of a criminal offence. That obligation also applies to officers of a partnership or legal person who are shareholders of the contractor or owner-builder.

The draft Regulation also requires that contractors and owner-builders provide the names, addresses and telephone numbers of those lending them money and, if the lenders are natural persons, their dates of birth. They must also provide a statement from each lender indicating if the lender or its officers have been convicted of a criminal offence or an offence under a fiscal law and the names, addresses and dates of birth of its officers.

The draft Regulation has no impact on the public and should not have any negative impact on enterprises, including small and medium-sized businesses.

Further information may be obtained by contacting Anne-Marie Gaudreau, Régie du bâtiment du Québec, 545, boulevard Crémazie Est, 3e étage, Montréal (Québec) H2M 2V2; telephone: 514 873-6606; fax: 514 873-3418.

Any person wishing to comment on the draft Regulation is requested to submit written comments within the 45-day period to Michel Beaudoin, Chairman and Chief Excutive Officer, Régie du bâtiment du Québec, 545, boulevard Crémazie Est, 3e étage, Montréal (Québec) H2M 2V2.

SAM HAMAD,
Minister of Labour

Regulation to amend the Regulation respecting the professional qualification of contractors and owner-builders*

Building Act
(R.S.Q., c. B-1.1, s. 185, pars. 8 and 38)

1. The Regulation respecting the professional qualification of contractors and owner-builders is amended in section 12

(1) by inserting "and, if the partnership or legal person is not a reporting issuer within the meaning of the Securities Act (R.S.Q., c. V-1.1), shareholders" after "officer" in subparagraph *b* of subparagraph 1 of the first paragraph;

(2) by replacing subparagraph *h* of subparagraph 1 of the first paragraph by the following:

"*(h)* a statement that the person, partnership or legal person on whose behalf the application is made, any of its officers or, if the partnership or legal person is not a reporting issuer within the meaning of the Securities Act (R.S.Q., c. V-1.1), any of its shareholders, has not, in the 5 years preceding the application, been convicted of an offence under a fiscal law or of a criminal offence, or proof of pardon;";

(3) by inserting the following after subparagraph *m* of subparagraph 1 of the first paragraph:

"*(n)* a list including the name, address and telephone number of the lenders referred to in subparagraph 8.2 of the first paragraph of section 58 or subparagraph 8 of the first paragraph of section 60 of the Act and if the lender is a natural person, the person's date of birth;

(o) a statement from each lender indicating for the lender and, in the case of a partnership or legal person, for its officers whose names, addresses and dates of birth are indicated, if, in the 5 years preceding the date of the loan, they have been convicted of an offence under a fiscal law or of a criminal offence, or proof of pardon;";

(4) by inserting "to *o*" after "*m*" in subparagraph *a* of subparagraph 2 of the first paragraph;

* The Regulation respecting the professional qualification of contractors and owner-contractors approved by Order in Council 314-2008 dated 2 April 2008 (2008, *G.O.* 2, 1115) has not been amended since its approval.

(5) by adding the following at the end:

"For the purposes of subparagraphs *b* and *h* of subparagraph 1 of the first paragraph, the word "shareholders" means the officers of the partnership or legal person that holds shares in the legal person on whose behalf the application is made.".

2. This Regulation comes into force on the fifteenth day following the date of its publication in the *Gazette officielle du Québec*.

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Abbreviations: **A**: Abrogated, **N**: New, **M**: Modified