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Summary

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NATIONAL ASSEMBLY

FIRST SESSION FORTIETH LEGISLATURE

Bill 5
(2012, chapter 28)

An Act to amend the Act respecting the Québec sales tax and other legislative provisions

Introduced 14 November 2012
Passed in principle 4 December 2012
Passed 7 December 2012
Assented to 7 December 2012

Québec Official Publisher
2012

EXPLANATORY NOTES

This Act amends the Financial Administration Act, the Tax Administration Act, the Public Administration Act and the Act respecting the Québec sales tax in order to introduce changes to the Québec tax system that are to be applicable in 2013 and were announced in Information Bulletin 2012-4 published on 31 May 2012. These changes are pursuant to undertakings to harmonize the Québec tax system with the federal tax system and include

(1) the removal of the goods and services tax (GST) from the Québec sales tax (QST) base; to ensure that that change will not have an impact on public finances, the QST is increased by 0.475% and its effective rate thus maintained at 9.975%;

(2) the exemption of financial services;

(3) the replacement of the existing mechanism exempting the Gouvernement du Québec and some of its mandataries from payment of the QST by a QST payment and rebate mechanism;

(4) the presumption that the supply of a property that has not been released by Customs is deemed to be made outside Québec; and

(5) the optional registration under the Québec sales tax of a non-resident of Québec who resides in Canada.

The Act respecting the Agence du revenu du Québec is also amended to transfer part of the Accumulated Sick Leave Fund to the Agence du revenu du Québec.

In addition, the Tobacco Tax Act, the Tax Administration Act and the Regulation respecting the application of the Tobacco Tax Act are amended to increase certain fines, give inspectors appointed under the Tobacco Act oversight powers in retail sale outlets with respect to the identification of tobacco products required under the Tobacco Tax Act, implement a new tobacco products identification scheme, enhance the mechanism for the rapid destruction of exhibits seized, enhance the evidence preservation mechanism, and enable police officers, like employees of the Agence du revenu du Québec, to obtain an authorization from the court to implement a special investigative method.

The Fuel Tax Act, the Act respecting the Ministère des Transports and the Transport Act are also amended to increase the fuel tax rate applicable in the Gaspésie–Îles-de-la-Madeleine administrative region and to provide for the payment of a portion of the fuel tax collected in a given area into the Land Transportation Network Fund to finance measures relating to public transit in that area.

Lastly, this Act amends other legislation to make various technical amendments as well as consequential and terminology-related amendments.

LEGISLATION AMENDED BY THIS ACT:

– Financial Administration Act (chapter A-6.001);

– Tax Administration Act (chapter A-6.002);

– Public Administration Act (chapter A-6.01);

– Act respecting the Agence du revenu du Québec (chapter A-7.003);

– Tobacco Tax Act (chapter I-2);

– Act respecting the Ministère des Transports (chapter M-28);

– Act respecting the Québec sales tax (chapter T-0.1);

– Fuel Tax Act (chapter T-1);

– Transport Act (chapter T-12).

REGULATION AMENDED BY THIS ACT:

– Regulation respecting the application of the Tobacco Tax Act (chapter I-2, r. 1).

Bill 5

AN ACT TO AMEND THE ACT RESPECTING THE QUÉBEC SALES TAX AND OTHER LEGISLATIVE PROVISIONS

THE PARLIAMENT OF QUÉBEC ENACTS AS FOLLOWS:

FINANCIAL ADMINISTRATION ACT

1. The Financial Administration Act (chapter A-6.001) is amended by inserting the following section after section 9:

"**9.1.** The sales tax that a department or a budget-funded body has paid or is required to pay under Title I of the Act respecting the Québec sales tax (chapter T-0.1) also constitutes a permanent charge against the Consolidated Revenue Fund. In addition, the tax provided for in Part IX of the Excise Tax Act (Revised Statutes of Canada, 1985, chapter E-15) that a department or a budget-funded body has paid or is required to pay in accordance with the Comprehensive Integrated Tax Coordination Agreement entered into between the Government of Canada and the Gouvernement du Québec constitutes a charge against the Consolidated Revenue Fund."

TAX ADMINISTRATION ACT

2. (1) Section 1.4 of the Tax Administration Act (chapter A-6.002) is replaced by the following section:

"**1.4.** Despite any general or special Act and subject to section 1.5, the provisions of any fiscal law or of any regulation made under such a law that provide for the payment of interest or of a penalty are binding on a mandatary and a body of the State."

(2) Subsection 1 applies from 1 April 2013.

3. (1) The Act is amended by inserting the following section after section 1.4:

"**1.5.** This Act, except Division VIII of Chapter III, does not apply to the Government or any of its departments or mandataries in relation to an amount it paid, is deemed to have paid or is required to pay under Title I of the Act respecting the Québec sales tax (chapter T-0.1) and for which it is entitled to the rebate provided for in section 399.1 of that Act, as well as in respect of such a rebate."

(2) Subsection 1 applies from 1 April 2013.

4. (1) Section 9.0.1.1 of the Act is amended by adding the following paragraphs:

"For the purposes of the agreement,

(*a*) unless the context indicates otherwise, in any law and in any regulation, a reference to an employee of the Agency is a reference to an employee of the Canada Revenue Agency;

(*b*) a deed, document or writing binds the Minister or the Agency, or may be attributed to them, only if it is signed by the Minister of National Revenue, the Commissioner of Revenue, appointed under section 25 of the Canada Revenue Agency Act (Statutes of Canada, 1999, chapter 17), or any employee of the Canada Revenue Agency, but in the latter case, only to the extent determined by a regulation of the Minister;

(*c*) if an employee of the Agency or any other person must be authorized or designated for the purposes of a law or regulation referred to in the first paragraph by the Minister or the president and chief executive officer, otherwise than by regulation of the Minister, the Minister of National Revenue or the Commissioner of Revenue is competent to authorize or designate an employee of the Canada Revenue Agency or another person with the agreement of the president and chief executive officer;

(*d*) an unsigned notice of assessment is valid, binds the Minister and is attributable to the Minister in the same manner as if it were signed by the Minister, if it bears the official title of the Commissioner of Revenue;

(*e*) a document or a copy of a document held by the Canada Revenue Agency is authentic if it is signed or certified by the Commissioner of Revenue or by an employee of the Canada Revenue Agency that is authorized by the Commissioner of Revenue;

(*f*) any amount owed by a person under a law or regulation referred to in the first paragraph must be paid to the Receiver General for Canada;

(*g*) despite the first paragraph of section 28 and sections 28.1 and 28.2, any amount owed under a law or regulation referred to in the first paragraph bears interest at the prescribed rate and according to the rules provided for in section 280 of the Excise Tax Act, with the necessary modifications;

(*h*) despite the second paragraph of section 28 and sections 28.1 and 30, any refund owed by the Minister under a law or regulation referred to in the first paragraph, or any amount of such a refund allocated in accordance with section 31 to a payment that the person to whom the refund is owing must make under such a law, bears interest at the prescribed rate and according to the rules provided for in subsection 3 of section 229 or 230 of the Excise Tax Act, with the necessary modifications;

(*i*) the first paragraph of section 59, to the extent that a failure to file a return or report is covered by that paragraph, and the second paragraph of section 59.2 do not apply in respect of a financial institution referred to in the first paragraph;

(*j*) a financial institution referred to in the first paragraph that fails to file a return in the manner and within the time prescribed by a law or regulation referred to in the first paragraph incurs a penalty in accordance with the rules set out in section 280.1 of the Excise Tax Act; and

(*k*) section 124 of the Excise Tax Act applies in respect of the interest and penalties provided for in subparagraphs *g*, *h* and *j*, with the necessary modifications.

The second, third and fourth paragraphs of section 40 of the Act respecting the Agence du revenu du Québec (chapter A-7.003) apply to the regulation of the Minister made under subparagraph *b* of the second paragraph, with the necessary modifications."

(2) Subsection 1 applies from 1 January 2013.

5. (1) Section 31.1 of the Act is amended by adding the following paragraph:

"The refund to which a person is entitled under the Act respecting the Québec sales tax may, following an allocation in accordance with section 31, where applicable, be applied, in accordance with the agreement entered into under section 9.0.1.1, to the payment of a debt owed by the person under Part IX of the Excise Tax Act (Revised Statutes of Canada, 1985, chapter E-15)."

(2) Subsection 1 applies from 1 January 2013.

6. Section 40.1.0.1 of the Act is amended by adding the following paragraph:

"A person referred to in section 13.2.0.2 of the Tobacco Tax Act may, in respect of an offence under that Act or a regulation made by the Government under that Act, apply for a warrant or telewarrant and make a search, in accordance with articles 96 to 114 of the Code of Penal Procedure, in a tobacco retail outlet referred to in that section 13.2.0.2 and inspect it for the purpose of searching for, seizing and removing packages of tobacco that are not identified in accordance with section 13.1 of the Tobacco Tax Act and that may afford evidence of that offence, or anything that is being or has been used in the commission of the offence or, where the person has reasonable grounds to believe that such an offence is being or has been committed and that such packages of tobacco or such things are in the tobacco retail outlet, search for them, seize them and remove them without making an application for a warrant or telewarrant, if the person in charge of that place consents to the search or in exigent circumstances within the meaning of article 96 of the Code of Penal Procedure; the person may, in all cases, call upon the assistance of a peace officer."

7. Section 40.1.1 of the Act is amended

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

"When the authorization applied for concerns the enforcement of the Tobacco Tax Act (chapter I-2), the application may also be made following an information laid in writing and under oath by a member of the Sûreté du Québec or of a municipal police force and the authorization may also be issued to any member of the Sûreté du Québec or of a municipal police force, who may call upon the assistance of an employee of the Agency.";

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

"Nothing in the first and second paragraphs may be construed as permitting interference with the physical integrity of any person.";

(3) by replacing "sixth" in the seventh paragraph by "seventh".

8. Section 40.3 of the Act is amended by replacing "with section 40.5" in the first paragraph by "with section 40.5 or 40.5.1".

9. Section 40.5 of the Act is amended by adding the following paragraphs:

"If the thing seized is a package of tobacco that is not identified in accordance with section 13.1 of the Tobacco Tax Act (chapter I-2), the Minister's application for destruction may also be made to a judge of the Court of Québec sitting for the district of Québec or of Montréal and, in such a case, prior notice of not less than three clear days must be given.

The Minister may make the application under the third paragraph on behalf of a prosecutor referred to in section 15.0.1 of the Tobacco Tax Act, when so required by the latter."

10. The Act is amended by inserting the following section after section 40.5:

"**40.5.1.** Despite section 40.5, where a thing seized is a package of tobacco that is not identified in accordance with section 13.1 of the Tobacco Tax Act (chapter I-2) and that contains a quantity of tobacco that is less than or equal to 1,600 units or 1,600 grams of tobacco, the Minister may destroy that thing or cause it to be destroyed as of the fifteenth day following the seizure, unless, before that day, the person from whom the thing was seized or the person who claims to have a right in the thing applies to a judge of the Court of Québec to establish that right to the possession of the thing and serves on the Minister a prior notice of not less than one clear day of the application.

Proof of a thing seized that is destroyed in accordance with the first paragraph may be made by means of samples kept in sufficient quantity."

11. Section 40.6 of the Act is amended by replacing "sixth paragraph of section 40.1.1" by "seventh paragraph of section 40.1.1".

12. The Act is amended by inserting the following section after section 59.2.2:

"**59.2.3.** In addition to any other penalty under this Act, a reporting institution that fails to report, within the time limit prescribed by section 350.0.3 of the Act respecting the Québec sales tax (chapter T-0.1) or in the manner determined by the Minister, an actual amount (other than an actual amount for which the reporting institution is allowed to provide a reasonable estimate in accordance with section 350.0.5 of that Act) in an information return required to be filed under section 350.0.3 of that Act, or that misstates such an actual amount in the information return, and that does not take the necessary measures to attempt to report the actual amount, incurs a penalty, for each such failure or misstatement, equal to the lesser of $1,000 and 1% of the value of the difference, expressed as a positive number, between the actual amount and

(1) if the reporting institution failed to report the actual amount within the time limit prescribed by section 350.0.3 of the Act respecting the Québec sales tax or in the manner determined by the Minister, zero; or

(2) if the reporting institution misstated the actual amount, the amount reported by the reporting institution in the information return.

In addition to any other penalty under this Act, a reporting institution that fails to provide, within the time limit prescribed by section 350.0.3 of the Act respecting the Québec sales tax or in the manner determined by the Minister, a reasonable estimate for an amount that is not an actual amount, or for an actual amount for which the reporting institution is allowed to provide a reasonable estimate in accordance with section 350.0.5 of that Act, whose amount must be provided in an information return required to be filed under section 350.0.3 of that Act for a fiscal year and that does not take the necessary measures to attempt to report such a reasonable estimate incurs a penalty, for each such failure, equal to the lesser of $1,000 and 1% of the total of

(1) all amounts each of which is an amount that became collectible by the reporting institution, or that was collected by the reporting institution, as or on account of tax under section 16 of the Act respecting the Québec sales tax for a reporting period in the fiscal year; and

(2) all amounts, each of which is an amount that the reporting institution claimed as an input tax refund in a return under Division IV of Chapter VIII of Title I of the Act respecting the Québec sales tax filed by the reporting institution for a reporting period in the fiscal year.

For the purposes of this section, "actual amount" and "reporting institution" have the meaning assigned by sections 350.0.1 and 350.0.2 of the Act respecting the Québec sales tax, respectively."

13. Section 72.5.1 of the Act is replaced by the following section:

"**72.5.1.** For the purposes of the Code of Penal Procedure (chapter C-25.1), a person referred to in section 38 or 72.4 is a person responsible for the enforcement of a fiscal law and a person referred to in section 13.2.0.2 of the Tobacco Tax Act (chapter I-2) is, within the scope of the power provided for in that section, a person responsible for the enforcement of that Act."

14. (1) Section 93.1.2 of the Act is amended by replacing subparagraph i of subparagraph *b* of the second paragraph by the following subparagraph:

"i. a financial institution to which any of paragraphs 1 to 10 of the definition of "listed financial institution" in section 1 of that Act applies in the period in dispute, and".

(2) Subsection 1 applies from 1 January 2013.

15. (1) The Act is amended by inserting the following section after section 93.1.2:

"**93.1.2.1.** A financial institution within the meaning of section 1 of the Act respecting the Québec sales tax (chapter T-0.1) that is not referred to in the second paragraph of section 93.1.2 and that objects to an assessment relating in any way to the application of any of sections 42.0.10 to 42.0.24 of that Act shall specify in the notice of objection the issues in dispute, the amount in dispute for each issue and the grounds for objection, and shall provide all the relevant facts.

However, where the notice of objection does not include the information required, the Minister may accept the objection if the financial institution provides the Minister with the information in writing within 60 days of the Minister's request."

(2) Subsection 1 applies from 1 January 2013.

16. (1) Section 93.1.10 of the Act is amended by replacing the second paragraph by the following paragraph:

"A person who has objected to an assessment referred to in the second paragraph of section 93.1.2 or in the first paragraph of section 93.1.2.1 may appeal only in respect of the issues specified in the notice of objection."

(2) Subsection 1 applies from 1 January 2013.

PUBLIC ADMINISTRATION ACT

17. The Public Administration Act (chapter A-6.01) is amended by inserting the following section after section 48:

"**48.1.** Amounts received or to be received by a department or a body, for a fiscal year, as a rebate of the sales tax paid or to be paid under Title I of the Act respecting the Québec sales tax (chapter T-0.1) for the fiscal year out of a statutory appropriation are returned to the same appropriation. The same applies to amounts received or to be received, for a fiscal year, as a rebate of the tax provided for in Part IX of the Excise Tax Act (Revised Statutes of Canada, 1985, chapter E-15), paid or to be paid by a department or a body for the fiscal year in accordance with the Comprehensive Integrated Tax Coordination Agreement entered into between the Government of Canada and the Gouvernement du Québec."

ACT RESPECTING THE AGENCE DU REVENU DU QUÉBEC

18. (1) The Act respecting the Agence du revenu du Québec (chapter A-7.003) is amended by inserting the following section after section 69:

"**69.1.** The Agency may deposit the necessary sums with the Caisse de dépôt et placement du Québec in order to establish an Accumulated Sick Leave Fund to provide for the payment of some or all of the benefits due to employees for unused sick leave.

The Caisse de dépôt et placement du Québec administers the sums deposited under the first paragraph in accordance with the investment policy determined jointly by the Minister and the Minister of Finance."

(2) Subsection 1 has effect from 1 April 2011.

TOBACCO TAX ACT

19. (1) Section 2 of the Tobacco Tax Act (chapter I-2) is amended by inserting the following definition in alphabetical order:

""stamp" means an excise stamp issued by the Minister of National Revenue under subsection 1 of section 25.1 of the Excise Act, 2001 (Statutes of Canada, 2002, chapter 22) for the identification of packages of tobacco intended for retail sale in Québec that has not been cancelled under section 25.5 of that Act and whose characteristics and categories are mentioned in Schedule I to the Regulation respecting the application of the Tobacco Tax Act (chapter I-2, r. 1);".

(2) Subsection 1 has effect from 1 April 2012.

20. The Act is amended by inserting the following section after section 7.13:

"**7.14.** Every manufacturer or importer to whom a stamp has been issued must keep a register containing, in particular, the information necessary to determine the receipt, retention, location or use, if applicable, of the stamp, as well as any other prescribed information."

21. The Act is amended by inserting the following sections after section 13.1.1:

"**13.1.2.** No person may possess, sell or otherwise supply, or offer to supply a stamp, or dispose of it otherwise than in accordance with the Excise Act, 2001 (Statutes of Canada, 2002, chapter 22).

"**13.1.3.** No person may produce, possess, sell or otherwise supply, or offer to supply anything that is intended to imitate a stamp."

22. The Act is amended by inserting the following section after section 13.2.0.1:

"**13.2.0.2.** A person authorized to act under section 32 of the Tobacco Act (chapter T-0.01) may, in the course of the inspection of a tobacco retail outlet, within the meaning of section 14.1 of that Act, in respect of which a registration certificate for the retail sale of tobacco issued under Title I of the Act respecting the Québec sales tax (chapter T-0.1) is in force, also verify if the packages of tobacco that are in the retail outlet are identified in accordance with section 13.1."

23. The Act is amended by inserting the following section after section 13.15:

"**13.15.1.** Every manufacturer or importer to whom a stamp was issued incurs a penalty in respect of each stamp for which the manufacturer or importer cannot establish, at the Minister's request, that the stamp

(*a*) was affixed to a package of tobacco in accordance with paragraph *a* of section 2 of the Regulation respecting the application of the Tobacco Tax Act (chapter I-2, r. 1);

(*b*) is at the manufacturer's or importer's disposal in order to be affixed to a package of tobacco; or

(*c*) in the case of a stamp cancelled under section 25.5 of the Excise Act, 2001 (Statutes of Canada, 2002, chapter 22), was returned or destroyed in accordance with that Act.

The penalty provided for in the first paragraph is equal to the amount of tax that would have been payable under this Act if the package of tobacco for which the stamp was issued had been sold by retail sale in Québec."

24. Section 14.1 of the Act is amended by inserting ", 7.14" after "7.10.1" in paragraph *a*.

25. Section 14.2 of the Act is amended

(1) by replacing "or 7.9" in subparagraph *a* of the first paragraph by ", 7.9, 13.1.2 or 13.1.3";

(2) by replacing the portion of the first paragraph after subparagraph *e* by the following:

"is guilty of an offence and is liable to a fine of not less than the greater of $6,000 and, where applicable, four times the tax that would have been payable under this Act, had the tobacco involved in the offence been sold by retail sale in Québec, and not more than $1,000,000.";

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

"The fine for a subsequent offence within five years is not less than the greater of $12,000 and, where applicable, five times the tax that would have been payable under this Act, had the tobacco involved in the offence been sold by retail sale in Québec, and not more than $2,500,000."

ACT RESPECTING THE MINISTÈRE DES TRANSPORTS

26. Section 12.30 of the Act respecting the Ministère des Transports (chapter M-28) is amended by replacing subparagraph *f* of paragraph 1 by the following subparagraph:

"(*f*) the public transit services of public transit authorities;".

27. Section 12.32.1 of the Act is amended by replacing the third paragraph by the following paragraph:

"The portion of the sums referred to in paragraph 2.3 of section 12.32 that corresponds to the proceeds of the fuel tax increase applicable in a given area is paid by the Minister to public transit authorities, in accordance with section 12.32.1.2, to finance the public transit services they organize."

28. The Act is amended by inserting the following sections after section 12.32.1:

"**12.32.1.1.** For the purposes of subparagraph *f* of paragraph 1 of section 12.30 and the third paragraph of section 12.32.1,

(1) "public transit authorities" means public bodies providing public transport determined by the Government among those referred to in section 88.7 of the Transport Act (chapter T-12) that are in a given area where the fuel tax increase concerned is collected;

(2) "given area" means an area subject to a tax increase, within the meaning of section 1 of the Fuel Tax Act (chapter T-1), excluding the area of jurisdiction of the Agence métropolitaine de transport, or, if applicable, part of an area subject to a tax increase if that area has been divided by the Government following consultations with the regional county municipalities, the Communauté métropolitaine de Québec and the local municipalities whose territories are not included in that of a regional county municipality or of the Communauté métropolitaine de Québec in that area.

"**12.32.1.2.** Payments of the proceeds from the fuel tax increase applicable in a given area are made in accordance with the terms and conditions determined for those proceeds by the Government.

Before determining those terms and conditions, the Government shall consult the regional county municipalities and the local municipalities, whose territories are not included in that of a regional county municipality, present in the given area, to obtain their views on how to share those proceeds. However, if the given area is the territory of the Communauté métropolitaine de Québec, the Government shall, instead of holding a consultation, take into account the apportionment rules approved by that metropolitan community."

ACT RESPECTING THE QUÉBEC SALES TAX

29. (1) Section 1 of the Act respecting the Québec sales tax (chapter T-0.1) is amended

(1) by replacing "is deemed to include any tax" in subparagraph 1 of the second paragraph of the definition of "direct cost" by "is determined by taking into account any tax";

(2) by replacing subparagraph 2 of the second paragraph of the definition of "direct cost" by the following subparagraph:

"(2) that consideration is determined without taking into account the portion of the duty, fee or tax referred to in section 52 that is recovered or recoverable by the supplier; and";

(3) by adding the following subparagraph after subparagraph 2 of the second paragraph of the definition of "direct cost":

"(3) that consideration is determined by taking into account the tax imposed under Part IX of the Excise Tax Act (Revised Statutes of Canada, 1985, chapter E-15);";

(4) by replacing the definition of "exclusive" by the following definition:

""exclusive" means, in the case of a person who is not a financial institution, all or substantially all of the consumption, use or supply of a property or a service and, in the case of a financial institution, all of the consumption, use or supply of the property or service;";

(5) by inserting the following definition in alphabetical order:

""closely related group" has the meaning assigned by section 330;";

(6) by replacing paragraph 2 of the definition of "financial institution" by the following paragraph:

"(2) a financial institution,

(*a*) within the meaning of paragraph *b* of subsection 1 of section 149 of the Excise Tax Act, or

(*b*) within the meaning of paragraph *c* of subsection 1 of section 149 of that Act;";

(7) by replacing the portion of the definition of "listed financial institution" before paragraph 1 by the following:

""listed financial institution" throughout a taxation year means a person who is, at any time in the year,";

(8) by replacing paragraph 7 of the definition of "listed financial institution" by the following paragraph:

"(7) the Canada Deposit Insurance Corporation,";

(9) by adding the following paragraph after paragraph 10 of the definition of "listed financial institution":

"(11) a corporation deemed under section 297.0.2.6 to be a financial institution;";

(10) by inserting the following definition in alphabetical order:

""selected listed financial institution" throughout a reporting period in a fiscal year that ends in a particular taxation year means a financial institution that is described in any of paragraphs 1 to 10 of the definition of "listed financial institution" during the particular taxation year and the preceding taxation year if

(1) the financial institution is a corporation that, in accordance with the rules set out in any of sections 402 to 405 of the Income Tax Regulations made under the Income Tax Act, has or would, if it had taxable income for the particular taxation year and the preceding taxation year, have taxable income earned in the particular year and the preceding taxation year in at least one participating province, within the meaning of subsection 1 of section 123 of the Excise Tax Act, and taxable income earned in the particular year and the preceding year in Québec or in another province that is a non-participating province, within the meaning of that subsection 1;

(2) the financial institution is a corporation that, in accordance with the rules set out in any of sections 402 to 405 of the Income Tax Regulations made under the Income Tax Act, has or would, if it had taxable income for the particular taxation year and the preceding taxation year, have taxable income earned in the particular year and the preceding taxation year in Québec and taxable income earned in the particular year and the preceding year in another

province that is a non-participating province, within the meaning of subsection 1 of section 123 of the Excise Tax Act;

(3) the financial institution is an individual, the estate of a deceased individual or a trust that, in accordance with the rules set out in section 2603 of the Income Tax Regulations made under the Income Tax Act, has or would, if it had income for the particular taxation year and the preceding taxation year, have income earned in the particular year and the preceding taxation year in at least one participating province, within the meaning of subsection 1 of section 123 of the Excise Tax Act, and income earned in the particular year and the preceding year in Québec or in another province that is a non-participating province, within the meaning of that subsection 1;

(4) the financial institution is an individual, the estate of a deceased individual or a trust that, in accordance with the rules set out in section 2603 of the Income Tax Regulations made under the Income Tax Act, has or would, if it had income for the particular taxation year and the preceding taxation year, have income earned in the particular year and the preceding taxation year in Québec and income earned in the particular year and the preceding year in another province that is a non-participating province, within the meaning of subsection 1 of section 123 of the Excise Tax Act;

(5) the financial institution is a specified partnership during the particular taxation year and the preceding taxation year; or

(6) the financial institution is a prescribed financial institution;";

(11) by adding the following paragraph after paragraph 4 of the definition of "investment plan":

"(5) a prescribed person, or a person of a prescribed class, but only where the person would be a selected listed financial institution for a reporting period in a fiscal year that ends in a taxation year of the person if the person were included in paragraph 9 of the definition of "listed financial institution" during the taxation year and the preceding taxation year of the person;";

(12) by replacing paragraph 11 of the definition of "financial service" by the following paragraph:

"(11) any supply deemed under section 39 or 297.0.2.1 to be a supply of a financial service;";

(13) by inserting the following definition in alphabetical order:

""specified partnership" in a particular taxation year means a partnership in respect of which the following conditions are met:

(1) in the particular year, the partnership has at least one member that, in the member's taxation year that includes the end of the particular year,

(*a*) where the member is a corporation, has or would, if the member had taxable income for the year, have, in accordance with the rules set out in any of sections 402 to 405 of the Income Tax Regulations made under the Income Tax Act, taxable income earned in the taxation year in at least one participating province, within the meaning of subsection 1 of section 123 of the Excise Tax Act, or in Québec, from a business, within the meaning of section 1 of the Taxation Act, carried on by the partnership,

(*b*) where the member is an individual, the estate of a deceased individual or a trust, has or would, if the member had taxable income for the year, have, in accordance with the rules set out in section 2603 of the Income Tax Regulations made under the Income Tax Act, income earned in the taxation year in at least one participating province, within the meaning of subsection 1 of section 123 of the Excise Tax Act, or in Québec, from a business, within the meaning of section 1 of the Taxation Act, carried on by the partnership, or

(*c*) where the member is another partnership, would have, in accordance with the rules set out in section 402 of the Income Tax Regulations made under the Income Tax Act, taxable income earned in the taxation year in at least one participating province, within the meaning of subsection 1 of section 123 of the Excise Tax Act, or in Québec, from a business, within the meaning of section 1 of the Taxation Act, carried on by the partnership if the other partnership were a corporation that is a taxpayer for the purposes of that Act; and

(2) in the particular year, the partnership has at least one member that, in the member's taxation year that includes the end of the particular year,

(*a*) where the member is a corporation, has or would, if the member had taxable income for the year, have, in accordance with the rules set out in any of sections 402 to 405 of the Income Tax Regulations made under the Income Tax Act, taxable income earned in the taxation year from a business, within the meaning of section 1 of the Taxation Act, carried on by the partnership in at least one of the following provinces:

i. a non-participating province, within the meaning of subsection 1 of section 123 of the Excise Tax Act, other than Québec, in the case where none of the members of the partnership has taxable income or income earned, as the case may be, in the taxation year in a participating province, within the meaning of that subsection 1, in accordance with any of subparagraphs *a* to *c* of paragraph 1, and

ii. a non-participating province, within the meaning of subsection 1 of section 123 of the Excise Tax Act, in any other case,

(*b*) where the member is an individual, the estate of a deceased individual or a trust, has or would, if the member had taxable income for the year, have, in accordance with the rules set out in section 2603 of the Income Tax Regulations made under the Income Tax Act, income earned in the taxation

year from a business, within the meaning of section 1 of the Taxation Act, carried on by the partnership in at least one of the following provinces:

i. a non-participating province, within the meaning of subsection 1 of section 123 of the Excise Tax Act, other than Québec, in the case where none of the members of the partnership has taxable income or income earned, as the case may be, in the taxation year in a participating province, within the meaning of that subsection 1, in accordance with any of subparagraphs *a* to *c* of paragraph 1, and

ii. a non-participating province, within the meaning of subsection 1 of section 123 of the Excise Tax Act, in any other case, or

(*c*) where the member is another partnership, would have, in accordance with the rules set out in section 402 of the Income Tax Regulations made under the Income Tax Act, taxable income earned in the taxation year from a business, within the meaning of section 1 of the Taxation Act, carried on by the partnership, if the other partnership were a corporation that is a taxpayer for the purposes of that Act, in at least one of the following provinces:

i. a non-participating province, within the meaning of subsection 1 of section 123 of the Excise Tax Act, other than Québec, in the case where none of the members of the partnership has taxable income or income earned, as the case may be, in the taxation year in a participating province, within the meaning of that subsection 1, in accordance with any of subparagraphs *a* to *c* of paragraph 1, and

ii. a non-participating province, within the meaning of subsection 1 of section 123 of the Excise Tax Act, in any other case;";

(14) by adding the following subparagraph after subparagraph *g* of paragraph 1 of the definition of "basic tax content":

"(*h*) the total of all amounts each of which is determined by the formula

D × E × F/G,

where

i. D is an amount of tax (other than tax that the person was exempt from paying under any other Act or law) under subsection 1 of section 165 of the Excise Tax Act or section 212 or 218 of that Act, in relation to the property, referred to in any of subparagraphs i to iii of the description of A in paragraph *a* of the definition of "basic tax content" in subsection 1 of section 123 of that Act, that became payable, or would have so become payable in the circumstances described in that subparagraph, by the person while the person was a selected listed financial institution, or while the person would have been such a financial institution for the purposes of that Act if Québec were a participating province, within the meaning of that subsection 1,

ii. E is the percentage referred to in subparagraph 3 of the second paragraph of section 433.16 for the person's taxation year that includes the time the amount referred to in subparagraph i so became payable, or would have so become payable,

iii. F is the tax rate specified in the first paragraph of section 16, and

iv. G is the tax rate specified in subsection 1 of section 165 of the Excise Tax Act;";

(15) by replacing subparagraph *a* of paragraph 2 of the definition of "basic tax content" by the following subparagraph:

"(*a*) all taxes referred to in any of subparagraphs *a* to *g* of paragraph 1 that the person was exempt from paying under any other Act or law,";

(16) by inserting the following subparagraph after subparagraph *a* of paragraph 2 of the definition of "basic tax content":

"(*a*.1) all taxes (other than tax referred to in subparagraph *a*) under the first paragraph of section 16 or 17 referred to in any of subparagraphs *a* to *g* of paragraph 1 that became payable by the person, or would have so become payable in the circumstances described in that subparagraph, while the person was a selected listed financial institution,";

(17) by replacing subparagraphs *b* and *c* of paragraph 2 of the definition of "basic tax content" by the following subparagraphs:

"(*b*) all amounts (other than input tax refunds and amounts referred to in subparagraphs *a* and *a*.1) in respect of tax referred to in subparagraphs *a* and *d* of paragraph 1 that the person was entitled to recover by way of rebate, refund or otherwise under this or any other Act or law or would have been entitled to recover if the property or improvement had been acquired for use exclusively in activities that are not commercial activities, and

"(*c*) all amounts (other than input tax refunds and amounts referred to in subparagraphs *a* and *a*.1) in respect of tax referred to in subparagraphs *b*, *c* and *e* to *g* of paragraph 1 that the person would have been entitled to recover by way of rebate, refund or otherwise under this or any other Act or law or would have been entitled to recover if that tax had been payable and the property or improvement had been acquired for use exclusively in activities that are not commercial activities; and";

(18) by replacing "D" and "E" wherever they appear in paragraph 3 of the definition of "basic tax content" by "H" and "I", respectively.

(2) Paragraphs 1 to 3 of subsection 1 apply in respect of a supply for which the consideration becomes due after 31 December 2012 and is not paid before 1 January 2013.

(3) Paragraphs 4 to 18 of subsection 1 apply from 1 January 2013.

30. (1) The Act is amended by inserting the following section after section 15:

"**15.1.** In applying the definition of "basic tax content" in section 1 at any time subsequent to 31 December 2012, in relation to a person's property, any amount of tax that became payable before 1 January 2013 is not taken into consideration where

(1) the property is referred to in the fifth paragraph of section 255.1 or in section 259.1 or 262.1; or

(2) the property was held by the person immediately before 1 January 2013 and the person's registration is cancelled as of that date in accordance with section 417.0.1."

(2) Subsection 1 applies from 1 January 2013.

31. (1) Section 16 of the Act is amended by replacing "9.5%" in the first paragraph by "9.975%".

(2) Subsection 1 has effect from 1 January 2013, except in respect of the supplies referred to in subsections 3 to 6.

(3) Subject to subsections 4 and 5, subsection 1 applies in respect of

(1) a supply of a property or service for which all of the consideration becomes due after 31 December 2012 and is not paid before 1 January 2013; and

(2) a supply of a property or service for which part of the consideration becomes due after 31 December 2012 and is not paid before 1 January 2013; however, tax at the rate of 9.5% is to be calculated on the value of any part of the consideration that becomes due or is paid before 1 January 2013.

(4) If, by reason of the application of section 86 of the Act, tax under section 16 of the Act, as amended by subsection 1, in respect of a supply of corporeal movable property by way of sale, calculated on the value of all or part of the consideration for the supply is payable before 1 January 2013, the tax is to be calculated at the rate of 9.5%, except to the extent that, by reason of the application of section 89 of the Act, tax calculated on the value of the consideration or a part of the consideration is payable after 31 December 2012.

(5) Subsection 1 applies in respect of a supply of an immovable by way of sale made under an agreement in writing entered into after 31 December 2012.

(6) Despite subsection 3, subsection 1 does not apply in respect of a supply of a property or a service where

(1) the supply is made under an agreement in writing entered into before 1 January 2012 for the construction, renovation or alteration of, or repair to, an immovable or a ship or other marine vessel; or

(2) the supply is of a property or service that is delivered, performed or made available on a continuous basis by means of a wire, pipeline or other conduit before 1 January 2012.

(7) For the purposes of paragraph 2 of subsection 6, if a supply of a property or service delivered, performed or made available on a continuous basis by means of a wire, pipeline or other conduit is made during a period for which the supplier issues an invoice in respect of the supply and, because of the method of recording the delivery of the property or the provision of the service, the time at which all or part of the property is delivered, or the time at which all or part of the service is provided, cannot reasonably be determined, an equal part of the whole of the property delivered, or of the whole of the service provided, in the period is deemed to have been delivered or provided, as the case may be, on each day of the period.

32. (1) Section 16.1 of the Act is amended by replacing "9.5%" in the first paragraph by "9.975%".

(2) Subsection 1 has effect from 1 January 2013.

33. (1) Section 17 of the Act is amended

(1) by replacing "9.5%" in the first paragraph by "9.975%";

(2) by replacing subparagraph 1 of the second paragraph by the following subparagraph:

"(1) in the case of property produced by the person outside Québec but in Canada and brought into Québec within 12 months after it is produced, the cost price of the property;".

(2) Subsection 1 applies in respect of the bringing into Québec of corporeal property after 31 December 2012.

34. (1) The Act is amended by inserting the following section after section 17.4:

"**17.4.1.** If, but for this section, tax under section 17 would become payable by a person in respect of a corporeal property that comes from Canada outside Québec and that the person brings into Québec when the person is a selected listed financial institution, that tax is not payable unless it is a prescribed amount of tax."

(2) Subsection 1 applies from 1 January 2013.

35. (1) Section 18 of the Act is amended

(1) by replacing "9.5%" in the portion before paragraph 1 by "9.975%";

(2) by adding the following paragraph after paragraph 8:

"(9) a supply deemed to be acquired by a qualifying taxpayer, within the meaning of section 26.2, under section 26.3 or 26.4."

(2) Paragraph 1 of subsection 1 has effect from 1 January 2013, except in respect of the supplies referred to in subsections 3 and 4.

(3) Paragraph 1 of subsection 1 applies in respect of a supply of a property or service for which the consideration becomes due after 31 December 2012 and is not paid before 1 January 2013.

(4) Despite subsection 3, paragraph 1 of subsection 1 does not apply in respect of a supply of a property or a service where

(1) the supply is made under an agreement in writing entered into before 1 January 2012 for the construction, renovation or alteration of, or repair to, a ship or other marine vessel; or

(2) the supply is of a property or service delivered, performed or made available on a continuous basis by means of a wire, pipeline or other conduit before 1 January 2012.

(5) For the purposes of paragraph 2 of subsection 4, if a supply of a property or service delivered, performed or made available on a continuous basis by means of a wire, pipeline or other conduit is made during a period for which the supplier issues an invoice in respect of the supply and, because of the method of recording the delivery of the property or the provision of the service, the time at which all or part of the property is delivered, or the time at which all or part of the service is provided, cannot reasonably be determined, an equal part of the whole of the property delivered, or of the whole of the service provided, in the period is deemed to have been delivered or provided, as the case may be, on each day of the period.

(6) Paragraph 2 of subsection 1 applies from 1 January 2013.

36. (1) Section 18.0.1 of the Act is amended by replacing "9.5%" in subparagraph 1 of the second paragraph by "9.975%".

(2) Subsection 1 has effect from 1 January 2013, except in respect of the supplies referred to in subsections 3 and 4.

(3) Subsection 1 applies in respect of a supply of a property or service for which the consideration becomes due after 31 December 2012 and is not paid before 1 January 2013.

(4) Despite subsection 3, subsection 1 does not apply in respect of a supply of a property or a service where

(1) the supply is made under an agreement in writing entered into before 1 January 2012 for the construction, renovation or alteration of, or repair to, a ship or other marine vessel; or

(2) the supply is of a property or service delivered, performed or made available on a continuous basis by means of a wire, pipeline or other conduit before 1 January 2012.

(5) For the purposes of paragraph 2 of subsection 4, if a supply of a property or service delivered, performed or made available on a continuous basis by means of a wire, pipeline or other conduit is made during a period for which the supplier issues an invoice in respect of the supply and, because of the method of recording the delivery of the property or the provision of the service, the time at which all or part of the property is delivered, or the time at which all or part of the service is provided, cannot reasonably be determined, an equal part of the whole of the property delivered, or of the whole of the service provided, in the period is deemed to have been delivered or provided, as the case may be, on each day of the period.

37. (1) Section 18.0.2 of the Act is replaced by the following section:

"**18.0.2.** Subject to the second paragraph, tax under sections 18 and 18.0.1 that is determined on all or part of the consideration for a supply that becomes payable at any time, or is paid at any time without having become due, becomes payable at that time.

Tax under section 18, in respect of a supply deemed to be acquired by a qualifying taxpayer, within the meaning of section 26.2, in a specified year, within the meaning of section 26.2, of the qualifying taxpayer under section 26.3 or 26.4, that is determined for the specified year becomes payable by the qualifying taxpayer on

(1) if the specified year is a taxation year of the qualifying taxpayer for the purposes of the Income Tax Act (Revised Statutes of Canada, 1985, chapter 1, 5th Supplement) and the qualifying taxpayer is required under Division I of Part I of that Act to file with the Minister of National Revenue a fiscal return for the specified year, the day on which the qualifying taxpayer is required to file a fiscal return under Part I of that Act for that taxation year; and

(2) in any other case, the day that is six months after the end of the specified year."

(2) Subsection 1 applies from 1 January 2013.

38. (1) The Act is amended by inserting the following section after section 18.0.2:

"**18.0.3.** If, but for this paragraph, tax under section 18 would become payable by a person when the person is a selected listed financial institution, that tax is not payable unless it is an amount of tax that

(1) is a prescribed amount of tax for the purposes of subparagraph *a* of subparagraph 6 of the second paragraph of section 433.16;

(2) is in respect of a supply relating to a property or a service acquired otherwise than for consumption, use or supply in the course of an endeavour, within the meaning assigned by section 42.0.1, of the person; or

(3) is a prescribed amount of tax.

If, but for this paragraph, tax under section 18.0.1 would become payable by a person when the person is a selected listed financial institution, that tax is not payable unless it is a prescribed amount of tax."

(2) Subsection 1 applies from 1 January 2013.

39. (1) Section 22.22 of the Act is amended by replacing paragraph 2 by the following paragraph:

"(2) the consideration for the supply of the service is $5 or more and the address to which the mail is sent is not in Québec."

(2) Subsection 1 has effect from 1 January 2013.

40. (1) The Act is amended by inserting the following section after section 23:

"**23.1.** A supply of a property referred to in section 144 of the Excise Tax Act (Revised Statutes of Canada, 1985, chapter E-15) that has not been released, within the meaning of the Customs Act (Revised Statutes of Canada, 1985, chapter 1, 2nd Supplement), before being delivered to the recipient in Québec, is deemed to be made outside Québec.

For the purposes of section 17, the property referred to in the first paragraph is deemed to have been brought into Québec at the time of its release within the meaning of the Customs Act."

(2) Subsection 1 applies in respect of a supply made after 31 December 2012.

41. (1) Section 26.0.2 of the Act is amended by replacing the portion of paragraph 1 before subparagraph *a* by the following:

"(1) a person (other than a financial institution) is a specified person throughout a taxation year of the person if the person".

(2) Subsection 1 applies to a specified year, within the meaning assigned by section 26.2 of the Act, enacted by section 42 of this Act, of a person that ends after 31 December 2012.

42. (1) The Act is amended by inserting the following sections after section 26.1:

"**26.2.** For the purposes of this section and sections 26.3 to 26.5,

"external charge" has the meaning assigned by section 217 of the Excise Tax Act (Revised Statutes of Canada, 1985, chapter E-15);

"qualifying consideration" has the meaning assigned by section 217 of the Excise Tax Act;

"qualifying establishment" means a permanent establishment within the meaning of subsection 1 of section 123 of the Excise Tax Act or within the meaning of subsection 2 of section 132.1 of that Act;

"qualifying service" means any service or anything done by an employee in relation to the office or employment of the employee;

"qualifying taxpayer" has the meaning assigned by subsection 1 of section 217.1 of the Excise Tax Act;

"specified year" of a person means

(1) in the case of a person that is described in paragraph 1 or 1.1 of the definition of "taxation year" in section 1, the taxation year of the person;

(2) in the case of a person that is a registrant, other than a person described in paragraph 1, the fiscal year of the person; and

(3) in any other case, the calendar year.

For the purposes of the definition of "qualifying service" in the first paragraph, an employee includes an individual who agrees to become an employee.

"**26.3.** A qualifying taxpayer that is resident in Québec and that made an election under subsection 1 of section 217.2 of the Excise Tax Act (Revised Statutes of Canada, 1985, chapter E-15) is deemed to be the recipient of a taxable supply in a specified year of the qualifying taxpayer, provided that the election is in effect for the purposes of that Act for the specified year; the value of the consideration for that taxable supply is deemed to be equal to the amount determined by the formula

A + B.

For the purposes of the formula in the first paragraph,

(1) A is the total of all amounts each of which is the product obtained by multiplying an amount that is an internal charge for the specified year and that is greater than zero by the percentage that represents the extent to which the internal charge is attributable to outlays or expenses that were made or incurred to consume, use or supply the whole or part of a qualifying service or of a property, in respect of which the internal charge is attributable, in carrying on, engaging in or conducting an activity of the qualifying taxpayer in Québec; and

(2) B is the total of all amounts each of which is the product obtained by multiplying an amount that is an external charge for the specified year and that is greater than zero by the percentage that represents the extent to which the whole or part of the outlay or expense, which corresponds to the external charge, was made or incurred to consume, use or supply the whole or part of a qualifying service or of a property, in respect of which the external charge is attributable, in carrying on, engaging in or conducting an activity of the qualifying taxpayer in Québec.

For the purposes of this section, an amount in respect of which the conditions of subsection 4 of section 217.1 of the Excise Tax Act are met is an amount that is an internal charge.

"**26.4.** A qualifying taxpayer that is resident in Québec and to which section 26.3 does not apply for a specified year of the qualifying taxpayer is deemed to be the recipient of a taxable supply, in the specified year, the value of the consideration for which is deemed to be equal to the total of all amounts, each of which is the product obtained by multiplying an amount in respect of qualifying consideration for the specified year that is greater than zero by the percentage that represents the extent to which the whole or part of the outlay or expense, which corresponds to the qualifying consideration, was made or incurred to consume, use or supply the whole or part of a qualifying service or of a property, in respect of which the qualifying consideration is attributable, in carrying on, engaging in or conducting an activity of the qualifying taxpayer in Québec.

"**26.5.** Despite sections 11 and 11.1 and for the purposes of sections 26.3 and 26.4, a qualifying taxpayer is deemed to be resident in Québec at a particular time if, at that time,

(1) the qualifying taxpayer has a qualifying establishment in Québec; or

(2) the qualifying taxpayer is resident in Canada and is

(*a*) a corporation incorporated or continued under the legislation of Québec and not continued elsewhere,

(*b*) a club, an association, an unincorporated organization, a partnership, or a branch of one of them, in respect of which a majority of the members having management and control of it are resident in Québec, or

(*c*) a trust, carrying on activities as a trust in Québec, that has an office or branch in Québec."

(2) Subsection 1 applies to a specified year of a person that ends after 31 December 2012.

43. (1) The Act is amended by inserting the following section after section 29:

"**29.1.** Where a supply is made by the Gouvernement du Québec or any of its departments to a prescribed mandatary, or by such a mandatary to the Government, to any of its departments or to another prescribed mandatary, the supply is deemed not to be a supply."

(2) Subsection 1 applies from 1 April 2013.

44. (1) Section 35 of the Act is replaced by the following section:

"**35.** Where one or more financial services are supplied together with one or more other services that are not financial services, or with properties that are not capital properties of the supplier, for a single consideration, the supply of each of the services and properties is deemed to be a supply of a financial service if

(1) the financial services are related to the other services or the properties, as the case may be;

(2) it is the usual practice of the supplier to supply those or similar services, or those or similar properties and services, together in the ordinary course of the business of the supplier; and

(3) the total of all amounts each of which would be the consideration for a financial service so supplied if that financial service had been supplied separately, is greater than 50% of the total of all amounts each of which would be the consideration for a service or property so supplied if that service or property had been supplied separately."

(2) Subsection 1 applies in respect of a supply made after 31 December 2012.

45. (1) Section 42.0.7 of the Act is amended by replacing the first paragraph by the following paragraph:

"**42.0.7.** Subject to sections 42.0.10 to 42.0.24, the methods used by a person in a fiscal year to determine the extent to which properties or services are acquired or brought into Québec by the person for the purpose of making taxable supplies for consideration or for other purposes and the extent to which the consumption or use of properties or services is for the purpose of making taxable supplies for consideration or for other purposes must be fair and reasonable and must be used consistently by the person throughout the year."

(2) Subsection 1 applies from 1 January 2013.

46. (1) The Act is amended by inserting the following sections after section 42.0.9:

"**42.0.10.** For the purposes of this section and sections 42.0.11 to 42.0.24,

"business input" means an excluded input, an exclusive input or a residual input;

"direct attribution method" means a method, conforming to criteria, rules, terms and conditions specified by the Minister of National Revenue, of determining in the most direct manner the operative extent and the procurative extent of a property or a service;

"direct input" means a property or a service, other than an excluded input, an exclusive input or a non-attributable input;

"excluded input" of a person means

(1) a property that is for use by the person as capital property;

(2) a property or a service that is acquired or brought into Québec by the person for use as an improvement to a property described in paragraph 1; or

(3) a prescribed property or service;

"exclusive input" of a person means a property or a service (other than an excluded input) that is acquired or brought into Québec by the person for consumption or use directly and exclusively for the purpose of making a taxable supply for consideration or directly and exclusively for purposes other than making a taxable supply for consideration;

"non-attributable input" of a person means a property or a service that is

(1) not an excluded input or an exclusive input of the person;

(2) acquired or brought into Québec by the person; and

(3) not attributable to the making of any particular supply by the person;

"operative extent" of a property or a service means, as the case may be, the extent to which the consumption or use of the property or service is for the purpose of making a taxable supply for consideration or the extent to which the consumption or use of the property or service is for purposes other than making a taxable supply for consideration;

"procurative extent" of a property or a service means, as the case may be, the extent to which the property or service is acquired or brought into Québec for the purpose of making a taxable supply for consideration or the extent to which the property or service is acquired or brought into Québec for purposes other than making a taxable supply for consideration;

"qualifying institution" for a particular fiscal year means a person that meets the conditions set out in the definition of "qualifying institution" in subsection 1 of section 141.02 of the Excise Tax Act (Revised Statutes of Canada, 1985, chapter E-15);

"residual input" means a direct input or a non-attributable input;

"specified method" means a method, conforming to criteria, rules, terms and conditions specified by the Minister of National Revenue, of determining the operative extent and the procurative extent of a property or a service.

"**42.0.11.** For the purposes of sections 42.0.10 and 42.0.12 to 42.0.24, the following rules apply:

(1) a consideration does not include a nominal consideration; and

(2) a person is deemed to be a financial institution of a prescribed class throughout a fiscal year of the person if the person is a financial institution of that class at any time in the fiscal year.

"**42.0.12.** The following rules apply in respect of an exclusive input of a financial institution:

(1) if the exclusive input is acquired or brought into Québec for consumption or use directly and exclusively for the purpose of making a taxable supply for consideration, the financial institution is deemed to have acquired or brought into Québec the exclusive input for consumption or use exclusively in the course of commercial activities of the financial institution; and

(2) if the exclusive input is acquired or brought into Québec for consumption or use directly and exclusively for purposes other than that mentioned in paragraph 1, the financial institution is deemed to have acquired or brought into Québec the exclusive input for consumption or use exclusively otherwise than in the course of commercial activities of the financial institution.

"**42.0.13.** If a financial institution is a qualifying institution for any of its fiscal years, the following rules apply for the fiscal year in respect of a residual input:

(1) the extent to which the consumption or use of the residual input is for the purpose of making a taxable supply for consideration is deemed to be equal to the prescribed percentage for the prescribed class of the financial institution;

(2) the extent to which the consumption or use of the residual input is for purposes other than that mentioned in paragraph 1 is deemed to be equal to the amount by which 100% exceeds the prescribed percentage for the prescribed class of the financial institution;

(3) the extent to which the residual input is acquired or brought into Québec by the financial institution for the purpose of making a taxable supply for consideration is deemed to be equal to the prescribed percentage for the prescribed class of the financial institution;

(4) the extent to which the residual input is acquired or brought into Québec by the financial institution for purposes other than that mentioned in paragraph 3 is deemed to be equal to the amount by which 100% exceeds the prescribed percentage for the prescribed class of the financial institution; and

(5) for the purpose of determining an input tax refund in respect of the residual input, the value of B in the formula in the first paragraph of section 199 is deemed to be equal to the prescribed percentage for the prescribed class of the financial institution.

"**42.0.14.** Subject to the second paragraph, if a person is a financial institution (other than a qualifying institution) of a prescribed class throughout any of the person's fiscal years and the person made an election under subsection 9 of section 141.02 of the Excise Tax Act (Revised Statutes of Canada, 1985, chapter E-15) for the fiscal year, the following rules apply for the fiscal year in respect of each residual input of the person:

(1) the extent to which the consumption or use of the residual input is for the purpose of making a taxable supply for consideration is deemed to be equal to the prescribed percentage for the prescribed class of the financial institution;

(2) the extent to which the consumption or use of the residual input is for purposes other than that mentioned in subparagraph 1 is deemed to be equal to the amount by which 100% exceeds the prescribed percentage for the prescribed class of the financial institution;

(3) the extent to which the residual input is acquired or brought into Québec by the financial institution for the purpose of making a taxable supply for consideration is deemed to be equal to the prescribed percentage for the prescribed class of the financial institution;

(4) the extent to which the residual input is acquired or brought into Québec by the financial institution for purposes other than that mentioned in subparagraph 3 is deemed to be equal to the amount by which 100% exceeds the prescribed percentage for the prescribed class of the financial institution; and

(5) for the purpose of determining an input tax refund in respect of the residual input, the value of B in the formula in the first paragraph of section 199

is deemed to be equal to the prescribed percentage for the prescribed class of the financial institution.

The election referred to in the first paragraph in respect of a fiscal year of the person ceases to have effect at the beginning of the fiscal year and is deemed never to have been made for the purposes of this Title if, under subsection 30 of section 141.02 of the Excise Tax Act, the election ceases to have effect at the beginning of the fiscal year and is deemed never to have been made for the purposes of Part IX of that Act.

"**42.0.15.** If a financial institution (other than a qualifying institution) has not made the election referred to in section 42.0.14 in respect of any of its fiscal years, the financial institution shall use a specified method to determine for the fiscal year the operative extent and the procurative extent of each of its non-attributable inputs.

Despite the first paragraph, if a financial institution (other than a qualifying institution) has not made the election referred to in section 42.0.14 in respect of any of its fiscal years and no specified method applies during the fiscal year to a particular non-attributable input of the financial institution, the financial institution shall use another attribution method to determine for the fiscal year the operative extent and the procurative extent of the particular non-attributable input.

The specified method used by a financial institution in accordance with the first paragraph, or the other attribution method used by the financial institution in accordance with the second paragraph, to determine the operative extent and the procurative extent of a non-attributable input for any of its fiscal years must be the same as that used, if applicable, by the financial institution for the fiscal year in respect of the non-attributable input in accordance with subsection 10 of section 141.02 of the Excise Tax Act (Revised Statutes of Canada, 1985, chapter E-15) or subsection 11 of that section, as the case may be.

"**42.0.16.** If a financial institution (other than a qualifying institution) has not made the election referred to in section 42.0.14 in respect of any of its fiscal years, the financial institution shall use a direct attribution method to determine for the fiscal year the operative extent and the procurative extent of each of its direct inputs.

Despite the first paragraph, if a financial institution (other than a qualifying institution) has not made the election referred to in section 42.0.14 in respect of any of its fiscal years and no direct attribution method applies during the fiscal year to a particular direct input of the financial institution, the financial institution shall use another attribution method to determine in the most direct manner for the fiscal year the operative extent and the procurative extent of the particular direct input.

The direct attribution method used by a financial institution in accordance with the first paragraph, or the other attribution method used by the financial

institution in accordance with the second paragraph, to determine the operative extent and the procurative extent of a direct input for any of its fiscal years must be the same as that used, if applicable, by the financial institution for the fiscal year in respect of the direct input in accordance with subsection 12 of section 141.02 of the Excise Tax Act (Revised Statutes of Canada, 1985, chapter E-15) or subsection 13 of that section, as the case may be.

"**42.0.17.** A financial institution shall use a specified method to determine for any of its fiscal years the operative extent and the procurative extent of each of its excluded inputs.

Despite the first paragraph, if no specified method applies during any of the fiscal years of a financial institution to a particular excluded input of the financial institution, the financial institution shall use another attribution method to determine for the fiscal year the operative extent and the procurative extent of the particular excluded input.

The specified method used by a financial institution in accordance with the first paragraph, or the other attribution method used by the financial institution in accordance with the second paragraph, to determine the operative extent and the procurative extent of an excluded input for any of its fiscal years must be the same as that used, if applicable, by the financial institution for the fiscal year in respect of the excluded input in accordance with subsection 14 of section 141.02 of the Excise Tax Act (Revised Statutes of Canada, 1985, chapter E-15) or subsection 15 of that section, as the case may be.

"**42.0.18.** Any method that a financial institution is required in accordance with any of sections 42.0.15 to 42.0.17 to use in respect of any of its fiscal years must be

(1) fair and reasonable;

(2) used consistently by the financial institution throughout the fiscal year; and

(3) subject to section 42.0.19, determined by the financial institution no later than the day on which the financial institution is required to file the return provided for in Division IV of Chapter VIII for the first reporting period in the fiscal year.

"**42.0.19.** Any method used by a financial institution in accordance with any of sections 42.0.15 to 42.0.17 in respect of any of its fiscal years may not, after the day on which the financial institution is required to file the return provided for in Division IV of Chapter VIII for the first reporting period in the fiscal year, be altered or substituted with another method for the fiscal year, unless the Minister consents to the alteration or substitution.

Where the Minister of National Revenue consents, in accordance with subsection 17 of section 141.02 of the Excise Tax Act (Revised Statutes of

Canada, 1985, chapter E-15), that a method used by a financial institution for any of its fiscal years be altered or substituted with another method for the fiscal year, the Minister is deemed to consent to the alteration or substitution.

"**42.0.20.** Where, in accordance with subsection 20 of section 141.02 of the Excise Tax Act (Revised Statutes of Canada, 1985, chapter E-15), the Minister of National Revenue has authorized the use of particular methods in respect of the fiscal year of a person, the following rules apply:

(1) to determine the operative extent and the procurative extent of each of the person's business inputs, the particular methods must be used consistently by the person throughout the fiscal year and as specified in the application filed for that purpose with the Minister of National Revenue under subsection 18 of section 141.02 of the Excise Tax Act; and

(2) sections 42.0.12 to 42.0.17 do not apply for the fiscal year in respect of the person's business inputs.

The authorization referred to in the first paragraph in respect of a fiscal year of the person ceases to have effect at the beginning of the fiscal year and is deemed never to have been granted for the purposes of this Title if, under subsection 23 of section 141.02 of the Excise Tax Act, the authorization ceases to have effect at the beginning of the fiscal year and is deemed never to have been granted for the purposes of Part IX of that Act.

"**42.0.21.** Despite sections 42.0.12, 42.0.13 and 42.0.17, where a person has made an election under subsection 27 of section 141.02 of the Excise Tax Act (Revised Statutes of Canada, 1985, chapter E-15) for a fiscal year to use particular methods described in an application filed by the person under subsection 18 of section 141.02 of that Act to determine the operative extent and the procurative extent of each of the business inputs of the person, and where the conditions of subsections 27 and 28 of section 141.02 of that Act are met, the particular methods must be used for the fiscal period.

The election referred to in the first paragraph in respect of a fiscal year of the person ceases to have effect at the beginning of the fiscal year and is deemed never to have been made for the purposes of this Title if, under subsection 30 of section 141.02 of the Excise Tax Act, the election ceases to be in force at the beginning of the fiscal year and is deemed never to have been made for the purposes of Part IX of that Act.

"**42.0.22.** For the purposes of an appeal brought by a financial institution under the Tax Administration Act (chapter A-6.002) and pertaining to an assessment under this Title for a reporting period in a fiscal year in respect of an issue relating to the determination, under any of sections 42.0.15 to 42.0.17, 42.0.20 and 42.0.21, of the operative extent or the procurative extent of a business input, the burden of establishing the following facts is on the financial institution:

(1) in the case of the determination of the operative extent or the procurative extent of the business input in accordance with the first paragraph of section 42.0.15 or 42.0.17, the financial institution used a specified method consistently throughout the fiscal year;

(2) in the case of the determination of the operative extent or the procurative extent of the business input in accordance with the second paragraph of section 42.0.15 or 42.0.17, no specified method applied to the business input and the other attribution method used by the financial institution was fair and reasonable and used consistently by the financial institution throughout the fiscal year;

(3) in the case of the determination of the operative extent or the procurative extent of the business input in accordance with the first paragraph of section 42.0.16, the financial institution used a direct attribution method consistently throughout the fiscal year;

(4) in the case of the determination of the operative extent or the procurative extent of the business input in accordance with the second paragraph of section 42.0.16, no direct attribution method applied to the business input and the other attribution method used by the financial institution was fair and reasonable and used consistently by the financial institution throughout the fiscal year;

(5) in the case of the determination of the operative extent or the procurative extent of the business input in accordance with section 42.0.20, the particular methods referred to in that section were used consistently by the financial institution, and as specified in the application referred to in subparagraph 1 of the first paragraph of section 42.0.20, throughout the fiscal year; and

(6) in the case of the determination of the operative extent or the procurative extent of the business input in accordance with section 42.0.21, the particular methods referred to in that section are fair and reasonable, were used consistently by the financial institution, and as specified in the application referred to in the first paragraph of section 42.0.21, throughout the fiscal year, and, where the Minister of National Revenue has provided modifications to those methods under paragraph *e* of subsection 27 of section 141.02 of the Excise Tax Act (Revised Statutes of Canada, 1985, chapter E-15), the modified methods are not fair and reasonable for the purposes of that determination.

"**42.0.23.** If a financial institution is required to use a method in accordance with any of sections 42.0.15 to 42.0.17 in respect of any of its fiscal years, the Minister may, despite that section, at any time, by notice in writing, direct the financial institution to use another method to determine, for the fiscal year or any subsequent fiscal year, the operative extent and the procurative extent of each business input referred to in that section, provided that the other method is fair and reasonable.

If under subsection 32 of section 141.02 of the Excise Tax Act (Revised Statutes of Canada, 1985, chapter E-15) the Minister of National Revenue

directed a financial institution to use another method to determine, for a fiscal year, the operative extent and the procurative extent of a business input, the other method must also be used by the financial institution in respect of that business input for the fiscal year, despite sections 42.0.15 to 42.0.17, unless the Minister decides otherwise.

"**42.0.24.** If a financial institution is required to use another method because of section 42.0.23 in respect of a business input for a fiscal year, the Minister assesses the net tax of the financial institution for a reporting period included in the fiscal year and the financial institution appeals the assessment in respect of an issue relating to the application of that section, the following rules apply:

(1) the burden of proving that the other method is fair and reasonable is on the Minister; and

(2) if a court of last resort determines that the other method is not fair and reasonable, section 42.0.23 may not be applied to require the financial institution to use a particular method for the fiscal year in respect of the business input."

(2) Subsection 1 applies in respect of a reporting period that begins after 31 December 2012. However, when sections 42.0.10 to 42.0.24 of the Act, enacted by subsection 1, apply in respect of a reporting period that is included in a fiscal year that begins before 1 January 2013 and ends after 31 December 2012, a reference in those sections to a fiscal year is a reference to the part of that fiscal year that does not include a reporting period that begins before 1 January 2013.

47. (1) Section 42.7 of the Act is repealed.

(2) Subsection 1 applies from 1 January 2013.

48. (1) Sections 43 to 46 of the Act are replaced by the following sections:

"**43.** Where substantially all of the consumption or use of property or a service by a person, other than a financial institution, is in the course of the person's commercial activities, all of the consumption or use of the property or service by the person is deemed to be in the course of those activities.

"**44.** Where substantially all of the consumption or use for which a person, other than a financial institution, acquired or brought into Québec property or a service is in the course of the person's commercial activities, all of the consumption or use for which the person acquired or brought the property or service is deemed to be in the course of those activities.

"**45.** Where substantially all of the consumption or use of property or a service by a person, other than a financial institution, is in the course of particular activities of the person that are not commercial activities, all of the consumption or use is deemed to be in the course of those particular activities.

"**46.** Where substantially all of the consumption or use for which a person, other than a financial institution, acquired or brought into Québec property or a service is in the course of particular activities of the person that are not commercial activities, all of the consumption or use for which the person acquired or brought the property or service is deemed to be in the course of those particular activities."

(2) Subsection 1 applies from 1 January 2013.

49. (1) Section 52 of the Act is amended, in the second paragraph,

(1) by replacing subparagraph 1 by the following subparagraph:

"(1) any duty, fee or tax imposed under an Act of Canada, other than tax imposed under Part IX of the Excise Tax Act (Revised Statutes of Canada, 1985, chapter E-15), that is payable by the recipient, or payable or collectible by the supplier, in respect of that supply or in respect of the production, importation into Canada, consumption or use of the property or service;";

(2) by replacing subparagraph 3 in the French text by the following subparagraph:

"3° tout autre montant qui est percevable par le fournisseur en vertu d'une loi du Québec, d'une autre province, des Territoires du Nord-Ouest, du territoire du Yukon ou du territoire du Nunavut qui est égal à un prélèvement provincial, ou qui est percevable au titre ou en lieu d'un prélèvement provincial, sauf si le montant est payable par l'acquéreur et que le prélèvement provincial constitue des frais, un droit ou une taxe prescrits."

(2) Paragraph 1 of subsection 1 has effect from 1 January 2013, unless the tax imposed under Title I of the Act, in respect of a supply, that is calculated on the value of all or part of a consideration referred to in any of subsections 3 to 6 has been paid or is payable.

(3) Subject to subsections 4 and 5, paragraph 1 of subsection 1 applies in respect of all or part of the consideration for the supply of a property or a service that becomes due after 31 December 2012 and is not paid before 1 January 2013.

(4) Paragraph 1 of subsection 1 does not apply in respect of all or part of the consideration for the supply of corporeal movable property by way of sale if, by reason of the application of section 86 of the Act, tax under section 16 of the Act, as amended by section 31 of this Act, in respect of the supply, calculated on the value of the consideration or that part of the consideration is payable before 1 January 2013, except to the extent that, by reason of the application of section 89 of the Act, tax calculated on the value is payable after 31 December 2012.

(5) Paragraph 1 of subsection 1 applies in respect of the consideration for a supply of an immovable by way of sale made under an agreement in writing entered into after 31 December 2012.

(6) Despite subsection 3, paragraph 1 of subsection 1 does not apply in respect of all or part of the consideration for a supply of a property or a service where

(1) the supply is made under an agreement in writing entered into before 1 January 2012 for the construction, renovation or alteration of, or repair to, an immovable or a ship or other marine vessel; or

(2) the supply is of a property or service that is delivered, performed or made available on a continuous basis by means of a wire, pipeline or other conduit before 1 January 2012.

(7) For the purposes of paragraph 2 of subsection 6, if a supply of a property or service delivered, performed or made available on a continuous basis by means of a wire, pipeline or other conduit is made during a period for which the supplier issues an invoice in respect of the supply and, because of the method of recording the delivery of the property or the provision of the service, the time at which all or part of the property is delivered, or the time at which all or part of the service is provided, cannot reasonably be determined, an equal part of the whole of the property delivered, or of the whole of the service provided, in the period is deemed to have been delivered or provided, as the case may be, on each day of the period.

50. (1) Section 60 of the Act is amended by replacing paragraph 3 by the following paragraph:

"(3) the consideration for that supply is deemed to be equal to the amount obtained by multiplying the amount by which the total amount in respect of the bet that is given by the particular person to the person with whom the bet is placed, including any amount given as or on account of tax imposed on the particular person under this Title, exceeds the tax imposed on the particular person under Part IX of the Excise Tax Act (Revised Statutes of Canada, 1985, chapter E-15) by 100/109.975."

(2) Subsection 1 has effect from 1 January 2013.

51. (1) Section 69.3.1 of the Act is replaced by the following section:

"**69.3.1.** If a registrant ordinarily uses a cash register to determine the tax payable by a recipient in respect of a taxable supply made by the registrant to the recipient and the cash register does not permit the determination of the tax by multiplying the value of the consideration for the supply by 9.975%, or 14.975% if the registrant determines a total amount made up of both the tax provided for in this Title and the tax provided for in Part IX of the Excise Tax

Act (Revised Statutes of Canada, 1985, chapter E-15), the following rules apply:

(1) the registrant may, by means of the cash register, determine the tax payable by multiplying the value of the consideration by 9.97%; and

(2) the registrant may, by means of the cash register, determine the total amount made up of both the tax provided for in this Title and the tax provided for in Part IX of the Excise Tax Act by multiplying the value of the consideration by 14.97%."

(2) Subsection 1 has effect from 1 January 2013.

52. Section 81 of the Act is amended

(1) by replacing the portion before paragraph 2.1 by the following:

"**81.** The goods to which subparagraph 2 of the fourth paragraph of section 17 refers are the following:

(1) goods referred to in section 1 of Schedule VII to the Excise Tax Act (Revised Statutes of Canada, 1985, chapter E-15);

(2) goods from Canada outside Québec that would be goods to which, with the necessary modifications, paragraph 1 applies if they were from outside Canada, but not including goods that would be classified under tariff item No. 9804.10.00, 9804.20.00, 9804.30.00, 9804.40.00, 9805.00.00 or 9807.00.00 of the schedule to the Customs Tariff (Statutes of Canada, 1997, chapter 36);";

(2) by replacing paragraph 10 by the following paragraph:

"(10) containers to which section 9 of Schedule VII to the Excise Tax Act applies or to which that section could so apply but for the fact that the goods are from Canada outside Québec;".

53. (1) Section 138.6 of the Act is amended by replacing paragraph 2 by the following paragraph:

"(2) if the charity charges the recipient an amount as tax in respect of the supply, the consideration for the supply does not, and could not reasonably be expected to, equal or exceed the direct cost of the supply determined without reference to tax imposed under Part IX of the Excise Tax Act (Revised Statutes of Canada, 1985, chapter E-15) and without reference to any tax that became payable under this Title at a time when the charity was a registrant."

(2) Subsection 1 applies in respect of a supply for which consideration becomes due after 31 December 2012 and is not paid before 1 January 2013.

54. (1) Section 148 of the Act is amended by replacing paragraph 2 by the following paragraph:

"(2) if the body charges the recipient an amount as tax in respect of the supply, the consideration for the supply does not, and could not reasonably be expected to, equal or exceed the direct cost of the supply determined without reference to tax imposed under Part IX of the Excise Tax Act (Revised Statutes of Canada, 1985, chapter E-15) and without reference to any tax that became payable under this Title at a time when the body was a registrant."

(2) Subsection 1 applies in respect of a supply for which consideration becomes due after 31 December 2012 and is not paid before 1 January 2013.

55. (1) Section 167 of the Act is amended by replacing paragraphs 3 and 4 by the following paragraphs:

"(3) a prescribed mandatary for the purposes of section 399.1; or

"(4) a department within the meaning of section 2 of the Financial Administration Act (Revised Statutes of Canada, 1985, chapter F-11)."

(2) Subsection 1 applies from 1 April 2013.

56. (1) Section 168 of the Act is amended by replacing the portion before paragraph 1 by the following:

"**168.** A supply of an immovable made by a public service body (other than a financial institution or a government) is exempt, except a supply of".

(2) Subsection 1 applies in respect of a supply made after 31 December 2012.

57. (1) The Act is amended by inserting the following after section 169.2:

"**DIVISION VI.1**

"FINANCIAL SERVICES

"**169.3.** A supply of a financial service is exempt, unless it is a zero-rated supply under Division VII.2 of Chapter IV.

"**169.4.** A supply of a property or service that is deemed to be a supply of a financial service under section 297.0.2.1 is exempt."

(2) Subsection 1 applies in respect of a supply made after 31 December 2012.

58. Section 184.2 of the Act is amended by replacing paragraphs 1 and 2 by the following paragraphs:

"(1) is used in transporting property to or from Canada and is referred to in subparagraph ii of paragraph *a* of section 6.2 of Part V of Schedule VI to the Excise Tax Act (Revised Statutes of Canada, 1985, chapter E-15); or

"(2) is used in transporting property to or from Québec and would be referred to in subparagraph ii of paragraph *a* of section 6.2 of Part V of Schedule VI to the Excise Tax Act if the cargo container were from outside Québec."

59. (1) Section 188.1 of the Act is amended

(1) by replacing subparagraph *c* of subparagraph 2 of the first paragraph by the following subparagraph:

"(*c*) a service the supply of which is made in Québec and is not a zero-rated supply described in any of the sections of this division, of Division VII or of Division VII.2;";

(2) by striking out the second paragraph.

(2) Subsection 1 applies in respect of a supply made after 31 December 2012.

60. (1) Section 197 of the Act is amended

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

"(1) a supply of a freight transportation service in respect of the transportation of corporeal movable property from a place in Québec to a place outside Canada where the value of the consideration for the supply is $5 or more;";

(2) by replacing subparagraph *c* of paragraph 2 by the following subparagraph:

"(*c*) the value of the consideration for the supply is $5 or more;".

(2) Subsection 1 has effect from 1 January 2013.

61. (1) The Act is amended by inserting the following after section 197.2:

"**DIVISION VII.2**

"FINANCIAL SERVICE

"**197.3.** A supply of a financial service (other than a supply described in section 197.4) made by a financial institution to a person not resident in Canada is a zero-rated supply, unless the service relates to

(1) a debt that arises from

(*a*) the deposit of funds in Canada, if the instrument issued as evidence of the deposit is a negotiable instrument, or

(*b*) the lending of money that is primarily for use in Canada;

(2) a debt for all or part of the consideration for a supply of an immovable that is situated in Canada;

(3) a debt for all or part of the consideration for a supply of a movable property that is for use primarily in Canada;

(4) a debt for all or part of the consideration for a supply of a service that is to be performed primarily in Canada; or

(5) a financial instrument (other than an insurance policy or a precious metal) acquired, otherwise than directly from an issuer not resident in Canada, by the financial institution acting as a mandatory.

"**197.4.** A supply made by a financial institution of a financial service that relates to an insurance policy issued by the institution (other than a service that relates to investments made by the institution) is a zero-rated supply to the extent that

(1) in the case where the policy is a life or accident and sickness insurance policy (other than a group insurance policy), the policy is issued in respect of an individual who is not resident in Canada at the time the policy becomes effective;

(2) in the case where the policy is a group life or accident and sickness insurance policy, the policy relates to individuals not resident in Canada who are insured under the policy;

(3) in the case where the policy is an insurance policy in respect of an immovable, the policy relates to an immovable situated outside Canada; and

(4) in the case where the insurance policy is an insurance policy of any other kind, the policy relates to risks that are ordinarily situated outside Canada.

"**197.5.** A supply of a financial service that is the supply of precious metals in the case where the supply is made by the refiner or by the person on whose behalf the precious metals were refined is a zero-rated supply."

(2) Subsection 1 applies in respect of a supply made after 31 December 2012.

62. (1) Section 198 of the Act is amended by striking out paragraph 1.

(2) Subsection 1 applies in respect of a supply made after 31 December 2012.

63. (1) The Act is amended by inserting the following section after section 199:

"**199.0.0.1.** No amount may be included in determining an input tax refund of a person in respect of tax that became payable by the person under section 16, or, to the extent that the tax relates to a corporeal property the person brings into Québec from outside Canada, under section 17, while the person is a selected listed financial institution unless

(1) the amount is deemed to have been paid by the person under any of sections 207, 210.3, 256, 257, 264 and 265;

(2) the amount is a prescribed amount of tax for the purposes of subparagraph *a* of subparagraph 6 of the second paragraph of section 433.16;

(3) the person is permitted to claim an input tax refund under section 233 or 234; or

(4) the amount is a prescribed amount of tax."

(2) Subsection 1 applies from 1 January 2013.

64. Section 199.1 of the Act is replaced by the following section:

"**199.1.** Where a person acquires or brings into Québec property or a service partly for use in improving capital property of the person and partly for another purpose, for the purpose of determining an input tax refund of the person in respect of the property or service, the following rules apply:

(1) despite section 34, that part of the property or service that is acquired or brought into Québec for use in improving the capital property and the remaining part of the property or service are each deemed to be a separate property or service that does not form part of the other;

(2) the tax payable in respect of the supply or bringing into Québec of that part of the property or service that is acquired or brought into Québec for use in improving the capital property is deemed to be equal to the amount determined by the formula

A × B; and

(3) the tax payable in respect of that part of the property or service that is not for use in improving the capital property is deemed to be equal to the difference between the tax payable (in this section referred to as the "total tax payable") by the person in respect of the supply or bringing into Québec of the property or service, determined without reference to this section, and the amount determined under subparagraph 2.

For the purposes of the formula in subparagraph 2 of the first paragraph,

(1) A is the total tax payable; and

(2) B is the extent, expressed as a percentage, to which the total consideration paid or payable by the person for the supply in Québec of the property or service or the value of the property brought into Québec is or would be, if the person were a taxpayer within the meaning of the Taxation Act (chapter I-3), included in determining the adjusted cost base to the person of the capital property for the purposes of that Act."

65. (1) Section 206.0.1 of the Act is repealed.

(2) Subsection 1 applies in respect of an amount of tax that becomes payable after 31 December 2012.

66. (1) Section 211 of the Act is amended by replacing "9.5/109.5" in the second paragraph by "9.975/109.975".

(2) Subsection 1 has effect from 1 January 2013.

67. (1) Section 213 of the Act is amended by replacing "9.5/109.5" in the portion of the first paragraph before subparagraph 1 by "9.975/109.975".

(2) Subsection 1 has effect from 1 January 2013.

68. (1) Section 233 of the Act is amended by replacing subparagraphs 1 and 2 of the third paragraph by the following subparagraphs:

"(1) to a supply deemed under any of sections 259, 259.1, 262 and 262.1 to have been made; or

"(2) to a supply made by a public sector body (other than a financial institution) of an immovable in respect of which an election by the body under sections 272 to 276 is not in effect at the particular time."

(2) Subsection 1 applies from 1 January 2013.

69. (1) Section 234 of the Act is amended by replacing the portion before paragraph 1 by the following:

"**234.** Subject to section 234.0.1, if at a particular time a registrant that is a public sector body (other than a financial institution) makes a taxable supply of an immovable by way of sale (other than a supply that is deemed under any of sections 243, 259 and 259.1 to have been made) and, immediately before the time tax becomes payable in respect of the taxable supply, the immovable was not used by the registrant primarily in commercial activities of the registrant, the registrant may, despite sections 203 to 206 and subdivision 5, except where section 233 applies, claim an input tax refund for the reporting period in which tax in respect of the taxable supply became payable or is deemed to have been collected, as the case may be, equal to the lesser of".

(2) Subsection 1 applies from 1 January 2013.

70. (1) Section 235 of the Act is amended by replacing "9.5/109.5" in paragraph 1 by "9.975/109.975".

(2) Subsection 1 applies in respect of a supply of an immovable by way of sale made under an agreement in writing entered into after 31 December 2012.

71. Section 237.3 of the Act is amended by replacing paragraph 1 by the following paragraph:

"(1) where tax under section 17 was not paid on the property in respect of that bringing into Québec because the property was described in paragraph 1, 2 or 10 of section 81 or the property was described in paragraph 9 of that section and was classified under the heading specified in paragraph *a* of subsection 1 of section 195.2 of the Excise Tax Act (Revised Statutes of Canada, 1985, chapter E-15), or would have been so classified but for paragraph *a* of the note referred to in paragraph *a* of that subsection;".

72. (1) Section 238.1 of the Act is amended by adding the following paragraph:

"The first paragraph does not apply in respect of property held by a registrant immediately before 1 January 2013 and to which any of the following provisions applied:

(1) the second paragraph of section 243;

(2) the second paragraph of section 253; and

(3) the fourth paragraph of section 255.1."

(2) Subsection 1 applies from 1 January 2013.

73. (1) The Act is amended by inserting the following section after section 239:

"**239.0.1.** If a registrant, other than a listed financial institution or a person who is a financial institution referred to in subparagraph *a* of paragraph 2 of the definition of "financial institution" in section 1, uses property as capital property in the making of supplies of financial services that relate to commercial activities of the registrant, the registrant is deemed,

(1) where the registrant is a financial institution referred to in subparagraph *b* of paragraph 2 of the definition of "financial institution" in section 1, to use the property in the registrant's commercial activities to the extent that the registrant does not use the property in the registrant's activities that relate to credit cards or charge cards issued by the registrant, or the making of any advance, the lending of money or the granting of any credit; or

(2) in any other case, to use the property in the registrant's commercial activities."

(2) Subsection 1 applies from 1 January 2013.

74. (1) Section 243 of the Act is amended

(1) by replacing "property for use" in the portion before paragraph 1 by "movable property for use";

(2) by adding the following paragraph:

"Despite the first paragraph, where a registrant last acquired or brought into Québec movable property for use as capital property primarily in commercial activities of the registrant and the registrant begins, on 1 January 2013, to use the property primarily for other purposes because of Division VI.1 of Chapter III, the following rules apply:

(1) the registrant is deemed to have made, immediately before 1 January 2013, a supply of the property by way of sale for no consideration; and

(2) the registrant is deemed to have received, on 1 January 2013, a supply of the property by way of sale for use otherwise than as capital property or as an improvement to capital property of the registrant."

(2) Subsection 1 applies from 1 January 2013.

75. (1) Section 246 of the Act is amended by replacing paragraph 1 by the following paragraph:

"(1) property of a registrant that is a financial institution or a prescribed registrant; or".

(2) Subsection 1 applies from 1 January 2013.

76. (1) Section 252 of the Act is amended by replacing "9.5/109.5" in the portion of paragraph 2 before subparagraph *a* by "9.975/109.975".

(2) Subsection 1 has effect from 1 January 2013.

77. (1) Section 253 of the Act is amended by adding the following paragraph:

"Despite the first paragraph, where a registrant who is an individual or a partnership acquired or brought into Québec a passenger vehicle or an aircraft for use as capital property exclusively in commercial activities of the registrant and the registrant begins, on 1 January 2013, to use the property otherwise than exclusively in commercial activities of the registrant because of Division VI.1 of Chapter III, the following rules apply:

(1) the registrant is deemed to have made, immediately before 1 January 2013, a supply by way of sale of the vehicle or aircraft for no consideration; and

(2) the registrant is deemed to have received, on 1 January 2013, a supply by way of sale of the vehicle or aircraft for use otherwise than as capital property or as an improvement to capital property of the registrant."

(2) Subsection 1 applies from 1 January 2013.

78. (1) The Act is amended by inserting the following after section 255:

"4. — *Financial institution*

"**255.1.** Where a registrant is a financial institution, sections 256 to 259 apply, with the necessary modifications, in relation to movable property acquired or brought into Québec by the financial institution for use as capital property of the financial institution, and to improvements to such movable property, as if the movable property were an immovable.

Where a registrant is a financial institution, section 233 applies, with the necessary modifications, in relation to movable property (other than a passenger vehicle) acquired or brought into Québec by the institution for use as capital property of the institution as if the movable property were an immovable.

The first and second paragraphs do not apply to movable property of a financial institution having a cost to the institution of $50,000 or less.

Where a registrant that is a financial institution begins, on 1 January 2013, to use movable property having a cost to the institution of $50,000 or less as capital property otherwise than primarily in the course of commercial activities of the registrant because of Division VI.1 of Chapter III, and the registrant last acquired or brought into Québec the movable property for use as capital property primarily in the course of commercial activities of the registrant, the following rules apply:

(1) the registrant is deemed to have made, immediately before 1 January 2013, a supply of the movable property by way of sale for no consideration; and

(2) the registrant is deemed to have received, on 1 January 2013, a supply of the movable property by way of sale for use otherwise than as capital property or an improvement to capital property of the registrant.

Despite the first paragraph, where a registrant that is a financial institution reduces or ceases, on 1 January 2013, the use of movable property having a cost to the institution exceeding $50,000 as capital property in the course of commercial activities of the registrant because of Division VI.1 of Chapter III, and the registrant last acquired or brought into Québec the movable property for use as capital property primarily in the course of commercial activities of the registrant, the following rules apply:

(1) the registrant is deemed to have made, immediately before 1 January 2013, a supply of the movable property by way of sale and to have collected, at that time, tax in respect of the supply equal to the basic tax content of the movable property at that time;

(2) the registrant is deemed to have received, immediately after 31 December 2012, a supply of the movable property by way of sale and to have paid, at that time, tax in respect of the supply equal to the basic tax content of the movable property at that time; and

(3) the second paragraph does not apply in relation to the property.

"**255.2.** Where an election made by a registrant under the first paragraph of section 297.0.2.1 becomes effective at a particular time, the registrant was a financial institution immediately before the particular time and, as a result of the election becoming effective, the registrant reduces at the particular time the extent to which movable property of the registrant is used as capital property in commercial activities of the registrant, sections 233, 258 and 259 apply, with the necessary modifications, to the reduction in use, as if the property were an immovable.

"**255.3.** Where, at a particular time, a registrant becomes a financial institution and, immediately before that time, the registrant was using movable property of the registrant as capital property, the following rules apply:

(1) where, immediately before the particular time, the registrant was not using the movable property primarily in commercial activities of the registrant and, immediately after the particular time, the property is for use in commercial activities of the registrant, the registrant is deemed to have changed, at that time, the extent to which the property is used in commercial activities of the registrant, and section 256 applies, with the necessary modifications, to the change in use as if the property were an immovable that was not used, immediately before that time, in commercial activities of the registrant; and

(2) where, immediately before the particular time, the registrant was using the property primarily in commercial activities of the registrant and, immediately after that time, the property is not for use exclusively in commercial activities of the registrant, the registrant is deemed to have changed, at that time, the extent to which the property is used in commercial activities of the registrant, and sections 233, 258 and 259 apply, with the necessary modifications, to the change in use as if the property were an immovable used, immediately before that time, exclusively in commercial activities of the registrant.

Where a particular corporation that is not a financial institution is merged or amalgamated with one or more other corporations, in the circumstances described in section 76, to form a new corporation that is both a financial institution and a registrant and movable property that was capital property of the particular corporation becomes, at a particular time, the property of the new corporation as a consequence of the merger or amalgamation, the first

paragraph applies to the property as if the new corporation became a financial institution at the particular time.

Where a particular corporation that is not a financial institution is wound up in the circumstances described in section 77, not less than 90% of the issued shares of each class of the capital stock of the corporation were, immediately before the winding-up, owned by another corporation that is both a financial institution and a registrant, and movable property that was capital property of the particular corporation becomes the property of the other corporation as a consequence of the winding-up, the first paragraph applies to the property as if the other corporation became a financial institution at the time of the winding-up.

"**255.4.** Where, at a particular time, a registrant ceases to be a financial institution and, immediately before that time, the registrant was using movable property of the registrant as capital property, the following rules apply:

(1) where, immediately before the particular time, the registrant was using the movable property as capital property but not exclusively in commercial activities of the registrant and, immediately after that time, the property is for use primarily in commercial activities of the registrant, the registrant is deemed to have begun, at that time, to use the property exclusively in commercial activities of the registrant, and sections 256 and 257 apply, with the necessary modifications, to the change in use as if the property were an immovable; and

(2) where, immediately before the particular time, the registrant was using the property as capital property in commercial activities of the registrant and, immediately after that time, the property is not for use primarily in commercial activities of the registrant, the registrant is deemed to have ceased, at that time, to use the property in commercial activities of the registrant, and sections 233 and 258 apply, with the necessary modifications, to the change in use as if the property were an immovable.

"**255.5.** Despite section 239, where, as a consequence of acquiring a business or part of a business from a registrant, a financial institution that is a registrant is deemed, under section 75.1, to have acquired property for use exclusively in commercial activities of the institution and, immediately after possession of the property is transferred to the institution in accordance with the agreement for the supply of the business or part, the property is for use by the institution as capital property but not exclusively in commercial activities of the institution, sections 233, 258 and 259 apply, with the necessary modifications, to the change in use of the property as if the property were an immovable.

"**255.6.** Despite section 239, where, as a consequence of acquiring a business or part of a business from a registrant, a financial institution that is a registrant is deemed, under section 75.1, to have acquired property for use exclusively in activities of the institution other than commercial activities and, immediately after possession of the property is transferred to the institution in

accordance with the agreement for the supply of the business or part, the property is for use by the institution as capital property in commercial activities of the institution, section 256 applies, with the necessary modifications, to the change in use of the property as if the property were an immovable."

(2) Subsection 1 applies from 1 January 2013.

79. (1) The Act is amended by inserting the following section after section 259:

"**259.1.** Despite sections 258 and 259, where, on 1 January 2013, a registrant reduces the extent to which an immovable is used as capital property in commercial activities of the registrant or ceases to use the immovable as capital property in such activities, because of Division VI.1 of Chapter III, the following rules apply:

(1) the registrant is deemed to have made, immediately before 1 January 2013, a supply of the immovable by way of sale and, except where the supply is an exempt supply, to have collected, at that time, tax in respect of the supply equal to the basic tax content of the immovable at that time; and

(2) the registrant is deemed to have received, immediately after 31 December 2012, a supply of the immovable by way of sale and, except where the supply is an exempt supply, to have paid, at that time, tax in respect of the supply equal to the basic tax content of the immovable at that time."

(2) Subsection 1 applies from 1 January 2013.

80. (1) Section 260 of the Act is replaced by the following section:

"**260.** Subject to section 272, sections 256 to 259.1 do not apply in respect of property acquired by a registrant who is an individual, a public sector body that is not a financial institution, or a prescribed registrant."

(2) Subsection 1 applies from 1 January 2013.

81. (1) The Act is amended by inserting the following section after section 262:

"**262.1.** Despite sections 261 and 262, where an individual is a registrant who, on 1 January 2013, reduces the extent to which an immovable is used as capital property in commercial activities of the registrant or ceases to use the immovable as capital property in such activities, because of Division VI.1 of Chapter III, and, immediately before 1 January 2013, the registrant used the immovable in commercial activities of the individual, and not primarily for the personal use and enjoyment of the individual or a related individual, the following rules apply:

(1) the registrant is deemed to have made, immediately before 1 January 2013, a supply of the immovable by way of sale and, except where the supply is an exempt supply, to have collected, at that time, tax in respect of the supply equal to the basic tax content of the immovable at that time; and

(2) the registrant is deemed to have received, immediately after 31 December 2012, a supply of the immovable by way of sale and, except where the supply is an exempt supply, to have paid, at that time, tax in respect of the supply equal to the basic tax content of the immovable at that time."

(2) Subsection 1 applies from 1 January 2013.

82. (1) Section 267 of the Act is replaced by the following section:

"**267.** If a registrant is a public service body (other than a financial institution or a government) or a prescribed mandatary of the Government, sections 240 to 244 apply, with the necessary modifications, to an immovable acquired by the registrant for use as capital property of the registrant or, in the case of section 241, to improvements to an immovable that is capital property of the registrant, as if the immovable were movable property."

(2) Subsection 1 applies from 1 January 2013.

83. (1) The Act is amended by inserting the following after section 279:

"§6.1. — *Deemed supply between branches of a financial institution*

"**279.1.** In this subdivision, the following rules apply:

(1) "external charge", "qualifying consideration", "qualifying service" and "qualifying taxpayer" have the meaning assigned by section 26.2; and

(2) an amount that is an internal charge is an amount described in the third paragraph of section 26.3.

"**279.2.** Any outlay or expense that, in accordance with subsection 2 of section 217.1 of the Excise Tax Act (Revised Statutes of Canada, 1985, chapter E-15), is included in the outlays made or expenses incurred outside Canada for the purposes of Division IV of Part IX of that Act is also an outlay made or an expense incurred outside Canada for the purposes of this subdivision.

"**279.3.** For the purpose of determining an input tax refund of a registrant who is a qualifying taxpayer, where an amount (in this section referred to as a "qualifying expenditure") of qualifying consideration, or of an external charge, of the qualifying taxpayer in respect of an outlay made, or expense incurred, outside Canada that is attributable to the whole or part of a property (in this section referred to as an "attributable property") or of a qualifying service (in this section referred to as an "attributable service") is greater than zero and, during a reporting period of the qualifying taxpayer during which the qualifying

taxpayer is a registrant, tax under section 18 becomes payable by the qualifying taxpayer or is paid by the qualifying taxpayer without having become payable, in respect of the qualifying expenditure, the following rules apply:

(1) the attributable property or attributable service is deemed to have been acquired by the qualifying taxpayer at the time at which the outlay was made or the expense was incurred;

(2) the tax is deemed to be in respect of a supply of the attributable property or attributable service; and

(3) the extent to which the qualifying taxpayer acquired the attributable property or attributable service for consumption, use or supply in the course of commercial activities of the qualifying taxpayer is deemed to be the same extent as that to which the whole or part of the outlay or expense, which corresponds to the qualifying expenditure, was made or incurred to consume, use or supply the attributable property or attributable service in the course of commercial activities of the qualifying taxpayer.

For the purpose of determining an input tax refund of a qualifying taxpayer in respect of an attributable property or an attributable service, a reference in sections 199 and 199.1 to a property or a service is to be read as a reference to an attributable property or an attributable service.

"**279.4.** For the purpose of determining an input tax refund of a registrant who is a qualifying taxpayer, where tax (in this section referred to as the "internal tax") under section 18 becomes payable by the qualifying taxpayer or is paid by the qualifying taxpayer without having become payable, in respect of an internal charge and the internal charge is determined based in whole or in part on the inclusion of an outlay made, or an expense incurred, outside Canada by the qualifying taxpayer that is attributable to the whole or part of a property (in this section referred to as an "internal property") or of a qualifying service (in this section referred to as an "internal service"), the following rules apply:

(1) the internal property or internal service is deemed to have been supplied to the qualifying taxpayer at the time the outlay was made or the expense was incurred;

(2) the amount of the internal tax that can reasonably be attributed to the outlay or expense is deemed to be tax (in this subparagraph referred to as "attributed tax") in respect of the supply of the internal property or internal service, and the attributed tax is deemed to have become payable at the time the internal tax becomes payable by the qualifying taxpayer or is paid by the qualifying taxpayer without having become payable; and

(3) the extent to which the qualifying taxpayer acquired the internal property or internal service for consumption, use or supply in the course of commercial activities of the qualifying taxpayer is deemed to be the same extent as that to

which the outlay or expense was made or incurred to consume, use or supply the internal property or internal service in the course of commercial activities of the qualifying taxpayer.

For the purpose of determining an input tax refund of a qualifying taxpayer in respect of an internal property or an internal service, a reference in sections 199 and 199.1 to a property or a service is to be read as a reference to an internal property or an internal service."

(2) Subsection 1 applies from 1 January 2013.

84. (1) Subdivision 7 of Division II of Chapter V of Title I of the Act, comprising sections 280 and 281, is repealed.

(2) Subsection 1 applies from 1 January 2013.

85. (1) Section 289.5 of the Act is amended by replacing subparagraph *b* of subparagraph 4 of the first paragraph by the following subparagraph:

"(*b*) except where the pension entity is a selected listed financial institution on the last day of the particular fiscal year, to have paid tax in respect of the supply referred to in subparagraph *a*, on that day, equal to the amount of tax determined in accordance with subparagraph 3, and".

(2) Subsection 1 applies in respect of a fiscal year of a person that ends after 31 December 2012.

86. (1) Section 289.6 of the Act is amended by replacing subparagraph *b* of subparagraph 4 of the first paragraph by the following subparagraph:

"(*b*) except where the pension entity is a selected listed financial institution on the last day of the fiscal year, to have paid tax in respect of the supply referred to in subparagraph *a*, on that day, equal to the amount of tax determined in accordance with subparagraph 3, and".

(2) Subsection 1 applies in respect of a fiscal year of a person that ends after 31 December 2012.

87. (1) Section 289.7 of the Act is amended by replacing subparagraph 4 of the first paragraph by the following subparagraph:

"(4) for the purpose of determining, in accordance with subdivision 6.6 of Division I of Chapter VII, an eligible amount of the specified pension entity of the pension plan in respect of the person for the fiscal year, the specified pension entity is deemed to have paid, on the last day of the fiscal year, except where the pension entity is a selected listed financial institution on that day, tax equal to the amount of tax determined in accordance with subparagraph 3."

(2) Subsection 1 applies in respect of a fiscal year of a person that ends after 31 December 2012.

88. (1) Section 290 of the Act is amended by replacing "9.5/109.5" in subparagraphs ii and iii of subparagraph *b* of subparagraph 2 of the first paragraph by "9.975/109.975".

(2) Subsection 1 applies from the taxation year 2013.

89. (1) Section 293 of the Act is amended

(1) by replacing the portion of the first paragraph before subparagraph 2 by the following:

"**293.** Where in a reporting period of a registrant other than a financial institution, the registrant acquires a passenger vehicle or an aircraft by way of lease for use otherwise than primarily in the course of commercial activities of the registrant or the registrant uses, otherwise than primarily in the course of commercial activities of the registrant, a passenger vehicle or an aircraft that was last acquired by the registrant by way of lease, or where in a reporting period of a registrant that is a financial institution, the registrant acquires such property by way of purchase or lease or the registrant uses such property that was last acquired by the registrant by way of purchase or lease, the registrant may make an election in respect of the vehicle or aircraft to take effect on the first day of that reporting period of the registrant, in which event the following rules apply:

(1) despite subparagraph 1 of the first paragraph of section 290, the registrant is deemed to have begun, on that day, to use the property exclusively in activities of the registrant that are not commercial activities and, as soon as the election becomes effective and until the registrant disposes of or ceases to lease the property, the registrant is deemed to use the property exclusively in activities of the registrant that are not commercial activities;";

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

"(2.1) where the property was last supplied to the registrant by way of sale, the registrant is a financial institution and the cost of the property to the registrant did not exceed $50,000,

(*a*) there shall not be included, in determining an input tax refund claimed by the registrant in a return under section 468 for that or any subsequent reporting period, tax calculated on all or part of the consideration for that supply and tax in respect of improvements to the property that were acquired or brought into Québec by the registrant after the property was last so acquired or brought into Québec, and

(*b*) where an amount in respect of any tax referred to in subparagraph *a* was included in determining an input tax refund claimed by the registrant in a return under section 468 for a reporting period that ends before that period, that amount shall be added in determining the net tax of the registrant for that period;".

(2) Subsection 1 applies in respect of a property acquired by way of purchase or by way of lease under an agreement entered into after 31 December 2012.

90. (1) Section 294 of the Act is amended by replacing paragraph 1 by the following paragraph:

"(1) the total of all amounts each of which is the value of the consideration (other than consideration referred to in section 75.2 that is attributable to goodwill of a business) that became due in the four calendar quarters immediately preceding the particular calendar quarter, or that was paid in those four calendar quarters without having become due, to the person or an associate of the person at the beginning of the particular calendar quarter for taxable supplies (other than supplies of financial services and supplies by way of sale of capital property of the person or associate) made inside or outside Québec by the person or associate;".

(2) Subsection 1 applies from 1 January 2013.

91. (1) Section 295 of the Act is amended by replacing paragraph 1 by the following paragraph:

"(1) the total of all amounts each of which is the value of the consideration (other than consideration referred to in section 75.2 that is attributable to goodwill of a business) that became due in the calendar quarter or was paid in that calendar quarter without having become due, to a person or an associate of the person at the beginning of the calendar quarter for taxable supplies (other than supplies of financial services and supplies by way of sale of capital property of the person or associate) made inside or outside Québec by the person or associate;".

(2) Subsection 1 applies from 1 January 2013.

92. (1) Section 296 of the Act is repealed.

(2) Subsection 1 has effect from 1 January 2013.

93. (1) The Act is amended by inserting the following after section 297.0.2:

"**DIVISION III.0.0.1**

"FINANCIAL INSTITUTION

"**297.0.2.1.** Where a particular corporation that is a member of a closely related group of which a listed financial institution is a member and another corporation that is a member of the group make a valid joint election under subsection 1 of section 150 of the Excise Tax Act (Revised Statutes of Canada, 1985, chapter E-15), the particular corporation and the other corporation shall make the joint election that every supply between them of property by way of lease, licence or similar arrangement or of a service that is made at a time when the election under that subsection 1 is in effect for the purposes of Part IX of that Act that would, but for this section, be a taxable supply is deemed to be a supply of a financial service.

An election required to be made by a particular corporation under the first paragraph must be made in the prescribed form containing prescribed information, specify the day the election is to become effective, and be filed by the particular corporation with the Minister on or before the day on which a return under Chapter VIII for the reporting period of the particular corporation in which the election is to become effective is required to be filed.

Where a particular corporation has, before 1 January 2013, made a valid joint election with another corporation under subsection 1 of section 150 of the Excise Tax Act and that election is valid on that date for the purposes of Part IX of that Act, the particular corporation is deemed to have made the election required under the first paragraph.

"**297.0.2.2.** The election required under section 297.0.2.1 does not apply in respect of

(1) property held or services rendered by a corporation party to the election as a participant in a joint venture with another person while an election under section 346 made jointly by the corporation and the other person is in effect;

(2) a supply described in section 18; or

(3) a supply of services in relation to the clearing or settlement of cheques and other payment items under the national payments system of the Canadian Payments Association if the recipient (in this subparagraph referred to as the "related purchaser") is acquiring all or part of those services for the purpose of making a supply of exempt services to

(*a*) an unrelated party, or

(*b*) a supplier that is a member of a closely related group of which the related purchaser is a member and that acquires all or part of the exempt services for the purpose of making a supply of exempt services to an unrelated party or to another supplier described by this subparagraph.

For the purposes of the first paragraph,

"exempt services" means any service in relation to the clearing and settlement of cheques and other payment items under the national payments system of the Canadian Payments Association that is supplied by the Association or any of its members;

"unrelated party", in respect of a supply of services, means a person that is not a member of a closely related group of which the supplier is a member and that is acquiring the services for the purpose of making a supply of services in relation to the clearing or settlement of cheques and other payment items under the national payments system of the Canadian Payments Association.

"**297.0.2.3.** The election required under section 297.0.2.1 is valid for the period that begins on 1 January 2013 or, if made later, the day on which the election made under subsection 1 of section 150 of the Excise Tax Act (Revised Statutes of Canada, 1985, chapter E-15) becomes effective, and that ends on the earliest of

(1) the day either corporation that made the election ceases to be a member of one and the same closely related group;

(2) the first day the closely related group of which the corporations that made the election are members does not include a listed financial institution (other than a corporation that is a financial institution only by reason of the presumption provided for in section 297.0.2.6); and

(3) the day specified in a notice of revocation filed jointly by the corporations that made the election with the Minister in prescribed manner and containing prescribed information.

For the purposes of subparagraph 3 of the first paragraph, the following rules apply:

(1) where a notice of revocation in relation to the election made under subsection 1 of section 150 of the Excise Tax Act is filed by the corporations that made the election required under section 297.0.2.1, in accordance with paragraph *c* of subsection 4 of section 150 of that Act, a notice of revocation stating the date specified in the notice of revocation filed in accordance with that paragraph *c* must also be filed by the corporations with the Minister; and

(2) a notice of revocation may be filed with the Minister only if the corporations that made the joint election required under section 297.0.2.1 have filed a notice of revocation in accordance with paragraph *c* of subsection 4 of section 150 of the Excise Tax Act.

"**297.0.2.4.** The following rules apply to credit unions:

(1) every credit union is deemed to be at all times a member of a closely related group of which every other credit union is a member;

(2) every credit union is deemed to have made the election required under section 297.0.2.1 with every other credit union, which election is in effect at all times; and

(3) every supply of a corporeal movable property (other than a capital property) made by a credit union to another credit union is deemed to be a supply of a financial service.

"**297.0.2.5.** The following rules apply to the members of a mutual insurance group:

(1) every member of a mutual insurance group is deemed to be at all times a member of a closely related group of which every other member of the mutual insurance group is a member; and

(2) every member of a mutual insurance group is deemed to have made the election required under section 297.0.2.1 with every other member of the mutual insurance group, which election is in effect at all times.

"**297.0.2.6.** A corporation that is a member of a closely related group and that makes the election required under section 297.0.2.1 is deemed to be a financial institution throughout the period for which the election is in effect."

(2) Subsection 1 applies from 1 January 2013.

94. (1) Section 297.0.4 of the Act is amended by replacing the formula in subparagraph 3 of the first paragraph by the following formula:

"$30,000 × A/365".

(2) Subsection 1 applies in respect of a fiscal year that ends after 31 December 2012. However, when section 297.0.4 of the Act applies in respect of a fiscal year that includes that date, it is to be read

(1) as if the formula in subparagraph 3 of the first paragraph was replaced by the following formula:

"($31,500 × A/365) + ($30,000 × B/365)";

(2) as if the second paragraph was replaced by the following paragraph:

"For the purposes of the formula in subparagraph 3 of the first paragraph,

(1) A is the number of days in the fiscal year that precede 1 January 2013; and

(2) B is the number of days in the fiscal year that follow 31 December 2012."

95. (1) Section 300 of the Act is amended by replacing "9.5/109.5" in paragraph 1 by "9.975/109.975".

(2) Subsection 1 has effect from 1 January 2013.

96. (1) Section 300.1 of the Act is amended by replacing "9.5/109.5" in subparagraph *a* of paragraph 2 by "9.975/109.975".

(2) Subsection 1 has effect from 1 January 2013.

97. (1) Section 300.2 of the Act is amended by replacing "9.5/109.5" in the portion of subparagraph *b* of paragraph 1 before subparagraph i and in subparagraph *b* of paragraph 2 by "9.975/109.975".

(2) Subsection 1 has effect from 1 January 2013.

98. (1) Section 301.4 of the Act is amended

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

"**301.4.** Sections 301.5 to 301.9 apply if a person (in this division referred to as the "surety") acting as a surety under a performance bond in respect of a contract for a particular taxable supply of construction services relating to an immovable situated in Québec carries on construction (in this division referred to as "particular construction") that is undertaken in full or partial satisfaction of the surety's obligations under the bond and is entitled to receive at any time from the creditor, by reason of carrying on the particular construction, an amount (in this division referred to as a "contract payment").";

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

"(2) a contract payment does not include an amount the tax in respect of which was or will be required to be included in determining the net tax of the debtor under the performance bond and is not an amount paid or payable as or on account of tax under this Title, tax under Part IX of the Excise Tax Act (Revised Statutes of Canada, 1985, chapter E-15), or a duty, fee or tax payable by the creditor that is prescribed for the purposes of section 52."

(2) Subsection 1 has effect from 1 January 2013.

99. (1) The Act is amended by inserting the following sections after section 301.4:

"**301.5.** Except for the purposes of section 301.6, in carrying on the particular construction, the surety is deemed to be making, at the place where the particular supply was made, a taxable supply to which section 68 and Divisions III.0.0.1 and X do not apply and for which the contract payment is deemed to be consideration.

"**301.6.** For the purpose of determining the extent to which a property or a service is acquired or brought into Québec by a surety for consumption, use or supply in the course of commercial activities of the surety and for the purpose of determining the extent to which the property or service is consumed, used or supplied by the surety in the course of commercial activities of the surety, the carrying on of the particular construction by the surety is deemed not to be for the purpose of making a taxable supply and not to be a commercial activity of the surety.

"**301.7.** Despite section 301.6, if section 301.5 deems a surety to be making a taxable supply, any property or service (in this division referred to as a "direct input") that the surety acquires or brings into Québec for consumption, use or supply exclusively and directly in the course of carrying on the particular construction and not for use as capital property of the surety or in improving such a capital property is deemed, except for the purposes of sections 17, 18 to 18.0.3 and 55 and of Division X, to have been acquired or brought into Québec by the surety for consumption, use or supply exclusively in the course of commercial activities of the surety.

"**301.8.** The input tax refund of a surety in respect of direct inputs is the lesser of

(1) the amount determined in accordance with Chapter V, but for this section, in respect of those inputs; and

(2) either of the following amounts:

(*a*) where the amount obtained by the following formula exceeds the total of all amounts, each of which would be an input tax refund of the surety in respect of a direct input but for the fact that tax is not payable by the surety in respect of the acquisition or bringing into Québec of the direct input because of section 75 and Division III.0.0.1 or because of the fact that the surety is deemed to have acquired it, or brought it into Québec, for consumption, use or supply exclusively in the course of commercial activities of the surety, that excess amount:

A × B, and

(*b*) in any other case, zero.

For the purposes of the formula in subparagraph *a* of subparagraph 2 of the first paragraph,

(1) A is the tax rate specified in the first paragraph of section 16; and

(2) B is the total of all contract payments (other than contract payments that are not in respect of the carrying on of the particular construction).

"**301.9.** If a person acquires or brings into Québec a property or a service for consumption, use or supply exclusively and directly in the course of construction work that includes the carrying on of a particular construction that is undertaken in full or partial satisfaction of the person's obligations as a surety and in the course of carrying on other construction activities, the following rules apply for the purposes of this division, of determining the input tax refund and of determining the total amount of all input tax refunds in respect of direct inputs that the person is entitled to claim:

(1) despite section 34, that part (in this section referred to as the "particular construction input") of the property or service that is for consumption, use or supply in the course of carrying on the particular construction and the remaining part (in this section referred to as the "additional construction input") of the property or service are each deemed to be a separate property or service that does not form part of the other;

(2) the particular construction input is deemed to have been acquired or brought into Québec, as the case may be, exclusively and directly for use in the course of carrying on the particular construction;

(3) the additional construction input is deemed not to have been acquired or brought into Québec, as the case may be, for consumption, use or supply in the course of carrying on the particular construction;

(4) the tax payable in respect of the supply or bringing into Québec, as the case may be, of the particular construction input is deemed to be equal to the amount determined by the formula

A × B; and

(5) the tax payable in respect of the additional construction input is deemed to be equal to the amount by which the amount determined under subparagraph 1 of the second paragraph exceeds the amount determined under subparagraph 4.

For the purposes of the formula in subparagraph 4 of the first paragraph:

(1) A is the tax payable by the person in respect of the supply or bringing into Québec, as the case may be, of the property or service, determined without reference to this section; and

(2) B is the extent (expressed as a percentage) to which the property or service was acquired or brought into Québec, as the case may be, for consumption, use or supply in the course of carrying on the particular construction."

(2) Subsection 1 applies in respect of a person who, after 31 December 2012, begins to carry on a particular construction in full or partial satisfaction of the person's obligations under a performance bond.

100. (1) The Act is amended by inserting the following before Division V of Chapter VI of Title I:

"**DIVISION IV.2**

"FINANCIAL SERVICE DEEMED TO BE SUPPLIED IN THE COURSE OF COMMERCIAL ACTIVITIES

"**301.10.** If tax in respect of a property or a service acquired or brought into Québec by a registrant becomes payable by the registrant at a time when the registrant is neither a listed financial institution nor a person who is a financial institution referred to in subparagraph *a* of paragraph 2 of the definition of "financial institution" in section 1, for the purposes of subdivision 5 of Division II of Chapter V and for the purpose of determining the applicable input tax refund, the following rules apply to the extent (determined in accordance with sections 42.0.2, 42.0.3 and 42.0.12) that the property or service was acquired or brought into Québec, as the case may be, for consumption, use or supply in the course of making a supply of financial services that relate to commercial activities of the registrant:

(1) if the registrant is a financial institution referrred to in subparagraph *b* of paragraph 2 of the definition of "financial institution" in section 1, the property or service is deemed, despite sections 42.0.2, 42.0.3 and 42.0.12, to have been so acquired or brought into Québec for consumption, use or supply in the course of those commercial activities except to the extent that the property or service was so acquired or brought into Québec for consumption, use or supply in the course of activities of the registrant that relate to

(*a*) credit cards or charge cards issued by the registrant, or

(*b*) the making of any advance, the lending of money or the granting of any credit; and

(2) in any other case, the property or service is deemed, despite sections 42.0.2, 42.0.3 and 42.0.12, to have been so acquired or brought into Québec for consumption, use or supply in the course of those commercial activities.

For the purposes of the first paragraph, a financial service is deemed to be related to commercial activities of an individual only to the extent that the revenues and expenses relating to those activities are taken into account in determining the individual's income for the purposes of the Taxation Act (chapter I-3).

"**301.11.** Subject to section 301.12 and for the purpose of determining an input tax refund, a corporation (in this section referred to as the "parent") that acquires or brings into Québec a property or a service at a particular time is deemed to have acquired the property or service or brought it into Québec for use in the course of commercial activities of the parent to the extent that

the parent can reasonably be regarded as having so acquired the property or service, or as having so brought it into Québec, for consumption or use in relation to shares of the capital stock, or indebtedness, of another corporation that is at that time related to the parent, if

(1) the parent is a registrant resident in Canada; and

(2) at the time that tax in respect of the acquisition or bringing into Québec of the property or service becomes payable, or is paid without having become payable, by the parent, all or substantially all of the property of the other corporation is property that was last acquired or imported into Canada by the other corporation for consumption, use or supply by the other corporation exclusively in the course of its commercial activities.

"**301.12.** The property or service that a registrant that is a corporation resident in Canada (in this section referred to as the "purchaser") acquires or brings into Québec is deemed to have been acquired or brought into Québec, as the case may be, for use exclusively in the course of commercial activities of the purchaser if

(1) the property or service is related to the acquisition or proposed acquisition by the purchaser of all or substantially all of the issued and outstanding shares, having full voting rights under all circumstances, of the capital stock of another corporation; and

(2) throughout the period beginning when the performance of the service began or when the purchaser acquired or brought into Québec, as the case may be, the property and ending on the later of the days described in subparagraph 1 of the second paragraph, all or substantially all of the property of the other corporation was property that was acquired or imported into Canada for consumption, use or supply exclusively in the course of commercial activities.

For the purpose of determining an input tax refund, any tax in respect of the supply of the property or service to the purchaser, or the bringing into Québec of the property by the purchaser, is deemed to have become payable and been paid by the purchaser on the later of

(1) the later of the day the purchaser acquired all or substantially all of the shares and the day the intention to acquire the shares was abandoned; and

(2) the day the tax became payable or was paid by the purchaser.

"**301.13.** For the purposes of sections 301.11 and 301.12, where at a particular time all or substantially all of the property of a particular corporation is property that was acquired or imported into Canada by it for consumption, use or supply exclusively in the course of its commercial activities, all the shares of the capital stock of the particular corporation owned by, and all the indebtedness of the particular corporation owed to, any other corporation that

is related to the particular corporation is deemed to be, at that time, property that was acquired by the other corporation for use exclusively in the course of its commercial activities."

(2) Subsection 1 applies from 1 January 2013.

101. (1) Section 318 of the Act is amended by replacing "100/109.5" in paragraph 1 by "100/109.975".

(2) Subsection 1 has effect from 1 January 2013.

102. (1) Section 323.1 of the Act is amended by replacing "9.5/109.5" in paragraph 1 by "9.975/109.975".

(2) Subsection 1 has effect from 1 January 2013.

103. (1) Section 323.2 of the Act is amended by replacing "9.5/109.5" in subparagraph *a* of paragraph 2 by "9.975/109.975".

(2) Subsection 1 has effect from 1 January 2013.

104. (1) Section 323.3 of the Act is amended by replacing "9.5/109.5" in the portion of subparagraph *b* of paragraph 1 before subparagraph i and in subparagraph *b* of paragraph 2 by "9.975/109.975".

(2) Subsection 1 has effect from 1 January 2013.

105. (1) Section 330 of the Act is replaced by the following section:

"**330.** The expression "closely related group" means a group of corporations each member of which is a registrant resident in Canada that is closely related, within the meaning of sections 332 and 333, to each other member of the group.

For the purposes of this section, the following rules apply:

(1) insurers that are not resident in Canada and have a permanent establishment in Canada are deemed to be resident in Canada;

(2) credit unions and members of a mutual insurance group are deemed to be registrants; and

(3) a registrant includes a person who is registered, or who is required to be registered, for the purposes of Part IX of the Excise Tax Act (Revised Statutes of Canada, 1985, chapter E-15)."

(2) Subsection 1 applies from 1 January 2013.

106. (1) Section 330.1 of the Act is amended by inserting the following paragraph after paragraph 1:

"(1.1) is not a party to an effective election made under section 297.0.2.1; and".

(2) Subsection 1 applies from 1 January 2013.

107. (1) Section 334 of the Act is amended

(1) by striking out subparagraphs 4 and 5 of the second paragraph;

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

"An election under the first paragraph and a revocation of the election must be made in the prescribed form containing prescribed information and specify the date of their coming into force."

(2) Subsection 1 applies from 1 January 2013.

108. (1) Sections 337 and 337.1 of the Act are repealed.

(2) Subsection 1 applies from 1 January 2013.

109. (1) The heading of Division XIV of Chapter VI of Title I of the Act is amended by striking out "LISTED".

(2) Subsection 1 applies from 1 January 2013.

110. (1) The Act is amended by inserting the following heading before section 349:

"§1.—*Rules of application in cases of business mergers, amalgamations or acquisitions*".

(2) Subsection 1 applies from 1 January 2013.

111. (1) Sections 349 and 350 of the Act are replaced by the following sections:

"**349.** Where at any time two or more corporations are merged or amalgamated to form one corporation (in this section referred to as the "new corporation") and the principal business of the new corporation immediately after that time is the same as or similar to the business of one or more of the merged or amalgamated corporations that immediately before that time was a financial institution, the new corporation is a financial institution throughout the taxation year of the new corporation that began at that time.

"**350.** Where a particular person, at any time in a taxation year of the particular person, acquires a business as a going concern from another person who was immediately before that time a financial institution, and immediately after that time the principal business of the particular person is the business so acquired, the particular person is a financial institution throughout the part of that taxation year that follows the acquisition."

(2) Subsection 1 applies from 1 January 2013.

112. (1) The Act is amended by inserting the following after section 350:

"§2.—*Information return*

"**350.0.1.** In this subdivision,

"actual amount" means any amount that is required to be reported in an information return that a person is required to file under section 350.0.3 for a fiscal year of the person and that is

(1) a tax amount for the fiscal year or a previous fiscal year of the person; or

(2) an amount calculated using only tax amounts for the fiscal year or a previous fiscal year of the person, unless all of those tax amounts are required to be reported in the information return;

"tax amount" for a fiscal year of a person means an amount that

(1) is tax paid or payable under sections 17, 18 and 18.0.1, or is tax that is deemed under this Title to have been paid or become payable, by the person at any time during the fiscal year;

(2) became collectible or was collected, or is deemed under this Title to have become collectible or to have been collected, by the person as or on account of tax under this Title in a reporting period of the person in the fiscal year;

(3) is an input tax refund for a reporting period of the person in the fiscal year;

(4) is an amount that is required to be added or that may be deducted in determining net tax for a reporting period of the person in the fiscal year; or

(5) is required under this Title to be used in determining any amount described in paragraph 2 or 4, other than an amount that is consideration for a supply, an amount that is the value of a property or a service, or a percentage.

"**350.0.2.** In this subdivision, a person, other than a prescribed person or a person of a prescribed class, is a reporting institution throughout a fiscal year of the person if

(1) the person is a financial institution at any time in the fiscal year;

(2) the person is a registrant at any time in the fiscal year; and

(3) the total of all amounts each of which is an amount included in computing, for the purposes of the Taxation Act (chapter I-3), the person's income, or, if the person is an individual, the person's income from a business for the purposes of that Act, for the last taxation year of the person that ends in the fiscal year, exceeds the amount determined by the formula

$1,000,000 × A/365.

For the purposes of the formula in subparagraph 3 of the first paragraph, A is the number of days in the taxation year.

"**350.0.3.** A reporting institution shall file an information return with the Minister for a fiscal year of the reporting institution in the form and containing the information determined by the Minister on or before the day that is six months after the end of the fiscal year.

"**350.0.4.** Every reporting institution that is required to report, in the information return it is required to file in accordance with section 350.0.3, an amount (other than an actual amount) that is not reasonably ascertainable on or before the day on which the information return is required to be filed under that section shall provide a reasonable estimate of the amount in the information return.

"**350.0.5.** The Minister may exempt any reporting institution or class of reporting institutions from the requirement, under section 350.0.3, to provide any prescribed information or may allow any reporting institution or class of reporting institutions to provide a reasonable estimate of any actual amount that is required to be reported in an information return in accordance with that section."

(2) Subsection 1 applies in respect of a fiscal year that begins after 31 December 2012.

113. (1) Section 350.1 of the Act is amended by replacing "9.5/109.5" in the definition of "tax fraction" by "9.975/109.975".

(2) Subsection 1 has effect from 1 January 2013.

114. (1) Section 350.6 of the Act is amended by replacing "9.5/109.5" in subparagraph 1 of the first paragraph by "9.975/109.975".

(2) Subsection 1 applies in respect of a supply of a property or service all or part of the consideration for which becomes due after 31 December 2012 and is not paid before 1 January 2013.

115. (1) Section 350.49 of the Act is amended by striking out the third paragraph.

(2) Subsection 1 applies in respect of all or part of the consideration for a supply that becomes due after 31 December 2012 and is not paid before 1 January 2013.

116. (1) Section 353.0.4 of the Act is amended by adding the following paragraph:

"Despite the first paragraph, no rebate is payable under section 353.0.3 to a person that is a listed financial institution described in paragraph 6 or 9 of the definition of "listed financial institution" in section 1 in respect of a supply of a specified service within the meaning of the second paragraph of section 402.23."

(2) Subsection 1 applies in respect of an amount of tax that became payable, or was paid without having become payable, after 31 December 2012.

117. (1) Section 357 of the Act is amended by replacing paragraphs 4.1 and 5 by the following paragraphs:

"(4.1) in the case of a rebate under section 351, the rebate is substantiated by a receipt for an amount that includes consideration totalling at least $50, for taxable supplies, other than zero-rated supplies, in respect of which the person is otherwise entitled to a rebate under section 351; and

"(5) the application for a rebate relates to taxable supplies, other than zero-rated supplies, the total consideration for which is at least $200;".

(2) Subsection 1 applies in respect of supplies all or part of the consideration for which becomes due after 31 December 2012 and is not paid before 1 January 2013. However, the portion of the consideration that is due or paid before 1 January 2013 must be determined without including the tax payable under subsection 1 of section 165 of the Excise Tax Act (Revised Statutes of Canada, 1985, chapter E-15).

118. (1) Section 358 of the Act is amended

(1) by replacing the portion of the first paragraph before the formula by the following:

"**358.** Where a musical instrument, motor vehicle, aircraft or any other property or a service is or would, but for section 345.1, be regarded as having been acquired or brought into Québec by an individual who is a member of a partnership that is a registrant or an employee of a registrant (other than a listed financial institution), in the case of an individual who is a member of a partnership, the acquisition or bringing into Québec is not on the account of the partnership, the individual has paid the tax payable in respect of the

acquisition or bringing into Québec, and, in the case of an acquisition or bringing into Québec of a musical instrument, the individual is not entitled to claim an input tax refund in respect of the instrument, the individual is entitled, subject to sections 359 and 360, to a rebate in respect of the property or service for each calendar year equal to the amount determined by the formula";

(2) by replacing "9.5/109.5" in subparagraph 1 of the second paragraph by "9.975/109.975".

(2) Subsection 1 has effect from the calendar year 2013.

119. (1) Section 359 of the Act is amended by replacing "9.5/109.5" in subparagraph *b* of paragraph 1 and in the portion of subparagraph *b* of paragraph 3 before subparagraph i by "9.975/109.975".

(2) Subsection 1 has effect from the calendar year 2013.

120. (1) Section 362.2 of the Act is amended by replacing paragraph 2 by the following paragraph:

"(2) the total (in this section and section 362.3 referred to as the "total consideration") of all amounts, each of which is the consideration payable for the supply to the particular individual of the complex or unit or for any other taxable supply to the particular individual of an interest in the complex or unit, is less than $300,000;".

(2) Subsection 1 applies in respect of a taxable supply by way of sale of a single unit residential complex or a residential unit held in co-ownership made under an agreement in writing entered into after 31 December 2012.

121. (1) Section 362.3 of the Act is amended

(1) by replacing the formula in subparagraph 1 of the first paragraph by the following formula:

"50% × A";

(2) by replacing the formula in subparagraph 2 of the first paragraph by the following formula:

"$9,975 × [($300,000 – B)/$100,000]";

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

(4) by replacing subparagraph 3 of the second paragraph by the following subparagraph:

"(3) B is the total consideration."

(2) Subsection 1 applies in respect of a taxable supply by way of sale of a single unit residential complex or a residential unit held in co-ownership made under an agreement in writing entered into after 31 December 2012.

122. (1) Section 368.1 of the Act is repealed.

(2) Subsection 1 applies in respect of a taxable supply by way of sale of a single unit residential complex or a residential unit held in co-ownership made under an agreement in writing entered into after 31 December 2012.

123. (1) Section 370.0.2 of the Act is amended

(1) by replacing the formula in subparagraph 1 of the first paragraph by the following formula:

"4.34% × A";

(2) by replacing the formula in subparagraph 2 of the first paragraph by the following formula:

"(4.34% × A) × [($344,925 − B)/$114,975]";

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

(4) by replacing subparagraph 3 of the second paragraph by the following subparagraph:

"(3) B is the fair market value referred to in subparagraph 3 of the first paragraph of section 370.0.1.";

(5) by replacing the third paragraph by the following paragraph:

"For the purposes of this section, the amount obtained by multiplying 4.34% by A may not exceed $9,975."

(2) Subsection 1 applies in respect of a supply of all or part of a building in which a residential unit forming part of a residential complex is situated if possession of the residential unit is given after 31 December 2012.

124. (1) Section 370.3.1 of the Act is repealed.

(2) Subsection 1 applies in respect of a supply of all or part of a building in which a residential unit forming part of a residential complex is situated if possession of the residential unit is given after 31 December 2012.

125. (1) Section 370.5 of the Act is amended by replacing paragraph 4 by the following paragraph:

"(4) the total (in this section and section 370.6 referred to as the "total consideration") of all amounts, each of which is the consideration payable for the supply to the particular individual of the share in the corporation or an interest in the complex or unit, is less than $344,925;".

(2) Subsection 1 applies in respect of a supply of a share of the capital stock of a cooperative housing corporation to an individual who acquires it for the purpose of using a residential unit in a residential complex, if

(1) the taxable supply of the residential complex to the cooperative housing corporation was made under an agreement in writing entered into after 31 December 2012; or

(2) the cooperative housing corporation is deemed to have made and received the taxable supply of the residential complex under sections 223 to 231.1 of the Act and to have paid tax in respect of the supply after 31 December 2012.

126. (1) Section 370.6 of the Act is amended

(1) by replacing the formula in subparagraph 1 of the first paragraph by the following formula:

"4.34% × A";

(2) by replacing the formula in subparagraph 2 of the first paragraph by the following formula:

"$9,975 × [($344,925 – A)/$114,975]";

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

"For the purposes of these formulas, A is the total consideration.";

(4) by replacing the third paragraph by the following paragraph:

"For the purposes of this section, the amount obtained by multiplying 4.34% by A may not exceed $9,975."

(2) Subsection 1 applies in respect of a supply of a share of the capital stock of a cooperative housing corporation to an individual who acquires it for the purpose of using a residential unit in a residential complex, if

(1) the taxable supply of the residential complex to the cooperative housing corporation was made under an agreement in writing entered into after 31 December 2012; or

(2) the cooperative housing corporation is deemed to have made and received the taxable supply of the residential complex under sections 223 to 231.1 of the Act and to have paid tax in respect of the supply after 31 December 2012.

127. (1) Section 370.8 of the Act is repealed.

(2) Subsection 1 applies in respect of a supply of a share of the capital stock of a cooperative housing corporation to an individual who acquires it for the purpose of using a residential unit in a residential complex, if

(1) the taxable supply of the residential complex to the cooperative housing corporation was made under an agreement in writing entered into after 31 December 2012; or

(2) the cooperative housing corporation is deemed to have made and received the taxable supply of the residential complex under sections 223 to 231.1 of the Act and to have paid tax in respect of the supply after 31 December 2012.

128. (1) Section 370.9 of the Act is amended

(1) by replacing "aux articles 370.10 ou 370.10.1" in the portion before paragraph 1 in the French text by "à l'un des articles 370.10 et 370.10.1";

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

"(1) the fair market value of the complex, at the time its construction or substantial renovation is substantially completed, is less than $225,000 for the purposes of section 370.10 or $300,000 for the purposes of section 370.10.1, as the case may be;".

(2) Subsection 1 has effect from 1 January 2013.

129. (1) Section 370.10 of the Act is amended

(1) by replacing subparagraph 2 of the second paragraph by the following subparagraph:

"(2) B is the tax under section 16 that, if applicable, is paid in respect of the amount of the rebate to which the particular individual is entitled in respect of the construction or substantial renovation of the residential complex under subsection 2 of section 256 of the Excise Tax Act (Revised Statutes of Canada, 1985, chapter E-15); and";

(2) by inserting the following subparagraph before subparagraph 0.0.1 of the third paragraph:

"(0.0.0.1) in the case where all or substantially all of the tax was paid at the rate of 9.975%, $7,182;";

(3) by replacing the formula in subparagraph 4 of the third paragraph by the following formula:

"(D × $69) + (E × $34) + (F × $743) + (G × $1,486) + (H × $1,609) + $5,573";

(4) by adding the following subparagraph after subparagraph 4 of the fourth paragraph:

"(5) H is the percentage that corresponds to the extent to which the tax was paid at the rate of 9.975%."

(2) Subsection 1 has effect from 1 January 2013.

130. (1) Section 370.10.1 of the Act is amended

(1) by replacing subparagraph 2 of the second paragraph by the following subparagraph:

"(2) B is the tax under section 16 that, if applicable, is paid in respect of the amount of the rebate to which the particular individual is entitled in respect of the construction or substantial renovation of the residential complex under subsection 2 of section 256 of the Excise Tax Act (Revised Statutes of Canada, 1985, chapter E-15); and";

(2) by replacing subparagraphs 1 and 2 of the third paragraph by the following subparagraphs:

"(1) where all the tax was paid at the rate of 8.5%, $8,772;

"(2) where all the tax was paid at the rate of 9.5%, $9,804;";

(3) by adding the following subparagraphs after subparagraph 2 of the third paragraph:

"(3) where all the tax was paid at the rate of 9.975%, $9,975; and

"(4) in any other case, the amount determined by the formula

(D × $1,032) + (E × $1,203) + $8,772.";

(4) by replacing the fourth paragraph by the following paragraph:

"For the purposes of the formula in subparagraph 4 of the third paragraph,

(1) D is the percentage that corresponds to the extent to which the tax was paid at the rate of 9.5%; and

(2) E is the percentage that corresponds to the extent to which the tax was paid at the rate of 9.975%."

(2) Subsection 1 has effect from 6 June 2011. However, when section 370.10.1 of the Act applies before 1 January 2013, it is to be read

(1) as if "tax under section 16 that, if applicable, is paid" in subparagraph 2 of the second paragraph was replaced by "tax paid under section 16";

(2) as if subparagraph 3 of the third paragraph was struck out;

(3) as if the formula in subparagraph 4 of the third paragraph was replaced by the following formula:

"(D × $1,032) + $8,772"; and

(4) as if the fourth paragraph was replaced by the following paragraph:

"For the purposes of the formula in subparagraph 4 of the third paragraph, D is the percentage that corresponds to the extent to which the tax was paid at the rate of 9.5%."

131. (1) Section 370.13 of the Act is replaced by the following section:

"**370.13.** An individual who is not entitled to a rebate under section 370.9 in respect of the construction or substantial renovation of a residential complex because the fair market value of the residential complex is greater than or equal to the limit referred to in paragraph 1 of section 370.9, but who is entitled to a rebate under subsection 2 of section 256 of the Excise Tax Act (Revised Statutes of Canada, 1985, chapter E-15) in respect of the construction or substantial renovation of the complex, is entitled to a rebate of the tax under section 16 that, if applicable, was paid in respect of the amount of the rebate to which the individual is entitled in respect of the construction or substantial renovation of the complex under that subsection 2."

(2) Subsection 1 has effect from 1 January 2011. However, when section 370.13 of the Act applies before 1 January 2013, it is to be read as if "tax under section 16 that, if applicable, was paid" was replaced by "tax paid under section 16".

132. (1) Section 378.7 of the Act is amended

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

"A × ($225,000 – B)/$25,000";

(2) by replacing subparagraph 1 of the second paragraph by the following subparagraph:

"(1) A is the lesser of $7,182 and the amount determined by the formula

$36\% \times (A_1 \times A_2)$; and";

(3) by replacing subparagraph *a* of subparagraph 2 of the second paragraph by the following subparagraph:

"(*a*) if the unit is a single unit residential complex or a residential unit held in co-ownership, the fair market value of the unit at the particular time, and";

(4) by striking out subparagraph 3 of the second paragraph;

(5) by replacing "residential condominium unit" in subparagraph *a* of subparagraph 2 of the third paragraph by "residential unit held in co-ownership";

(6) by replacing subparagraph 4 of the third paragraph by the following subparagraph:

"(4) B_2 is the fair market value at the particular time of the residential complex or addition, as the case may be;";

(7) by striking out subparagraph 5 of the third paragraph.

(2) Subsection 1 applies in respect of

(1) a taxable supply by way of sale of a residential complex, or an interest in a residential complex, made under an agreement in writing entered into after 31 December 2012; and

(2) a deemed purchase, within the meaning of subparagraph *b* of paragraph 1 of section 378.6 of the Act, of a residential complex or an addition to a multiple unit residential complex if the tax in respect of the deemed purchase is deemed to have been paid after 31 December 2012.

133. Section 378.8 of the Act is amended by replacing "residential condominium unit" in paragraph 6 by "residential unit held in co-ownership".

134. (1) Section 378.9 of the Act is amended

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

"[A × ($225,000 – B)/$25,000] – C";

(2) by replacing subparagraph 1 of the second paragraph by the following subparagraph:

"(1) A is the lesser of $7,182 and the amount determined by the formula

$36\% \times (A_1 \times A_2)$;";

(3) by replacing subparagraph *a* of subparagraph 2 of the second paragraph by the following subparagraph:

"(*a*) if the unit is a single unit residential complex or a residential unit held in co-ownership, the fair market value of the unit at the particular time, and";

(4) by striking out subparagraph 3 of the second paragraph;

(5) by replacing subparagraph 4 of the second paragraph by the following subparagraph:

"(4) C is the amount of the rebate under section 370.0.2 that the recipient of the exempt supply by way of sale is entitled to claim in respect of the complex or unit.";

(6) by replacing "residential condominium unit" in subparagraph *a* of subparagraph 2 of the third paragraph by "residential unit held in co-ownership";

(7) by replacing subparagraph 4 of the third paragraph by the following subparagraph:

"(4) B_2 is the fair market value at the particular time of the residential complex or addition, as the case may be;";

(8) by striking out subparagraph 5 of the third paragraph.

(2) Subsection 1 applies in respect of a supply of a building, or part of it, forming part of a residential complex and of a supply of land that result in a person being deemed under sections 223 to 231.1 of the Act to have made and received a taxable supply by way of sale of the residential complex or of an addition to it after 31 December 2012.

135. (1) Section 378.11 of the Act is amended

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

"[A × ($225,000 – B)/$25,000] – C";

(2) by replacing subparagraph 1 of the second paragraph by the following subparagraph:

"(1) A is the lesser of $7,182 and the amount determined by the formula

$36\% \times (A_1 \times A_2)$;";

(3) by replacing subparagraph *a* of subparagraph 2 of the second paragraph by the following subparagraph:

"(*a*) if the unit is a single unit residential complex or a residential unit held in co-ownership, the fair market value of the unit at the time tax first becomes payable in respect of the purchase from the supplier or tax in respect of the deemed purchase is deemed to have been paid by the cooperative, and";

(4) by striking out subparagraph 3 of the second paragraph;

(5) by replacing subparagraph 4 of the second paragraph by the following subparagraph:

"(4) C is the amount of the rebate under section 370.6 that the recipient of the exempt supply of the unit is entitled to claim in respect of the unit.";

(6) by replacing subparagraph 4 of the third paragraph by the following subparagraph:

"(4) B_2 is the fair market value of the residential complex at the time referred to in subparagraph *a* of subparagraph 2 of the second paragraph;";

(7) by striking out subparagraph 5 of the third paragraph.

(2) Subsection 1 applies in respect of

(1) a taxable supply by way of sale of a residential complex, or an interest in a residential complex, made under an agreement in writing entered into after 31 December 2012; and

(2) a deemed purchase, within the meaning of subparagraph *b* of paragraph 1 of section 378.10 of the Act, of a residential complex or an addition to a multiple unit residential complex if the tax in respect of the deemed purchase is deemed to have been paid after 31 December 2012.

136. (1) Section 378.13 of the Act is amended

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

"(36% × A) × [($56,250 – B)/$6,250]";

(2) by striking out subparagraph 2 of the second paragraph;

(3) by replacing subparagraph 3 of the second paragraph by the following subparagraph:

"(3) B is the greater of $50,000 and

(*a*) in the case of a supply of land referred to in subparagraph 1 of the first paragraph of section 100, the fair market value of the land at the particular time, and

(*b*) in the case of a supply of a site in a residential trailer park or in an addition to a residential trailer park, the result obtained by dividing the fair market value, at the particular time, of the park or addition, as the case may be, by the total number of sites in the park or addition, as the case may be, at the particular time."

(2) Subsection 1 applies in respect of an exempt supply of land that results in a person being deemed under sections 222.1 to 222.3, 243, 258 and 261 of the Act to have made and received a taxable supply by way of sale of the land after 31 December 2012.

137. (1) Section 378.14 of the Act is repealed.

(2) Subsection 1 applies in respect of

(1) a taxable supply by way of sale of a residential complex, or an interest in a residential complex, made under an agreement in writing entered into after 31 December 2012;

(2) a deemed purchase, within the meaning of subparagraph *b* of paragraph 1 of section 378.6 or 378.10 of the Act, of a residential complex or an addition to a multiple unit residential complex if the tax in respect of the deemed purchase is deemed to have been paid after 31 December 2012; and

(3) a supply of a building, or part of it, forming part of a residential complex and of a supply of land that result in a person being deemed under sections 223 to 231.1 of the Act to have made and received a taxable supply by way of sale of the residential complex or of an addition to it after 31 December 2012.

138. (1) Section 378.15 of the Act is repealed.

(2) Subsection 1 applies in respect of an exempt supply of land that results in a person being deemed under sections 222.1 to 222.3, 243, 258 and 261 of the Act to have made and received a taxable supply by way of sale of the land after 31 December 2012.

139. (1) Section 378.19 of the Act is replaced by the following section:

"**378.19.** A person who was entitled to claim a rebate under section 378.6 or 378.14, as it read before being repealed, in respect of a qualifying residential unit other than a unit located in a multiple unit residential complex and who, within one year after the unit is first occupied as a place of residence after the construction or last substantial renovation of the unit was substantially completed, makes a supply by way of sale, other than a supply deemed under sections 298 to 301.3 or 320 to 324.6 to have been made, of the unit to a purchaser who is not acquiring the unit for use as the primary place of residence of the purchaser, an individual who is related to the purchaser or a former spouse of the purchaser, shall pay to the Minister an amount equal to the rebate, plus interest at the rate prescribed in section 28 of the Tax

Administration Act (chapter A-6.002), calculated on that amount for the period beginning on the day the rebate is paid to the person or applied to a liability of the person and ending on the day the amount of the rebate is paid by the person to the Minister."

(2) Subsection 1, when it inserts ", as it read before being repealed," in section 378.19 of the Act, applies in respect of

(1) a taxable supply by way of sale of a residential complex, or an interest in a residential complex, made under an agreement in writing entered into after 31 December 2012; and

(2) a deemed purchase, within the meaning of subparagraph *b* of paragraph 1 of section 378.6 of the Act, of a residential complex if the tax in respect of the deemed purchase is deemed to have been paid after 31 December 2012.

140. (1) Section 386 of the Act is amended by inserting the following subparagraph after subparagraph 1 of the second paragraph:

"(1.1) to a listed financial institution;".

(2) Subsection 1 applies in respect of determining a rebate for a claim period ending after 31 December 2012. However, the rebate of a person, for a claim period that includes 1 January 2013, is to be determined as if subsection 1 had not come into force in respect of an amount of tax in respect of a supply made before that date.

141. (1) The Act is amended by inserting the following after section 399:

"§5.3. — *Rebate to the Gouvernement du Québec*

"**399.1.** The Gouvernement du Québec or any of its departments or prescribed mandataries is entitled, in the manner determined by the Minister, to a rebate of the tax it paid or is deemed to have paid under this Title, if it applies to the Minister, in the manner determined by the Minister, within four years after the day on which the tax was paid or is deemed to have been paid.

A rebate to which a department or a mandatary designated by the Government is entitled is paid to the Minister of Finance on behalf of the department or mandatary."

(2) Subsection 1 applies in respect of a tax paid or deemed to have been paid after 31 March 2013.

142. (1) Section 402.13 of the Act is amended

(1) by inserting the following definitions in alphabetical order in the first paragraph:

““non-qualifying pension entity” means a pension entity that is not a qualifying pension entity;

““qualifying pension entity” means a pension entity of a pension plan other than a pension plan in respect of which

(1) 10% or more of the total pension contributions in the last preceding calendar year in which pension contributions were made to the pension plan were made by listed financial institutions; or

(2) it can reasonably be expected that 10% or more of the total pension contributions in the next calendar year in which pension contributions will be required to be made to the pension plan will be made by listed financial institutions;”;

(2) by replacing the portion of the definition of “eligible amount” in the first paragraph before paragraph 1 by the following:

““eligible amount” of a pension entity for a claim period means, subject to the second paragraph, an amount of tax, other than a recoverable amount in respect of the claim period, that”;

(3) by replacing the definition of “claim period” in the first paragraph by the following definition:

““claim period” has, subject to the fifth paragraph, the meaning assigned by section 383;”;

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

“If a pension entity is a selected listed financial institution throughout a claim period, the eligible amount of the pension entity for the claim period is deemed to be nil.”;

(5) by replacing subparagraph 1 of the second paragraph by the following subparagraph:

“(1) A is 33%; and”;

(6) by replacing subparagraphs 1 to 3 of the third paragraph by the following subparagraphs:

“(1) A is the total of all amounts each of which is

(*a*) if the person is a selected listed financial institution at any time in the fiscal year, an amount referred to in subparagraph i of the description of A in paragraph *b* of the definition of “tax recovery rate” in subsection 1 of section 261.01 of the Excise Tax Act (Revised Statutes of Canada, 1985, chapter E-15) for a reporting period included in the fiscal year, and

(*b*) in any other case, an input tax refund of the person for a reporting period included in the fiscal year;

"(2) B is the total of all amounts each of which is

(*a*) if the person is a selected listed financial institution at any time in the fiscal year, an amount referred to in subparagraph i of the description of B in paragraph *b* of the definition of "tax recovery rate" in subsection 1 of section 261.01 of the Excise Tax Act for a claim period included in the fiscal year, and

(*b*) in any other case, a rebate to which the person is entitled under sections 383 to 388 and 394 to 397.2 for a claim period included in the fiscal year; and

"(3) C is the total of all amounts each of which is

(*a*) if the person is a selected listed financial institution at any time in the fiscal year, an amount referred to in subparagraph i in the description of C in paragraph *b* of the definition of "tax recovery rate" in subsection 1 of section 261.01 of the Excise Tax Act that became payable, or was paid without having become payable, by the person during the fiscal year, and

(*b*) in any other case, an amount of tax that became payable, or was paid without having become payable, by the person during the fiscal year.";

(7) by adding the following paragraph after the third paragraph:

"If a particular claim period of a pension entity began before 1 January 2013 and would have included that date but for this paragraph, the following rules apply:

(1) the particular claim period is deemed to end on 31 December 2012; and

(2) the claim period that follows the particular claim period is deemed to begin on 1 January 2013 and to end on the day the particular claim period would have ended but for this paragraph."

(2) Paragraphs 1, 2 and 4 to 6 of subsection 1 apply in respect of a claim period that begins after 31 December 2012.

(3) Paragraphs 3 and 7 of subsection 1 apply in respect of a claim period that includes 1 January 2013. However, when the definition of "claim period" in the first paragraph of section 402.13 of the Act applies in respect of a claim period that begins before 1 January 2013, it is to be read as if "fifth" was replaced by "fourth".

(4) In addition, when section 402.13 of the Act applies in relation to a claim period that begins after 31 December 2012 and before 1 January 2014, it is to be read

(1) as if the formula in the definition of "pension rebate amount" in the first paragraph was replaced by the following formula:

"(A × B) + (C × D)";

(2) as if subparagraphs 1 and 2 of the second paragraph were replaced by the following subparagraphs:

"(1) A is

(*a*) 77%, where the pension entity is governed by a pension plan to which more than 50% of the contributions are made by one or more public service bodies that are not entitled to any rebate under section 386,

(*b*) 88%, where the pension entity is governed by a pension plan to which more than 50% of the contributions are made by one or more public service bodies that are entitled to a rebate under section 386, and

(*c*) in any other case, 100%;

"(2) B is the total of all amounts each of which is, in relation to a participating employer of a pension plan, the lesser of

(*a*) the total of all amounts each of which is an amount described in paragraph 2 of the definition of "eligible amount" in the first paragraph for the claim period, in relation to a taxable supply that the participating employer of the pension plan is deemed to have made, and

(*b*) the total of all amounts each of which is an amount described in paragraph 1 of the definition of "eligible amount" in the first paragraph, for a claim period that ends in 2012, that became payable, or was paid without having become payable, by the pension entity in relation to a supply made by the participating employer of the pension plan during a fiscal year of the participating employer that ends after 31 December 2012;"; and

(3) as if the following subparagraphs were inserted after subparagraph 2 of the second paragraph:

"(3) C is 33%; and

"(4) D is the amount by which the total of all amounts each of which is an eligible amount of the pension entity for the claim period exceeds the amount represented by B."

143. (1) Section 402.14 of the Act is amended by replacing the portion of the first paragraph before the formula by the following:

"**402.14.** A pension entity of a pension plan that is a qualifying pension entity on the last day of a claim period of the pension entity is, for the claim period, entitled to a rebate equal to the amount determined by the formula".

(2) Subsection 1 applies in respect of a claim period that begins after 31 December 2012.

144. (1) Section 402.18 of the Act is amended

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

"**402.18.** If a pension entity of a pension plan is a qualifying pension entity on the last day of a claim period of the pension entity, the pension entity makes an election for the claim period jointly with all persons that are, for the calendar year that includes the last day of the claim period, qualifying employers of the pension plan and each of those qualifying employers is engaged exclusively in commercial activities throughout the claim period, each of those qualifying employers may deduct in determining its net tax for the reporting period that includes the day on which the election is filed with the Minister

(1) except in the case described in subparagraph 2, an amount determined by the formula

A × B; and

(2) if the pension entity is a selected listed financial institution throughout the claim period, the amount determined by the formula

C × D × E/F × B.";

(2) by replacing the portion of the second paragraph before subparagraph 1 by the following:

"For the purposes of the formulas in the first paragraph,";

(3) by adding the following subparagraphs after subparagraph 2 of the second paragraph:

"(3) C is the value of A in the formula in the definition of "provincial pension rebate amount" in subsection 1 of section 261.01 of the Excise Tax Act (Revised Statutes of Canada, 1985, chapter E-15), determined for the claim period, or, where applicable, the value A would have in that formula for the claim period if the pension entity were also a selected listed financial institution for the purposes of that Act;

"(4) D is the percentage corresponding to the value C would have, as regards Québec, in the formula in subsection 2 of section 225.2 of the Excise Tax Act, determined for the taxation year in which the pension entity's fiscal year that includes the claim period ends, if Québec were a participating province within the meaning of subsection 1 of section 123 of that Act and if, where applicable, the pension entity were a selected listed financial institution for the purposes of that Act;

"(5) E is the tax rate specified in the first paragraph of section 16; and

"(6) F is the tax rate specified in subsection 1 of section 165 of the Excise Tax Act."

(2) Subsection 1 applies in respect of a claim period that begins after 31 December 2012.

145. (1) Section 402.19 of the Act is amended

(1) by replacing the portion of the first paragraph before the formula in subparagraph 1 by the following:

"**402.19.** If a pension entity of a pension plan is a qualifying pension entity on the last day of a claim period of the entity, the pension entity makes an election for the claim period jointly with all persons that are, for the calendar year that includes the last day of the claim period, qualifying employers of the pension plan and any of those qualifying employers is not engaged exclusively in commercial activities throughout the claim period, the following rules apply:

(1) except in the case described in subparagraph 3,

(*a*) an amount (in this section referred to as a "shared portion") is to be determined in respect of each of those qualifying employers by the formula";

(2) by inserting the following subparagraph after the formula in subparagraph 1 of the first paragraph:

"(*b*) each of those qualifying employers may deduct, in determining its net tax for the reporting period that includes the day on which the election is filed with the Minister, the amount determined by the formula

D × E; and";

(3) by striking out subparagraph 2 of the first paragraph;

(4) by replacing subparagraph 3 of the first paragraph by the following subparagraph:

"(3) if the pension entity is a selected listed financial institution throughout the claim period, each of those qualifying employers may deduct, in determining its net tax for the reporting period that includes the day on which the election is filed with the Minister, the amount determined by the formula

J × K × L/M × B × C × E.";

(5) by adding the following subparagraphs after subparagraph 5 of the second paragraph:

"(6) J is the value of A in the formula in the definition of "provincial pension rebate amount" in subsection 1 of section 261.01 of the Excise Tax Act (Revised Statutes of Canada, 1985, chapter E-15), determined for the claim period, or, where applicable, the value A would have in that formula for the claim period if the pension entity were a selected listed financial institution for the purposes of that Act;

"(7) K is the percentage corresponding to the value C would have, as regards Québec, in the formula in subsection 2 of section 225.2 of the Excise Tax Act, determined for the taxation year in which the pension entity's fiscal year that includes the claim period ends, if Québec were a participating province within the meaning of subsection 1 of section 123 of that Act and if, where applicable, the pension entity were a selected listed financial institution for the purposes of that Act;

"(8) L is the tax rate specified in the first paragraph of section 16; and

"(9) M is the tax rate specified in subsection 1 of section 165 of the Excise Tax Act."

(2) Subsection 1 applies in respect of a claim period that begins after 31 December 2012.

146. (1) The Act is amended by inserting the following section after section 402.19:

"**402.19.1.** If a pension entity of a pension plan is a non-qualifying pension entity on the last day of a claim period of the pension entity and the pension entity makes an election for the claim period jointly with all persons that are, for the calendar year that includes the last day of the claim period, qualifying employers of the pension plan, each of those qualifying employers may deduct in determining its net tax for the reporting period that includes the day on which the election is filed with the Minister

(1) except in the case described in subparagraph 2, the amount determined by the formula

A × B × C; and

(2) if the pension entity is a selected listed financial institution throughout the claim period, the amount determined by the formula

D × E × F/G × B × C.

For the purposes of the formulas in the first paragraph,

(1) A is the pension rebate amount of the pension entity for the claim period;

(2) B is

(*a*) in the case where pension contributions were made to the pension plan in the calendar year that precedes the calendar year that includes the last day of the claim period (in this section referred to as the "preceding calendar year"), the amount determined by the formula

H/I,

(*b*) in the case where subparagraph *a* does not apply and at least one of the qualifying employers of the pension plan was the employer of one or more active members of the pension plan in the preceding calendar year, the amount determined by the formula

J/K, and

(*c*) in any other case, zero;

(3) C is the tax recovery rate of the qualifying employer for the fiscal year of the qualifying employer that ended on or before the last day of the claim period;

(4) D is the value of A in the formula in the definition of "provincial pension rebate amount" in subsection 1 of section 261.01 of the Excise Tax Act (Revised Statutes of Canada, 1985, chapter E-15), determined for the claim period, or, where applicable, the value A would have in that formula for the claim period if the pension entity were a selected listed financial institution for the purposes of that Act;

(5) E is the percentage corresponding to the value C would have, as regards Québec, in the formula in subsection 2 of section 225.2 of the Excise Tax Act, determined for the taxation year in which the pension entity's fiscal year that includes the claim period ends, if Québec were a participating province within the meaning of subsection 1 of section 123 of that Act and if, where applicable, the pension entity were a selected listed financial institution for the purposes of that Act;

(6) F is the tax rate specified in the first paragraph of section 16; and

(7) G is the tax rate specified in subsection 1 of section 165 of the Excise Tax Act.

For the purposes of the formulas in the second paragraph,

(1) H is the total of all amounts, each of which is a pension contribution made by the qualifying employer to the pension plan in the preceding calendar year;

(2) I is the total of all amounts, each of which is a pension contribution made to the pension plan in the preceding calendar year;

(3) J is the number of employees of the qualifying employer in the preceding calendar year who were active members of the pension plan in that year; and

(4) K is the total of the number of employees of each of those qualifying employers in the preceding calendar year who were active members of the pension plan in that year."

(2) Subsection 1 applies in respect of a claim period that begins after 31 December 2012.

147. (1) Section 402.22 of the Act is replaced by the following section:

"**402.22.** Where a qualifying employer of a pension plan makes a joint election with the pension entity of the pension plan and the qualifying employer deducts an amount under section 402.18, subparagraph 1 or 3 of the first paragraph of section 402.19 or section 402.19.1 in determining its net tax for a reporting period and either the qualifying employer or the pension entity of the pension plan knows or ought to know that the qualifying employer is not entitled to the amount or that the amount exceeds the amount to which the qualifying employer is entitled, the qualifying employer and the pension entity are solidarily liable to pay the amount or excess to the Minister."

(2) Subsection 1 applies from 1 January 2013.

148. (1) The Act is amended by inserting the following after section 402.22:

"§6.7. — *Segregated funds and investment plans*

"**402.23.** Subject to section 402.24, if a listed financial institution described in paragraph 6 or 9 of the definition of "listed financial institution" in section 1 (other than a selected listed financial institution) is the recipient of a supply of a specified service and tax under any of sections 16, 18 and 18.0.1 is payable in respect of the supply, the financial institution is entitled to a rebate equal to the amount determined in the prescribed manner, provided the prescribed conditions are met.

For the purposes of this subdivision, "specified service" means a management or administrative service and any other service provided to the recipient of a management or administrative service by the supplier of such a service.

"**402.24.** A person is not entitled to a rebate under section 402.23 unless

(1) the person files an application for the rebate within one year after the day the tax became payable;

(2) the person has not made another application under this section in the calendar month in which the application is made; and

(3) the prescribed circumstances, if applicable, exist.

"**402.25.** An insurer and a segregated fund of the insurer may elect, in the form and containing the information prescribed by the Minister, to have the insurer pay to, or credit in favour of, the segregated fund the amount of any rebates payable to the segregated fund under section 402.23 in respect of supplies of specified services made by the insurer to the segregated fund.

A document evidencing an election made under the first paragraph must be filed with the Minister in the manner determined by the Minister on or before the day the insurer is required to file a return under Division IV of Chapter VIII for a reporting period of the insurer in which the insurer pays or credits a rebate under section 402.23 to or in favour of the segregated fund.

The amount of a rebate payable to the segregated fund of an insurer under section 402.23 may not be paid or credited by the insurer to or in favour of the fund unless

(1) the insurer makes a taxable supply of a specified service to the segregated fund of the insurer;

(2) a rebate would be payable in respect of the supply if the segregated fund complied with section 402.24 in relation to the supply;

(3) the insurer and the segregated fund have filed a document evidencing the election made under the first paragraph that is in effect when tax in respect of the supply becomes payable; and

(4) the segregated fund, within one year after the day tax becomes payable in respect of the supply, submits to the insurer an application for the rebate in the form and containing the information determined by the Minister.

"**402.26.** Where an application for a rebate is submitted to an insurer by a segregated fund of the insurer and the conditions of the third paragraph of section 402.25 are met, the insurer shall transmit the application to the Minister with the insurer's return filed under Division IV of Chapter VIII for the reporting period of the insurer in which the rebate was paid or credited to the segregated fund.

Despite section 30 of the Tax Administration Act (chapter A-6.002), interest is not payable in respect of a rebate claimed from an insurer by a segregated fund of the insurer.

"**402.27.** Where an insurer, in determining its net tax for a reporting period, deducts an amount under section 455.0.1 that the insurer paid or credited to a segregated fund of the insurer on account of a rebate under section 402.23 and the insurer knows or ought to know that the segregated fund is not entitled to the rebate or that the amount paid or credited exceeds the rebate to which the segregated fund is entitled, the insurer and the segregated fund are solidarily liable to pay the amount or excess to the Minister."

(2) Subsection 1 applies in respect of an amount of tax that became payable, or was paid without having become payable, after 31 December 2012.

149. (1) Section 403 of the Act is amended by replacing the first paragraph by the following paragraph:

"**403.** An application for a rebate under this division, other than a rebate referred to in subdivision 2 or 5.3, must be made in the prescribed form containing prescribed information and be filed with and as prescribed by the Minister."

(2) Subsection 1 applies from 1 April 2013.

150. (1) The Act is amended by inserting the following section after section 404.2:

"**404.3.** No person is entitled to the rebate of an amount, other than under any of sections 357.2 to 357.5, 357.5.1 and 357.5.2 to the extent that it can reasonably be regarded that the amount is in respect of tax under section 16 or, in relation to corporeal property from outside Canada, section 17 that became payable by the person at a time when the person was a selected listed financial institution, or that was paid by the person at that time without having become payable, in respect of a property or a service acquired or brought into Québec by the person for consumption, use or supply in the course of a business or an adventure or concern in the nature of trade.

The first paragraph does not apply in relation to an amount of tax that became payable by an insurer or that was paid by the insurer without having become payable in respect of a property or a service acquired or brought into Québec exclusively and directly for consumption, use or supply in the course of investigating, settling or objecting to a claim based on an insurance policy that is not in the nature of accident and sickness or life insurance.

The first paragraph does not apply in relation to an amount of tax that became payable by a surety (within the meaning of the first paragraph of section 301.4) or that was paid by the surety without having become payable in respect of a property or a service acquired or brought into Québec

(1) exclusively and directly for consumption, use or supply in the course of carrying on, or engaging another person to carry on, the construction of an immovable in Québec that is undertaken in full or partial satisfaction of the surety's obligations under a performance bond; and

(2) otherwise than for use as capital property of the surety or in improving capital property of the surety."

(2) Subsection 1 applies from 1 January 2013.

151. (1) The Act is amended by inserting the following section after section 407.5:

"**407.6.** Despite section 407, a financial institution that is a selected listed financial institution throughout a reporting period included in a fiscal year ending in a particular taxation year and that is a registrant under Part IX of the Excise Tax Act (Revised Statutes of Canada, 1985, chapter E-15) is required to be a registrant where the percentage corresponding to C in the formula in the first paragraph of section 433.16 that is determined for the particular taxation year in respect of the financial institution is greater than zero."

(2) Subsection 1 applies from 1 January 2013.

152. (1) Section 411 of the Act is amended

(1) by inserting the following subparagraphs after subparagraph 2 of the first paragraph:

"(2.1) is a listed financial institution resident in Canada;

"(2.2) is a particular corporation resident in Canada that owns shares of the capital stock of, or holds indebtedness of, any other corporation that is related to the particular corporation, or that is acquiring, or proposes to acquire, all or substantially all of the issued and outstanding shares of the capital stock of another corporation, having full voting rights under all circumstances, where all or substantially all of the property of the other corporation is, for the purposes of sections 301.11 to 301.13, property that was last acquired or imported into Canada by the other corporation for consumption, use or supply exclusively in the course of its commercial activities;";

(2) by striking out subparagraph 1 of the second paragraph.

(2) Subsection 1 applies from 1 January 2013.

153. (1) Section 411.0.1 of the Act is replaced by the following section:

"**411.0.1.** A particular person who is not resident in Québec but is resident in Canada, who is not required to be registered under this division and may not apply to be registered under section 411, may apply to the Minister to be registered if, under an agreement between the person and a registrant,

(1) the registrant makes in Québec a supply, other than an exempt supply, of corporeal movable property by way of sale or of a service of manufacturing or producing such property to the particular person, or acquires physical possession of corporeal movable property, other than property of a person who is resident in Québec, for the purpose of making a supply, other than an exempt supply, of a commercial service in respect of the property to the particular person;

(2) the registrant is required to cause physical possession of the property to be transferred, at any time, at a place in Québec, to a third person or to the particular person; and

(3) the particular person is not a consumer of the property or service supplied by the registrant under the agreement."

(2) Subsection 1 applies from 1 January 2013.

154. (1) The Act is amended by inserting the following sections after section 417:

"**417.0.1.** Every person who, on 1 January 2013, is a supplier of financial services and a registrant shall file a request for cancellation of registration with the Minister if, on that date, the person is not registered under subdivision *d* of Division V of Part IX of the Excise Tax Act (Revised Statutes of Canada, 1985, chapter E-15).

Subject to sections 407.2 to 407.5, the Minister shall cancel the registration of any person who files a request in accordance with the first paragraph and the cancellation becomes effective on 1 January 2013.

Section 209 does not apply in respect of the cancellation of registration provided for in the second paragraph.

"**417.0.2.** Every person who, on 1 January 2013, is not resident in Canada and is a registrant shall file a request for cancellation of registration with the Minister if the person

(1) is registered under section 411.0.1; and

(2) is not registered under subdivision *d* of Division V of Part IX of the Excise Tax Act (Revised Statutes of Canada, 1985, chapter E-15).

The Minister shall cancel the registration of any person who files a request in accordance with the first paragraph and the cancellation becomes effective on 1 January 2013."

(2) Subsection 1 applies from 1 January 2013.

155. (1) Section 429 of the Act is amended by adding the following paragraph:

"An amount must not be included in the total for A in the formula set out in section 428 for a reporting period of a person if the amount is deemed to be collected by the person under

(1) subparagraph 1 of the fifth paragraph of section 255.1;

(2) paragraph 1 of section 259.1; or

(3) paragraph 1 of section 262.1."

(2) Subsection 1 applies from 1 January 2013.

156. (1) Section 431.1 of the Act is amended by replacing the third paragraph by the following paragraph:

"The financial institutions to which this section refers are the persons to whom the definition of "listed financial institution" in section 1 applies, excluding any person to whom paragraph 11 of that definition applies."

(2) Subsection 1 applies from 1 January 2013.

157. (1) The Act is amended by inserting the following sections after section 433.15:

"**433.16.** In determining the net tax for a particular reporting period in a fiscal year that ends in a taxation year of a selected listed financial institution of a prescribed class, the financial institution shall add the positive amount or deduct the negative amount determined by the formula

$[(A - B) \times C \times (D/E)] - F + G$.

For the purposes of the formula in the first paragraph,

(1) A is the value of A in the formula in subsection 2 of section 225.2 of the Excise Tax Act (Revised Statutes of Canada, 1985, chapter E-15), determined for the particular reporting period, or the value A would have in that formula for the particular reporting period if the financial institution were also a selected listed financial institution for the purposes of that Act;

(2) B is the value of B in the formula in subsection 2 of section 225.2 of the Excise Tax Act, determined for the particular reporting period, or the value B would have in that formula for the particular reporting period if the financial institution were also a selected listed financial institution for the purposes of that Act;

(3) C is the percentage corresponding to the value C would have in the formula in subsection 2 of section 225.2 of the Excise Tax Act, determined for the taxation year, for the financial institution as regards Québec, if Québec were a participating province within the meaning of subsection 1 of section 123 of that Act and if, where applicable, the financial institution were a selected listed financial institution for the purposes of that Act;

(4) D is the tax rate specified in the first paragraph of section 16;

(5) E is the tax rate specified in subsection 1 of section 165 of the Excise Tax Act;

(6) F is the total of

(*a*) the aggregate of all amounts each of which is the tax (other than a prescribed amount of tax) under the first paragraph of section 16 in respect of supplies made to the financial institution or under the first paragraph of section 17 in respect of corporeal property brought into Québec from outside Canada by the financial institution that became payable by the financial institution during the particular reporting period or that was paid by the financial institution during the particular reporting period without having become payable, and

(*b*) where the financial institution and another person have made an election under paragraph *c* of the description of A in the formula in subsection 2 of section 225.2 of the Excise Tax Act, or under section 433.17, in respect of a supply made during the particular reporting period of a property or a service, all amounts each of which is an amount equal to the tax payable by the other person under the first paragraph of section 16, the first paragraph of section 17, or section 18 or 18.0.1 that is included in the cost to the other person of supplying the property or service to the financial institution; and

(7) G is the total of all amounts each of which is a positive or negative prescribed amount.

"**433.17.** Where a selected listed financial institution is not a selected listed financial institution for the purposes of the Excise Tax Act (Revised Statutes of Canada, 1985, chapter E-15) and the financial institution and a person, other than a prescribed person or a person of a prescribed class, have made the joint election required under section 297.0.2.1, the financial institution and the person may make a joint election to have the value of A in the formula in the first paragraph of section 433.16 be determined as if paragraph *c* of the description of A in the formula in subsection 2 of section 225.2 of the Excise Tax Act applied to every supply referred to in section 297.0.2.1 that is made by the person to the financial institution at a time the election made under this section is in effect.

"**433.18.** An election under section 433.17 must

(1) be made in a document in the form and containing the information determined by the Minister;

(2) specify the day the election is to become effective; and

(3) be filed by the financial institution with the Minister in the manner determined by the Minister on or before the day on which the financial institution is required to file a return under Chapter VIII for its reporting period in which the election becomes effective or, if it is later, the day determined by the Minister.

"**433.19.** An election made jointly under section 433.17 by a financial institution and a person is effective for the period beginning on the day specified in the document evidencing the election and ending on the earliest of

(1) the day the election required under section 297.0.2.1 and made jointly by the financial institution and the person ceases to be effective;

(2) a day that the person and the financial institution specify in a notice of revocation in the form and containing the information determined by the Minister filed jointly by the person and the financial institution with the Minister in prescribed manner, which day is at least 365 days after the day specified in the document evidencing the election made under section 433.17;

(3) the day the person becomes a prescribed person or a person of a prescribed class for the purposes of section 433.17; and

(4) the day the financial institution ceases to be a selected listed financial institution.

"**433.20.** In determining an amount that a selected listed financial institution is required to add or may deduct under section 433.16 in determining its net tax, the following rules apply:

(1) tax that the financial institution is deemed to have paid under any of sections 207, 210.3, 256, 257, 264 and 265 must not be taken into account in determining the total under subparagraph 6 of the second paragraph of section 433.16; and

(2) no amount of tax paid or payable by the financial institution in respect of a property or service acquired or brought into Québec otherwise than for consumption, use or supply in the course of an endeavour within the meaning of section 42.0.1 must be taken into account in that determination.

"**433.21.** For the purposes of section 433.16, sections 201, 202 and 426 apply with respect to any amount that is included in the total determined under subparagraph 6 of the second paragraph of section 433.16 as if that amount were an input tax refund."

(2) Subsection 1 applies from 1 January 2013. However, when section 433.16 of the Act applies in respect of a particular reporting period of a person that immediately follows the reporting period that is deemed to end on 31 December 2012 under the second paragraph of section 458.8 of the Act, enacted by section 173, subparagraphs 1 and 2 of the second paragraph of section 433.16 of the Act are to be read as follows:

"(1) A is the product obtained by multiplying the value of A in the formula in subsection 2 of section 225.2 of the Excise Tax Act (Revised Statutes of Canada, 1985, chapter E-15), determined for the reporting period of the financial institution for the purposes of Part IX of that Act that includes 1 January 2013,

or the value A would have in that formula for that reporting period if the financial institution were also a selected listed financial institution for the purposes of that Act, by the proportion that the number of days in the particular reporting period is of the number of days in the reporting period of the financial institution for the purposes of Part IX of that Act that includes 1 January 2013;

"(2) B is the product obtained by multiplying the value of B in the formula in subsection 2 of section 225.2 of the Excise Tax Act, determined for the reporting period of the financial institution for the purposes of Part IX of that Act that includes 1 January 2013, or the value B would have in that formula for that reporting period if the financial institution were also a selected listed financial institution for the purposes of that Act, by the proportion that the number of days in the particular reporting period is of the number of days in the reporting period of the financial institution for the purposes of Part IX of the Excise Tax Act that includes 1 January 2013;".

158. (1) Section 437 of the Act is amended

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

"**437.** Every person who is required to file a return under this chapter shall, in the return, calculate the net tax of the person for the reporting period for which the return is required to be filed, unless the person is required to file a return for that period under section 470.1.";

(2) by replacing the portion of the second paragraph before subparagraph *a* by the following:

"Where the net tax for a reporting period of a person is a positive amount, the person shall, unless the person is required to file a return for that period under section 470.1, remit that amount to the Minister,";

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

"Where the net tax for a reporting period of a person is a negative amount, the person may claim as a net tax refund for the period, payable by the Minister,

(1) where the person is a selected listed financial institution that is required to file a final return for the period in accordance with paragraph 2 of section 470.1, the amount determined for the period in the final return by the formula

A – B; and

(2) in any other case, in the return for that period, the amount of that net tax.";

(4) by adding the following paragraph after the third paragraph:

"For the purposes of the formula in subparagraph 1 of the third paragraph,

(1) A is the amount, expressed as a positive number, of the person's net tax for the reporting period; and

(2) B is the amount that the person claims as an interim net tax refund for the reporting period in accordance with section 437.4."

(2) Subsection 1 applies in respect of a reporting period that ends after 31 December 2012.

159. (1) The Act is amended by inserting the following sections after section 437:

"**437.1.** Every person who is a selected listed financial institution and is required to file an interim return under section 470.1 for a reporting period shall, subject to the second paragraph, calculate the amount (in this section and sections 437 and 437.2 to 437.4 referred to as the "interim net tax") that would be the net tax of the person for the reporting period if subparagraph 3 of the second paragraph of section 433.16 were read as follows:

"(3) C is the lesser of the value C would have in the formula in subsection 2 of section 225.2 of the Excise Tax Act (Revised Statutes of Canada, 1985, chapter E-15), determined for the taxation year, for the financial institution as regards Québec, or the value that same C would have, for the financial institution as regards Québec, for the preceding taxation year, if each of those values were determined in accordance with the regulation made under that Act for the purposes of subsection 2.1 of section 228 of that Act taking the following assumptions into account:

(*a*) Québec is a participating province within the meaning of subsection 1 of section 123 of the Excise Tax Act for the taxation year and the preceding taxation year, and

(*b*) the financial institution is a selected listed financial institution for the purposes of the Excise Tax Act for the taxation year and the preceding taxation year;".

Where a person becomes a selected listed financial institution in a reporting period that ends in a particular fiscal year, the interim net tax of the person for each reporting period included in the fiscal year is the amount that would be the person's net tax for the reporting period if subparagraph 3 of the second paragraph of section 433.16 were read as follows:

"(3) C is the percentage that would be applicable to the financial institution as regards Québec for the preceding reporting period if it were determined in accordance with the regulation made under the Excise Tax Act for the purposes of subsection 2.2 of section 228 of that Act taking the following assumptions into account:

(*a*) Québec is a participating province within the meaning of subsection 1 of section 123 of the Excise Tax Act, and

(*b*) the financial institution is a selected listed financial institution for the purposes of the Excise Tax Act throughout the reporting period;".

"**437.2.** Where the interim net tax for a reporting period of the selected listed financial institution referred to in section 437.1 is a positive amount, the financial institution shall pay that amount, on or before the day on which an interim return is required to be filed, in accordance with section 470.1, to the Minister as or on account of the financial institution's net tax for the reporting period that the financial institution is required to remit under subparagraph *a* of paragraph 2 of section 437.3.

"**437.3.** A person who is a selected listed financial institution and is required to file a final return under paragraph 2 of section 470.1 for a reporting period shall

(1) calculate in the return the net tax of the person for the reporting period;

(2) on or before the day on which the person is required to file the return, remit to the Minister

(*a*) the positive amount, if applicable, of the net tax of the person for the reporting period, or

(*b*) where the person claimed an interim net tax refund for the reporting period in accordance with section 437.4, the amount by which the interim net tax refund for the period exceeds the amount that would be the net tax refund for the period payable to the person under subparagraph 1 of the third paragraph of section 437 if the person had not claimed that interim net tax refund, or, if the person's net tax for the period is a positive amount, an amount equal to the interim net tax refund for the period; and

(3) report in the return the positive amount paid as or on account of the person's net tax for the period, in accordance with section 437.2, or the negative amount for which the person claimed an interim net tax refund for the period, in accordance with section 437.4, in the person's interim return filed under section 470.1 for the period.

"**437.4.** A person who is a selected listed financial institution may claim the negative amount of its interim net tax, determined in accordance with section 437.1 for the person's reporting period, as an interim net tax refund for the period payable by the Minister, in the interim return for the period filed under section 470.1, provided it is filed before the last day on which the final return for the period is required to be filed under that section."

(2) Subsection 1 applies in respect of a reporting period that ends after 31 December 2012.

160. (1) Sections 441 and 442 of the Act are replaced by the following sections:

"**441.** Where at any time a person files a particular return as required under this Title in which the person reports an amount of tax (in this section referred to as the "remittance amount") that is required to be remitted under the second paragraph of section 437 or 437.3 or paid under section 17, 18, 18.0.1, 437.2 or 438 by the person, and the person claims a refund or rebate to which the person is entitled at that time under this Title, in the particular return or in another return, or in an application, filed as required under this Title with the particular return, the person is deemed to have remitted at that time on account of the person's remittance amount, and the Minister is deemed to have paid at that time as a refund or rebate, an amount equal to the lesser of the remittance amount and the amount of the refund or rebate.

"**442.** A person may, in prescribed circumstances and subject to prescribed conditions and rules, reduce or offset the tax that is required to be remitted under the second paragraph of sections 437 and 437.3 or paid under section 17, 18, 18.0.1, 437.2 or 438 by that person at any time by the amount of any refund or rebate to which another person may at that time be entitled under this Title."

(2) Subsection 1 applies in respect of a reporting period that ends after 31 December 2012.

161. (1) Section 450.0.2 of the Act is amended by replacing paragraph 2 by the following paragraph:

"(2) a supply of the specified resource or part is deemed to have been received by the pension entity under subparagraph *a* of subparagraph 4 of the first paragraph of section 289.5 and tax in respect of that supply is deemed to have been paid by the pension entity under

(*a*) except in the case described in subparagraph *b*, subparagraph *b* of subparagraph 4 of the first paragraph of section 289.5, or

(*b*) if the pension entity is a selected listed financial institution on the last day of the fiscal year in which the person acquired the resource, clause A of subparagraph ii of paragraph *d* of subsection 5 of section 172.1 of the Excise Tax Act (Revised Statutes of Canada, 1985, chapter E-15); and".

(2) Subsection 1 applies from 1 January 2013.

162. (1) Section 450.0.4 of the Act is amended

(1) by replacing the portion of the first paragraph before subparagraph 1 by the following:

"**450.0.4.** If a person issues a tax adjustment note to a pension entity under section 450.0.2 in respect of a specified resource or part, a supply of the specified resource or part is deemed to have been received by the pension entity under subparagraph *a* of subparagraph 4 of the first paragraph of section 289.5 and an amount of tax (in this section referred to as "deemed tax") in respect of that supply, where the pension entity is not a selected listed financial institution on a particular day, is deemed to have been paid on the particular day by the pension entity under subparagraph *b* of subparagraph 4 of the first paragraph of section 289.5, or, where the pension entity is such a financial institution, is deemed to have been paid on the particular day by the pension entity under clause A of subparagraph ii of paragraph *d* of subsection 5 of section 172.1 of the Excise Tax Act (Revised Statutes of Canada, 1985, chapter E-15) or would be deemed to have been paid on the particular day by the pension entity under that clause A if the pension entity were also a selected listed financial institution for the purposes of that Act, the following rules apply:";

(2) by replacing the portion of subparagraph 2 of the first paragraph before the formula by the following:

"(2) except where the pension entity is a selected listed financial institution on the particular day, the pension entity shall add, in determining its net tax for its reporting period that includes the day on which the tax adjustment note is issued, the amount determined by the formula";

(3) by replacing the portion of subparagraph 3 of the first paragraph before the formula by the following:

"(3) except where the pension entity is a selected listed financial institution on the particular day, if any given part of the amount of the deemed tax is an eligible amount of the pension entity for a particular claim period, the pension entity shall pay to the Minister, on or before the last day of its claim period that follows its claim period that includes the day on which the tax adjustment note is issued, the amount determined by the formula";

(4) by replacing the portion of subparagraph 4 of the first paragraph before the formula by the following:

"(4) except where the pension entity is a selected listed financial institution on the particular day, if any given part of the amount of the deemed tax is an eligible amount of the pension entity for a particular claim period for which an election under any of sections 402.18, 402.19 and 402.19.1 was made jointly by the pension entity and all participating employers of the pension plan that were, for the calendar year that includes the last day of the claim period, qualifying employers of the pension plan, each of those participating employers shall add, in determining its net tax for its reporting period that includes the day on which the tax adjustment note is issued, the amount determined by the formula";

(5) by replacing subparagraph 5 of the second paragraph by the following subparagraph:

"(5) E is 33%;";

(6) by replacing subparagraph 8 of the second paragraph by the following subparagraph:

"(8) H is the amount of the deduction determined for the participating employer under section 402.18, subparagraph 1 or 3 of the first paragraph of section 402.19 or section 402.19.1, as the case may be, for the particular claim period."

(2) Subsection 1 applies in respect of a reporting period that ends after 31 December 2012. However, when the tax adjustment note is in respect of both an amount described in paragraph 3 of section 450.0.2 of the Act that became payable, or was paid without having become payable, by a pension entity before 1 January 2013 and an amount described in paragraph 2 of section 450.0.2 of the Act that is deemed to have been paid after 31 December 2012, subparagraph 5 of the second paragraph of section 450.0.4 of the Act is to be read as follows:

"(5) E is

(*a*) 77%, where the pension entity is governed by a pension plan to which more than 50% of the contributions are made by one or more public service bodies that are not entitled to any rebate under section 386,

(*b*) 88%, where the pension entity is governed by a pension plan to which more than 50% of the contributions are made by one or more public service bodies that are entitled to a rebate under section 386, and

(*c*) in any other case, 100%;".

163. (1) Section 450.0.5 of the Act is amended by replacing paragraph 2 by the following paragraph:

"(2) a supply of each of those employer resources is deemed to have been received by the pension entity under subparagraph *a* of subparagraph 4 of the first paragraph of section 289.6 and tax in respect of each of those supplies is deemed to have been paid by the pension entity

(*a*) except in the case described in subparagraph *b*, under subparagraph *b* of subparagraph 4 of the first paragraph of section 289.6, or

(*b*) if the pension entity is a selected listed financial institution on the last day of the fiscal year in which the employer resources are consumed or used for the purpose of making an actual pension supply, under clause A of

subparagraph ii of paragraph *d* of subsection 6 of section 172.1 of the Excise Tax Act (Revised Statutes of Canada, 1985, chapter E-15); and".

(2) Subsection 1 applies from 1 January 2013.

164. (1) Section 450.0.7 of the Act is amended

(1) by replacing the portion of the first paragraph before subparagraph 1 by the following:

"**450.0.7.** If a person issues a tax adjustment note to a pension entity under section 450.0.5 in respect of employer resources consumed or used for the purpose of making an actual pension supply, a supply of each of those employer resources (in this section referred to as a "particular supply") is deemed to have been received by the pension entity under subparagraph *a* of subparagraph 4 of the first paragraph of section 289.6 and an amount of tax (in this section referred to as "deemed tax") in respect of each of the particular supplies, where the pension entity is not a selected listed financial institution on the last day of the fiscal year of the person during which those employer resources were so consumed or used, is deemed to have been paid by the pension entity under subparagraph *b* of subparagraph 4 of the first paragraph of section 289.6, or, where the pension entity is such a financial institution, is deemed to have been paid by the pension entity under clause A of subparagraph ii of paragraph *d* of subsection 6 of section 172.1 of the Excise Tax Act (Revised Statutes of Canada, 1985, chapter E-15) or would be deemed to have been paid by the pension entity under that clause A if the pension entity were also a selected listed financial institution on that last day for the purposes of that Act, the following rules apply:";

(2) by replacing the portion of subparagraph 2 of the first paragraph before the formula by the following:

"(2) except where the pension entity is a selected listed financial institution on the first day on which an amount of deemed tax is deemed to have been paid, the pension entity shall add, in determining its net tax for its reporting period that includes the day on which the tax adjustment note is issued, the amount determined by the formula";

(3) by replacing the portion of subparagraph 3 of the first paragraph before the formula by the following:

"(3) except where the pension entity is a selected listed financial institution on the first day on which an amount of deemed tax is deemed to have been paid, for each particular claim period of the pension entity for which any part of an amount of deemed tax in respect of a particular supply is an eligible amount of the pension entity, the pension entity shall pay to the Minister, on or before the last day of its claim period that follows its claim period that includes the day on which the tax adjustment note is issued, the amount determined by the formula";

(4) by replacing the portion of subparagraph 4 of the first paragraph before the formula by the following:

"(4) except where the pension entity is a selected listed financial institution on the first day on which an amount of deemed tax is deemed to have been paid, for each particular claim period of the pension entity for which any part of an amount of deemed tax in respect of a particular supply is an eligible amount of the pension entity and for which an election under any of sections 402.18, 402.19 and 402.19.1 was made jointly by the pension entity and all participating employers of the pension plan that were, for the calendar year that includes the last day of that period, qualifying employers of the pension plan, each of those participating employers shall add, in determining its net tax for its reporting period that includes the day on which the tax adjustment note is issued, the amount determined by the formula";

(5) by replacing subparagraph 5 of the second paragraph by the following subparagraph:

"(5) E is 33%;";

(6) by replacing subparagraph 8 of the second paragraph by the following subparagraph:

"(8) H is the amount of the deduction determined for the participating employer under section 402.18, subparagraph 1 or 3 of the first paragraph of section 402.19 or section 402.19.1, as the case may be, for the particular claim period."

(2) Subsection 1 applies in respect of a reporting period that ends after 31 December 2012. However, when the tax adjustment note is in respect of both an amount described in paragraph 3 of section 450.0.5 of the Act that became payable, or was paid without having become payable, by a pension entity before 1 January 2013 and an amount described in paragraph 2 of section 450.0.5 of the Act that is deemed to have been paid after 31 December 2012, subparagraph 5 of the second paragraph of section 450.0.7 of the Act is to be read as follows:

"(5) E is

(*a*) 77%, where the pension entity is governed by a pension plan to which more than 50% of the contributions are made by one or more public service bodies that are not entitled to any rebate under section 386,

(*b*) 88%, where the pension entity is governed by a pension plan to which more than 50% of the contributions are made by one or more public service bodies that are entitled to a rebate under section 386, and

(*c*) in any other case, 100%;".

165. (1) Section 453 of the Act is amended by replacing "100/109.5" in the portion of paragraph 1 before subparagraph *a* by "100/109.975".

(2) Subsection 1 has effect from 1 January 2013.

166. (1) The Act is amended by inserting the following section after section 455:

"**455.0.1.** Where, in the circumstances described in the third paragraph of section 402.25, an insurer pays to, or credits in favour of, a segregated fund of the insurer an amount on account of a rebate referred to in that section and transmits the application of the segregated fund for the rebate to the Minister in accordance with section 402.26, the insurer may deduct the amount in determining its net tax for its reporting period in which the amount was paid or credited."

(2) Subsection 1 applies in respect of a rebate relating to an amount of tax that became payable, or was paid without having become payable, after 31 December 2012.

167. (1) Section 456 of the Act is amended by adding the following paragraph after the second paragraph:

"Despite the first paragraph, no amount may be included in determining a registrant's net tax for the appropriate reporting period if the registrant is a selected listed financial institution in that period."

(2) Subsection 1 applies from 1 January 2013.

168. (1) Section 457.5 of the Act is amended by replacing "9.5%" in subparagraph 1 of the second paragraph by "9.975%".

(2) Subsection 1 has effect from 1 January 2013.

169. (1) Section 457.7 of the Act is amended by replacing "9.5%" in subparagraph 1 of the second paragraph by "9.975%".

(2) Subsection 1 has effect from 1 January 2013.

170. (1) Section 458.0.1 of the Act is replaced by the following section:

"**458.0.1.** Where the reporting period of a registrant is a fiscal year within the meaning of section 458.1 or a period determined under section 461.1, the registrant shall, within one month after the end of each fiscal quarter of the registrant ending in the reporting period, pay to the Minister an amount equal to

(1) except where paragraph 2 applies, 1/4 of the registrant's instalment base for that reporting period; or

(2) where the circumstances described in section 458.0.3.1 exist, the amount determined in accordance with that section."

(2) Subsection 1 applies from 1 January 2013.

171. (1) The Act is amended by inserting the following section after section 458.0.3:

"**458.0.3.1.** For the purposes of paragraph 2 of section 458.0.1, where a person becomes a selected listed financial institution during a reporting period, the instalment to be paid within one month after the end of each fiscal quarter of the person ending in the reporting period is equal to

(1) where the fiscal quarter is the first fiscal quarter in the reporting period, 1/4 of the amount determined in accordance with section 458.0.2; and

(2) in any other case, the lesser of

(*a*) 1/4 of the amount determined in accordance with subparagraph 1 of the first paragraph of section 458.0.2, and

(*b*) the amount determined by the formula

A × B.

For the purposes of the formula in subparagraph *b* of subparagraph 2 of the first paragraph,

(1) A is the value of A in the formula in subparagraph ii of paragraph *b* of subsection 5 of section 237 of the Excise Tax Act (Revised Statutes of Canada, 1985, chapter E-15), determined for the reporting period; and

(2) B is the percentage corresponding to the value D would have in the formula in subparagraph ii of paragraph *b* of subsection 5 of section 237 of the Excise Tax Act, for the financial institution as regards Québec, determined for the preceding fiscal quarter, if Québec were a participating province within the meaning of subsection 1 of section 123 of that Act and if, where applicable, the financial institution were a selected listed financial institution for the purposes of that Act."

(2) Subsection 1 applies from 1 January 2013.

172. (1) Section 458.7 of the Act is amended by striking out paragraph 1.

(2) Subsection 1 applies from 1 January 2013.

173. (1) The Act is amended by inserting the following section after section 458.7:

"**458.8.** Despite any other provision of this division, the particular reporting period of a person that begins before 1 January 2013 and that, but for this section, would end after 31 December 2012 is deemed to end on 31 December 2012, if

(1) the person is a listed financial institution;

(2) the person is a registrant on 31 December 2012 for the purposes of this Title and of Part IX of the Excise Tax Act (Revised Statutes of Canada, 1985, chapter E-15); and

(3) the person's reporting period under Part IX of the Excise Tax Act that includes 1 January 2013 does not correspond to the reporting period that would be the person's particular reporting period, but for this section.

Despite any other provision of this division, where a person would have been a selected listed financial institution throughout the person's particular reporting period that begins before 1 January 2013 and that, but for this paragraph, would end after 31 December 2012, the particular reporting period is deemed to end on 31 December 2012.

Despite any other provision of this division, a person's reporting period that follows the particular reporting period that is deemed to end on 31 December 2012 under this section, or that begins on 1 January 2013 following the person's registration under section 407.6, ends on the day on which the person's reporting period under Part IX of the Excise Tax Act that includes 1 January 2013 ends."

(2) Subsection 1 applies from 1 January 2013.

174. (1) Section 459.0.1 of the Act is amended

(1) by replacing subparagraph *d* of paragraph 1 by the following subparagraph:

"(*d*) where the registrant is described in any of paragraphs 1 to 10 of the definition of "listed financial institution" in section 1 and has not made an election under section 459.2, 459.2.1 or 459.4 that is effective at that time;";

(2) by replacing subparagraph *a* of paragraph 2 by the following subparagraph:

"(*a*) the threshold amount of the registrant for the fiscal year or fiscal quarter of the registrant that includes that time exceeds $6,000,000 and the registrant is neither described in any of paragraphs 1 to 10 of the definition of "listed financial institution" in section 1 nor a charity,".

(2) Subsection 1 applies from 1 January 2013.

175. (1) Section 462.1.1 of the Act is replaced by the following section:

"**462.1.1.** For the purposes of sections 462 and 462.1, "supply made in Canada" means a supply made in Canada for the purposes of Part IX of the Excise Tax Act (Revised Statutes of Canada, 1985, chapter E-15)."

(2) Subsection 1 applies in respect of the consideration for a supply if subparagraph 1 of the second paragraph of section 52 of the Act is amended in its respect by paragraph 1 of subsection 1 of section 49 of this Act.

176. (1) Section 468 of the Act is amended by replacing subparagraphs *a* and *b* of paragraph 1 by the following subparagraphs:

"(*a*) if the registrant is described in any of paragraphs 1 to 10 of the definition of "listed financial institution" in section 1, within six months after the end of the fiscal year,

"(*b*) except where subparagraph *a* applies, if the registrant is an individual whose fiscal year is a calendar year and, for the purposes of the Taxation Act (chapter I-3), the individual carried on a business during the year and the filing-due date of the individual for the year is 15 June of the following year, on or before that day, and".

(2) Subsection 1 applies in respect of a reporting period that ends after 31 December 2012.

(3) In addition, in relation to a reporting period of a financial institution that begins on 1 January 2013 because of section 458.8 of the Act, enacted by section 173 of this Act, section 468 of the Act is to be read as if the portion of paragraph 1 before subparagraph *a* was replaced by the following:

"(1) where the registrant's reporting period, for the purposes of Part IX of the Excise Tax Act (Revised Statutes of Canada, 1985, chapter E-15), is or would be the registrant's fiscal year, but for subsection 1 of section 251 of that Act,".

177. (1) The Act is amended by inserting the following section after section 470:

"**470.1.** Despite paragraph 2 of section 468 and section 470, if a selected listed financial institution's reporting period ending in a fiscal year is a fiscal month or a fiscal quarter for the purposes of the Excise Tax Act (Revised Statutes of Canada, 1985, chapter E-15), the financial institution shall file with the Minister, where the percentage determined in accordance with subparagraph 3 of the second paragraph of section 433.16 for the taxation year in which the fiscal year of the financial institution ends is greater than zero,

(1) an interim return for the reporting period within one month after the end of the period; and

(2) a final return for the reporting period within six months after the end of the fiscal year."

(2) Subsection 1 applies in respect of a reporting period that ends after 31 December 2012.

178. (1) Section 472 of the Act is amended by replacing paragraphs 1 and 2 by the following paragraphs:

"(1) where the person is a registrant, the person shall, on or before the particular day on which the person's return under section 468 or 469 for the reporting period in which the tax became payable is required to be filed, pay the tax to the Minister or the prescribed person and

(*a*) except where the person is referred to in subparagraph *b*, report the tax in that return, or

(*b*) where the person is a qualifying taxpayer, within the meaning of section 26.2, file with the Minister or the prescribed person, on or before the particular day, in the manner determined by the Minister a return in respect of the tax in the form and containing the information determined by the Minister; and

"(2) in any other case, the person shall, on or before the last day of the month following the calendar month in which the tax became payable, pay the tax to the Minister or the prescribed person and file with the Minister or the prescribed person in prescribed manner a return in respect of the tax in the prescribed form containing prescribed information."

(2) Subsection 1 applies in respect of a reporting period that ends after 31 December 2012.

179. (1) Section 528 of the Act is amended by replacing paragraph 1 by the following paragraph:

"(1) except where the person is a selected listed financial institution throughout a particular reporting period, where the person is registered under Title I, the day on which the person is required to file a return for the particular reporting period determined under subdivision 1 of Division IV of Chapter VIII of Title I in which the premium was paid, in accordance with the provisions of subdivision 2 of Division IV of Chapter VIII of Title I; and".

(2) Subsection 1 applies in respect of a reporting period that ends after 31 December 2012.

180. (1) Section 677 of the Act is amended, in the first paragraph,

(1) by inserting the following subparagraph after subparagraph 4:

"(4.0.1) determine, for the purposes of section 17.4.1, which amounts of tax are prescribed amounts of tax;";

(2) by inserting the following subparagraph after subparagraph 5.1:

"(5.2) determine, for the purposes of section 18.0.3, which amounts of tax are prescribed amounts of tax;";

(3) by inserting the following subparagraph after subparagraph 9:

"(9.1) determine, for the purposes of section 29.1, the prescribed mandataries;";

(4) by inserting the following subparagraphs after subparagraph 10.1:

"(10.2) determine, for the purposes of the definition of "excluded input" in section 42.0.10, which property and services are prescribed property and services;

"(10.3) determine, for the purposes of sections 42.0.13 and 42.0.14, which percentage is a prescribed percentage and which classes are prescribed classes;";

(5) by inserting the following subparagraph after subparagraph 23.1:

"(23.2) determine, for the purposes of section 199.0.0.1, which amounts of tax are prescribed amounts of tax;";

(6) by inserting the following subparagraph after subparagraph 41:

"(41.0.1) determine, for the purposes of section 399.1, the prescribed mandataries;";

(7) by inserting the following subparagraphs after subparagraph 44.1:

"(44.2) determine, for the purposes of section 433.16, which amounts are prescribed tax amounts and which amounts are prescribed amounts;

"(44.3) determine, for the purposes of sections 433.16, 433.17 and 433.19, which persons are prescribed persons and which classes are prescribed classes;";

(8) by inserting the following subparagraph after subparagraph 49:

"(49.0.1) for the purposes of Title I, require any person or any class of persons to provide to a person any information that is required for the application, by a selected listed financial institution, of the formula in the first paragraph of section 433.16 or 458.0.3.1 or in any other provision of this Title, or of a provision of a regulation made under such a provision of Title I, specify the information so required and the manner in which it is to be provided and prescribe the solidary liability for failing to provide required information in the manner so specified;";

(9) by striking out subparagraph 57;

(10) by inserting the following subparagraph after subparagraph 60.1:

"(60.2) for the purposes of Title I, require any selected listed financial institution to register in accordance with Division I of Chapter VIII or deem any selected listed financial institution to be a registrant for the purposes of Title I; and".

(2) Paragraphs 1, 2, 4, 5, 7, 8 and 10 of subsection 1 apply from 1 January 2013.

(3) Paragraphs 3, 6 and 9 of subsection 1 apply from 1 April 2013.

181. (1) Section 678 of the Act is amended by striking out the second paragraph.

(2) Subsection 1 applies in respect of a tax payable after 31 March 2013.

FUEL TAX ACT

182. (1) Section 1 of the Fuel Tax Act (chapter T-1) is amended by inserting the following subparagraphs after subparagraph *r*.1 of the first paragraph:

"(*r*.2) "Gaspésie–Îles-de-la-Madeleine administrative region": Gaspésie–Îles-de-la-Madeleine administrative region (11) described in the Décret concernant la révision des limites des régions administratives du Québec (chapter D-11, r. 1);

"(*r*.3) "area subject to a tax increase": one of the following:

i. the area of jurisdiction of the Agence métropolitaine de transport, where the tax provided for in the first paragraph of section 2 that is applicable to gasoline delivered in that area of jurisdiction is increased under subparagraph *a* of the third paragraph of section 2, or

ii. the Gaspésie–Îles-de-la-Madeleine administrative region, where the tax provided for in the first paragraph of section 2 that is applicable to gasoline delivered in that region is increased under subparagraph *b* of the third paragraph of section 2;".

(2) Subsection 1 has effect from 1 July 2012.

183. (1) Section 2 of the Act is amended

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

"Furthermore, the tax provided for in subparagraph *a* of the first paragraph and determined taking into account the second paragraph, if applicable, is increased

(*a*) by $0.03 per litre if the gasoline is delivered in the area of jurisdiction of the Agence métropolitaine de transport; and

(*b*) by $0.01 per litre if the gasoline is delivered in the Gaspésie–Îles-de-la-Madeleine administrative region.";

(2) by replacing "Aux fins" in the portion of the sixth paragraph before subparagraph *a* in the French text by "Pour l'application";

(3) by replacing "For the purposes" in the seventh paragraph by "For the purposes of subparagraph *a*".

(2) Subsection 1 has effect from 1 July 2012.

184. (1) Section 10.4 of the Act is amended

(1) by inserting "delivered in an area subject to a tax increase" after "gasoline" in the portion before paragraph *a*;

(2) by replacing "the area of jurisdiction of the Agence métropolitaine de transport" in paragraph *b* by "that area".

(2) Subsection 1 has effect from 1 July 2012.

185. (1) Section 15 of the Act is amended by replacing the first paragraph by the following paragraph:

"**15.** Every consumer who has acquired fuel in Québec shall, on or before the fifteenth day of each month, render an account to the Minister, using the prescribed form, on the tax determined under section 2, without reference to its third paragraph, he owes for fuel acquired during the preceding month, if he has not paid such tax on its acquisition, and shall at the same time remit the amount of that tax to the Minister."

(2) Subsection 1 has effect from 1 July 2012.

186. (1) Section 15.1 of the Act is amended by replacing the first paragraph by the following paragraph:

"**15.1.** Subject to section 17.1, every consumer shall, in respect of gasoline stored in an area subject to a tax increase, other than gasoline to be used for supplying an aircraft engine, on or before the fifteenth day of each month, render an account to the Minister, using the prescribed form, on the tax increase provided for in the third paragraph of section 2 that he owes for gasoline acquired during the preceding month, if he has not paid such tax on its

acquisition, and shall at the same time remit the amount of that increase to the Minister."

(2) Subsection 1 applies in respect of gasoline acquired by a consumer after 30 June 2012.

187. (1) Section 15.2 of the Act is amended by replacing "The tax that is required to be paid under sections 15 and 15.1 shall be computed per litre of fuel measured at ambient temperature. However, the tax shall be" by "The tax and the tax increase that are to be paid under sections 15 and 15.1, respectively, are computed per litre of fuel measured at ambient temperature. However, they are".

(2) Subsection 1 has effect from 1 July 2012.

188. (1) Section 17 of the Act is amended by replacing paragraph *b* by the following paragraph:

"(*b*) pay at the same time to the Minister the tax determined under section 2 without reference to its third paragraph."

(2) Subsection 1 has effect from 1 July 2012.

189. (1) Section 17.1 of the Act is amended

(1) by replacing "in the area of jurisdiction of the Agence métropolitaine de transport" in the portion before paragraph *a* by "into an area subject to a tax increase";

(2) by replacing "provided for in the third paragraph of section 2" in paragraph *b* by "increase provided for in the third paragraph of section 2 that is applicable to that gasoline".

(2) Subsection 1 applies in respect of gasoline brought or caused to be brought into an area after 30 June 2012.

190. (1) Section 17.2 of the Act is amended by replacing "The tax that is required to be paid under sections 17 and 17.1 shall be computed per litre of fuel measured at ambient temperature. However, the tax shall be" by "The tax and the tax increase that are to be paid under sections 17 and 17.1, respectively, are computed per litre of fuel measured at ambient temperature. However, they are".

(2) Subsection 1 has effect from 1 July 2012.

191. (1) Section 51.1 of the Act is amended

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

"Where the holder of a collection officer's permit delivers or causes to be delivered gasoline, other than gasoline to be used for supplying an aircraft engine, in an area subject to a tax increase, the amount referred to in the first paragraph must be increased by the amount provided for in the third paragraph of section 2 that is applicable to that gasoline.";

(2) by replacing "the area of jurisdiction of the Agence métropolitaine de transport" in the eighth paragraph by "an area subject to a tax increase".

(2) Subsection 1 applies in respect of a sale or delivery of gasoline made after 30 June 2012.

192. (1) Section 55.1.1 of the Act is amended by replacing subparagraph 1 of the first paragraph by the following subparagraph:

"(1) the proceeds of the tax increase provided for in subparagraph *a* of the third paragraph of section 2; and".

(2) Subsection 1 has effect from 1 July 2012.

193. (1) Section 55.2 of the Act is amended by inserting "subparagraph *a* of" after "provided for in" in the first paragraph.

(2) Subsection 1 has effect from 1 July 2012.

TRANSPORT ACT

194. The heading of Division IX.2 of the Transport Act (chapter T-12) is amended by replacing "TERRITORY OF THE COMMUNAUTÉ MÉTROPOLITAINE DE QUÉBEC AND THAT" by "AREA OF JURISDICTION".

195. Section 88.8 of the Act is repealed.

REGULATION RESPECTING THE APPLICATION OF THE TOBACCO TAX ACT

196. (1) Section 2 of the Regulation respecting the application of the Tobacco Tax Act (chapter I-2, r. 1) is amended

(1) by replacing the portion before subparagraph *b* of the first paragraph by the following:

"**2.** For the purposes of sections 13.1 and 17.10 of the Act, any manufacturer or importer must affix

(*a*) to each package of tobacco, other than pipe tobacco, snuff, chewing tobacco and leaf tobacco, intended for retail sale in Québec, in the manner prescribed in section 4.2 of the Stamping and Marking of Tobacco Products

Regulations (SOR/2003-288, (2003) 137 Canada Gazette, Part II, 2254), a stamp;";

(2) by replacing subparagraph *c* of the first paragraph by the following subparagraph:

"(*c*) to each case of cigarettes, tobacco sticks, rolls of tobacco, loose tobacco other than pipe tobacco, snuff or chewing tobacco, and pre-rolled tobacco and to each container of several units of pre-rolled tobacco, the inscription "QUÉBEC" on at least two of its sides in 100% black upper-case letters 38.1 millimetres high.";

(3) by replacing "the identification mark affixed" in the second paragraph by "the stamp affixed";

(4) by inserting ", cigars, loose tobacco" after "rolls of tobacco" in the third paragraph;

(5) by adding the following paragraph after the third paragraph:

"For the purposes of this section, a wrapping containing one or more cigars intended for retail sale in Québec is deemed to be a package of tobacco."

(2) Subsection 1 applies in respect of all tobacco products, except cigars, manufactured or imported as of 1 July 2012 and in respect of cigars manufactured or imported as of 1 October 2012. However, a manufacturer or importer may elect, as of 1 April 2012, to comply with sections 2, 2.1.1 and 2.1.2 of the Regulation respecting the application of the Tobacco Tax Act (chapter I-2, r. 1), as amended by this section and section 198.

197. (1) Section 2.1 of the Regulation is repealed.

(2) Subsection 1 applies in respect of all tobacco products, except cigars, manufactured or imported as of 1 July 2012 and in respect of cigars manufactured or imported as of 1 October 2012. However, a manufacturer or importer may elect, as of 1 April 2012, to comply with sections 2, 2.1.1 and 2.1.2 of the Regulation respecting the application of the Tobacco Tax Act (chapter I-2, r. 1), as amended by sections 196 and 198.

198. (1) Sections 2.1.1 and 2.1.2 of the Regulation are replaced by the following sections:

"**2.1.1.** For the purposes of section 13.1 of the Act, where a package of tobacco referred to in subparagraph *a* of the first paragraph of section 2 is offered for sale to a consumer in another container where the stamp affixed to the package is not visible, the person who is required, under this Regulation, to affix the stamp to the package shall affix the identification mark provided for in subparagraph *b* of the first paragraph of section 2 on one end of that other container so that the identification mark is clearly visible.

"**2.1.2.** For the purposes of section 13.1 of the Act, any package of tobacco intended for retail sale in Québec, other than tobacco referred to in subparagraph *a* of the first paragraph of section 2, must be stamped within the meaning of section 2 of the Excise Act, 2001 (Statutes of Canada, 2002, chapter 22) to be considered as identified by the manufacturer or importer of such tobacco."

(2) Subsection 1 applies in respect of all tobacco products, except cigars, manufactured or imported as of 1 July 2012 and in respect of cigars manufactured or imported as of 1 October 2012. However, a manufacturer or importer may elect, as of 1 April 2012, to comply with sections 2, 2.1.1 and 2.1.2 of the Regulation respecting the application of the Tobacco Tax Act (chapter I-2, r. 1), as amended by section 196 and this section.

199. (1) The Regulation is amended by adding Schedule I, the text of which appears in Schedule I to this Act, at the end.

(2) Subsection 1 applies in respect of all tobacco products, except cigars, manufactured or imported as of 1 July 2012 and in respect of cigars manufactured or imported as of 1 October 2012. However, a manufacturer or importer may elect, as of 1 April 2012, to comply with sections 2, 2.1.1 and 2.1.2 of the Regulation respecting the application of the Tobacco Tax Act (chapter I-2, r. 1), as amended by sections 196 and 198.

SPECIAL TRANSITIONAL PROVISIONS

200. The Minister of Finance takes out of the Accumulated Sick Leave Fund referred to in section 8.1 of the Financial Administration Act (chapter A-6.001) a sum equal to 9.86% of the sums in the Fund and pays it into the Accumulated Sick Leave Fund established under section 69.1 of the Act respecting the Agence du revenu du Québec (chapter A-7.003).

Such payment is deemed to have been made on 1 April 2011.

201. For the purposes of Chapter V of Title I of the Act respecting the Québec sales tax (chapter T-0.1), except section 210 of that Act, in relation to an amount of tax that becomes payable after 31 December 2012 by a person in respect of a property or service acquired by the person before 1 January 2013 for the purpose of making a taxable supply, the property or service is deemed to be acquired otherwise than in the course of the person's commercial activities to the extent that it was acquired for the purpose of making a supply of a financial service, other than a supply of a financial service that would be zero-rated under Division VII.2 of Chapter IV of Title I of that Act, enacted by section 61 of this Act, if it was made after 31 December 2012.

202. This Act comes into force on 7 December 2012, except for sections 6, 13 and 22, which come into force on the date or dates to be set by the Government, and section 28 as regards the last sentence of the second paragraph of section 12.32.1.2 of the Act respecting the Ministère des Transports (chapter

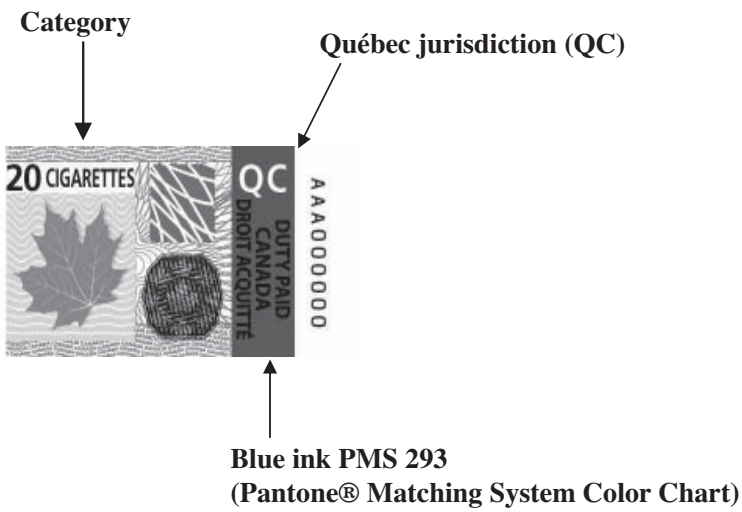
M-28), which comes into force on the same date as that on which the fuel tax increase applicable in the territory of the Communauté métropolitaine de Québec becomes applicable.

SCHEDULE I
(*section 199*)

"SCHEDULE I

CHARACTERISTICS AND CATEGORIES OF STAMPS FOR THE IDENTIFICATION OF PACKAGES OF TOBACCO INTENDED FOR RETAIL SALE IN QUÉBEC

(1) The characteristics of stamps for the identification of packages of tobacco intended for retail sale in Québec are as follows:



(2) The categories of stamps for the identification of packages of tobacco intended for retail sale in Québec are as follows:

".

NATIONAL ASSEMBLY

FIRST SESSION FORTIETH LEGISLATURE

Bill 6
(2012, chapter 29)

An Act concerning the date of coming into force of certain provisions of the Act to eliminate union placement and improve the operation of the construction industry

Introduced 15 November 2012
Passed in principle 6 December 2012
Passed 6 December 2012
Assented to 7 December 2012

Québec Official Publisher
2012

EXPLANATORY NOTES

This Act defers from 2 December 2012 to 9 September 2013 the latest possible date of coming into force of certain provisions of the Act to eliminate union placement and improve the operation of the construction industry, and makes a number of amendment to that Act.

LEGISLATION AMENDED BY THIS ACT:

– Act to eliminate union placement and improve the operation of the construction industry (2011, chapter 30).

Bill 6

AN ACT CONCERNING THE DATE OF COMING INTO FORCE OF CERTAIN PROVISIONS OF THE ACT TO ELIMINATE UNION PLACEMENT AND IMPROVE THE OPERATION OF THE CONSTRUCTION INDUSTRY

THE PARLIAMENT OF QUÉBEC ENACTS AS FOLLOWS:

1. Section 62 of the Act to eliminate union placement and improve the operation of the construction industry (2011, chapter 30) is amended by adding the following at the end:

"**119.0.3.** Any person who hinders the activities of the labour-referral service for the construction industry or exercises undue pressure or uses intimidation or threats against a person in charge of the service or an employee assigned to its activities is guilty of an offence and liable to a fine of $1,000 to $2,000 in the case of a natural person and to a fine of $2,028 to $4,056 in other cases.

"**119.0.4.** For any subsequent conviction for an offence committed under sections 119.0.1 to 119.0.3, the fine is doubled."

2. The Act is amended by inserting the following section after section 86:

"**86.1.** On sending a hiring notice under the Regulation respecting the hiring and mobility of employees in the construction industry (chapter R-20, r. 6.1), an employer must, in the manner prescribed by the Commission, specify the name of the association referred to in section 107.1 of the Act respecting labour relations, vocational training and workforce management in the construction industry and of its representative that referred the candidate hired, if that is the case.

The obligation under the first paragraph applies until that section 107.1 comes into force."

3. Section 88 of the Act is amended

(1) by replacing "2 December 2012" in paragraph 1 by "9 September 2013";

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

"(5) section 86.1, which comes into force on 4 February 2013."

4. Paragraph 1 of section 3 has effect from 2 December 2012.

5. This Act comes into force on 7 December 2012.

Regulations and other Acts

Gouvernement du Québec

O.C. 159-2013, 7 March 2013

Individual and Family Assistance Act
(chapter A-13.1.1)

Individual and Family Assistance — Amendment

Regulation to amend the Individual and Family Assistance Regulation

WHEREAS, pursuant to the Individual and Family Assistance Act (chapter A-13.1.1), the Government made the Individual and Family Assistance Regulation (chapter A-13.1.1, r. 1);

WHEREAS it is expedient to amend the Regulation;

WHEREAS, in accordance with sections 10 and 11 of the Regulations Act (chapter R-18.1), a draft of the Regulation to amend the Individual and Family Assistance Regulation was published in Part 2 of the *Gazette officielle du Québec* of 27 December 2012 with a notice that it could be made by the Government on the expiry of 45 days following that publication and the 45-day period has expired;

WHEREAS it is expedient to make the Regulation with amendments;

IT IS ORDERED, therefore, on the recommendation of the Minister of Employment and Social Solidarity:

THAT the Regulation to amend the Individual and Family Assistance Regulation, attached hereto, be made.

JEAN ST-GELAIS,
Clerk of the Conseil exécutif

Regulation to amend the Individual and Family Assistance Regulation

Individual and Family Assistance Act
(chapter A-13.1.1, s. 132, pars. 8, 10, 11 and 13)

1. The Individual and Family Assistance Regulation (chapter A-13.1.1, r. 1) is amended in section 7 by replacing "$25" by "$30".

2. Section 11 is amended by replacing "$70" by "$75".

3. Section 84 is amended by inserting "or if the application is for funeral expenses" after "transportation by ambulance" in the second paragraph.

4. Section 101 is amended by replacing "the Minister receives a written declaration signed by the mother" by "the mother applies for the benefit".

5. Section 110 is amended by replacing "or to the Public Curator" in the third paragraph by ", to the Public Curator or to a person authorized under the second paragraph of section 58 of that Act".

6. Section 111 is amended

(1) by replacing paragraph 3 by the following:

"(3) sums received by a person as an intermediate resource or a family-type resource otherwise than as comparable remuneration pursuant to a group agreement entered into under the Act respecting the representation of family-type resources and certain intermediate resources and the negotiation process for their group agreements (chapter R-24.0.2) or comparable remuneration determined by the Minister of Health and Social Services pursuant to subparagraph 2 of the third paragraph of section 303 or section 314 of the Act respecting health services and social services (chapter S-4.2), as the case may be;";

(2) by inserting "under the Regulation respecting financial assistance to facilitate the adoption of a child (chapter P-34.1, r. 4) and sums received" after "sums received" in paragraph 3.1;

(3) by replacing "$195" and "$304" in paragraph 16 by "$196" and "$305" respectively;

(4) by replacing paragraph 29 by the following:

"(29) lifetime payments made for the benefit of an independent adult from a registered disability savings plan, up to a maximum of $950 per month for an adult benefitting from such a plan;".

7. The following is inserted after section 114:

"**114.1.** The comparable remuneration received by a person as an intermediate resource or a family-type resource pursuant to a group agreement entered into under the Act

respecting the representation of family-type resources and certain intermediate resources and the negotiation process for their group agreements (chapter R-24.0.2) and the comparable remuneration determined by the Minister of Health and Social Services pursuant to subparagraph 2 of the third paragraph of section 303 or section 314 of the Act respecting health services and social services (chapter S-4.2), as the case may be, is taken into account as income from self-employment for the purposes of the calculation of the benefit.

The premiums and amounts provided for in paragraphs 1 to 5 of section 113 are deducted from the income, but section 115 does not apply to them.".

8. Section 121 is amended by replacing subparagraphs 1 and 2 of the first paragraph by the following:

"(1) over any period after 28 February 2011;

(2) over any period after 30 November 2005;

(3) over any period after 30 April 1998.".

9. Section 124 is amended by replacing "4.333" by "4.34821".

10. Section 138 is amended by adding the following at the end:

"(14) sums paid under the Réussir l'intégration program established by the Minister of Immigration and Cultural Communities.".

11. Paragraph 3 of section 111 of the Individual and Family Assistance Regulation as it reads before 1 April 2013 continues to apply in respect of sums received by a person until a group agreement concerning the person as an intermediate resource or a family-type resource is entered into under the Act respecting the representation of family-type resources and certain intermediate resources and the negotiation process for their group agreements (chapter R-24.0.2) or until the Minister of Health and Social Services determines the comparable remuneration the person will receive pursuant to subparagraph 2 of the third paragraph of section 303 or section 314 of the Act respecting health services and social services (chapter S-4.2), as the case may be.

Despite the first paragraph, sums received as comparable remuneration by a person as an intermediate resource or a family-type resource are considered, as of 1 April 2013, as income from self-employment within the meaning of section 114.1 introduced by this Regulation. Sums received for periods before 1 April 2013 are not considered as work income for those periods.

12. Section 111 of the Individual and Family Assistance Regulation, amended by paragraph 3 of section 6 of this Regulation, is again amended by replacing "$305" in paragraph 16 by "$327".

13. This Regulation comes into force on 1 April 2013, except sections 1 and 2, which come into force on 1 June 2013, and section 12, which comes into force on 1 July 2013.

2515

Gouvernement du Québec

O.C. 167-2013, 7 March 2013

Sustainable Forest Development Act
(chapter A-18.1)

Method for assessing the annual royalty and the method and frequency for assessing the market value of standing timber purchased by guarantee holders pursuant to their timber supply guarantee

Regulation respecting the method for assessing the annual royalty and the method and frequency for assessing the market value of standing timber purchased by guarantee holders pursuant to their timber supply guarantee

WHEREAS, under section 126 of the Sustainable Forest Development Act (chapter A-18.1), the Government may, by regulation, determine the methods and frequency according to which the timber marketing board must assess the market value of timber offered to holders of timber supply guarantees and determine the method according to which the timber marketing board must assess the annual royalty to be paid by the holder of a timber supply guarantee;

WHEREAS, in accordance with sections 10 and 11 of the Regulations Act (chapter R-18.1), a draft Regulation respecting the method for assessing the annual royalty and the method and frequency for assessing the market value of standing timber purchased by guarantee holders pursuant to their timber supply guarantee was published in Part 2 of the *Gazette officielle du Québec* of 21 November 2012 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 Natural Resources:

THAT the Regulation respecting the method for assessing the annual royalty and the method and frequency for assessing the market value of standing timber purchased by guarantee holders pursuant to their timber supply guarantee, attached to this Order in Council, be made.

JEAN ST-GELAIS,
Clerk of the Conseil exécutif

Regulation respecting the method for assessing the annual royalty and the method and frequency for assessing the market value of standing timber purchased by guarantee holders pursuant to their timber supply guarantee

Sustainable Forest Development Act
(chapter A-18.1, s. 126)

1. For the purposes of this Regulation,

(1) "harvest year" means the period extending from 1 April to 31 March of the following year;

(2) "reference period" means the period extending from 1 April to 31 December of the following year;

(3) "billed volume of timber" means, for the harvest years 2011-2012 and 2012-2013, all the timber from forests in the domain of the State that is billed to the holder of a timber supply and forest management agreement by the department and, for subsequent harvest years, all the timber from forests in the domain of the State that is billed to the holder of a timber supply guarantee by the timber marketing board, except timber acquired on the open market.

2. The timber billed during the reference period is the timber harvested in the last complete harvest year preceding the time at which the annual royalty is assessed.

The annual royalty payable by holders of a timber supply guarantee is assessed in January of each year.

3. If the volume of timber billed to a guarantee holder during the reference period is equal to or greater than 10% of the volume of timber specified in the timber supply guarantee, the annual royalty is assessed according to the following method:

$$VBG^{1}\ [18\%\ (VMBSPF^{2} / VBF^{3})]$$

[1] the volume of timber specified in the holder's timber supply guarantee;
[2] the market value of the standing timber related to the volume of timber billed to the holder during the reference period;
[3] the volume of timber billed to the holder during the reference period.

Where the timber supply guarantee is granted during the harvest year, the annual royalty is adjusted in proportion to the volume of timber that the holder will be able to purchase before the end of that year.

4. If the volume of timber billed to a guarantee holder during the reference period is less than 10% of the volume of timber specified in the timber supply guarantee, the annual royalty is assessed according to the following method:

$$\Sigma e^{1}\ \{VBGe^{2}\ [18\%\ (VMTBSPFe^{3} / VBTFe^{4})]\}$$

[1] the sum of the operation between braces for each species or group of species specified in the holder's timber supply guarantee;
[2] the volume of the species or group of species in question, as specified in the holder's timber supply guarantee;
[3] the total market value of the standing timber related to the volume of timber billed to all the holders during the reference period for the species or group of species concerned;
[4] the total volume billed to all the holders during the reference period for the species or group of species concerned.

Where the timber supply guarantee is granted during the harvest year, the annual royalty is adjusted in proportion to the volume of timber that the holder will be able to purchase before the end of that year.

5. The market value of standing timber purchased pursuant to a timber supply guarantee is assessed on 1 April of each year according to the parity technique applicable in property assessment by comparing the timber to similar timber for which the selling price is known. The value is expressed in Canadian dollars per cubic metre.

The unit rates obtained on the basis of that assessment are adjusted every 3 months according to the rate of increase in forest product price indexes.

6. This Regulation comes into force on the fifteenth day following the date of its publication in the *Gazette officielle du Québec.*

2520

Gouvernement du Québec

O.C. 168-2013, 7 March 2013

Financial Administration Act
(chapter A-6.001)

Health Insurance Act
(chapter A-29)

Forms and statements of fees — Amendment

CONCERNING the Regulation to amend the Regulation respecting forms and statements of fees under the Health Insurance Act

WHEREAS, under subparagraph *(c)* of the first paragraph of section 72 of the Health Insurance Act (chapter A-29), the Régie de l'assurance maladie du Québec may, by regulation, set the amount of the costs exigible for the replacement of a health insurance card before its expiry;

WHEREAS, under subparagraph *(c.2)* of the first paragraph of that section, the Régie de l'assurance maladie du Québec may, by regulation, set the amount of costs payable for an application to re-register in the case of an insured person who fails to send the Régie a registration renewal notice within the time fixed by regulation;

WHEREAS, under the second paragraph of that section, such a regulation of the Régie de l'assurance maladie du Québec must be approved by the Government before coming into force;

WHEREAS, under the first paragraph of section 83.8 of the Financial Administration Act (chapter A-6.001), a fee may be set, under that Act, to fund a particular public service, or a series of public services, delivered by a government body, provided the law does not otherwise confer the power to set that fee;

WHEREAS, under the second paragraph of that section, such a fee is set by regulation of the body and is approved by the Government, with or without amendment;

WHEREAS on 10 October 2012, by Resolution CA-486-12-54, the Régie de l'assurance maladie du Québec passed the draft Regulation to amend the Regulation respecting forms and statements of fees under the Health Insurance Act;

WHEREAS, in accordance with sections 10 and 11 of the Regulations Act (chapter R-18.1), the draft Regulation to amend the Regulation respecting forms and statements of fees under the Health Insurance Act was published in Part 2 of the *Gazette officielle du Québec* on 12 December 2012, with notice that it could be submitted for the Government's approval on the expiry of the 45 days following that publication;

WHEREAS it is expedient to approve that Regulation;

IT IS ORDERED, therefore, on the recommendation of the Minister of Health and Social Services:

THAT the Regulation to amend the Regulation respecting forms and statements of fees under the Health Insurance, attached to this Order in Council, be approved

JEAN ST-GELAIS,
Clerk of the Conseil exécutif

Regulation to amend the Regulation respecting forms and statements of fees under the Health Insurance Act

Financial Administration Act
(chapter A-6.001, s. 83.8)

Health Insurance Act
(chapter A-29, s. 72, subpars. *c* and *c.2*)

1. Section 8.1 of the Regulation respecting forms and statements of fees under the Health Insurance Act (chapter A-29, r. 7) is amended by replacing the number "20" by the number "23".

2. Section 8.3 of that Regulation is amended by replacing the number "20" by the number "23".

3. This Regulation comes into force on April 1 2013.

2517

Draft Regulations

Draft Regulation

Comptables professionnels agréés — Cooperation agreement between the Ordre des comptables professionnels agréés du Québec and the Canadian Public Accountability Board

Chartered Professional Accountants Act
(chapter C-48.1)

Notice is hereby given, in accordance with section 9 of the Chartered Professional Accountants Act (chapter C-48.1), that the cooperation agreement entered into between the Ordre des comptables professionnels agréés du Québec and the Canadian Public Accountability Board may be submitted to the Government for approval, with or without amendment, on the expiry of 45 days following this publication.

The agreement defines the conditions applicable to the exchange between the Ordre des comptables professionnels agréés du Québec and the Canadian Public Accountability Board of information required to carry out their functions. More particularly, it defines the nature and scope of the information the parties may exchange concerning inspection, discipline or any inquiry they conduct regarding a professional or a partnership of professionals belonging to the Order. The agreement also specifies the purpose of the exchange of information and the conditions of confidentiality to be observed, including those pertaining to professional secrecy, and how information so obtained may be used.

According to the Order, the agreement may have an impact on enterprises that must have their financial statements audited by a chartered professional accountant registered in the oversight program of the Canadian Public Accountability Board.

Further information may be obtained by contacting Christiane Brizard, Secretary and Vice-President, Legal Affairs, Ordre des comptables professionnels agréés du Québec, 393, rue Saint-Jacques, bureau 920, Montréal (Québec) H2Y 1N9; telephone: 514 288-3256 or 1 800 363-4688; fax: 514 843-8375.

Any person wishing to comment is requested to submit comments within the 45-day period to the Chair of the Office des professions du Québec, 800, place D'Youville, 10e étage, Québec (Québec) G1R 5Z3. The comments will be forwarded by the Office to the Minister responsible for the administration of legislation respecting the professions and may also be sent to the Order and to interested persons, departments and bodies.

JEAN PAUL DUTRISAC,
Chair of the Office des professions du Québec

Agreement

COOPERATION AGREEMENT BETWEEN THE ORDRE DES COMPTABLES PROFESSIONNELS AGRÉÉS DU QUÉBEC,

"THE ORDRE"

AND

THE CANADIAN PUBLIC ACCOUNTABILITY BOARD "CPAB"

WHEREAS the Ordre carries out a mandate to protect the public in Quebec and, to this end, is entrusted by law with the duty to supervise the practice of the profession by its members, in particular the audit missions of companies by Chartered Professional Accountants;

WHEREAS the mission of CPAB is to contribute to public confidence in the integrity of financial reporting of reporting issuers that are subject to securities regulation in one or more provinces in Canada by promoting high-quality, independent auditing of these companies and, to this end, CPAB develops and implements an oversight program that includes regular and rigorous inspections of accounting firms that audit reporting issuers and agree to take part in the program (the "participating firms");

WHEREAS Quebec securities regulations require reporting issuers to have the audit report on their financial statements prepared by a participating firm;

WHEREAS the Ordre and CPAB agree to cooperate in Quebec in discharging their respective mandates and responsibilities and, to this end, wish to exchange the information required to carry out their inspection, investigation and monitoring activities in respect of Chartered Professional Accountants and firms providing audit services to reporting issuers, with a view to improve their efficiency and effectiveness and to minimize duplication of efforts;

WHEREAS the Parties wish to preserve their independence in carrying out their respective missions;

WHEREAS the Ordre and CPAB agree to discharge their respective mandates and responsibilities in accordance with the laws of Quebec;

WHEREAS the professional secrecy obligations of Quebec Chartered Professional Accountants are recognized in Quebec's Charter of Human Rights and Freedoms;

WHEREAS under the Chartered Accountants Act (R.S.Q., c. C-48), the Ordre des comptables agrees du Québec have entered into an agreement of collaboration to exchange information with CPAB and permitting the Chartered Accountants of Quebec to communicate the information despite the professional secrecy to which they are required to respect, which came into force on June 21, 2008, on the 10th day following the publication of Decree No. 540-2008 by the Quebec Government and will end on June 21, 2013;

WHEREAS on May 16, 2012 came into effect the Professional Accountants Act (R.S.Q., c. C-48.1) "the Act" which provides in sections 47 and 48 that the Ordre is subrogated in the rights and obligations of accounting ordres then recognized in the Professional Code as well as section 9 of this Act which authorizes the order to enter into an agreement of collaboration with the CPAB.

WHEREAS the Parties wish to enter into an agreement in accordance with this Act, to allow them to exchange information between them and enable Quebec Chartered Professional Accountants to disclose to CPAB information despite the professional secrecy to which they are kept;

WHEREAS the Parties recognize that the information to be transmitted by each of them to the other pursuant to this Agreement is needed solely for the purpose of permitting the receiving Party to execute its independent inspection, discipline, review proceeding, dispute resolution process and any investigation or inquiry functions;

THE PARTIES HERETO AGREE TO THE FOLLOWING PROVISIONS:

SECTION 1
GENERAL PROVISION

The Parties agree that CPAB shall operate in Quebec, in accordance with its rules and by-laws, a program to monitor, inspect and investigate participating firms.

SECTION 2
INSPECTION AND INVESTIGATION

1. The Parties shall strive to coordinate their respective inspections of participating firms. To this end, each Party shall forward to the other its inspection program in respect of the Quebec operations of participating firms on a timely basis, so that each Party can take it into account in preparing its own program, and shall also forward its inspection schedule.

2. CPAB shall require that all participating firms notify all of their reporting issuer clients that the audit file of such reporting issuers may be reviewed by CPAB in the course of it carrying out its operations in accordance with its mission. In addition, CPAB shall not, in the course of its inspection and investigation of the Quebec operations of a participating firm, examine the files of any non-reporting issuer clients of such participating firm, and shall not require the disclosure of confidential information relating to any specific non-reporting issuer client without the consent of such non-reporting issuer having been obtained by the participating firm.

3. CPAB agrees to transmit to the Ordre, promptly upon becoming aware of it, any information that appears to reveal a breach of the Ordre's rules of professional conduct.

4. Each Party shall transmit to the other Party, promptly upon becoming aware of it, any information obtained during an inspection or investigation into the competence of a member when such information reveals a serious departure from generally accepted accounting principles, generally accepted auditing standards, assurance standards, applicable independence standards or the general standards of quality control of a participating firm.

5. CPAB shall inform the Ordre of its intention to launch an investigation into a violation of CPAB rules involving a participating firm in Quebec, together with the reasons that would justify such investigation. CPAB shall inform the Ordre of the essential steps involved in the investigation process.

SECTION 3
INSPECTION AND INVESTIGATION REPORTS

1. CPAB shall send the Ordre the final inspection reports and investigation decisions it prepares on the Quebec operations of participating firms and shall provide the Ordre with access to the related working papers.

2. The Ordre shall transmit to CPAB the information contained in the final report on an inspection or an investigation into the competence of a member conducted by the Ordre within a participating firm, where such information deals with the firm's activities in respect of a reporting issuer or with the quality control applied by the firm, and provided that any portion of such information that permits the identification a specific non-reporting issuer client of such firm shall be redacted from the information provided to CPAB. The Ordre shall provide CPAB with access to the working papers related to this information.

3. CPAB shall agree that it does not intend to ask a participating firm to provide to it any inspection or investigation reports produced by the Ordre.

SECTION 4
MEASURES IMPOSED BY THE PARTIES

1. CPAB shall inform the Ordre about the results of an inspection or investigation of a participating firm in regard to its Quebec operations, in particular of any requirement, restriction or sanction CPAB shall impose, or gives notice to a participating firm that it intends to impose, as a result of such participating firm's operations in Quebec. CPAB shall also inform the Ordre about any application for a review proceeding made by a participating firm in respect of such imposition or intended imposition.

2. The Ordre shall inform CPAB about any complaint lodged with the Committee on Discipline of the Ordre, and about any measure taken in respect of a member of a participating firm resulting from an inspection.

3. The Ordre shall inform CPAB about any limitation or suspension of the right to practice imposed on a member of a participating firm, or whether such member has been struck off the membership Roll.

4. The Parties shall agree that each Party is entitled to take any measure it deems useful in exercising its rights or powers, without being required to consider actions taken by the other Party.

SECTION 5
CONFIDENTIALITY

1. The Parties shall agree not to use any confidential information obtained pursuant to this Agreement other than for purposes of carrying out their respective missions, which, in the case of CPAB, it carries out in accordance with its rules and by-laws through inspections, investigations or review proceedings or the imposition of recommendations, requirements, restrictions or sanctions.

2. The Parties shall agree to exchange confidential information only by secure means and to take any measures required to safeguard confidentiality.

Such information may only be disclosed to persons within a Party whose functions or duties include receiving, using or consulting such information.

3. Each Party shall agree to maintain at least the same confidentiality regarding confidential information obtained pursuant to this Agreement as it would for information of the same nature it holds.

More particularly, CPAB shall agree to maintain the same confidentiality regarding confidential information obtained pursuant to this Agreement, as would be required for the Ordre for information obtained or held by the Ordre in the exercise of the powers granted by the Professional Code (R.S.Q., chapter C-26).

4. In the event of any demand being received by a Party to disclose any confidential information obtained pursuant to this Agreement, which demand the Party receiving it believes it might be compelled to comply with, the Party receiving the demand shall promptly notify the other Party of the details of the demand and shall cooperate with such other Party in exercising all available rights and remedies.

5. No consent or disclosure pursuant to this Agreement shall be deemed to constitute or authorize the waiver of any confidentiality or privilege granted to such information under applicable laws.

The disclosure pursuant to this Agreement of information protected by the professional secrecy of Chartered Professional Accountants in Québec does not constitute a waiver of such professional secrecy.

Except as otherwise provided for the members of the Ordre in this Agreement or in the Chartered Professional Accountants Act (R.S.Q. chapter C-48.1), nothing in this Agreement is intended to or shall limit or restrict any professional secrecy that may exist in respect of information held by a participating firm or a Chartered Professional Accountant.

SECTION 6
MISCELLANEOUS PROVISIONS

1. CPAB shall agree to keep the Ordre informed about any amendments to CPAB's rules and operations that may affect the Ordre in fulfilling its mission among the members of participating firms or the application of this Agreement.

2. The Parties agree that they are separate and independent bodies and are entering into this Agreement solely for the purposes of facilitating their independent operations while meeting the requirements of sections 9, 10 and 11 of the Chartered Professional Accountants Act. Furthermore, the Parties confirm that, after entering into this Agreement, they will continue to be operating independently and neither Party will be acting on behalf of or as agent for the other Party and the documents held by each Party will not be held for the benefit of or on behalf of the other Party.

3. CPAB shall agree to provide information reasonably requested by the Ordre in order to assist the Ordre to prepare its annual report on the implementation of this Agreement.

SECTION 7
FINAL PROVISIONS

1. The Agreement shall be in effect for five years commencing on the date that it comes into force. The Parties shall agree that, at least eighteen months prior to the expiry of the Agreement, they will consult with each other on the advisability of its renewal, with or without amendments.

2. The Parties shall agree that, despite the termination of this Agreement, whatever the cause, they shall remain bound by the obligation of confidentiality and professional secrecy set out herein.

3. The Parties shall consult promptly, at the request of either, concerning any question or difficulty arising as to the interpretation or the application of this Agreement.

4. This Agreement shall come into force after approval of the Government, ten days following its second publication in the Gazette Officielle du Québec.

5. This Agreement is governed by the laws applicable in Quebec. In the event of a dispute, the courts of the District of Montreal have competent jurisdiction to dispose of the matter.

6. Either Party may, upon a three-month written notice to the other Party, terminate this Agreement, if it is of the opinion that changes made to the rules governing either Party may jeopardize the continued pursuit of the Agreement. Before giving such a notice, a Party must have entered into consultation with the other Party with a view to resolve the concern.

Signed in Montreal, on this ___ day of _____, 2007, in duplicate, in French and English. Both versions of this Agreement are equally authentic.

FOR THE ORDRE DES COMPTABLES PROFESSIONAL AGRÉÉS DU QUÉBEC	FOR THE CANADIAN PUBLIC ACCOUNABILITY BOARD
DANIEL MCMAHON, FCPA, FCA *Président and Chief Executive Officer*	BRIAN A. HUNT, FCPA, FCA *Chief Executive Officer*

2519

Draft Regulation

An Act respecting the Ministère de la Justice
(chapter M-19)

Applications for financial assistance

Notice is hereby given, in accordance with sections 10 and 11 of the Regulations Act (chapter R-18.1), that the Regulation respecting financial assistance to promote access to justice, appearing below, may be made by the Minister on the expiry of 45 days following this publication.

The draft Regulation provides the form of an application for financial assistance to the Minister of Justice, the information and documents that such an application must contain, the obligations of the applicant person or body on the use of assistance and the categories of persons or bodies exempted from the application of the Regulation.

Study of the matter has shown no impact on the public and on enterprises, including small and medium-sized businesses.

Further information on the draft Regulation may be obtained by contacting Richard Carbonneau, Direction des mesures d'accessibilités, Ministère de la Justice, 1200, route de l'Église, 9e étage, Québec (Québec) G1V 4M1; telephone: 418 646-6548, extension 20858; fax: 418 646-5995.

Any person wishing to comment on the draft Regulation is requested to submit written comments within the 45-day period to the Minister of Justice, 1200, route de l'Église, 9e étage, Québec (Québec) G1V 4M1.

BERTRAND ST-ARNAUD,
Minister of Justice

Regulation respecting financial assistance to promote access to justice

An Act respecting the Ministère de la Justice
(chapter M-19, s. 32.0.5)

DIVISION I
CONDITIONS FOR RECEIVING ASSISTANCE

1. A person or body requesting financial assistance from the Minister of Justice under section 32.0.5 of the Act respecting the Ministère de la Justice (chapter M-19) must file a written application with the Minister of Justice.

2. An application for financial assistance must contain the following information and be accompanied by the following documents:

(1) in the case of a natural person,

(a) the person's name, address, telephone number and occupation;

(b) the person's résumé;

(c) the name of the body sponsoring the application and its business number assigned by the enterprise registrar, where applicable;

(d) in support of the application, a letter from the body sponsoring it;

(2) in the case of a legal person established in the public interest,

(a) its name, the address of its head office or its territory and its website address, where applicable;

(b) the name of the members of its decision-making body and their respective duties;

(c) the name, address, telephone number, email address and occupation of the person who is authorized to file an application for the body;

(d) proof of the authorization given to the person who files the application;

(3) in the case of another body,

(a) its name, the address of its head office or its territory and its website address, where applicable;

(b) the name of the members of its decision-making body and their respective duties;

(c) the name, address, telephone number, email address and occupation of the person who is authorized to file an application for the body;

(d) proof of the authorization given to the person who files the application;

(e) the number of meetings of its decision-making body in the last fiscal year of the year preceding the application, the date of the last annual general meeting and the number of members present, where applicable;

(f) a short history of the body, its objectives, its relations with the community bodies and resources, its clientele and the territory served;

(g) the administrative structure of the body, including an indication of the number of persons paid or volunteers and their respective duties, where applicable;

(h) a copy of its constituting act and of its general by-laws, where applicable;

(i) a copy of the financial report for the last fiscal year adopted at the last annual general meeting, where applicable;

(j) a copy of the last annual report of activities adopted at the last annual general meeting, where applicable.

3. An application for financial assistance made to promote the development of assistance services to the public, in particular to ensure the establishment and maintenance of bodies promoting access to justice, must also contain the following information:

(1) the nature of the services rendered based on the needs of the public, the clientele covered, the territory served and the activities to be carried out with the financial assistance;

(2) budget estimates to ensure the operation of the services, including an estimate of the expenses to be incurred and the expected revenues;

(3) the other applications for financial assistance made by the person or body, the amount requested and, where applicable, the amount received;

(4) other sources of financing or contributions to the carrying out of the project;

(5) in the case of new services, a plan for their implementation, including a description of the activities and the deadlines to be met for each activity;

(6) the number of persons paid and volunteers assigned to the project and their respective duties.

4. An application for financial assistance made to promote research projects on any matter regarding access to justice, as well as the development and implementation of informational, educational and training programs must contain the following information:

(1) a description of the project;

(2) the clientele covered;

(3) a statement of its objectives;

(4) a plan of operations, including a description of the activities and the deadlines to be met for each activity in relation to the objectives of the project;

(5) a budget, including an estimate of the expenses to be incurred and the expected revenues;

(6) the number of persons paid and volunteers assigned to the project and their respective duties;

(7) the other applications for financial assistance made by the person or body, the amount requested and, where applicable, the amount received;

(8) other sources of financing or contributions to the carrying out of the project;

(9) a letter in support of the project or program from the sector concerned.

5. The applicant person or body must pledge in writing to use the financial assistance only for the purpose for which it was granted and to report on its use.

DIVISION II
CATEGORIES OF EXEMPTED PERSONS OR BODIES

6. Government bodies are exempted from the application of this Regulation.

Government bodies include bodies 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.

7. This Regulation comes into force on the fifteenth day following the date of its publication in the *Gazette officielle du Québec.*

2518

Draft Regulation

Professional Code
(chapter C-26)

Chartered administrators
— Code of ethics

Notice is hereby given, in accordance with sections 10 and 11 of the Regulations Act (chapter R-18.1), that the Code of ethics of chartered administrators, made by the board of directors of the Ordre des administrateurs agréés du Québec, appearing below, may be submitted to the Government which may approve it, with or without amendment, on the expiry of 45 days following this publication.

The purpose of the Code is to update the Code of ethics of chartered administrators and to reinforce the duties and obligations of chartered administrators in order to ensure better protection of the public.

The draft Regulation has no impact on enterprises, including small and medium-sized businesses.

Further information may be obtained by contacting Nicolas Handfield, Director, Affaires juridiques, Ordre des administrateurs agréés du Québec, 910, rue Sherbrooke Ouest, bureau 100, Montréal (Québec) H3A 1G3; telephone: 514 499-0880, extension 235 or 1 800 465-0880; fax: 514 499-0892; email: nhandfield@adma.qc.ca

Any person wishing to comment on the draft Regulation is requested to submit written comments within the 45-day period to the Chair of the Office des professions du Québec, 800, place D'Youville, 10e étage, Québec (Québec) G1R 5Z3. The comments will be forwarded by the Office to the Minister of Justice and may also be sent to the professional order that made the Code as well as to interested persons, departments and bodies.

JEAN PAUL DUTRISAC,
Chair of the Office des professions du Québec

Code of ethics of chartered administrators

Professional Code
(chapter C-26, s. 87)

CHAPTER I
GENERAL

1. This Code determines, pursuant to section 87 of the Professional Code (chapter C-26), the duties of chartered administrators, regardless of the context or manner in which they carry on their professional activities or the nature of their contractual relationship with clients.

2. Chartered administrators must take reasonable means to ensure compliance with the Professional Code and its regulations, including this Code, by any person, other than a chartered administrator, who cooperates with chartered administrators in carrying on their professional activities or by any partnership or joint-stock company within which chartered administrators carry on their professional activities.

3. The duties and obligations of chartered administrators under the Professional Code and its regulations are in no way modified or reduced by the fact that

(1) chartered administrators carry on their professional activities within a partnership or a joint-stock company;

(2) chartered administrators use an electronic means of communication, in particular social media or a virtual network.

CHAPTER II
DUTIES AND OBLIGATIONS TOWARDS THE PUBLIC

4. No chartered administrator may commit acts which are contrary to law, nor advise, recommend or induce anyone to do so.

5. In the practice of the profession, chartered administrators must bear in mind all the foreseeable consequences of their work, interventions or research in respect of the public.

6. Chartered administrators must promote measures of education and information in the fields in which they practise.

Chartered administrators must also promote measures likely to encourage the integration of ethics in decision-making processes.

CHAPTER III
DUTIES AND OBLIGATIONS TOWARDS THE CLIENT

DIVISION I
GENERAL

7. Chartered administrators must ensure that they continually update their knowledge. They must always remain informed of developments in the fields in which they practise and maintain their skills in those fields.

8. Chartered administrators must act at all times in the best interest of the client so as to establish and maintain a relationship of mutual trust.

9. Chartered administrators must practise in keeping with good practice and the generally accepted standards of practice.

10. Before accepting to provide professional services, chartered administrators must take into account the limits of their skills, knowledge, professional experience, and the means available to them. In particular, no chartered administrator may

(1) offer to perform or perform professional services for which they are not sufficiently prepared or do not have the skills, knowledge or means required without obtaining the necessary assistance;

(2) offer to perform or perform professional services without having the possibility to exercise the personal intervention required by the nature of the services and the place where they are to be carried out.

11. Chartered administrators must at all times respect the client's right to consult another chartered administrator, a member of another professional order or any other competent person.

If the interest of the client so requires, chartered administrators must, with the client's authorization, consult another chartered administrator, a member of another professional order or another competent intervener, or refer the client to one of those persons.

12. Chartered administrators must refrain from practising in a condition or in a state likely to compromise the quality of their services and the dignity of the profession.

13. Chartered administrators must refrain from interfering in the personal affairs of their client in matters that are not relevant to the profession or that are not relevant to the reasons for which the client retained their services.

14. Chartered administrators must, in the practice of their profession, identify themselves in relation to the client as chartered administrators. They must, in particular, sign and make known their capacity as chartered administrators on any report or document produced in the practice of their profession.

DIVISION II
INTEGRITY AND OBJECTIVITY

15. Chartered administrators must discharge professional duties with integrity and objectivity.

16. No chartered administrator may, by whatever means or for any purpose, make false, misleading or incomplete representations, in particular as to the chartered administrator's level of competence or the effectiveness of the chartered administrator's services or of those generally offered by members of his or her profession or by persons who carry on their professional activities within the same partnership or joint-stock company as chartered administrators.

17. No chartered administrator may use any subterfuge, trick, pretension, declaration or other misleading means intended to induce a person to require their professional services, whether or not that person has required their services.

No chartered administrator may exert any undue, abusive or repeated pressure when inducing a person to use their professional services.

18. No chartered administrator may, in any manner whatsoever, unduly influence or attempt to influence persons who may be physically or emotionally vulnerable because of their age, state of health or the occurrence of a specific event.

19. Chartered administrators must inform their client on

(1) the objectives of the professional services required;

(2) the nature and scope of the services required;

(3) the extent and terms for carrying out their services;

(4) the possible interventions by other professionals or other interveners;

(5) the methods and frequencies of the rendering of accounts;

(6) the billing method and terms of payment.

Chartered administrators must take reasonable measures to ensure that the client understands and agrees with those points.

20. Chartered administrators must avoid performing professional acts that are not justified by the nature of the professional services required by the client.

21. Chartered administrators must

(1) endeavour to gain sufficient knowledge of all the elements necessary to carry out their professional services, before expressing an opinion, advice, recommendation, or make and communicate a decision to the client;

(2) ensure that their interventions, professional opinions, recommendations and advice are based on an objective analysis of the facts and relevant information relating to the client's situation;

(3) expose to their client in an objective and clear manner the nature and extent of the problem or opportunity, from the relevant information on the client's situation;

(4) inform the client of the inherent and foreseeable risks associated with a proposed solution to the problem;

(5) refrain from expressing opinions or giving advice that is contradictory or incomplete.

22. Chartered administrators who consider that the client's interest requires a change in the professional services agreed on must notify the client and obtain the client's written consent to that effect before acting, no matter the possible consequences that may result from the performance of such services.

23. Chartered administrators must inform as soon as possible their client of any event likely to have, or that has had, a significant impact on their professional services and take, where applicable, the necessary measures to remedy the situation.

24. Chartered administrators must take reasonable care of the property entrusted to them by clients and they may not lend or use it for purposes other than those for which it was entrusted to them.

25. Chartered administrators must submit to the client any offer received for the client.

DIVISION III
AVAILABILITY AND DILIGENCE

26. In the practice of their profession, chartered administrators must display reasonable availability, attention and diligence.

27. In addition to opinions and advice, chartered administrators must provide their client with any explanation necessary to the understanding and appreciation of the services provided to the client.

28. Chartered administrators must render accounts to their client according to the agreed methods and frequencies or when so requested by them.

29. Unless they have a serious reason for doing so, chartered administrators may not cease or refuse to act for the account of a client.

The following, in particular, constitute serious reasons:

(1) loss of trust between the chartered administrator and the client;

(2) being misled by the client or the client's failure to cooperate;

(3) inducement by the client to perform illegal, unfair or fraudulent acts;

(4) the fact that the chartered administrator is in a situation of conflict of interest or in a situation such that the chartered administrator's professional independence could be questioned;

(5) where the chartered administrator has reasonable grounds to suspect that he or she is assisting or may assist in the commission of an illegal or fraudulent act;

(6) refusal by the client to recognize an obligation for the fees and expenses or, after being given reasonable notice, to pay an amount to the chartered administrator to cover such fees and expenses;

(7) the fact that the foreseeable consequences of the work, interventions or research are such as to go against or be detrimental for the public.

30. Before ceasing their professional activities with a client, chartered administrators must inform the client in writing within a reasonable time and take the steps necessary to minimize any prejudice to the client.

Despite the foregoing, where the client induces chartered administrators to perform illegal, unfair or fraudulent acts and after having advised the client, they must immediately cease to act for a client.

DIVISION IV
LIABILITY

31. Chartered administrators must, in the practice of their professional activities, assume full civil liability. No chartered administrator may include in a declaration, an advertisement or a professional service contract, any clause that, directly or indirectly, fully or partially, excludes that liability.

Chartered administrators may not invoke the liability of the partnership or company within which they carry on their professional activities or that of another person also carrying on activities as a ground for excluding or limiting their personal liability.

DIVISION V
INDEPENDENCE AND CONFLICT OF INTEREST

32. Chartered administrators must subordinate their personal interests, those of the partnership or joint-stock company within which they carry on their professional activities or in which they have an interest and those of any other person carrying on activities within the partnership or joint-stock company, to those of the client.

33. Chartered administrators must at all times safeguard their professional independence.

34. Chartered administrators must generally only act, in the same matter, for a party representing similar interests. If their professional duties require that they act otherwise, chartered administrators must specify the nature of their duties or responsibilities and must keep all the interested parties informed that they will cease to act if the situation becomes irreconcilable with their duty to be independent.

35. Chartered administrators must at all times avoid any situation likely to place them in a conflict of interest.

Without restricting the generality of the foregoing, chartered administrators are in a conflict of interest

(1) when in such a situation that they might tend to favour certain interests over those of their client or where their judgment, objectivity, professional independence, integrity or loyalty towards the client might be unfavourably affected;

(2) when they could derive from it a direct or indirect, real or possible, personal benefit, in addition to the fees agreed upon.

36. As soon as chartered administrators become aware that they are in a situation of conflict of interest, they must enter the conflict in their record, disclose the conflict in writing to the persons involved and ask them if they allow the chartered administrators to act or continue to act. They must obtain, where applicable, written authorization from the persons involved.

37. A chartered administrator may share his or her fees only with a chartered administrator or another person, a trust or an enterprise referred to in paragraph 1 of section 4 of the Regulation respecting the practice of the profession of chartered administrator within a partnership or a joint-stock company (chapter C-26, r. 17.1).

Such sharing corresponds to a distribution of services and responsibilities.

38. No chartered administrator may accept a benefit relating to the practice of the profession, in addition to the fees to which the chartered administrator is entitled. Customary tokens of appreciation and gifts of small value may, however, be accepted.

No chartered administrator may pay, offer to pay or undertake to pay a benefit to any person in relation to the practice of the profession.

39. For a given service, chartered administrators may accept fees from only one source, unless explicitly agreed otherwise by all the parties concerned. Chartered administrators may accept payment of their fees only from the client or the client's representative, unless the client gives different instructions.

DIVISION VI
PROFESSIONAL SECRECY AND CONFIDENTIALITY

40. Chartered administrators must preserve the secrecy of all confidential information that becomes known to them in the practice of their profession. They must take reasonable means to ensure that the personnel working with them and any person collaborating with them preserve professional secrecy.

41. No chartered administrator may make use of confidential information to the detriment of a client or with a view to obtaining, directly or indirectly, a benefit for themselves or another person.

42. Chartered administrators may be released from their obligation of professional secrecy only with the written authorization of their client or where so ordered by law.

43. Chartered administrators may communicate information that is protected by professional secrecy, in order to prevent an act of violence, including a suicide, where they have reasonable cause to believe that there is an imminent danger of death or serious bodily injury to a person or an identifiable group of persons.

Despite the foregoing, chartered administrators may only communicate the information to a person exposed to the danger or that person's representative, or to the persons who can come to that person's aid. Chartered administrators may only communicate such information as is necessary to achieve the purposes for which the information is communicated.

Chartered administrators who communicate such information may do so orally or in writing, provided the method chosen will not prejudicially delay the communication of the information.

44. Chartered administrators who, pursuant to section 43, communicate information that is protected by professional secrecy in order to prevent an act of violence must, as soon as possible,

(1) if the information was communicated orally, send a written confirmation to the person to whom it was communicated;

(2) enter the following particulars in the client's record:

(a) the date and time that the information was communicated and the name of every person to whom the information was given;

(b) the means of communication;

(c) the content of the information;

(d) the circumstances under which the information became known to the chartered administrator;

(e) the reasons supporting the decision to communicate the information, including the name of the person who caused the chartered administrator to communicate the information and the name of the person exposed to a danger;

(3) send the syndic of the Order a notice regarding the communication that includes the particulars referred to in paragraph 2.

DIVISION VII
ACCESSIBILITY OF RECORDS

45. Chartered administrators must respond within a reasonable time to any request made by a client to consult documents that concern the client in any record made in his or her respect.

Chartered administrators must also respond promptly to any request made by a client to obtain a copy of the documents referred to in the first paragraph.

46. Chartered administrators who grant a request made under section 45 must give the client access to the documents, free of charge, in their presence or in the presence of a person they authorized.

Chartered administrators may, with respect to a request made under the second paragraph of section 45, charge the client a reasonable fee not exceeding the cost of transmitting, transcribing or reproducing documents.

Chartered administrators charging such fees must inform the client of the approximate amount to be paid before incurring them.

47. Chartered administrators must respond within a reasonable time to any request made by a client

(1) to cause to be corrected any information that is inaccurate, incomplete or ambiguous with regard to the purposes for which it was collected, contained in a document concerning the client in any record established in the client's respect;

(2) to cause to be deleted any information that is outdated or not justified by the object of the record established in the client's respect;

(3) to prepare written comments and file them in the record established in the client's respect.

48. Chartered administrators who respond to a request made under section 47 must, in addition to the requirements provided for in the second paragraph of article 40 of the Civil Code, give the applicant a copy free of charge of the corrected information or, as the case may be, an attestation that the information has been deleted or that comments have been filed in the record.

49. Chartered administrators must respond promptly to any written request made by a client, whose purpose is to take back a document or object entrusted to them by the client, even if their fees have not been paid.

Chartered administrators may, with respect to the request, charge the client reasonable fees not exceeding the cost of transmitting the document or object requested.

DIVISION VIII
DETERMINATION AND PAYMENT OF FEES

50. Chartered administrators must charge and accept fair and reasonable fees warranted under the circumstances, and proportional to the services provided.

To determine their fees, chartered administrators must consider the following factors:

(1) the time devoted to the performance of the professional services;

(2) the complexity and extent of the services;

(3) their experience or expertise;

(4) the importance of the responsibility assumed;

(5) the result to be obtained;

(6) the performance of professional services that are unusual or require exceptional competence or celerity.

51. Chartered administrators may not charge fees to a client for interviews, communications or correspondence with the syndic or assistant syndic following requests made by the assistant syndic for information or explanations about a matter concerning them.

52. Chartered administrators may not charge fees for professional acts that were not performed or provide a receipt or another document that falsely indicates that services have been provided.

53. Chartered administrators who practise within a partnership or joint-stock company must ensure that the fees relating to the professional services provided by chartered administrators are always indicated separately on every invoice or statement of fees that is sent to the client by the partnership or joint-stock company.

54. Where chartered administrators carry on their professional activities within a joint-stock company, the professional fees relating to the professional services they have rendered within and on behalf of the company belong to the company, unless otherwise agreed.

55. Chartered administrators may collect interest on outstanding accounts only after notifying the client in writing. The interest thus charged must be at a reasonable rate.

56. Chartered administrators who entrust the collection of their fees to a third person must ensure that that person will act with tact and moderation.

CHAPTER IV
DUTIES AND OBLIGATIONS TOWARDS THE PROFESSION

DIVISION I
DEROGATORY ACTS

57. In addition to the derogatory acts referred to in the Professional Code or that may be determined pursuant to subparagraph 1 of the second paragraph of section 152 of the Code, the following acts are derogatory to the dignity of the profession of chartered administrator:

(1) communicating with the plaintiff without the prior written permission of the syndic or assistant syndic once informed of an investigation into the chartered administrator's professional conduct or a complaint has been served on the chartered administrator;

(2) refusing or neglecting to fulfill the requirements of the syndic or assistant syndic;

(3) continuing to act in violation of a provision of this Code, the Professional Code or a regulation made under the Code or a resolution of the board of directors;

(4) carrying on professional activities within a partnership or joint-stock company or having interest in a partnership or joint-stock company, where a partner, shareholder, director, officer or employee of the partnership or joint-stock company has been struck off the roll for more than 3 months or has had his or her professional permit revoked, unless the partner, shareholder, director, officer or employee

(a) ceases to hold the position of director or officer within 15 days of the date on which the striking off the roll or permit revocation becomes executory;

(b) ceases, if applicable, to attend all shareholders meetings and to exercise his or her voting right within 15 days of the date on which the striking off the roll or permit revocation becomes executory;

(c) disposes of his or her company shares with voting rights or leaves them in the care of a trustee within 15 days of the date on which the striking off the roll or permit revocation becomes executory.

DIVISION II
RELATIONS WITH THE ORDER

58. Chartered administrators must ensure the accuracy and integrity of the information they provide to the Order. They must, at all times, honour their commitments to the Order in respect of the supervision of the practice of the profession.

59. Chartered administrators must promptly reply to all requests and correspondence from the secretary of the Order, a syndic, an inspector, an investigator or a member of the professional inspection committee and make themselves available for any meeting required by any of them.

60. At the request of the board of directors, chartered administrators must, to the extent possible for them to do so, participate in a council of arbitration of accounts, a disciplinary council, a review committee or a professional inspection committee. Chartered administrators may request an exemption for exceptional reasons.

DIVISION III
RELATIONS WITH CHARTERED ADMINISTRATORS AND OTHER PERSONS

61. Chartered administrators must, in their relations with other chartered administrators, and any person who has dealings with them in the practice of their profession, conduct themselves with dignity, courtesy, respect and integrity. They must also

(1) collaborate with other chartered administrators or any person who has dealings with them in the practice of their profession, and endeavour to establish and maintain harmonious relations;

(2) when consulted by other chartered administrators, give their opinion and recommendations to them as soon as possible;

(3) refrain from denigrating other chartered administrators or any person who has dealings with them in the practice of their profession, breaching their trust, voluntarily misleading them, betraying good faith or engaging in disloyal practices;

(4) refrain from soliciting the clientele of another chartered administrator with whom they are called upon to collaborate;

(5) avoid claiming credit for work which rightfully belongs to another chartered administrator or any other person;

(6) refrain from harassing, intimidating or threatening another chartered administrator or any person who has dealings with them in the practice of their profession;

(7) avoid taking advantage of their position as employer or executive to limit in any way the professional independence of a chartered administrator in their employ or under their supervision, in particular as regards the use of the title of chartered administrator or the obligation of every chartered administrator to assume professional liability.

62. Chartered administrators must immediately inform the syndic when they are aware that a derogatory act has been committed by another chartered administrator.

DIVISION IV
CONTRIBUTION TO THE ADVANCEMENT OF THE PROFESSION

63. Chartered administrators must, to the extent possible, participate in the advancement of their profession by sharing their knowledge and experience with the public, other chartered administrators and students.

CHAPTER V
ADVERTISEMENT

DIVISION I
GENERAL

64. No chartered administrator may make or allow to be made, by whatever means, false or misleading advertisement or advertisement likely to mislead or go against the honour or dignity of the profession.

65. No chartered administrator may claim to possess specific qualities or skills, in particular as to their level of competence or the scope or effectiveness of their services, unless they can substantiate such claim.

66. Chartered administrators who advertise the cost of their services must provide such explanations and information that are necessary to appropriately inform a person with no specific knowledge of the field of practice about the professional services being offered and the cost of such services. The following information must be available:

(1) whether expenses are included in the cost;

(2) whether additional services might be required for which an additional sum could be charged.

Any offer on the cost of services must remain in force for a reasonable period after it was last broadcast or published.

In their advertisement, no chartered administrator may, by whatever means, give more importance to the professional fees than to the professional services offered.

67. Chartered administrators must refrain from using an endorsement or statement of gratitude in advertising for the public.

DIVISION II
GRAPHIC SYMBOLS OF THE PROFESSION

§1. Graphic symbol of the Order

68. The Ordre des administrateurs agréés du Québec is represented by a graphic symbol complying with the original held by the secretary of the Order.

69. Chartered administrators who use the graphic symbol of the Order in advertising must ensure that it complies with the graphic symbol authorized by the Order.

Where chartered administrators use the graphic symbol of the Order in their advertising, they may not suggest that such advertising emanates from the Order.

§2. Graphic symbol of management consultants

70. Chartered administrators who use the graphic symbol of the Canadian Association of Certified Management Consultants must ensure that its use complies with the licence held by the Order.

DIVISION III
NAME OR CORPORATE NAME

71. No chartered administrator may practise the profession within a partnership or joint-stock company under a name or corporate name that is misleading, deceptive or contrary to the honour or dignity of the profession or which is a number name.

Only a partnership or joint-stock company in which all the services are provided by chartered administrators may use in its name the titles reserved for the profession.

CHAPTER VI
FINAL

72. This Code replaces the Code of ethics of chartered administrators (chapter C-26, r. 14).

73. This Code comes into force on the fifteenth day following the date of its publication in the *Gazette officielle du Québec.*

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Notices

Notice

An Act respecting prescription drug insurance
(chapter A-29.01)

List of Medications
— Amendments made during the 2012 calendar year

In accordance with section 60.3 of the Act respecting prescription drug insurance, the Régie de l'assurance maladie du Québec hereby gives notice of the amendments made, during the 2012 calendar year, to the List of Medications attached to the Regulation respecting the list of Medications covered by the basic prescription drug insurance plan, made by Order 2007-005, dated 1 June 2007, of the Minister of Health and Social Services.

CHANTAL GARCIA,
Secretary General of the
Régie de l'assurance maladie du Québec

List of Medications covered by the basic prescription drug insurance plan

Website: http://www.ramq.gouv.qc.ca/fr/regie/lois/liste_med.shtml

Amendments	Date of coming into force	Date of publication
Replacement pursuant to section 60.1	8 December 2011	24 January 2012
Replacement pursuant to section 60.1	9 January 2012	24 January 2012
End of replacement pursuant to section 60.1	20 December 2011	27 January 2012
New List (replacement of APPENDIX I)	1 February 2012	30 January 2012
Correction pursuant to section 60.2 (Correction No. 1)	1 February 2012	5 March 2012
Replacement pursuant to section 60.1	18 January 2012	7 February 2012
End of replacement pursuant to section 60.1	24 January 2012	7 February 2012
End of replacement pursuant to section 60.1	14 February 2012	7 February 2012
End of replacement pursuant to section 60.1	15 February 2012	7 February 2012
Replacement pursuant to section 60.1	29 November 2011	17 February 2012
Replacement pursuant to section 60.1	27 January 2012	17 February 2012
End of replacement pursuant to section 60.1	7 March 2012	7 March 2012
New List (replacement of APPENDIX I)	15 March 2012	13 March 2012
Replacement pursuant to section 60.1	20 February 2012	14 March 2012

Amendments	Date of coming into force	Date of publication
Replacement pursuant to section 60.1	22 February 2012	14 March 2012
End of replacement pursuant to section 60.1 (two notices)	25 February 2012	14 March 2012
End of replacement pursuant to section 60.1	15 February 2012	19 March 2012
End of replacement pursuant to section 60.1	21 February 2012	26 March 2012
End of replacement pursuant to section 60.1	20 March 2012	26 March 2012
End of replacement pursuant to section 60.1	26 March 2012	26 March 2012
Amended replacement pursuant to section 60.1	22 February 2012	27 March 2012
Replacement pursuant to section 60.1	22 February 2012	27 March 2012
Replacement pursuant to section 60.1 (two notices)	8 March 2012	27 March 2012
Replacement pursuant to section 60.1	21 March 2012	29 March 2012
New List (replacement of APPENDIX I)	20 April 2012	18 April 2012
Replacement pursuant to section 60.1	4 April 2012	18 April 2012
Replacement pursuant to section 60.1	19 April 2012	2 May 2012
Replacement pursuant to section 60.1	9 May 2012	17 May 2012
New List (replacement of APPENDIX I)	1 June 2012	30 May 2012
Replacement pursuant to section 60.1	25 May 2012	19 June 2012
Replacement pursuant to section 60.1	7 June 2012	19 June 2012
End of replacement pursuant to section 60.1	19 June 2012	19 June 2012
Replacement pursuant to section 60.1	3 July 2012	11 July 2012
New List (replacement of APPENDIX I)	16 July 2012	13 July 2012
Replacement pursuant to section 60.1	6 July 2012	19 July 2012
End of replacement pursuant to section 60.1	3 August 2012	19 July 2012
Replacement pursuant to section 60.1	17 July 2012	24 July 2012
Replacement pursuant to section 60.1	1 August 2012	22 August 2012
Replacement pursuant to section 60.1	1 August 2012	30 August 2012
End of replacement pursuant to section 60.1	9 August 2012	30 August 2012
Replacement pursuant to section 60.1	15 August 2012	30 August 2012
Replacement pursuant to section 60.1	26 July 2012	7 September 2012
Replacement pursuant to section 60.1	16 August 2012	7 September 2012
Replacement pursuant to section 60.1	28 August 2012	7 September 2012
Replacement pursuant to section 60.1	5 September 2012	17 September 2012
End of replacement pursuant to section 60.1	14 September 2012	17 September 2012
New List (replacement of APPENDIX I)	1 October 2012	28 September 2012
Replacement pursuant to section 60.1	20 September 2012	9 October 2012

Amendments	Date of coming into force	Date of publication
Replacement pursuant to section 60.1 (two notices)	24 September 2012	9 October 2012
End of replacement pursuant to section 60.1 (two notices)	10 October 2012	12 October 2012
Replacement pursuant to section 60.1	28 September 2012	18 October 2012
End of replacement pursuant to section 60.1 (two notices)	5 October 2012	18 October 2012
End of replacement pursuant to section 60.1 (two notices)	12 October 2012	17 October 2012
Replacement pursuant to section 60.1 (two notices)	24 September 2012	8 November 2012
Replacement pursuant to section 60.1	15 October 2012	8 November 2012
End of replacement pursuant to section 60.1	17 October 2012	8 November 2012
Replacement pursuant to section 60.1 (two notices)	17 October 2012	8 November 2012
New List (replacement of APPENDIX I)	15 November 2012	13 November 2012
End of replacement pursuant to section 60.1	14 November 2012	15 November 2012
End of replacement pursuant to section 60.1 (two notices)	22 November 2012	14 December 2012
End of replacement pursuant to section 60.1	30 November 2012	14 December 2012
End of replacement pursuant to section 60.1 (four notices)	20 December 2012	14 December 2012
End of replacement pursuant to section 60.1	28 December 2012	14 December 2012

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Notice

Health Insurance Act
(chapter A-29)

Regulations established pursuant to the first paragraph of section 72.1 of the Act — Amendments made during the 2012 calendar year

In accordance with the third paragraph of section 72.1 of the Health Insurance Act, the Régie de l'assurance maladie du Québec hereby gives notice of the amendments made, during the 2012 calendar year, to the regulations established pursuant to the first paragraph of that section, which amendments were published on the Website of Régie de l'assurance maladie du Québec.

CHANTAL GARCIA,
Secretary General of the
Régie de l'assurance maladie du Québec

Tariff for insured devices which compensate for a motor deficiency and related services (chapter A 29, r. 9)

Website: http://www.ramq.gouv.qc.ca/fr/publications/citoyens/publications-legales/Pages/tarif-appareils-suppleant-deficience-motrice.aspx

Amendments to the schedule to the Regulation	Date of coming into force	Date of publication
Replacement of TITLE TWO	Was abrogated before its coming into force, slated for 1 May 2012	30 April 2012 (Abrogation)
Replacement of the schedule	1 July 2012	22 June 2012

Tariff for insured hearing aids and related services (chapter A-29, r. 8)

Website: http://www.ramq.gouv.qc.ca/fr/regie/publications-legales/Pages/tarif-aides-auditives.aspx

Amendments to the schedule to the Regulation	Date of coming into force	Date of publication
Replacement of PART III	1 July 2012	22 June 2012

Regulation respecting the conditions of provision and payment of certain insured goods and services (chapter A 29, r. 6)

Website: http://www.ramq.gouv.qc.ca/fr/regie/publications-legales/Pages/reglement-conditions-dispensation-paiement.aspx

Amendments	Date of coming into force	Date of publication
Addition of DIVISIONS II (sections 18 to 23) and III (sections 24 to 38) in CHAPTER II	24 October 2012	24 October 2012

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Abbreviations: **A**: Abrogated, **N**: New, **M**: Modified