Gazette officielle du Québec

Part 2

No. 36
4 September 2013

Laws and Regulations

Volume 145

Summary

Legal deposit – 1st Quarter 1968
Bibliothèque nationale du Québec

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PROVINCE OF QUÉBEC

1ST SESSION

40TH LEGISLATURE

QUÉBEC, 5 JUNE 2013

OFFICE OF THE LIEUTENANT-GOVERNOR

Québec, 5 June 2013

This day, at nine minutes past three o'clock in the afternoon, His Excellency the Lieutenant-Governor was pleased to sanction the following bills:

18 An Act to amend the Taxation Act and other legislative provisions

29 An Act to amend the Act respecting Héma-Québec and the haemovigilance committee

To these bills the Royal assent was affixed by His Excellency the Lieutenant-Governor.

NATIONAL ASSEMBLY

FIRST SESSION FORTIETH LEGISLATURE

Bill 18
(2013, chapter 10)

An Act to amend the Taxation Act and other legislative provisions

Introduced 21 February 2013
Passed in principle 19 March 2013
Passed 29 May 2013
Assented to 5 June 2013

Québec Official Publisher
2013

EXPLANATORY NOTES

This Act amends various legislation to, among other things, give effect to measures announced in the Budget Speech delivered on 20 March 2012 and in Information Bulletins published in 2011 and 2012.

The Tax Administration Act is amended to allow the communication of information contained in a tax record, with the authorization of a judge, not only to a member of a police force but also to a department or to a public body when it is reasonable to believe that certain offences have been committed or are about to be committed.

The Taxation Act is amended to introduce, amend or abolish fiscal measures specific to Québec. More specifically, the amendments deal with

(1) the enhancement of the tax credit for home support for seniors and an increase in the amount granted to the informal caregiver of an elderly spouse who is unable to live independently;

(2) the introduction of a tax credit in respect of expenses incurred by seniors for a stay in a functional rehabilitation transition unit and of a tax credit for the acquisition or rental of property intended to help seniors live independently longer;

(3) greater recognition of postsecondary studies for the purposes of the tax credit for new graduates working in the resource regions;

(4) the introduction of a tax credit to foster the modernization of the tourist accommodation offering;

(5) the implementation of tax relief measures to promote employer-organized intermunicipal shared transportation;

(6) the introduction of tax credits relating to new financial services corporations and of a tax holiday for foreign specialists employed by such new corporations;

(7) the introduction of a tax credit for the market diversification of manufacturing businesses;

(8) the enhancement of the tax credit for investments relating to manufacturing and processing equipment;

(9) the renewal of the tax credit for labour training in the manufacturing, forestry and mining sectors;

(10) adjustments to tax credits in the cultural sector;

(11) the renewal of the patronage dividend tax deferral mechanism; and

(12) the tax treatment applicable to inter vivos trusts.

Adjustments are made to the Act to establish the Fonds de solidarité des travailleurs du Québec (F.T.Q.) and to the cooperative investment plan.

In addition, the Act respecting the Québec sales tax is amended to provide for a specific accommodation tax of $3 per overnight stay in certain tourist regions of Québec.

The Taxation Act is also amended to make amendments similar to those made to the Income Tax Act of Canada by Bill C-13 (Statutes of Canada, 2011, chapter 24) assented to on 15 December 2011 and Bill C-38 (Statutes of Canada, 2012, chapter 19) assented to on 29 June 2012. This Act thus gives effect mainly to harmonization measures announced in Information Bulletins 2011-3 dated 6 July 2011, 2011-5 dated 21 December 2011 and 2012-5 dated 6 July 2012. More specifically, the amendments deal with

(1) adjustments to the registered disability savings plans;

(2) the limitation of corporate tax deferral; and

(3) the rules relating to environmental trusts.

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

LEGISLATION AMENDED BY THIS ACT:

– Tax Administration Act (chapter A-6.002);

– Act to establish the Fonds de solidarité des travailleurs du Québec (F.T.Q.) (chapter F-3.2.1);

– Taxation Act (chapter I-3);

– Act respecting the sectoral parameters of certain fiscal measures (chapter P-5.1);

– Act respecting the Régie de l'assurance maladie du Québec (chapter R-5);

– Cooperative Investment Plan Act (chapter R-8.1.1);

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

Bill 18

AN ACT TO AMEND THE TAXATION ACT AND OTHER LEGISLATIVE PROVISIONS

THE PARLIAMENT OF QUÉBEC ENACTS AS FOLLOWS:

TAX ADMINISTRATION ACT

1. Section 69.0.0.12 of the Tax Administration Act (chapter A-6.002) is amended

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

"**69.0.0.12.** Subject to other exceptions provided for in this division, an employee of the Agency authorized by regulation may, without the consent of the person concerned, communicate information contained in a tax record to a member of a police force, to a department or to a public body responsible for the enforcement of an Act, with the authorization of a judge of the Court of Québec where the judge is satisfied on the basis of an affidavit that there is reasonable cause to believe that the information may serve to prevent or repress a serious offence within the meaning of subsection 1 of section 467.1 of the Criminal Code (Revised Statutes of Canada, 1985, chapter C-46) or an offence referred to in the second paragraph other than a criminal or penal offence provided for in section 69.0.0.16, committed or about to be committed by a person.";

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

"The offences to which the first paragraph refers are the following:

(*a*) an offence under Division IX of the Health Insurance Act (chapter A-29);

(*b*) an offence under Chapter IX of the Building Act (chapter B-1.1);

(*c*) an offence under Schedule I to the Act respecting contracting by public bodies (chapter C-65.1);

(*d*) an offence under Chapter VII of the Act respecting labour standards (chapter N-1.1);

(*e*) an offence under Division VII of Title VI of the Act respecting the Québec Pension Plan (chapter R-9);

(*f*) an offence under Chapter XIV of the Act respecting occupational health and safety (chapter S-2.1); and

(*g*) any other prescribed offence.";

(3) by inserting the following paragraphs after the third paragraph:

"The Minister shall, no later than 5 June 2016, report to the Government on the implementation of the amendments made to this section by chapter 10 of the statutes of 2013.

The report is tabled within 30 days in the National Assembly or, if the Assembly is not in session, within 30 days of resumption. The competent committee of the National Assembly shall examine the report.";

(4) by striking out the fourth paragraph.

2. Section 69.0.0.13 of the Act is amended

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

"**69.0.0.13.** Information contained in a tax record which is communicated to a police force, a department or a public body in accordance with section 69.0.0.12 or 69.0.2 is accessible only to persons qualified to receive it where such information is necessary for the discharge of their duties.";

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

"Such information may be used only for the purposes for which it was obtained.

In addition, such information may be communicated to a member of another police force, to the Attorney General or to the Director of Criminal and Penal Prosecutions only for those purposes or in connection with a suit or a proceeding relating to those purposes."

3. Section 69.0.0.14 of the Act is replaced by the following section:

"**69.0.0.14.** In addition to the situations described in section 59 of the Act respecting Access to documents held by public bodies and the Protection of personal information (chapter A-2.1), a police force may communicate, without the consent of the person concerned, any information for the application or enforcement of a fiscal law, to an employee authorized in conformity with the first paragraph of section 69.0.0.12."

4. (1) Section 93.1.9.1 of the Act is amended by replacing the first paragraph by the following paragraph:

"**93.1.9.1.** A person may, within 90 days after the date of sending of the notice provided for in any of sections 985.4.3, 985.6 to 985.8.1, 985.8.5, 985.8.6, 985.23.9, 999.3, 999.3.1 and 1064 of the Taxation Act (chapter I-3), object to the notice by notifying a notice of objection to the Minister, setting out the reasons for the objection and all the relevant facts. Sections 93.1.3 to 93.1.7, 93.1.9 and 93.1.14 apply, with the necessary modifications."

(2) Subsection 1 has effect from 29 June 2012.

5. (1) Section 93.1.9.2 of the Act is replaced by the following section:

"**93.1.9.2.** If a qualified donee, within the meaning of section 1 of the Taxation Act (chapter I-3), notified a notice of objection to a suspension provided for in section 999.3 or 999.3.1 of that Act, the donee may apply to a judge of the Court of Québec for a postponement of that portion of the period of suspension that has not elapsed until the time determined by the judge."

(2) Subsection 1 has effect from 29 June 2012.

6. (1) Section 93.1.10.1 of the Act is amended by replacing subparagraph *a* of the first paragraph by the following subparagraph:

"(*a*) confirms a proposal, decision or designation in respect of which a notice was issued by the Minister under any of sections 985.4.3, 985.6 to 985.8.1, 985.8.5, 985.8.6, 985.23.9, 999.3, 999.3.1 and 1064 of the Taxation Act (chapter I-3), to a person that is or was registered or recognized as a registered Canadian amateur athletic association, a registered Québec amateur athletic association, a registered charity, a registered museum, a registered cultural or communications organization or a recognized political education organization, as the case may be, or is an applicant for registration or recognition as such; or".

(2) Subsection 1 has effect from 29 June 2012.

7. Section 94.0.4 of the Act is replaced by the following section:

"**94.0.4.** The Minister may, for a taxation year subsequent to the year 1997, remit the tax, interest and penalties paid or payable by an individual under Part I of the Taxation Act (chapter I-3) where the individual became resident in Canada in the year and the individual's taxable income for the year, within the meaning assigned by section 1 of that Act, does not exceed the aggregate of all amounts each of which is an amount received as a social assistance payment made on the basis of a means, needs or income test that was included in computing the individual's income for the year under section 311.1 of the Taxation Act and that was not deductible in computing the individual's taxable income under paragraph *c* of section 725 of that Act."

ACT TO ESTABLISH THE FONDS DE SOLIDARITÉ DES TRAVAILLEURS DU QUÉBEC (F.T.Q.)

8. (1) Section 15 of the Act to establish the Fonds de solidarité des travailleurs du Québec (F.T.Q.) (chapter F-3.2.1) is amended

(1) by adding the following subparagraph after subparagraph *e* of subparagraph 5 of the fourth paragraph:

"(*f*) if the fiscal year ends after 31 May 2012, the amount designated by the Fund for the fiscal year, which amount may not exceed the lesser of $500,000,000 and the amount determined for the fiscal year by the formula

$(F_{A-1} - G_{A-2}) + \{(F_{A-2} - G_{A-3}) - [E_{A-1} - (F_{A-3} - G_{A-4})]\}$.";

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

"In the formula in subparagraph *f* of subparagraph 5 of the fourth paragraph,

(1) E_{A-1} is the amount designated by the Fund under subparagraph *f* of subparagraph 5 of the fourth paragraph for the preceding fiscal year or, in the absence of such a designation, an amount equal to zero;

(2) F_{A-1} is the amount of the Fund's average eligible investments for the preceding fiscal year, which amount is determined as if the formula in subparagraph 3 of the third paragraph were read without reference to "+ E";

(3) F_{A-2} is the amount of the Fund's average eligible investments for the second preceding fiscal year, which amount is determined as if the formula in subparagraph 3 of the third paragraph were read without reference to "+ E";

(4) F_{A-3} is the amount of the Fund's average eligible investments for the third preceding fiscal year, which amount is determined as if the formula in subparagraph 3 of the third paragraph were read without reference to "+ E";

(5) G_{A-2} is 60% of the Fund's average net assets for the second preceding fiscal year;

(6) G_{A-3} is 60% of the Fund's average net assets for the third preceding fiscal year;

(7) G_{A-4} is 60% of the Fund's average net assets for the fourth preceding fiscal year; and

(8) where the result of a subtraction is less than zero, it is deemed to be equal to zero.";

(3) by adding the following subparagraph after subparagraph 13 of the fifth paragraph:

"(14) investments made by the Fund after 20 March 2012 in Fonds Valorisation Bois, s.e.c.";

(4) by replacing the seventh, eighth and ninth paragraphs and the portion of the tenth paragraph before subparagraph 1 by the following:

"For the purposes of the sixth and seventh paragraphs, the investments that the Fund has agreed to make, for which it has committed but not yet disbursed sums at the end of a fiscal year, and that would have been described in any of subparagraphs 1 to 7 and 14 of the sixth paragraph or in the seventh paragraph had they been made by the Fund, are deemed to have been made by the Fund. However, for a particular fiscal year, the aggregate of those deemed investments may not exceed 12% of the Fund's net assets at the end of the preceding fiscal year.

For the purposes of the sixth paragraph, the investments that the Fund has agreed to make, for which it has committed but not yet disbursed sums at the end of a fiscal year, and that would have been described in any of subparagraphs 8 to 10, 12 and 13 of that paragraph had they been made by the Fund, are deemed to have been made by the Fund.

For the purposes of subparagraph 2 of the sixth paragraph, a dealer acting as an intermediary or firm underwriter is not considered to be a first purchaser of securities.

For the application of the sixth paragraph to a particular fiscal year, the following rules apply:";

(5) by replacing the eleventh and twelfth paragraphs by the following paragraphs:

"Investments in immovables situated in Québec and intended mainly for the operation of shopping centres are not permitted under subparagraph 3 of the sixth paragraph otherwise than as part of a project in the recreation and tourism sector.

The second paragraph of section 14.1 applies, with the necessary modifications, in relation to the determination of the assets or net equity of a Québec enterprise referred to in subparagraph 8 of the sixth paragraph."

(2) Subsection 1 has effect from 21 March 2012.

9. (1) Section 15.0.0.1 of the Act is amended by replacing the portion of the first paragraph before subparagraph 1 by the following:

"**15.0.0.1.** The investments to which subparagraph 6 of the sixth paragraph of section 15 refers are, for a particular fiscal year, the following:".

(2) Subsection 1 has effect from 21 March 2012.

10. (1) Section 15.0.1 of the Act is amended by replacing the portion of the first paragraph before subparagraph 1 by the following:

"**15.0.1.** The investments to which subparagraph 7 of the sixth paragraph of section 15 refers are, for a particular fiscal year and in the cases and to the extent determined by the investment policy referred to in that subparagraph, in this section referred to as the "investment policy",".

(2) Subsection 1 has effect from 21 March 2012.

11. (1) Section 16 of the Act is amended

(1) by replacing the second and third paragraphs by the following paragraphs:

"The percentage may be increased to 10% where the investment

(1) enables the Fund to acquire securities from an enterprise doing business in Québec that is not an eligible enterprise; or

(2) is made after 20 March 2012 by the Fund in a financial institution that is registered with the Autorité des marchés financiers or the Office of the Superintendent of Financial Institutions established by the Office of the Superintendent of Financial Institutions Act (Revised Statutes of Canada, 1985, chapter 18, 3rd Supplement) and that is part of a financial group recognized by the Minister of Finance.

However, in the case of an investment described in subparagraph 1 of the second paragraph and made in an enterprise referred to in that subparagraph 1, the Fund cannot, directly or indirectly, acquire or hold shares that include more than 30% of the voting rights attached to the shares of the enterprise and that can be exercised in any circumstances. Where, at the time of the investment, the Fund already holds, directly or indirectly, shares that include more than 30% of the voting rights attached to the shares of the enterprise and that can be exercised in any circumstances, it shall have a period of five years from the date of the investment to cause its interest in the capital stock of the enterprise to include 30% or less of the voting rights attached to the shares of the enterprise and that can be exercised in any circumstances.";

(2) by replacing the fifth paragraph in the French text by the following paragraph:

"Une entreprise qui possède les titres lui permettant en tout état de cause d'élire la majorité des administrateurs d'une autre entreprise est réputée former, avec cette dernière, une même entreprise pour l'application du présent article."

(2) Subsection 1 has effect from 21 March 2012.

TAXATION ACT

12. (1) Section 1 of the Taxation Act (chapter I-3) is amended

(1) by replacing the definition of "bank" by the following definition:

""bank" means a bank within the meaning of section 2 of the Bank Act (other than a federal credit union) or an authorized foreign bank;";

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

""federal credit union" has the meaning assigned by section 2 of the Bank Act;";

(3) by replacing the definition of "eligible dividend" by the following definition:

""eligible dividend" means an amount, in respect of a person resident in Canada, that is deemed to be a taxable dividend received by the person under section 603.1 or 663.4, or a portion of a taxable dividend that is paid by a corporation resident in Canada, that is received by a person resident in Canada and that

(*a*) is designated, in accordance with subsection 14 of section 89 of the Income Tax Act, as an eligible dividend for the purposes of that Act; or

(*b*) if the taxable dividend is included in a particular amount that is deemed to be a dividend or taxable dividend, corresponds, without exceeding the particular amount, to the portion, designated, in accordance with subsection 14 of section 89 of the Income Tax Act, as an eligible dividend for the purposes of that Act, of the amount, corresponding to the particular amount, that is deemed to be a dividend or taxable dividend for the purposes of that Act;";

(4) by replacing the definition of "environmental trust" by the following definition:

""environmental trust" has the meaning assigned by the first paragraph of section 1129.51;";

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

""specified pension plan" means a prescribed arrangement;";

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

""foreign accrual property income" has the meaning assigned by section 579;".

(2) Paragraphs 1 and 2 of subsection 1 have effect from 19 December 2012.

(3) Paragraph 3 of subsection 1 applies in respect of a dividend paid after 28 March 2012.

(4) Paragraph 4 of subsection 1 applies from the taxation year 2012.

(5) Paragraph 5 of subsection 1 has effect from 1 January 2010.

(6) Paragraph 6 of subsection 1 applies to a taxation year that begins after 31 December 2006.

13. (1) Section 8.1 of the Act is replaced by the following section:

"**8.1.** In determining whether an individual is, for all or part of a taxation year, a foreign researcher within the meaning of section 737.19, a foreign researcher on a postdoctoral internship within the meaning of section 737.22.0.0.1, a foreign expert within the meaning of section 737.22.0.0.5, an eligible individual within the meaning of section 737.22.0.9, a foreign professor within the meaning of section 737.22.0.5, a foreign specialist within the meaning of any of sections 737.18.6, 737.18.29, 737.22.0.1 and 737.22.0.4.1 or a foreign farm worker within the meaning of section 737.22.0.12 and in determining whether the requirement of the definition of "eligible production" in section 737.22.0.9 in relation to a producer's residence is satisfied, section 8 is to be read without reference to its paragraph *a*."

(2) Subsection 1 applies from the taxation year 2012.

14. (1) Section 11.4 of the Act is repealed.

(2) Subsection 1 applies from the taxation year 2012.

15. (1) Chapter XIV of Title II of Book I of Part I of the Act, comprising section 21.40, is repealed.

(2) Subsection 1 applies from the taxation year 2012.

16. (1) Section 25 of the Act is amended by inserting "737.22.0.4.7," after "737.22.0.3," in the second paragraph.

(2) Subsection 1 applies from the taxation year 2012.

17. (1) The Act is amended by inserting the following section after section 38.1:

"**38.2.** An individual is not required in computing the individual's income to include the value of benefits resulting from the use of a shared transportation service of a taxpayer who is the individual's employer in respect of which the taxpayer may deduct, under section 156.10, an amount in computing the taxpayer's income from a business.

In this section, "shared transportation service" has the meaning assigned by section 156.10."

(2) Subsection 1 applies from the taxation year 2012.

18. (1) The Act is amended by inserting the following after section 156.9:

"**DIVISION VIII.4**

"ADDITIONAL DEDUCTION RELATING TO THE ORGANIZATION OF AN INTERMUNICIPAL SHARED TRANSPORTATION SERVICE

"**156.10.** A taxpayer may deduct, in computing the taxpayer's income from a business for a taxation year, the aggregate of all amounts each of which is an amount otherwise deductible in computing that income for that taxation year in respect of the setting up or operation of a shared transportation service of the taxpayer.

For the purposes of the first paragraph, a shared transportation service of a taxpayer means a transportation service organized by the taxpayer, alone or jointly with others, for the benefit of employees whose place of residence is outside the local municipal territory where their employer's establishment to which they ordinarily report for work is located, if

(*a*) the shared transportation service is provided at least five days a week, except during holiday periods or a slowdown in the business' activities;

(*b*) employees are transported in a coach, minibus or van or any other vehicle with a design capacity of at least 15 people; and

(*c*) employees can get on and off the vehicle only at predetermined places."

(2) Subsection 1 applies from the taxation year 2012.

19. (1) Section 175.2 of the Act is amended by striking out paragraph *d*.2.

(2) Subsection 1 has effect from 1 January 2010.

20. (1) The heading of Division VIII.1 of Chapter V of Title III of Book III of Part I of the Act is replaced by the following heading:

"ADDITIONAL BUSINESS INCOME OF AN INDIVIDUAL".

(2) Subsection 1 has effect from 22 March 2011.

21. (1) The Act is amended by inserting the following after section 217.17:

"**DIVISION VIII.3**

"ADDITIONAL BUSINESS INCOME OF A CORPORATION

"§1. — *Limitation on the deferral of corporate tax through the use of a partnership*

"**217.18.** In this division,

"adjusted stub period accrual" of a corporation in respect of a partnership—in which the corporation has a significant interest at the end of the last fiscal period of the partnership that ends in the corporation's taxation year in circumstances where another fiscal period (in subparagraphs *c* and *e* of the second paragraph and in section 217.33 referred to as the "particular fiscal period") begins in the year and ends after the end of the year—means

(*a*) if paragraph *b* does not apply, the amount determined by the formula

[(A – B) × C/D] – (E + F); or

(*b*) if a fiscal period of the partnership ends in the corporation's taxation year and the year is the first taxation year in which the fiscal period of the partnership (in this paragraph and subparagraphs *j* to *m* of the second paragraph referred to as the "eligible fiscal period") is aligned with the fiscal period of one or more other partnerships under a multi-tier alignment,

i. where a fiscal period of the partnership ends in the year and before the eligible fiscal period, the amount determined by the formula

[(G – H) × C/I] – (E + F), and

ii. where the eligible fiscal period of the partnership is the first fiscal period of the partnership that ends in the corporation's taxation year, the amount determined by the formula

[(J – K – L) × C/M] – (E + F);

"eligible alignment income", of a corporation, means

(*a*) if a partnership is subject to a single-tier alignment, the first aligned fiscal period of the partnership ends in the first taxation year of the corporation ending after 22 March 2011 (in this paragraph and subparagraphs *n* to *p* of the second paragraph referred to as the "eligible fiscal period") and the corporation is a member of the partnership at the end of the eligible fiscal period,

i. where the eligible fiscal period is preceded by another fiscal period of the partnership that ends in the corporation's first taxation year that ends after 22 March 2011 and the corporation is a member of the partnership at the end of that preceding fiscal period, the amount determined by the formula

N – O – P, or

ii. where the eligible fiscal period is the first fiscal period of the partnership that ends in the corporation's first taxation year ending after 22 March 2011, an amount equal to zero; or

(*b*) if a partnership is subject to a multi-tier alignment, the first aligned fiscal period of the partnership ends in the taxation year of the corporation (in this paragraph and subparagraphs *q* to *s* of the second paragraph referred to as the "eligible fiscal period") and the corporation is a member of the partnership at the end of the eligible fiscal period, the amount determined by the formula

Q – R – S;

"multi-tier alignment", in respect of a partnership, means the alignment of the fiscal period of the partnership and the fiscal period of one or more other partnerships that results from a valid alignment election the members of the partnership make under subsection 9 of section 249.1 of the Income Tax Act (Revised Statutes of Canada, 1985, chapter 1, 5th Supplement) or from the deemed alignment election under subsection 11 of that section;

"qualified resource expense", of a corporation for a taxation year in respect of a fiscal period of a partnership that begins in the year and ends after the end of the year, means an expense incurred by the partnership in the portion of the fiscal period that is in the year and that is a Canadian exploration expense, a Canadian development expense, a foreign resource expense or a Canadian oil and gas property expense;

"qualifying transitional income", of a corporation that is a member of a partnership on 22 March 2011, means the amount that is the aggregate of the following amounts, computed in accordance with section 217.31,

(*a*) the corporation's eligible alignment income in respect of the partnership; and

(*b*) the corporation's adjusted stub period accrual in respect of the partnership for

i. if there is a multi-tier alignment in respect of the partnership, the corporation's taxation year during which ends the fiscal period of the partnership that is aligned with the fiscal period of one or more other partnerships under the multi-tier alignment, or

ii. in any other case, the corporation's first taxation year that ends after 22 March 2011;

"significant interest", of a corporation in a partnership at any time, means an interest of the corporation in the partnership if the corporation, or the corporation together with one or more persons or partnerships related to or affiliated with the corporation, is entitled at that time to more than 10% of

(*a*) the income or loss of the partnership; or

(*b*) the net assets of the partnership if it were to cease to exist;

"single-tier alignment", in respect of a partnership, means the determination of the partnership's fiscal period end date as part of a valid alignment election the members of the partnership make under subsection 8 of section 249.1 of the Income Tax Act;

"specified percentage", of a corporation for a particular taxation year in respect of a partnership, means

(*a*) if the first taxation year in respect of which the corporation has qualifying transitional income ends in the calendar year 2011 and the particular year ends in

i. the calendar year 2011, 100%,

ii. the calendar year 2012, 85%,

iii. the calendar year 2013, 65%,

iv. the calendar year 2014, 45%,

v. the calendar year 2015, 25%, and

vi. the calendar year 2016, 0%;

(*b*) if the first taxation year in respect of which the corporation has qualifying transitional income ends in the calendar year 2012 and the particular year ends in

i. the calendar year 2012, 100%,

ii. the calendar year 2013, 85%,

iii. the calendar year 2014, 65%,

iv. the calendar year 2015, 45%,

v. the calendar year 2016, 25%, and

vi. the calendar year 2017, 0%; and

(*c*) if the first taxation year in respect of which the corporation has qualifying transitional income ends in the calendar year 2013 and the particular year ends in

i. the calendar year 2013, 85%,

ii. the calendar year 2014, 65%,

iii. the calendar year 2015, 45%,

iv. the calendar year 2016, 25%, and

v. the calendar year 2017, 0%.

In the formulas in the definitions of "adjusted stub period accrual" and "eligible alignment income" in the first paragraph,

(*a*) A is the aggregate of all amounts each of which is the corporation's share of an income or taxable capital gain of the partnership for a fiscal period of the partnership that ends in the year (other than any amount in respect of which a deduction is available under sections 738 to 749);

(*b*) B is the aggregate of all amounts each of which is the corporation's share of a loss or allowable capital loss—to the extent that the total of all allowable capital losses does not exceed the total of all taxable capital gains included in the aggregate described in subparagraph *a*—of the partnership for a fiscal period of the partnership that ends in the year;

(*c*) C is the number of days that are in both the year and the particular fiscal period;

(*d*) D is the number of days in fiscal periods of the partnership that end in the year;

(*e*) E is the amount of the qualified resource expense in respect of the particular fiscal period of the partnership that is designated by the corporation for the year under section 217.23 in its fiscal return for the year filed with the Minister on or before its filing-due date for the year;

(*f*) F is an amount (other than an amount included in the amount described in subparagraph *e*) designated by the corporation in its fiscal return for the year filed with the Minister on or before its filing-due date for the year;

(*g*) G is the aggregate of all amounts each of which is the corporation's share of an income or taxable capital gain of the partnership for the first fiscal period of the partnership that ends in the year (other than any amount in respect of which a deduction is available under sections 738 to 749);

(*h*) H is the aggregate of all amounts each of which is the corporation's share of a loss or allowable capital loss—to the extent that the total of all allowable capital losses does not exceed the total of all taxable capital gains included in the aggregate described in subparagraph *g*—of the partnership for the first fiscal period of the partnership that ends in the year;

(*i*) I is the number of days in the first fiscal period of the partnership that ends in the year;

(*j*) J is the aggregate of all amounts each of which is the corporation's share of an income or taxable capital gain of the partnership for the eligible fiscal period (other than any amount in respect of which a deduction is available under sections 738 to 749);

(*k*) K is the aggregate of all amounts each of which is the corporation's share of a loss or allowable capital loss—to the extent that the total of all allowable capital losses does not exceed the total of all taxable capital gains included in the aggregate described in subparagraph *j*—of the partnership for the eligible fiscal period;

(*l*) L is the corporation's eligible alignment income for the eligible fiscal period;

(*m*) M is the number of days that are in the eligible fiscal period that ends in the year;

(*n*) N is the aggregate of all amounts each of which is the corporation's share of an income or taxable capital gain of the partnership for the eligible fiscal period (other than any amount in respect of which a deduction is available under sections 738 to 749);

(*o*) O is the aggregate of all amounts each of which is the corporation's share of a loss or allowable capital loss—to the extent that the total of all allowable capital losses does not exceed the total of all taxable capital gains included in the aggregate described in subparagraph *n*—of the partnership for the eligible fiscal period;

(*p*) P is, where an outlay or expense of the partnership is deemed by section 359.18 to have been made or incurred by the corporation at the end of the eligible fiscal period, the aggregate of all amounts each of which is an amount that would be deductible by the corporation for the taxation year under any of Divisions III to IV.1 of Chapter X of Title VI if each such outlay or expense were the only amount used in determining the amount deductible;

(*q*) Q is the aggregate of all amounts each of which is the corporation's share of an income or taxable capital gain of the partnership for the eligible fiscal period, other than any amount

i. in respect of which a deduction is available under sections 738 to 749, or

ii. that would be included in computing the income of the corporation for the year if there were no multi-tier alignment;

(*r*) R is the aggregate of all amounts each of which is the corporation's share of a loss or allowable capital loss—to the extent that the total of all allowable capital losses does not exceed the total of all taxable capital gains included in the aggregate described in subparagraph *q*—of a partnership for the eligible fiscal period; and

(*s*) S is, where an outlay or expense of the partnership is deemed by section 359.18 to have been made or incurred by the corporation at the end of the eligible fiscal period, the aggregate of all amounts each of which is an amount that would be deductible by the corporation for the taxation year under any of Divisions III to IV.1 of Chapter X of Title VI if each such outlay or expense were the only amount used in determining the amount deductible.

Chapter V.2 of Title II of Book I applies in relation to an election made under subsection 8 or 9 of section 249.1 of the Income Tax Act.

"**217.19.** Subject to sections 217.22 and 217.25, a corporation (other than a professional corporation) shall include in computing its income for a taxation year its adjusted stub period accrual in respect of a partnership if

(*a*) the corporation has a significant interest in the partnership at the end of the last fiscal period of the partnership that ends in the year;

(*b*) another fiscal period of the partnership begins in the year and ends after the end of the year; and

(*c*) at the end of the year, the corporation is entitled to a share of an income, loss, taxable capital gain or allowable capital loss of the partnership for the fiscal period referred to in paragraph *b*.

"**217.20.** Subject to section 217.22, if a corporation (other than a professional corporation) becomes a member of a partnership during a fiscal period of the partnership (in this section referred to as the "particular fiscal period") that begins in the corporation's taxation year and ends after the end of the taxation year but on or before its filing-due date for the taxation year and the corporation has a significant interest in the partnership at the end of the particular fiscal period, the corporation may include in computing its income for the taxation year the lesser of

(*a*) the amount designated by the corporation in its fiscal return for the taxation year; and

(*b*) the amount determined by the formula

A × B/C.

In the formula in subparagraph *b* of the first paragraph,

(*a*) A is the corporation's income from the partnership for the particular fiscal period (other than any amount in respect of which a deduction is available under sections 738 to 749);

(*b*) B is the number of days that are both in the corporation's taxation year and the particular fiscal period; and

(*c*) C is the number of days in the particular fiscal period.

"**217.21.** A corporation may deduct in computing its income for a taxation year each amount that was included in computing its income in respect of a partnership for the preceding taxation year under section 217.19 or 217.20.

"**217.22.** For the purposes of this Act, the following rules apply:

(*a*) in computing the income of a corporation for a taxation year,

i. an adjusted stub period accrual included under section 217.19 in respect of a partnership for the year is deemed to be income and taxable capital gains having the same character and to be in the same proportions as any income and taxable capital gains that were allocated by the partnership to the corporation for all fiscal periods of the partnership ending in the year,

ii. an amount included under section 217.20 in respect of a partnership for the year is deemed to be income and taxable capital gains having the same character and to be in the same proportions as any income and taxable capital gains that were allocated by the partnership to the corporation for the particular fiscal period referred to in that section,

iii. an amount deductible under section 217.21 in respect of a partnership for the year is deemed to have the same character and to be in the same proportions as the income and taxable capital gains included in computing the corporation's income for the preceding taxation year under section 217.19 or 217.20 in respect of the partnership,

iv. an amount deductible as a reserve under section 217.27 in respect of a partnership for the year is deemed to have the same character and to be in the same proportions as the qualifying transitional income in respect of the partnership for the year, and

v. an amount included in computing income under section 217.28 in respect of the partnership for the year is deemed to have the same character and to be in the same proportions as the amount deducted under section 217.27 for the preceding taxation year; and

(*b*) a corporation is deemed to have realized at the end of a taxation year an allowable capital loss equal to the amount determined by the formula

A – (B – C).

In the formula in subparagraph *b* of the first paragraph,

(*a*) A is the amount deductible for the year under section 217.21 in respect of taxable capital gains of a partnership;

(*b*) B is the amount that is the aggregate of

i. all taxable capital gains allocated by the partnership to the corporation for the year,

ii. the amount included in computing the corporation's income for the year under section 217.19 in respect of taxable capital gains of the partnership, and

iii. the amount included in computing the corporation's income for the year under section 217.28 in respect of taxable capital gains of the partnership; and

(*c*) C is the amount that is the lesser of

i. the amount that is the aggregate of all allowable capital losses allocated by the partnership to the corporation for the year, and

ii. the amount determined under subparagraph i of subparagraph *b*.

"**217.23.** A corporation may designate an amount for a taxation year in respect of a qualified resource expense for the purposes of the definition of "adjusted stub period accrual" in section 217.18, subject to the following rules:

(*a*) the corporation cannot designate an amount for the year in respect of a qualified resource expense in respect of a partnership except to the extent the corporation obtains from the partnership, before the corporation's filing-due date for the year, information in writing identifying the qualified resource expenses described in paragraph *d* of section 395 or 408, paragraph *e* of section 418.1.1 or paragraph *b* of section 418.2 and determined as if those expenses had been incurred by the partnership in its last fiscal period that ended in the year; and

(*b*) the amount designated for the year by the corporation is not to exceed the maximum amount that would be deductible by the corporation under any of Divisions III to IV.1 of Chapter X of Title VI in computing its income for the year if

i. the amounts referred to in paragraph *a* in respect of the partnership were the only amounts used in determining the maximum amount, and

ii. the fiscal period of the partnership that begins in the year and ends after the year had ended at the end of the year and each qualified resource expense were deemed under section 359.18 to be incurred by the corporation at the end of the year.

"**217.24.** Sections 217.19 and 217.20 do not apply in computing a corporation's income for a taxation year in respect of a partnership if the corporation becomes a bankrupt in the year.

"**217.25.** If a corporation is a member of a partnership subject to a multi-tier alignment, section 217.19 does not apply to the corporation in respect of the partnership for taxation years preceding the taxation year that includes

the end of the first aligned fiscal period of the partnership under the multi-tier alignment.

"**217.26.** Once a corporation makes a designation in calculating its adjusted stub period accrual in respect of a partnership for a taxation year under subparagraph *e* or *f* of the second paragraph of section 217.18, the designation cannot be amended or revoked.

"**217.27.** A corporation that has qualifying transitional income in respect of a partnership for a particular taxation year may deduct in computing its income, as a reserve, for the particular year such amount as the corporation claims not exceeding the least of

(*a*) the specified percentage for the particular year of the corporation's qualifying transitional income in respect of the partnership;

(*b*) if, for the preceding taxation year, an amount was deductible under this section in computing the corporation's income in respect of the partnership, the amount that is the aggregate of

i. the amount included under section 217.28 in computing the corporation's income for the particular year in respect of the partnership, and

ii. the amount by which the corporation's qualifying transitional income in respect of the partnership is increased in the particular year because of the application of sections 217.32 and 217.33; and

(*c*) the corporation's income for the particular year computed before deducting any amount under this section in respect of the partnership or under sections 346.2 to 346.4.

"**217.28.** A corporation shall include in computing its income in respect of a partnership for a taxation year the amount deducted by it under section 217.27 in respect of the partnership for its preceding taxation year.

"**217.29.** No deduction may be made under section 217.27 in computing a corporation's income for a taxation year in respect of a partnership

(*a*) unless, in the case of a corporation that is a member of a partnership in respect of which there is a multi-tier alignment, the corporation has been a member of the partnership continuously since before 22 March 2011 to the end of the year;

(*b*) unless, in the case of a corporation that is a member of a partnership in respect of which there is no multi-tier alignment, the corporation is a member of the partnership

i. at the end of the partnership's fiscal period that begins before 22 March 2011 and ends in the taxation year of the corporation that includes that date,

ii. at the end of the partnership's fiscal period commencing immediately after the fiscal period referred to in subparagraph i and continues to be a member until after the end of the taxation year of the corporation that includes 22 March 2011, and

iii. continuously since before 22 March 2011 until the end of the year;

(*c*) if at the end of the year or at any time in the following taxation year,

i. the corporation's income is exempt from tax under this Part, or

ii. the corporation is not resident in Canada and the partnership does not carry on business through an establishment in Canada; or

(*d*) if the year ends immediately before another taxation year

i. at the beginning of which the partnership no longer principally carries on the activities to which the reserve relates,

ii. in which the corporation becomes a bankrupt, or

iii. in which the corporation is dissolved or wound up (other than in circumstances to which the rules in sections 556 to 564.1 and 565 apply).

"**217.30.** A corporation that cannot deduct an amount under section 217.27 for a taxation year in respect of a partnership solely because it has disposed of its interest in the partnership is deemed for the purposes of paragraphs *a* and *b* of section 217.29 to be a member of the partnership continuously until the end of the taxation year if

(*a*) the corporation disposed of its interest to another corporation related to, or affiliated with, the corporation at the time of the disposition; and

(*b*) a corporation related to, or affiliated with, the corporation has the partnership interest referred to in paragraph *a* at the end of the taxation year.

"**217.31.** For the purpose of determining a corporation's qualifying transitional income, the income or loss of a partnership for a fiscal period must be computed as if

(*a*) the partnership had deducted for the fiscal period the maximum amount deductible in respect of any expense, reserve or other amount;

(*b*) this Act were read without reference to subparagraph *b* of the second paragraph of section 194; and

(*c*) the partnership had made a valid election for the purposes of paragraph *a* of section 34 of the Income Tax Act (Revised Statutes of Canada, 1985, chapter 1, 5th Supplement).

"**217.32.** Section 217.33 applies for a particular taxation year of a corporation and for each subsequent taxation year for which the corporation may deduct an amount under section 217.27 in respect of a partnership if the particular year is the first taxation year

(*a*) that is after the taxation year in which the corporation has, or would have if the partnership had income, an adjusted stub period accrual that is included in the corporation's qualifying transitional income in respect of the partnership because of paragraph *b* of the definition of "qualifying transitional income" in the first paragraph of section 217.18; and

(*b*) in which ends the fiscal period of the partnership that began in the taxation year referred to in paragraph *a*.

"**217.33.** If, because of section 217.32, this section applies in respect of a partnership for a taxation year of a corporation, the adjusted stub period accrual included in the corporation's qualifying transitional income in respect of the partnership for the year must be computed as if subparagraphs *a*, *b*, *d*, *f* to *k* and *m* of the second paragraph of section 217.18 were read as follows:

"(*a*) A is the aggregate of all amounts each of which is the corporation's share of an income or taxable capital gain of the partnership for the particular fiscal period (other than any amount in respect of which a deduction is available under sections 738 to 749);

"(*b*) B is the aggregate of all amounts each of which is the corporation's share of a loss or allowable capital loss—to the extent that the total of all allowable capital losses does not exceed the total of all taxable capital gains included in the aggregate described in subparagraph *a*—of the partnership for the particular fiscal period;

"(*d*) D is the number of days in the particular fiscal period;

"(*f*) F is an amount equal to zero;

"(*g*) G is the aggregate of all amounts each of which is the corporation's share of an income or taxable capital gain of the partnership for the particular fiscal period (other than any amount in respect of which a deduction is available under sections 738 to 749);

"(*h*) H is the aggregate of all amounts each of which is the corporation's share of a loss or allowable capital loss—to the extent that the total of all allowable capital losses does not exceed the total of all taxable capital gains included in the aggregate described in subparagraph *g*—of the partnership for the particular fiscal period;

"(*i*) I is the number of days in the particular fiscal period;

"(*j*) J is the aggregate of all amounts each of which is the corporation's share of an income or taxable capital gain of the partnership for the particular fiscal period (other than any amount in respect of which a deduction is available under sections 738 to 749);

"(*k*) K is the aggregate of all amounts each of which is the corporation's share of a loss or allowable capital loss—to the extent that the total of all allowable capital losses does not exceed the total of all taxable capital gains included in the aggregate described in subparagraph *j*—of the partnership for the particular fiscal period;

"(*m*) M is the number of days in the particular fiscal period;".

"**217.34.** If it is reasonable to conclude that one of the main reasons a corporation is a member of a partnership in a taxation year is to avoid the application of section 217.29, the corporation is deemed not to be a member of the partnership for the purposes of that section.

"§2. — *Income shortfall adjustment*

"**217.35.** In this subdivision,

"actual stub period accrual", of a corporation in respect of a qualifying partnership for a taxation year, means the positive or negative amount determined by the formula

(A – B) × C/D – E;

"base year", of a corporation in respect of a qualifying partnership for a taxation year, means the preceding taxation year of the corporation in which began a fiscal period of the partnership that ends in the corporation's taxation year;

"income shortfall adjustment", of a corporation in respect of a qualifying partnership for a particular taxation year, means the positive or negative amount determined by the formula

(F – G) × H × I;

"qualifying partnership", in respect of a corporation for a particular taxation year, means a partnership a fiscal period of which began in a preceding taxation year and ends in the particular taxation year, and in respect of which the corporation was required to calculate an adjusted stub period accrual for the preceding taxation year.

In the formulas in the definitions of "actual stub period accrual" and "income shortfall adjustment" in the first paragraph,

(*a*) A is the aggregate of all amounts each of which is the corporation's share of an income or taxable capital gain of the qualifying partnership for the last fiscal period of the partnership that began in the base year (other than any amount in respect of which a deduction was available under sections 738 to 749);

(*b*) B is the aggregate of all amounts each of which is the corporation's share of a loss or allowable capital loss of the qualifying partnership for the last fiscal period of the partnership that began in the base year (to the extent that the total of all allowable capital losses included in the aggregate described in this subparagraph in respect of all qualifying partnerships for the taxation year does not exceed the corporation's share of all taxable capital gains of all qualifying partnerships for the taxation year);

(*c*) C is the number of days that are in both the base year and the fiscal period;

(*d*) D is the number of days in the fiscal period;

(*e*) E is the amount of the qualified resource expense in respect of the qualifying partnership that was designated by the corporation for the base year under section 217.23 in its fiscal return for the base year filed with the Minister on or before its filing-due date for the base year;

(*f*) F is the amount that is the lesser of

i. the actual stub period accrual in respect of the qualifying partnership, and

ii. the amount that would be the corporation's adjusted stub period accrual for the base year in respect of the qualifying partnership if, for the purposes of paragraph *a* of the definition of "adjusted stub period accrual" in the first paragraph of section 217.18, the amount determined under subparagraph *f* of the second paragraph of that section were equal to zero;

(*g*) G is the amount included under section 217.19 in computing the corporation's income for the base year in respect of the qualifying partnership;

(*h*) H is the number of days in the period that begins on the day after the day on which the base year ends and ends on the day on which the taxation year ends; and

(*i*) I is the average daily rate of interest determined by reference to the rate of interest prescribed under section 28 of the Tax Administration Act (chapter A-6.002) for the period referred to in subparagraph *h*.

"**217.36.** Section 217.37 applies to a corporation for a taxation year if

(*a*) the corporation has designated an amount for the purposes of subparagraph *f* of the second paragraph of section 217.18 in calculating its

adjusted stub period accrual for the base year in respect of a qualifying partnership for the taxation year; and

(*b*) where the corporation has qualifying transitional income, the taxation year is after the first taxation year of the corporation to which section 217.33 applies.

"**217.37.** If, because of section 217.36, this section applies to a corporation for a taxation year, the corporation shall include in computing its income for the taxation year the amount determined by the formula

$A + 0.50 \times (A - B)$.

In the formula in the first paragraph,

(*a*) A is the aggregate of all amounts each of which is the corporation's income shortfall adjustment in respect of a qualifying partnership for the year; and

(*b*) B is the lesser of the aggregate described in subparagraph *a* and the aggregate of all amounts each of which is 25% of the positive amount that would be the income shortfall adjustment in respect of a qualifying partnership for the year if the amount referred to in subparagraph *g* of the second paragraph of section 217.35 were equal to zero."

(2) Subsection 1 applies to a taxation year that ends after 22 March 2011.

22. (1) Section 257 of the Act is amended by replacing subparagraph i.4 of paragraph *l* by the following subparagraph:

"i.4. unless the particular time immediately precedes a disposition of the interest, if the taxpayer is a member of the partnership and the taxpayer has been a specified member of the partnership at all times since becoming a member of the partnership, or the taxpayer is at the particular time a limited partner of the partnership for the purposes of section 261.1,

(1) where the particular time is in the taxpayer's first taxation year for which the taxpayer is eligible to deduct an amount in respect of the partnership under section 217.27, the portion of the amount deducted in computing the taxpayer's income for the taxation year under section 217.27 in respect of the partnership that would be deductible if the definition of "qualifying transitional income" in the first paragraph of section 217.18 were read without reference to its paragraph *b*, and

(2) where the particular time is in any other taxation year, the portion of the amount deducted under section 217.27 in computing the taxpayer's income for the taxation year preceding that other taxation year in respect of the partnership that would be deductible if the definition of "qualifying transitional income"

in the first paragraph of section 217.18 were read without reference to its paragraph *b*,".

(2) Subsection 1 applies from the taxation year 2011.

23. (1) Section 257.3 of the Act is repealed.

(2) Subsection 1 applies from the taxation year 2011.

24. (1) Section 314 of the Act is replaced by the following section:

"**314.** A payment or transfer to another person, according to the taxpayer's instructions or with the taxpayer's consent, of money, rights or property for the benefit of the taxpayer or for that of the other person (otherwise than by partition of a retirement pension pursuant to sections 158.3 to 158.8 of the Act respecting the Québec Pension Plan (chapter R-9) or any comparable provision of a similar plan, within the meaning of that Act) is deemed received by the taxpayer and must be included in computing the taxpayer's income to the extent that it would be if the payment or transfer had been made to the taxpayer."

(2) Subsection 1 applies in respect of a payment or transfer made after 31 December 2010.

25. (1) Section 317 of the Act is amended by replacing subparagraph *c* of the first paragraph by the following subparagraph:

"(*c*) the amount of any payment out of or under a specified pension plan; and".

(2) Subsection 1 applies in respect of a payment made after 31 December 2009.

26. (1) Section 339 of the Act is amended by striking out paragraph *i*.

(2) Subsection 1 applies to a taxation year that begins after 31 December 2009.

27. (1) Section 346.2 of the Act is amended

(1) by replacing "second" in subparagraph *c* of the second paragraph by "third";

(2) by replacing "an insurance corporation or a bank" in subparagraph *a* of the third paragraph by "an insurance corporation, a federal credit union or a bank";

(3) by replacing "or an insurance corporation" in subparagraph *b* of the third paragraph by ", a federal credit union or an insurance corporation".

(2) Paragraphs 2 and 3 of subsection 1 have effect from 19 December 2012.

28. (1) Section 350.6 of the Act is amended by replacing the portion before paragraph *c* by the following:

"**350.6.** If an individual is, at any time in a taxation year, a foreign researcher within the meaning of section 737.19, a foreign researcher on a postdoctoral internship within the meaning of section 737.22.0.0.1, a foreign expert within the meaning of section 737.22.0.0.5, a foreign specialist within the meaning of section 737.22.0.1 or 737.22.0.4.1, a foreign professor within the meaning of section 737.22.0.5, an eligible individual within the meaning of section 737.22.0.9 or a foreign farm worker within the meaning of section 737.22.0.12, the following rules apply for the purpose of computing the amount that the individual may deduct under section 350.1 for the year:

(*a*) if the individual has included in computing the individual's income for the year an amount received, or the value of a benefit received or enjoyed, by the individual and the amount or value is both described in subparagraph *a* of the first paragraph of section 350.2 and included in the individual's eligible income for the year, in relation to an employment, within the meaning of any of sections 737.19, 737.22.0.0.1, 737.22.0.0.5, 737.22.0.1, 737.22.0.4.1 and 737.22.0.5, as the case may be, in the amount determined in respect of the individual for the year under section 737.22.0.10, or in the individual's work income for the year, in relation to an employment, within the meaning of section 737.22.0.12, the amount or value, as the case may be, is deemed to be nil;

(*b*) for the purposes of subparagraphs 1 and 2 of subparagraph ii of subparagraph *b* of the first paragraph of section 350.2, the number of days in the year included in the qualifying period in which the individual resided in the particular region does not include a day included in the individual's research activity period, the individual's eligible activity period or the individual's specialized activity period, in relation to an employment, within the meaning of any of sections 737.19, 737.22.0.0.1, 737.22.0.0.5, 737.22.0.1, 737.22.0.4.1 and 737.22.0.5, as the case may be; and".

(2) Subsection 1 applies from the taxation year 2012.

29. Section 359 of the Act is amended by replacing paragraph *a* by the following paragraph:

"(*a*) "outlay" or "expense" made or incurred by a taxpayer before a particular time does not include any amount paid or payable for services to be rendered after that time or any amount paid or payable as rent for a period after that time, but includes an amount designated by the taxpayer at that time, under paragraph *b* of section 622 or 628, as that paragraph read before being struck out, as a cost in respect of property that is a Canadian resource property or a foreign resource property;".

30. Section 386 of the Act is replaced by the following section:

"**386.** Except as expressly otherwise provided in this Part, in computing a taxpayer's cumulative Canadian exploration expenses, there shall be deducted under paragraph *b* of section 399 the amount which, at a particular time in a taxation year, becomes receivable by the taxpayer as a result of a transaction made after 6 May 1974 in the case of an oil business, after 31 March 1975 in the case of a mining business or after 5 December 1996 in all other cases, in consideration of services rendered or property ceded by the taxpayer, if the original cost of those services or that property may reasonably be regarded as having been, for the taxpayer, primarily Canadian exploration expenses or Canadian exploration and development expenses, or as if it would have been such expenses if they had been incurred by the taxpayer after 1971 and before 7 May 1974 or before 1 April 1975, as the case may be."

31. Section 395 of the Act is amended by replacing the portion before paragraph *a* by the following:

"**395.** For the purposes of this chapter, "Canadian exploration expense" of a taxpayer means any expense incurred after 6 May 1974 in the case of an oil business, after 31 March 1975 in the case of a mining business or after 5 December 1996 in all other cases, to such extent as that expense is".

32. Section 418.18 of the Act is amended by replacing the first paragraph by the following paragraph:

"**418.18.** Subject to sections 418.22 and 418.23, where a corporation acquired after 6 May 1974 in the case of an oil business, after 31 March 1975 in the case of a mining business or after 5 December 1996 in all other cases, in any manner whatsoever, a particular Canadian resource property (referred to in this section as "particular property"), it may deduct in computing its income for a taxation year an amount not exceeding the aggregate of all amounts each of which is the lesser of the amount referred to in the second paragraph and the amount referred to in the third paragraph determined in respect of an original owner of the particular property."

33. (1) Section 462.1 of the Act is replaced by the following section:

"**462.1.** Where an individual has transferred or loaned property, otherwise than by partition of a retirement pension pursuant to sections 158.3 to 158.8 of the Act respecting the Québec Pension Plan (chapter R-9) or any comparable provision of a similar plan, within the meaning of that Act, either directly or indirectly, by means of a trust or otherwise, to or for the benefit of a person who is, or who has since become, the spouse of the individual, any income or loss of that person for a taxation year from the property or from property substituted for it, that relates to the period in the year throughout which the individual is resident in Canada and is the person's spouse, is deemed to be income or a loss of the individual for the year and not of that person."

(2) Subsection 1 applies in respect of a transfer or a loan made after 31 December 2010.

34. (1) Section 462.24 of the Act is amended

(1) by striking out paragraph *a*.1;

(2) by inserting "(Revised Statutes of Canada, 1985, chapter 1, 5th Supplement)" after "Income Tax Act" in paragraph *c*.

(2) Subsection 1 applies in respect of a transfer made after 31 December 2010.

35. Section 579 of the Act is replaced by the following section:

"**579.** In this Title, the foreign accrual property income of a foreign affiliate of a taxpayer for a taxation year of such affiliate means an amount equal to that which is computed as foreign accrual property income in respect of the affiliate for the year under the Income Tax Act (Revised Statutes of Canada, 1985, chapter 1, 5th Supplement) and the Income Tax Regulations made under that Act."

36. (1) Section 600 of the Act is amended by replacing paragraph *d* by the following paragraph:

"(*d*) in computing each income or loss of the partnership for a taxation year, no account shall be taken of paragraph *z*.4 of section 87, sections 145 and 217.2 to 217.9.1, 217.18 to 217.34, paragraphs *a*, *d*, *e* and *e*.1 of section 330 and section 418.12, and no deduction is permitted under section 88.4 of the Act respecting the application of the Taxation Act (chapter I-4), section 217.13, the first paragraph of section 360 or sections 362 to 418.12;".

(2) Subsection 1 applies from the taxation year 2011.

37. (1) Section 608 of the Act is replaced by the following section:

"**608.** For the purposes of sections 7 to 7.0.6, 217.2 to 217.34, 600, 607, 634 and 635, where the principal activity of a partnership is carrying on a business in Canada and its members have entered into an agreement to allocate a share of the income or loss of the partnership from any source in Canada or from sources in another place to any person described in section 609, that person is deemed to be a member of the partnership and the amount so allocated for a particular fiscal period of the partnership must be included in computing the person's income for the taxation year in which that fiscal period of the partnership ends."

(2) Subsection 1 has effect from 22 March 2011.

38. (1) Section 693 of the Act is amended by inserting "737.22.0.4.7," after "737.22.0.3," in the second paragraph.

(2) Subsection 1 applies from the taxation year 2012.

39. (1) Section 714.1 of the Act is amended by replacing "*g* to *i*" in the first paragraph by "*g* to *j*".

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

40. (1) Section 725.6 of the Act is amended by inserting ", 737.22.0.4.8" after "737.22.0.4" in the portion before paragraph *a*.

(2) Subsection 1 applies from the taxation year 2012.

41. Section 726.20.2 of the Act is amended by replacing the third paragraph by the following paragraph:

"For the purposes of subparagraph *c* of the first paragraph, where an individual is deemed to have realized, at any time in a taxation year, a capital gain from the disposition of another capital property under section 262.5, the capital gain is deemed to be a capital gain realized by the individual in the year in respect of the disposition of a resource property."

42. (1) Section 726.27 of the Act is amended by replacing the definitions of "qualified cooperative" and "qualified patronage dividends" by the following definitions:

""qualified cooperative" for a taxation year means a cooperative or a federation of cooperatives to which a qualification certificate has been issued by the Minister of Economic Development, Innovation and Export Trade for the purposes of this Title, for which it has not received a notice of revocation at the end of the year;

""qualified patronage dividend" for a taxation year means a patronage dividend allocated in the form of a preferred share received in the year and before 1 January 2023 by a taxpayer who is a member of a cooperative or a federation of cooperatives, or of a partnership that is a member of a cooperative or a federation of cooperatives, and included by the taxpayer in computing the taxpayer's income for the year under section 795, if the patronage dividend is allocated by the cooperative or the federation of cooperatives in respect of a taxation year for which it is a qualified cooperative."

(2) Subsection 1 applies in respect of a patronage dividend allocated in respect of a taxation year that ends after 22 December 2009. However, when the definition of "qualified cooperative" in section 726.27 of the Act applies in respect of a qualification certificate issued before 21 March 2012, it is to be read as follows:

""qualified cooperative" for a taxation year means a cooperative or a federation of cooperatives that holds a qualification certificate issued, for the purposes of this Title, by the Minister of Economic Development, Innovation and Export Trade for the year;".

43. (1) Section 726.27.1 of the Act is replaced by the following section:

"**726.27.1.** For the purposes of the definition of "qualified patronage dividend" in section 726.27, if a partnership receives, at any time before 1 January 2023, a patronage dividend allocated in the form of a preferred share, a taxpayer who is a member of the partnership at the end of the partnership's fiscal period that includes that time is deemed to have received, at that time, and included, under section 795, in computing the taxpayer's income for the year in which the fiscal period ends, the portion of the patronage dividend that is equal to the product obtained by multiplying the agreed proportion in respect of the taxpayer for the fiscal period by the patronage dividend received by the partnership."

(2) Subsection 1 applies in respect of a patronage dividend allocated in respect of a taxation year that ends after 22 December 2009.

44. (1) Section 726.29 of the Act is amended

(1) by replacing the second paragraph and the portion of the third paragraph before subparagraph *b* by the following:

"For the purposes of the first paragraph, a member of a cooperative or of a federation of cooperatives is deemed to dispose of the preferred shares issued by the cooperative or federation of cooperatives, as the case may be, that are identical properties in the order in which the member acquired them.

The first paragraph does not apply if the disposition by a member of a preferred share issued by a cooperative or a federation of cooperatives results from any of the operations referred to in the fourth paragraph and if, after the operation,

(*a*) all of the outstanding preferred shares issued by the cooperative or federation of cooperatives, as the case may be, and relating to qualified patronage dividends for a particular taxation year have been exchanged for consideration consisting only of preferred shares or fractions of such shares; and";

(2) by replacing subparagraphs *a* and *b* of the fourth paragraph by the following subparagraphs:

"(*a*) an amalgamation, within the meaning of section 544, or a winding-up of the cooperative or federation of cooperatives, if, as a consequence of the amalgamation or winding-up, the member receives from another cooperative or federation of cooperatives a new preferred share issued by the other cooperative or federation of cooperatives, as the case may be, to replace the preferred share so disposed of; and

"(*b*) a conversion of the preferred share or a reorganization of the capital stock of the cooperative or federation of cooperatives, if, as a consequence of

the conversion or reorganization, the member receives from the cooperative or federation of cooperatives a new preferred share to replace the preferred share so disposed of."

(2) Subsection 1 applies in respect of a patronage dividend allocated in respect of a taxation year that ends after 22 December 2009.

45. (1) Section 737.19.2 of the Act is amended by replacing the second and third paragraphs by the following paragraphs:

"The particular period to which the first paragraph refers is a period that precedes the research activity period and is established in respect of the individual under any of sections 737.18.6, 737.18.29, 737.19, 737.22.0.0.1, 737.22.0.0.5, 737.22.0.1, 737.22.0.4.1 and 737.22.0.5, or section 69 of the Act respecting international financial centres (chapter C-8.3), or regulations made under the first paragraph of section 737.16, as they read for a taxation year beginning on or before 20 December 1999.

The amount to which the first paragraph refers is an amount that the individual may deduct in computing the individual's taxable income for a taxation year, in relation to a preceding employment, under any of sections 737.16, 737.18.10, 737.18.34, 737.21, 737.22.0.0.3, 737.22.0.0.7, 737.22.0.3, 737.22.0.4.7 and 737.22.0.7."

(2) Subsection 1 has effect from 21 March 2012.

46. (1) Section 737.20 of the Act is amended by replacing subparagraph ii of paragraph *a* by the following subparagraph:

"ii. the individual would meet the condition set out in subparagraph i if an employer had not failed to apply, in respect of the individual, for a qualification certificate or a certificate referred to in any of sections 737.18.6, 737.18.29, 737.19, 737.22.0.0.1, 737.22.0.0.5, 737.22.0.1, 737.22.0.4.1 and 737.22.0.5, section 3.5 of Schedule E to the Act respecting the sectoral parameters of certain fiscal measures (chapter P-5.1), section 19 of the Act respecting international financial centres (chapter C-8.3), as it read before being repealed, or section 737.15, as it read before being repealed; and".

(2) Subsection 1 has effect from 21 March 2012.

47. (1) The Act is amended by inserting the following after section 737.22.0.4:

"**TITLE VII.3.1.1**

"DEDUCTION RELATING TO FOREIGN SPECIALISTS WORKING FOR FINANCIAL SERVICES CORPORATIONS

"**CHAPTER I**

"INTERPRETATION AND GENERAL RULES

"**737.22.0.4.1.** In this Title,

"eligible employer" for a taxation year means a qualified corporation for the year within the meaning of section 1029.8.36.166.65 that holds a certificate for the year, issued by the Minister of Finance, for the purposes of Division II.6.14.4 of Chapter III.1 of Title III of Book IX or a corporation that would be such a qualified corporation for the year but for the expiration of the period of validity specified in the corporation's qualification certificate;

"eligible income", for a taxation year, of an individual who is a foreign specialist at any time, in relation to an employment the individual holds with an eligible employer, means the aggregate of all amounts paid to the individual as wages in the year by that employer and that may reasonably be attributed to the foreign specialist's specialized activity period in relation to that employment;

"foreign specialist" for all or part of a taxation year means an individual in respect of whom the following conditions are met:

(*a*) at a particular time after 20 March 2012, the individual takes up employment, as an employee, with an eligible employer under an employment contract that they entered into after that date but in the period of validity specified in the employer's qualification certificate;

(*b*) the individual is not resident in Canada immediately before entering into the employment contract or immediately before taking up employment, as an employee, with the eligible employer;

(*c*) the individual works exclusively or almost exclusively for the eligible employer from the particular time to the end of the year or the part of the year; and

(*d*) the eligible employer has obtained in respect of the individual, for the purposes of this Title, a certificate issued by the Minister of Finance for the taxation year and the certificate and, if applicable, all the similar certificates that were obtained in respect of the individual for preceding taxation years certify that, from the particular time to the end of the year or the part of the year, the individual is recognized as a specialist;

"qualification certificate" of a corporation means the qualification certificate issued to the corporation for the purposes of Division II.6.14.4 of Chapter III.1 of Title III of Book IX;

"specialized activity period" of an individual who is a foreign specialist for all or part of a taxation year, in relation to an employment the individual holds with an eligible employer, means the period that, subject to the second paragraph, begins on the day on which the individual begins to perform the duties of that employment and ends on the earlier of

(*a*) the day preceding the day on which the individual ceases to be a foreign specialist; and

(*b*) the last day of the five-year period that begins,

i. unless subparagraph ii applies, on the day on which the individual first begins to perform the duties of an employment for which the individual may deduct an amount in computing the individual's taxable income for a taxation year under any of the sections mentioned in the third paragraph of section 737.19.2, or could so deduct such an amount if an employer had not failed to apply, in respect of the individual, for a qualification certificate or a certificate referred to in any of the sections mentioned in subparagraph ii of paragraph *a* of section 737.20, or

ii. if the individual began to perform the duties of the employment referred to in subparagraph i under a contract of employment entered into with a particular corporation or partnership operating an international financial centre established by the individual and if the individual was resident in Canada immediately before the contract of employment was entered into and immediately before the individual took up that employment, on the day, determined without reference to paragraph *a* of section 8, on which the individual becomes resident in Canada to work on the establishment of that centre;

"specified period" of an individual, in relation to an employment held by the individual with an eligible employer, means any part of the individual's specialized activity period in relation to that employment that is included in any of the five years of the period described in paragraph *b* of the definition of "specialized activity period";

"wages" means the income computed under Chapters I and II of Title II of Book III.

Where the certificate referred to in paragraph *d* of the definition of "foreign specialist" in the first paragraph was not issued in respect of an individual for the taxation year that includes the particular day on which the individual begins to perform the duties of an employment the individual holds with an eligible employer, the specialized activity period of the individual in relation to that employment begins only on the first day of the first taxation year following the particular day for which such a certificate has been issued in respect of the individual.

For the purposes of the definition of "eligible income" in the first paragraph, any benefit that an individual is deemed to receive, in a particular taxation year, in connection with an employment held by the individual with an eligible

employer, because of the application of any of sections 49 and 50 to 52.1, is considered to be included in the amounts that are paid to the individual as wages in the year by that employer.

"**737.22.0.4.2.** If, in a taxation year, an individual is absent from an employment the individual holds with an eligible employer and, were it not for that absence, would be a foreign specialist for the part of the year that is included in the individual's period of absence, the Minister may, for the purposes of this Title, consider the wages paid by the eligible employer to the individual for that part of the year to be included in the individual's eligible income for the year in relation to the employment, that the eligible employer certifies in prescribed manner, if the Minister is of the opinion that the individual is temporarily absent from the employment for reasons the Minister considers reasonable.

The individual is deemed to be a foreign specialist for the part of the year in respect of which the Minister has exercised discretion in the individual's favour in accordance with the first paragraph.

"**737.22.0.4.3.** Where, but for this section, a corporation would no longer be an eligible employer for a taxation year because of the revocation of its qualification certificate or of the certificate it was issued for the year, the following rules must, for the purposes of this Title, be taken into consideration despite any provision to the contrary:

(*a*) the qualification certificate is deemed to be valid until the time it is revoked, and it is deemed, only as of that time, not to have been issued; and

(*b*) the certificate is deemed not to have been revoked.

"**737.22.0.4.4.** For the purposes of the definition of "foreign specialist" in the first paragraph of section 737.22.0.4.1, an individual is deemed not to be resident in Canada immediately before taking up employment, as an employee, with an eligible employer if

(*a*) the individual may deduct an amount in computing the individual's taxable income for the taxation year in which the individual so took up employment or for a preceding taxation year, in relation to a preceding employment, under any of the sections mentioned in the third paragraph of section 737.19.2; or

(*b*) the individual would meet the condition of paragraph *a* if an employer had not failed to apply, in respect of the individual, for a qualification certificate or a certificate referred to in any of the sections mentioned in subparagraph ii of paragraph *a* of section 737.20.

"**737.22.0.4.5.** For the purposes of this Title, the employment contract that an individual entered into with an eligible employer (in this section referred to as the "original contract"), or a deemed contract referred to in the second

paragraph, is deemed to end at the time when the individual ceases to be a foreign specialist.

In addition, where at a particular time an individual would again become a foreign specialist if this section were read without reference to the first paragraph and paragraphs *c* and *d* of the definition of "foreign specialist" in the first paragraph of section 737.22.0.4.1 were read as if "from the particular time to the end of the year or the part of the year" was replaced by "throughout the year or the part of the year", the following rules apply:

(*a*) the individual is deemed to enter into, with the eligible employer, a new employment contract (in this section referred to as the "deemed contract") and that contract is deemed to be entered into at the particular time; and

(*b*) the individual is deemed to take up employment, as an employee, with the eligible employer at the particular time and is also deemed to begin at that time to perform the duties of that new employment.

The expiry, termination or cancellation of the original contract or any other event having the effect of terminating the original contract also entails the expiry, termination or cancellation, as the case may be, of a deemed contract continuing the original contract, or otherwise terminates such a contract.

The renewal of the original contract also entails the renewal of a deemed contract continuing the original contract, except if the deemed contract is deemed to have ended under the first paragraph.

"**737.22.0.4.6.** For the purposes of this Title, the contract resulting from the renewal, after the date specified in the second paragraph, of an employment contract referred to in the definition of "foreign specialist" in the first paragraph of section 737.22.0.4.1 and in this section referred to as the "original contract", is deemed not to be an employment contract separate from the original contract.

The date to which the first paragraph refers is the date of expiry of the period of validity specified in the qualification certificate of the eligible employer with whom the individual entered into the original contract.

The first paragraph does not apply in respect of a contract that is deemed to have ended under the first paragraph of section 737.22.0.4.5.

"**CHAPTER II**

"DEDUCTION

"**737.22.0.4.7.** An individual who, at any time, holds employment as a foreign specialist with an eligible employer may deduct, in computing the individual's taxable income for a taxation year, an amount not greater than the

aggregate of all amounts each of which is determined, in respect of a specified period of the individual in relation to that employment, by the formula

A × (B – C).

In the formula provided for in the first paragraph,

(*a*) A is

i. 100%, if that specified period of the individual is included in the first or second year of the period described in paragraph *b* of the definition of "specialized activity period" in the first paragraph of section 737.22.0.4.1,

ii. 75%, if that specified period of the individual is included in the third year of the period described in that paragraph *b*,

iii. 50%, if that specified period of the individual is included in the fourth year of the period described in that paragraph *b*, or

iv. 25%, if that specified period of the individual is included in the fifth year of the period described in that paragraph *b*;

(*b*) B is the portion of the individual's eligible income for the year, in relation to that employment, that is certified by the eligible employer in the prescribed manner and that may reasonably be attributed to that specified period of the individual; and

(*c*) C is the aggregate of all amounts that the individual may deduct in computing the individual's income for the year under Chapter III of Title II of Book III and that may reasonably be attributed to the individual's employment as a foreign specialist during that specified period of the individual.

"**CHAPTER III**

"COMPUTATION OF TAXABLE INCOME

"**737.22.0.4.8.** For the purpose of computing the taxable income of an individual referred to in section 737.22.0.4.7 for a taxation year, the following rules apply:

(*a*) where the individual has included in computing income for the year an amount that is the benefit the individual is deemed to receive in the year under any of sections 49 and 50 to 52.1, in respect of a security, or the transfer or any other disposition of the rights under the agreement referred to in section 48 and the amount of the benefit is included in the individual's eligible income for the year, in relation to an employment, the amount of the benefit is, for the purpose of computing the deduction under section 725.2, deemed to be nil;

(*b*) where the individual has included in computing income for the year an amount that is the benefit the individual is deemed to receive under section 49 as a consequence of the application of section 49.2 in respect of a share acquired by the individual after 22 May 1985 and the amount of the benefit is included in the individual's eligible income for the year, in relation to an employment, the amount of the benefit is, for the purpose of computing the deduction under section 725.3, deemed to be nil;

(*c*) where the individual has included in computing income for the year an amount referred to in paragraph *a* or *e* of section 725 and the amount is included in the portion of the individual's eligible income for the year, in relation to an employment, that may reasonably be attributed to any of the individual's specified periods, in relation to that employment, the amount is, for the purpose of computing the deduction under that paragraph, deemed to be equal to the product obtained by multiplying that amount by the amount by which 100% exceeds the percentage determined under subparagraph *a* of the second paragraph of section 737.22.0.4.7 in respect of that period;

(*d*) where the individual has included in computing income for the year an amount referred to in subparagraph *a* of the second paragraph of section 725.1.2 and the amount is included in the portion of the individual's eligible income for the year, in relation to an employment, that may reasonably be attributed to any of the individual's specified periods, in relation to that employment, the amount is, for the purpose of computing the deduction under the first paragraph of that section, deemed to be equal to the product obtained by multiplying that amount by the amount by which 100% exceeds the percentage determined under subparagraph *a* of the second paragraph of section 737.22.0.4.7 in respect of that period; and

(*e*) where the individual has included in computing income for the year an amount under sections 487.1 to 487.6 in respect of a benefit received by the individual as a home relocation loan, the individual shall, for the purpose of computing the deduction under section 725.6,

i. subtract from the amount determined under paragraph *a* of section 725.6, the product obtained by multiplying the portion of that amount that may reasonably be attributed to the part of the year that is included in any of the individual's specified periods, in relation to an employment, by the percentage determined under subparagraph *a* of the second paragraph of section 737.22.0.4.7 in respect of that period,

ii. subtract from the amount determined under paragraph *b* of section 725.6, the product obtained by multiplying the amount of interest that is computed, in accordance with that paragraph, for the part of the year that is included in any of the individual's specified periods, in relation to an employment, by the percentage determined under subparagraph *a* of the second paragraph of section 737.22.0.4.7 in respect of that period, and

iii. subtract from the amount determined under paragraph *c* of section 725.6, the product obtained by multiplying the portion of that amount that may

reasonably be considered to have been received in the part of the year that is included in any of the individual's specified periods, in relation to an employment, by the percentage determined under subparagraph *a* of the second paragraph of section 737.22.0.4.7 in respect of that period."

(2) Subsection 1 has effect from 21 March 2012.

48. (1) Section 750.1 of the Act is amended by striking out "768, 770," in the portion before paragraph *a*.

(2) Subsection 1 applies to a taxation year that ends after 19 March 2012.

49. (1) The Act is amended by inserting the following section after section 750.1:

"**750.1.1.** The percentage to which sections 768 and 770 refer is 24%."

(2) Subsection 1 applies to a taxation year that ends after 19 March 2012.

50. (1) Section 752.0.8 of the Act is amended by replacing subparagraph i of paragraph *a* by the following subparagraph:

"i. a payment in respect of a life annuity out of or under a pension plan or a specified pension plan,".

(2) Subsection 1 has effect from 1 January 2010.

51. (1) Section 752.0.10 of the Act is amended by replacing paragraph *e* by the following paragraph:

"(*e*) an amount received out of or under a retirement compensation arrangement, a salary deferral arrangement, an employee trust or an employee benefit plan;".

(2) Subsection 1 has effect from 1 January 2010.

52. (1) Section 752.0.10.11.1 of the Act is amended by replacing "*g* to *i*" in the first paragraph by "*g* to *j*".

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

53. (1) Section 752.0.11.1 of the Act is amended by replacing paragraph *k* by the following paragraph:

"(*k*) for the care, or the care and training, at a school, institution or other place, of a particular person, if the particular person has been certified in writing by a qualified person to be a person who, by reason of a physical or mental handicap, requires the equipment, facilities or personnel specially provided by that school, institution or other place for the care, or the care and training, of

persons suffering from such a handicap, other than amounts paid to the operator of a private seniors' residence, within the meaning of the first paragraph of section 1029.8.61.1 if the definition of that expression were read without reference to "for a particular month" and ", at the beginning of the particular month,";".

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

54. (1) Section 752.0.18.7 of the Act is amended by inserting "737.22.0.4.7," after "737.22.0.3,".

(2) Subsection 1 applies from the taxation year 2012.

55. (1) Section 752.0.24 of the Act is amended

(1) by replacing the portion of subparagraph *a* of the first paragraph before subparagraph ii by the following:

"(*a*) only the following amounts may be deducted by the individual under sections 752.0.0.1 to 752.0.7, 752.0.10.0.2 to 752.0.10.0.5 and 752.0.10.1 to 752.0.18.15 in respect of any period in the year throughout which the individual was resident in Canada:

i. such of the amounts deductible under any of sections 752.0.10.0.2 to 752.0.10.0.5, 752.0.10.6, 752.0.11 to 752.0.13.3, 752.0.18.3, 752.0.18.8, 752.0.18.10 and 752.0.18.15 as can reasonably be considered wholly applicable to such a period, computed as though that period were a whole taxation year, and";

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

"(*b*) the amount deductible for the year under any of sections 752.0.0.1 to 752.0.7, 752.0.10.0.2 to 752.0.10.0.5 and 752.0.10.1 to 752.0.18.15 in respect of the part of the year that is not included in the period referred to in subparagraph *a* is to be computed as though such part were a whole taxation year.";

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

"However, the amount deductible for the year by the individual under any of sections 752.0.0.1 to 752.0.7, 752.0.10.0.2 to 752.0.10.0.5 and 752.0.10.1 to 752.0.18.15 must not exceed the amount that would have been deductible under that section had the individual been resident in Canada throughout the year."

(2) Subsection 1 applies from the taxation year 2012.

56. (1) Section 768 of the Act is replaced by the following section:

"**768.** Despite section 750, the tax payable under this Part for a taxation year by an inter vivos trust, other than a mutual fund trust or a SIFT trust, is equal to the amount obtained by multiplying the percentage specified in section 750.1.1 by its taxable income for the year."

(2) Subsection 1 applies to a taxation year that ends after 19 March 2012.

57. (1) Section 770 of the Act is replaced by the following section:

"**770.** Despite section 750, the tax payable under this Part by a mutual fund trust, other than a SIFT trust, on its taxable income for a taxation year is equal to the amount obtained by multiplying the percentage specified in section 750.1.1 by its taxable income reduced by the amount by which its taxable capital gains for the year exceed its allowable capital losses for the year and increased by the amounts deducted for the year under section 729."

(2) Subsection 1 applies to a taxation year that ends after 19 March 2012.

58. (1) Section 772.7 of the Act is amended by inserting "737.22.0.4.7," after "737.22.0.3," in subparagraph ii of subparagraph *b* of the first paragraph.

(2) Subsection 1 applies from the taxation year 2012.

59. (1) Section 772.9 of the Act is amended by inserting "737.22.0.4.7," after "737.22.0.3," in subparagraph 2 of subparagraph ii of paragraph *a*.

(2) Subsection 1 applies from the taxation year 2012.

60. (1) Section 772.11 of the Act is amended by inserting "737.22.0.4.7," after "737.22.0.3," in subparagraph 2 of subparagraph ii of subparagraph *a* of the second paragraph.

(2) Subsection 1 applies from the taxation year 2012.

61. (1) Section 776.1.1.1 of the Act is amended by replacing the second paragraph by the following paragraph:

"The period to which the first paragraph refers begins on 1 June 2009 and ends on 31 May 2015."

(2) Subsection 1 has effect from 21 March 2012.

62. (1) Section 776.1.5.0.16 of the Act is amended, in the first paragraph,

(1) by replacing "comme étant comparable" in paragraph *e* of the definition of "diplôme reconnu" in the French text by "comme comparable";

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

""“recognized post-secondary diploma” means

(*a*) a diploma referred to in any of paragraphs *b* to *d* and *f* of the definition of “recognized diploma”; or

(*b*) a diploma that is considered, under paragraph *e* of the definition of “recognized diploma”, to be comparable to one of the diplomas referred to in paragraphs *b* to *d* of that definition;”;

(3) by replacing paragraph *a* of the definition of “eligible individual” by the following paragraph:

“(*a*) begins to hold the eligible employment at a time in the year that is within the 24-month period that follows the date on which the individual successfully completes the courses and, where applicable, the internships leading to the awarding of the recognized diploma, or, where the recognized diploma is a master’s or doctoral degree, the date on which the individual obtains the diploma under an educational program requiring the writing of an essay, dissertation or thesis; or”;

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

""“specified employment” of an individual means an eligible employment of the individual that the individual begins to hold after 20 March 2012 and in respect of which the following conditions are met:

(*a*) the recognized diploma to which paragraph *b* of the definition of “eligible employment” refers, in relation to that employment, is a recognized post-secondary diploma; and

(*b*) the individual

i. began to hold the employment within the 24-month period that follows the date on which the individual successfully completed the courses and, where applicable, the internships leading to the awarding of the recognized diploma, or, where the diploma is a master’s or doctoral degree, the date on which the individual obtained the diploma under an educational program requiring the writing of an essay, dissertation or thesis, or

ii. held a former employment that is a specified employment of the individual.”

(2) Subsection 1 applies from the taxation year 2012.

63. (1) Section 776.1.5.0.17 of the Act is replaced by the following section:

“**776.1.5.0.17.** An eligible individual for a taxation year may deduct from the eligible individual’s tax otherwise payable for the year under this Part an amount equal to the lesser of

(*a*) $3,000; and

(*b*) the total of

i. the lesser of

(1) 40% of the aggregate of all amounts each of which is the salary or wages of the individual for the year from any eligible employment of the individual, other than a specified employment, in respect of which the individual is an eligible individual for the year, and

(2) the amount by which $8,000 exceeds the aggregate of all amounts each of which is an amount that the individual has deducted from the individual's tax otherwise payable under this chapter or is deemed to have paid to the Minister on account of the individual's tax payable under Division II.20 of Chapter III.1 of Title III of Book IX, for a preceding taxation year, and

ii. the lesser of

(1) 40% of the aggregate of all amounts each of which is the salary or wages of the individual for the year from any specified employment of the individual in respect of which the individual is an eligible individual for the year, and

(2) the amount by which $10,000 exceeds the aggregate of all amounts each of which is either an amount that the individual has deducted from the individual's tax otherwise payable under this chapter or is deemed to have paid to the Minister on account of the individual's tax payable under Division II.20 of Chapter III.1 of Title III of Book IX, for a preceding taxation year, or the amount determined for the year in accordance with subparagraph i."

(2) Subsection 1 applies from the taxation year 2012. In addition, when section 776.1.5.0.17 of the Act applies to a taxation year preceding the taxation year 2012, the portion before paragraph *a* is to be read as if ", in relation to an eligible employment," was struck out.

64. (1) Section 776.41.5 of the Act is amended by replacing subparagraph *b* of the second paragraph by the following subparagraph:

"(*b*) B is the tax otherwise payable of the individual's eligible spouse for the taxation year, computed without reference to the deductions provided for in this Book, except those provided for in sections 752.0.10.0.3, 752.12, 776.1.5.0.17 and 776.1.5.0.18."

(2) Subsection 1 applies from the taxation year 2003. However, when subparagraph *b* of the second paragraph of section 776.41.5 of the Act applies to

(1) any of the taxation years 2003 to 2005, it is to be read as follows:

"(*b*) B is the tax otherwise payable of the individual's eligible spouse for the taxation year, computed without reference to the deductions provided for in this Book, except the deduction provided for in section 752.12."; or

(2) any of the taxation years 2006 to 2011, it is to be read as follows:

"(*b*) B is the tax otherwise payable of the individual's eligible spouse for the taxation year, computed without reference to the deductions provided for in this Book, except those provided for in sections 752.12, 776.1.5.0.17 and 776.1.5.0.18."

65. (1) Section 776.41.21 of the Act is amended by inserting "752.0.10.0.3," after "752.0.7.4," in subparagraph *b* of the second paragraph.

(2) Subsection 1 applies from the taxation year 2012.

66. (1) Section 779 of the Act is amended by replacing "II.11.7" by "II.11.9".

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

67. (1) Section 782 of the Act is amended by replacing paragraph *b* by the following paragraph:

"(*b*) in Chapters I.0.1 to I.0.2.0.2 and I.0.3 of Title I of Book V;".

(2) Subsection 1 applies from the taxation year 2012.

68. (1) Section 785.0.1 of the Act is amended

(1) by striking out subparagraph iii of paragraph *g* of the definition of "excluded right or interest";

(2) by adding the following definition:

""specified immovable" means either an immovable property situated in Québec that is used principally for the purpose of earning or producing gross revenue that is rent, or any interest in or option in respect of the property, whether or not the property exists at that time."

(2) Paragraph 1 of subsection 1 applies to a taxation year that begins after 31 December 2009.

(3) Paragraph 2 of subsection 1 has effect from 20 March 2012.

69. (1) Section 785.1 of the Act is amended

(1) by replacing "a trust, other than a testamentary trust" in paragraph *a*.1 by "an inter vivos trust";

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

"i. property that is a taxable Canadian property, subject to the application of paragraph *b*.1,";

(3) by inserting the following paragraph after paragraph *b*:

"(*b*.1) if the taxpayer is an inter vivos trust, other than a trust exempt from tax under Book VIII, the taxpayer is deemed to have disposed, at the time of disposition, of each property that is a specified immovable then owned by the taxpayer for proceeds of disposition equal to its fair market value at the time of disposition;";

(4) by replacing "paragraph *b*" in paragraph *c* by "paragraph *b* or *b*.1".

(2) Paragraphs 2 to 4 of subsection 1 apply in respect of an inter vivos trust that becomes resident in Canada after 19 March 2012.

70. (1) The Act is amended by inserting the following sections after section 785.2.5:

"**785.2.6.** An inter vivos trust that is deemed under paragraph *b*.1 of section 785.1 to have disposed of each property that is a specified immovable because it became resident in Canada and that proposes to dispose of such a property shall, before the disposition, send to the Minister a notice in the prescribed form containing prescribed information.

"**785.2.7.** The Minister shall, upon receipt of the notice provided for in section 785.2.6 and after ascertaining that the tax payable by an inter vivos trust referred to in that section resulting from the deemed disposition referred to in paragraph *b*.1 of section 785.1 has been paid or that a surety acceptable to the Minister in that respect to guarantee the payment of that tax has been furnished, issue without delay a certificate in prescribed form attesting those facts to the trust and the proposed purchaser.

"**785.2.8.** Where a person (in this section referred to as the "purchaser") acquires from an inter vivos trust (in this section referred to as the "vendor") a property that is a specified immovable that the vendor is deemed to have disposed of in a taxation year under paragraph *b*.1 of section 785.1 because the vendor became resident in Canada, the following rules apply:

(*a*) the purchaser shall pay to the Minister on behalf of the vendor, as or on account of tax payable by the vendor under this Part for the year, an amount equal to 12% of the purchase price of the property;

(*b*) the purchaser is authorized to deduct from any amount the purchaser pays to the vendor or to withhold from any amount credited by the purchaser to the vendor or to otherwise recover from the vendor the amount paid by the purchaser under subparagraph *a*; and

(*c*) the purchaser shall, within 30 days after the end of the month in which the purchaser acquires the property, pay to the Minister the amount the purchaser is required to pay under subparagraph *a*.

The first paragraph does not apply to a purchaser if

(*a*) a certificate has been issued to the purchaser by the Minister under section 785.2.7 in respect of the property; or

(*b*) after reasonable inquiry, the purchaser had no reason to believe that the vendor was deemed to have disposed of the property in the year under paragraph *b*.1 of section 785.1."

(2) Subsection 1 applies in respect of an inter vivos trust that becomes resident in Canada after 19 March 2012.

71. (1) Section 905.0.3 of the Act is amended

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

""qualifying family member", in relation to a beneficiary of a disability savings plan, at any time, means an individual who, at that time, is

(*a*) the father or mother of the beneficiary; or

(*b*) the spouse of the beneficiary who is not living separate and apart from the beneficiary by reason of a breakdown of their marriage;";

(2) by adding the following paragraph after paragraph *b* of the definition of "qualifying person":

"(*c*) other than for the purposes of subparagraph iv of subparagraph *b* of the first paragraph of section 905.0.6, an individual who is a qualifying family member in relation to the beneficiary if

i. at or before that time, the beneficiary has reached 18 years of age and is not a beneficiary under a disability savings plan,

ii. at that time, none of the persons described in subparagraphs ii and iii of paragraph *a* is legally authorized to act on behalf of the beneficiary, and

iii. in the issuer's opinion after reasonable inquiry, the beneficiary's contractual competence to enter into a disability savings plan at that time is in doubt;";

(3) by replacing subparagraph ii of paragraph *a* of the definition of "disability savings plan" by the following subparagraph:

"ii. a person who, at the time the arrangement is entered into, is a qualifying person described in paragraph *a* or *b* of the definition of "qualifying person" in relation to the beneficiary,";

(4) by inserting the following subparagraphs after subparagraph ii of paragraph *a* of the definition of "disability savings plan":

"ii.1. if the arrangement is entered into before 1 January 2017, a qualifying family member in relation to the beneficiary who, at the time the arrangement is entered into, is a qualifying person in relation to the beneficiary,

"ii.2. a qualifying family member in relation to the beneficiary who, at the time the arrangement is entered into, is not a qualifying person in relation to the beneficiary but is a holder of another arrangement that is a registered disability savings plan of the beneficiary, and".

(2) Subsection 1 has effect from 29 June 2012.

72. (1) The Act is amended by inserting the following sections after section 905.0.3:

"**905.0.3.1.** Any holder of a disability savings plan who is a qualifying person in relation to the beneficiary under the plan solely because of the application of paragraph *c* of the definition of "qualifying person" in section 905.0.3 ceases to be a holder of the plan and the beneficiary becomes the holder of the plan if

(*a*) the beneficiary is determined to be contractually competent by a competent tribunal or other authority under the laws of a province or, in the issuer's opinion after reasonable inquiry, the beneficiary's contractual competence to enter into a disability savings plan is no longer in doubt; and

(*b*) the beneficiary notifies the issuer that the beneficiary chooses to become the holder of the plan.

"**905.0.3.2.** If a particular person described in subparagraph ii or iii of paragraph *a* of the definition of "qualifying person" in section 905.0.3 is appointed in respect of a beneficiary of a disability savings plan and a holder of the plan is a qualifying person solely because of the application of paragraph *c* of that definition, the following rules apply:

(*a*) the particular person shall notify the issuer without delay of the person's appointment;

(*b*) the holder of the plan ceases to be a holder of the plan; and

(*c*) the particular person becomes the holder of the plan.

"**905.0.3.3.** If a dispute arises as a result of an issuer's acceptance of a qualifying family member who is a qualifying person solely because of the application of paragraph *c* of the definition of "qualifying person" in section 905.0.3 as a holder of a disability savings plan, from the time the dispute arises until the time that the dispute is resolved or a person becomes the holder of the plan under section 905.0.3.1 or 905.0.3.2, the holder of the plan shall make every effort to avoid any reduction in the fair market value of the property held by the plan trust, having regard to the reasonable needs of the beneficiary under the plan.

"**905.0.3.4.** If, after reasonable inquiry, an issuer of a disability savings plan is of the opinion that an individual's contractual competence to enter into a disability savings plan is in doubt, no judicial recourse may be exercised against the issuer for entering into a disability savings plan, under which the individual is the beneficiary, with a qualifying family member who is a qualifying person in relation to the beneficiary solely because of the application of paragraph *c* of the definition of "qualifying person" in section 905.0.3."

(2) Subsection 1 has effect from 29 June 2012.

73. (1) Section 905.0.6 of the Act is amended

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

"(*p*) the plan provides for any amounts remaining in the plan, after taking into consideration any repayments under the Canada Disability Savings Act or a designated provincial program, to be paid to the beneficiary under the plan or the beneficiary's succession, and for the plan to cease to exist, at or before the end of the calendar year following the calendar year in which the beneficiary under the plan dies or the first calendar year throughout which the beneficiary has no severe and prolonged impairment in mental or physical functions the effects of which are described in paragraph *a*.1 of subsection 1 of section 118.3 of the Income Tax Act (Revised Statutes of Canada, 1985, chapter 1, 5th Supplement).";

(2) by striking out "(R.S.C. 1985, c. 1 (5th Suppl.))" in subparagraph *a* of the second paragraph.

(2) Subsection 1 applies from the taxation year 2008. However, when subparagraph *p* of the first paragraph of section 905.0.6 of the Act applies to the taxation year 2008, it is to be read without reference to "or a designated provincial program".

74. (1) Section 905.0.21 of the Act is amended by adding the following subparagraph after subparagraph *d* of the first paragraph:

"(*e*) if the issuer enters into the plan with a qualifying family member who is a qualifying person solely because of the application of paragraph *c* of the definition of "qualifying person" in section 905.0.3,

i. so notify the beneficiary under the plan without delay in writing and include in the notification information setting out the circumstances in which the holder of the plan may be replaced under section 905.0.3.1 or 905.0.3.2, and

ii. collect and use any information provided by the holder of the plan that is relevant to the administration and operation of the plan."

(2) Subsection 1 has effect from 29 June 2012.

75. (1) The Act is amended by inserting the following sections after section 905.1:

"**905.1.1.** For the purposes of this Title and paragraph *a* of sections 462.24, 935.3 and 935.14, a contribution made by an individual to an account of the individual, or of the individual's spouse, under a specified pension plan is deemed to be a premium paid by the individual to a registered retirement savings plan under which the individual, or the individual's spouse, as the case may be, is the annuitant.

"**905.1.2.** For the purposes of section 133.4, subparagraph i of paragraph *a* of the definition of "excluded right or interest" in section 785.0.1, subparagraph *d* of the first paragraph of section 890.0.1, sections 913 and 924.0.1, paragraph *b* of the definition of "excluded premium" in the first paragraph of section 935.1, paragraph *c* of the definition of "excluded premium" in the first paragraph of section 935.12, subparagraph *b* of the second paragraph of section 961.17 and Chapter III of Title VI.0.1, an individual's account under a specified pension plan is deemed to be a registered retirement savings plan under which the individual is the annuitant.

"**905.1.3.** For the purposes of sections 924.1, 931.1, 931.3 and 931.5, a payment received by an individual from a specified pension plan is deemed to be a payment received by the individual from a registered retirement savings plan."

(2) Subsection 1, when it enacts sections 905.1.1 and 905.1.2 of the Act, applies to a taxation year that begins after 31 December 2009.

(3) Subsection 1, when it enacts section 905.1.3 of the Act, applies to a taxation year that begins after 31 December 2010.

76. (1) The Act is amended by inserting the following section after section 923:

"**923.0.1.** If an individual's entitlement to benefits under a defined benefit provision of a registered pension plan is transferred, after 28 February 2009 and before 1 January 2011, in accordance with section 965.0.8, there may be deducted in computing the individual's income for a taxation year that ends on or after the day on which the transfer was made, in respect of a premium paid by the individual to a registered retirement savings plan under which the individual is the annuitant, the amount that is allowed as a deduction for the year in computing the individual's income for the purposes of the Income Tax Act (Revised Statutes of Canada, 1985, chapter 1, 5th Supplement) under subsection 5.2 of section 146 of that Act.

A premium referred to in the first paragraph that is paid before 1 January 2013 is deemed, if the individual makes a valid election under subsection 5.201 of section 146 of the Income Tax Act, in respect of the premium, to have been paid in the taxation year in which the transfer referred to in that paragraph was made and not in the taxation year in which it was actually paid.

Chapter V.2 of Title II of Book I applies in relation to an election made under subsection 5.201 of section 146 of the Income Tax Act."

(2) Subsection 1 applies in respect of a transfer made after 28 February 2009.

77. (1) Section 935.1 of the Act is amended by replacing paragraph *b* of the definition of "excluded premium" in the first paragraph by the following paragraph:

"(*b*) was an amount transferred directly from a registered retirement savings plan, registered pension plan, registered retirement income fund or deferred profit sharing plan,".

(2) Subsection 1 applies to a taxation year that begins after 31 December 2009.

78. (1) Section 935.12 of the Act is amended by replacing paragraph *c* of the definition of "excluded premium" in the first paragraph by the following paragraph:

"(*c*) was an amount transferred directly from a registered retirement savings plan, registered pension plan, registered retirement income fund or deferred profit sharing plan; or".

(2) Subsection 1 applies to a taxation year that begins after 31 December 2009.

79. (1) Section 965.55 of the Act is amended by replacing the definition of "designated qualified issuing corporation" in the first paragraph by the following definition:

""designated qualified issuing corporation" has the meaning assigned by sections 965.95 and 965.95.1;".

(2) Subsection 1 has effect from 19 May 2012.

80. (1) The Act is amended by inserting the following section after section 965.95:

"**965.95.1.** A capital pool company that, for the purposes of section 965.76 and in accordance with an exemption from filing a prospectus, makes a public share issue to a qualified mutual fund may be designated by the Minister as a qualified issuing corporation if, on the date of the exemption from filing a prospectus,

(*a*) the issue is made concomitantly with an eligible transaction carried out by the capital pool company;

(*b*) the capital pool company meets the requirements of paragraphs *a* and *b* of section 965.95;

(*c*) the major portion of the proceeds of the issue of qualifying shares to the qualified mutual fund will be used for the carrying out of a concomitant eligible transaction whose purpose is, directly or indirectly, to continue an existing business that is carried on by a corporation that, on the date of the exemption from filing a prospectus, meets the requirements of paragraphs *a* to *e* of section 965.90; and

(*d*) the Minister is of the opinion that the public share issue complies with the objectives of this Title.

For the purposes of the first paragraph, the Minister may require any document or information the Minister considers necessary to render an advance ruling on compliance with the objectives of this Title."

(2) Subsection 1 applies in respect of a public share issue made after 18 May 2012.

81. (1) Section 985.1 of the Act is amended by replacing paragraph *d* by the following paragraph:

"(*d*) "charitable foundation" means a corporation or trust, other than a charitable organization, constituted and operated exclusively for charitable purposes, including the payment of funds to a qualified donee, except insofar as such payment is a gift the making of which is a political activity, if no part of the income of such corporation or trust is payable to, or is otherwise available for, the personal benefit of any proprietor, member, shareholder, trustee or settlor of the corporation or trust;".

(2) Subsection 1 has effect from 29 June 2012.

82. (1) Section 985.2 of the Act is amended by replacing paragraphs *b* to *d* by the following paragraphs:

"(*b*) it disburses part of its income to qualified donees, other than income disbursed by way of a gift the making of which is a political activity, if the total amount of the charitable organization's income that is disbursed to qualified donees in a taxation year does not exceed 50% of its income for the year;

"(*c*) it disburses part of its income to a registered charity that is deemed to be a charity associated with it under section 985.3, other than income disbursed by way of a gift the making of which is a political activity; or

"(*d*) it pays to a qualified donee an amount that is not paid out of the income of the charitable organization, other than an amount paid as a gift the making of which is a political activity."

(2) Subsection 1 has effect from 29 June 2012.

83. (1) The Act is amended by inserting the following section after section 985.2.4:

"**985.2.5.** For the purposes of paragraph *d* of section 985.1 and sections 985.2, 985.2.1, 985.2.3 and 985.2.4, a political activity includes the making of a gift to a qualified donee if it can reasonably be considered that a purpose of the gift is to support the political activities of the qualified donee."

(2) Subsection 1 has effect from 29 June 2012.

84. (1) Section 985.23.5 of the Act is amended by adding the following paragraph:

"For the purposes of the first paragraph, a political activity includes the making of a gift to a qualified donee if it can reasonably be considered that a purpose of the gift is to support the political activities of the qualified donee."

(2) Subsection 1 has effect from 29 June 2012.

85. (1) Section 985.35.1 of the Act is amended by replacing "*j*" in paragraph *a* of the definition of "qualified donee" by "*k*".

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

86. (1) Section 985.35.11 of the Act is amended by replacing "*j*" in paragraph *a* of the definition of "qualified donee" by "*k*".

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

87. (1) Section 999.2 of the Act is amended

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

"(*j*) a foreign charitable organization to which the State has made a gift in the 36-month period that begins 24 months before that time; or";

(2) by adding the following paragraph:

"(*k*) the State or Her Majesty in right of Canada or a province, other than Québec."

(2) Subsection 1 has effect since 1 January 2012.

88. (1) Section 999.3 of the Act is amended by adding the following subparagraphs in the first paragraph:

"(*d*) where the donee is a registered charity that is a charitable foundation, the foundation devotes resources, in respect of which it is not deemed under section 985.2.3 to be constituted and operated for charitable purposes, to political activities;

"(*e*) where the donee is a registered charity that is a charitable organization, the organization devotes resources, which are not deemed under section 985.2.4 to be devoted to charitable activities, to political activities; or

"(*f*) where the donee is a registered Canadian amateur athletic association or a registered Québec amateur athletic association, the association devotes resources, which are not deemed under section 985.23.5 to be devoted to its exclusive purpose and exclusive function, to political activities."

(2) Subsection 1 has effect from 29 June 2012.

89. (1) The Act is amended by inserting the following section after section 999.3:

"**999.3.1.** If a registered charity, a registered Canadian amateur athletic association or a registered Québec amateur athletic association fails to provide information in a prescribed form filed under section 985.22 or 985.23.7, as the case may be, the Minister may give notice by registered mail to the charity or association that its authority to issue a receipt in accordance with the regulations is suspended as of the eighth day that follows the day on which the notice is sent until such time as the Minister notifies the charity or association that the Minister has received the required information in prescribed form."

(2) Subsection 1 has effect from 29 June 2012.

90. (1) Section 999.4 of the Act is amended by replacing the portion before paragraph *a* by the following:

"**999.4.** Subject to section 93.1.9.2 of the Tax Administration Act (chapter A-6.002), the following rules apply if the Minister has issued a notice to a donee in accordance with section 999.3 or 999.3.1:".

(2) Subsection 1 has effect from 29 June 2012.

91. (1) Section 999.5 of the Act is replaced by the following section:

"**999.5.** If the authority of a qualified donee to issue receipts is suspended for the purposes of the Income Tax Act (Revised Statutes of Canada, 1985, chapter 1, 5th Supplement) under any of subsections 1 to 2.1 of section 188.2 of that Act, the authority is deemed to be suspended for the purposes of this Act and the regulations, subject to a postponement of the period of suspension under subsection 4 of that section 188.2."

(2) Subsection 1 has effect from 29 June 2012.

92. (1) Section 1000 of the Act is amended

(1) by inserting the following paragraph after paragraph *c* of subsection 1:

"(*c*.1) at any particular time of which, the individual, as a specified trust, owns a specified immovable or is a member of a partnership that owns a specified immovable;";

(2) by inserting the following subsection after subsection 2:

"(2.1) For the purposes of paragraph *c*.1 of subsection 1, "specified immovable" and "specified trust" have the meaning assigned by section 1129.77."

(2) Subsection 1 applies to a taxation year that ends after 19 March 2012.

93. (1) The Act is amended by inserting the following section after section 1007.5:

"**1007.6.** A waiver in respect of the period during which the Minister may make a determination under section 1007.1 in respect of a partnership for a fiscal period may be made by one member of the partnership if that member is

(*a*) designated for that purpose in the information return filed under section 1086R78 of the Regulation respecting the Taxation Act (chapter I-3, r. 1) for the fiscal period; or

(*b*) otherwise expressly authorized by the partnership to so act."

(2) Subsection 1 applies from 29 June 2012.

94. (1) Section 1015.0.1 of the Act is amended, in the first paragraph,

(1) by inserting "737.22.0.4.7," after "737.22.0.3," in the portion before subparagraph *a*;

(2) by inserting the following subparagraph after subparagraph *d*:

"(*d.*1) the qualification certificate referred in section 7.3 of Schedule E to the Act respecting the sectoral parameters of certain fiscal measures (chapter P-5.1) has been issued in respect of the individual in relation to the individual's employment with an eligible employer, within the meaning of the first paragraph of section 737.22.0.4.1, and the qualification certificate is valid for that period or part of the period;".

(2) Subsection 1 applies from the taxation year 2012.

95. Division III of Chapter III of Title III of Book IX of Part I of the Act, comprising sections 1027.1 to 1027.3, is repealed.

96. (1) Section 1029.6.0.0.1 of the Act is amended, in the second paragraph,

(1) by replacing the portion before subparagraph *a* by the following:

"For the purposes of Divisions II.4 to II.5.2, II.6 to II.6.0.8, II.6.0.10, II.6.0.11, II.6.4.2, II.6.5.3, II.6.5.6, II.6.6.1 to II.6.15 and II.22, the following rules apply:";

(2) by replacing subparagraph *b* by the following subparagraph:

"(*b*) in the case of each of Divisions II.4.2, II.5.1.1, II.5.1.2, II.5.2, II.6.0.0.1, II.6.0.0.4.1, II.6.0.1.7 to II.6.0.1.9, II.6.0.4 to II.6.0.7, II.6.0.10, II.6.0.11, II.6.4.2, II.6.5.3, II.6.5.6, II.6.6.1 to II.6.6.7 and II.6.14.3 to II.6.14.5, government assistance or non-government assistance does not include an amount that is deemed to have been paid to the Minister for a taxation year under that division;".

(2) Paragraph 1 of subsection 1 has effect from 21 March 2012.

(3) Paragraph 2 of subsection 1 has effect from 21 March 2012. However, when subparagraph *b* of the second paragraph of section 1029.6.0.0.1 of the Act applies before 9 May 2012, it is to be read as if "II.6.6.7" was replaced by "II.6.14.1".

97. Section 1029.6.0.1.2 of the Act is amended by replacing the third paragraph by the following paragraph:

"For the purposes of the first paragraph, a taxpayer is deemed to have filed with the Minister the prescribed form containing prescribed information and, if applicable, a copy of the documents referred to in the first paragraph on or before the day that is 12 months after the taxpayer's filing-due date for a taxation year so as to be deemed to have paid an amount to the Minister for the year in respect of a cost, an expenditure or any costs under a provision of any of Divisions II to II.6.15 (in this paragraph referred to as the "particular provision"), if

(*a*) the taxpayer files with the Minister the prescribed form containing prescribed information and, if applicable, a copy of the documents referred to in the first paragraph more than 12 months after that date so as to be deemed to have paid an amount to the Minister for the year in respect of the cost, expenditure or costs under the particular provision; and

(*b*) the taxpayer has filed with the Minister the prescribed form containing prescribed information and, if applicable, a copy of the documents referred to in the first paragraph on or before the day that is 12 months after that date or, if applicable, within the time limit extended in accordance with the second paragraph or the second paragraph of section 36.0.1 of the Tax Administration Act (chapter A-6.002), so as to be deemed to have paid an amount to the Minister for the year in respect of the cost, expenditure or costs under a provision of any of Divisions II to II.6.15 other than the particular provision."

98. (1) Section 1029.6.0.6 of the Act is amended, in the fourth paragraph,

(1) by replacing "$50,000" in subparagraph *a* by "$54,790";

(2) by striking out subparagraph *b*.4;

(3) by inserting the following subparagraph before subparagraph *c*:

"(*b*.5) the amount of $1,000 mentioned in section 1029.8.61.93;".

(2) Paragraph 1 of subsection 1 applies from the taxation year 2014.

(3) Paragraph 2 of subsection 1 applies from the taxation year 2012.

(4) Paragraph 3 of subsection 1 applies from the taxation year 2017.

99. (1) Section 1029.6.0.7 of the Act is amended, in the second paragraph,

(1) by striking out "*b*.4,";

(2) by inserting "*b*.5," before "*g*".

(2) Paragraph 1 of subsection 1 applies from the taxation year 2012.

(3) Paragraph 2 of subsection 1 applies from the taxation year 2017.

100. Section 1029.8.33.11.1 of the Act is amended by replacing "31 December 2011" in paragraphs *a* and *b* of the definition of "eligibility period" in the first paragraph by "31 December 2015".

101. Section 1029.8.33.11.7 of the Act is amended by replacing "1 January 2014" in the portion before paragraph *a* by "1 January 2018".

102. Section 1029.8.33.11.8 of the Act is amended by replacing "1 January 2014" in the portion of the first paragraph before subparagraph *a* by "1 January 2018".

103. Section 1029.8.33.11.9 of the Act is amended by replacing "1 January 2014" in the portion of the first paragraph before subparagraph *a* by "1 January 2018".

104. Section 1029.8.34 of the Act is amended by replacing subparagraph *b* of the fifth paragraph by the following subparagraph:

"(*b*) no expenditure may be taken into consideration in computing a qualified labour expenditure of a corporation for a taxation year in respect of a property that is a Québec film production, or production costs directly attributable to the production of such a property incurred before the end of a taxation year, unless the expenditure is paid at the time the corporation first files with the Minister the prescribed form containing prescribed information provided for in the first paragraph of section 1029.8.35 for that taxation year."

105. Section 1029.8.36.0.0.1 of the Act is amended

(1) by striking out subparagraph *c*.1 of the second paragraph;

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

"For the purposes of the definition of "qualified film dubbing expenditure" in the first paragraph, the following rules apply:

(*a*) the definition is to be read as if

i. "285.71%" were replaced wherever it appears by "333 1/3%", in the case of a production referred to in subparagraph *a*.1 of the first paragraph of section 1029.8.36.0.0.2, and

ii. "285.71%" were replaced wherever it appears by "342.85%", in the case of a production referred to in subparagraph *b* of the first paragraph of section 1029.8.36.0.0.2, and

(*b*) no expenditure may be taken into consideration in computing the qualified film dubbing expenditure of a corporation for a taxation year in respect of the production of a property, unless it is paid at the time the corporation first files with the Minister the prescribed form containing prescribed information provided for in the first paragraph of section 1029.8.36.0.0.2 for that taxation year."

106. Section 1029.8.36.0.0.4 of the Act is amended

(1) by striking out subparagraph *h* of the third paragraph;

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

"For the purposes of the definition of "eligible production costs" in the first paragraph, no expenditure may be taken into consideration in computing the eligible production costs to a corporation for a taxation year in respect of a property, unless it is paid at the time the corporation first files the prescribed form containing prescribed information provided for in the first paragraph of section 1029.8.36.0.0.5 for that taxation year in respect of the property."

107. Section 1029.8.36.0.0.7 of the Act is amended by replacing subparagraph *b* of the third paragraph by the following subparagraph:

"(*b*) no expenditure may be taken into consideration in computing a qualified labour expenditure of a corporation for a taxation year in respect of a property that is a qualified property, or production costs directly attributable to the production of such a property incurred before the end of the year, unless the expenditure is paid at the time the corporation first files with the Minister the prescribed form containing prescribed information provided for in the first paragraph of section 1029.8.36.0.0.8 for that taxation year; and".

108. Section 1029.8.36.0.0.10 of the Act is amended

(1) by replacing subparagraph ii of subparagraph *d* of the second paragraph by the following subparagraph:

"ii. the amount of any benefit or advantage attributable to the particular amount that a person or a partnership has obtained, is entitled to obtain or may reasonably expect to obtain on or before the corporation's filing-due date for that year, whether in the form of a reimbursement, compensation or guarantee, in the form of proceeds of disposition of a property which exceed the fair market value of the property, or in any other form or manner, and";

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

"(*b*) no expenditure may be taken into consideration in computing a qualified labour expenditure of a corporation for a taxation year in respect of a property that is a qualified performance, or production costs directly attributable to the production of the property incurred before the end of the year, unless the expenditure is paid at the time the corporation first files with the Minister the prescribed form containing prescribed information provided for in the first paragraph of section 1029.8.36.0.0.11 for that taxation year."

109. (1) Section 1029.8.36.0.0.11 of the Act is amended

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

"(*a*) 29.1667% of the portion of its qualified labour expenditure for the year in respect of the property, relating to a labour expenditure incurred in respect of the property and to which subparagraph *a*.1 does not apply; and";

(2) by striking out subparagraph *b* of the first paragraph;

(3) by replacing the third and fourth paragraphs by the following paragraphs:

"The amount that a corporation is deemed to have paid to the Minister, under the first paragraph, on account of its tax payable for a taxation year under this Part in respect of a property that is a qualified performance must not exceed,

(*a*) if the Société de développement des entreprises culturelles specifies, in the favourable advance ruling given or the certificate issued, as the case may be, to the corporation, that the property is a musical comedy for which any of the periods referred to in the definition of "qualified performance" in the first paragraph of section 1029.8.36.0.0.10 has not ended on 20 March 2012, the amount by which $1,250,000 exceeds the amount by which the aggregate of all amounts each of which is an amount that the corporation is deemed to have paid to the Minister under the first paragraph in respect of the property for a preceding taxation year exceeds the aggregate of all amounts each of which is an amount that the corporation is required to pay under section 1129.4.0.14 in respect of the property for a preceding taxation year; or

(*b*) in all other cases, the amount by which $750,000 exceeds the amount by which the aggregate of all amounts each of which is an amount that the corporation is deemed to have paid to the Minister under the first paragraph in respect of the property for a preceding taxation year exceeds the aggregate of all amounts each of which is an amount that the corporation is required to pay under section 1129.4.0.14 in respect of the property for a preceding taxation year.

If a property is a qualified performance that is co-produced by the corporation and one or more other qualified corporations, the following rules apply:

(*a*) in the case of a property referred to in subparagraph *a* of the third paragraph, that subparagraph *a* is to be read as if "$1,250,000" were replaced by the amount obtained by applying to $1,250,000 the corporation's share, expressed as a percentage, of the production costs in relation to the property that is specified in the favourable advance ruling given or the certificate issued, as the case may be, by the Société de développement des entreprises culturelles in respect of the property; and

(*b*) in the case of a property referred to in subparagraph *b* of the third paragraph, that subparagraph *b* is to be read as if "$750,000" were replaced by the amount obtained by applying to $750,000 the corporation's share, expressed as a percentage, of the production costs in relation to the property that is specified in the favourable advance ruling given or the certificate issued, as the case may be, by the Société de développement des entreprises culturelles in respect of the property.";

(4) by striking out the fifth paragraph.

(2) Subsection 1 has effect from 21 March 2012.

110. (1) The Act is amended by inserting the following before Division II.6.0.0.5 of Chapter III.1 of Title III of Book IX of Part I:

"**DIVISION II.6.0.0.4.1**

"CREDIT FOR THE PRODUCTION OF MULTIMEDIA EVENTS OR ENVIRONMENTS PRESENTED OUTSIDE QUÉBEC

"**1029.8.36.0.0.12.1.** In this division,

"eligible employee" of an individual, a corporation or a partnership means an individual resident in Québec at any time in the calendar year in which the individual renders services as part of a qualified production, in relation to a function referred to in any of subparagraphs 1 to 9 of the second paragraph of section 9.5 of Schedule H to the Act respecting the sectoral parameters of certain fiscal measures (chapter P-5.1);

"eligible individual" means an individual resident in Québec at any time in the calendar year in which the individual renders services as part of a qualified production, in relation to a function referred to in any of subparagraphs 1 to 9 of the second paragraph of section 9.5 of Schedule H to the Act respecting the sectoral parameters of certain fiscal measures;

"excluded corporation" for a taxation year means a corporation that is

(*a*) controlled, directly or indirectly in any manner whatever, at any time in the year or during the 24 months preceding the year, by one or more persons not resident in Québec;

(*b*) a corporation that would be controlled, at any time in the year or during the 24 months preceding the year, by a particular person, if each share of the capital stock of the corporation owned by a person not resident in Québec were owned by the particular person;

(*c*) exempt from tax for the year under Book VIII; or

(*d*) controlled, directly or indirectly in any manner whatever, by one or more corporations that are exempt from tax under Book VIII at any time in the year;

"labour expenditure" of a corporation for a taxation year in respect of a property that is a qualified production means, subject to the second and third paragraphs, the aggregate of the following amounts, to the extent that they are reasonable in the circumstances, but does not include any amount relating to the promotion of the property:

(*a*) the salaries or wages directly attributable to the production of the property that are incurred by the corporation in the year and, where the year is the taxation year in which the corporation files an application for an advance ruling or, in the absence of such an application, an application for a qualification certificate in respect of the property with the Société de développement des entreprises culturelles, the salaries or wages that are incurred by the corporation in a year preceding the year in which the corporation filed the application for an advance ruling or a qualification certificate, as the case may be, and that are paid by the corporation to its eligible employees, to the extent that they relate to services rendered in Québec as part of the production of the property until its first presentation outside Québec or within a period that is reasonable to the Minister but that must not extend beyond the date provided for in subparagraph *a* of the third paragraph; and

(*b*) the portion of the remuneration, other than salary or wages, that is incurred by the corporation in the year and, where the year is the taxation year in which the corporation files an application for an advance ruling or, in the absence of such an application, an application for a qualification certificate in respect of the property with the Société de développement des entreprises culturelles, the portion of the remuneration that is incurred by the corporation in a year preceding the year in which the corporation filed the application for an advance ruling or a qualification certificate, as the case may be, that relates to services rendered in Québec to the corporation as part of the production of the property, and that is paid by the corporation

i. to an eligible individual, to the extent that that portion of the remuneration is reasonably attributable to services personally rendered in Québec by the eligible individual as part of the production of the property, or to the wages of the eligible individual's eligible employees that relate to services rendered in Québec by the eligible employees as part of the production of the property,

ii. to a particular corporation having an establishment in Québec, other than a corporation referred to in subparagraph iii, to the extent that that portion of the remuneration is reasonably attributable to the wages of the particular corporation's eligible employees that relate to services rendered in Québec by the eligible employees as part of the production of the property,

iii. to a corporation having an establishment in Québec all the issued capital stock of which, except directors' qualifying shares, belongs to an eligible individual and the activities of which consist principally in the provision of the eligible individual's services, to the extent that that portion of the remuneration is reasonably attributable to services rendered in Québec by the eligible individual as part of the production of the property, or

iv. to a partnership carrying on a business in Québec and having an establishment in Québec, to the extent that that portion of the remuneration is reasonably attributable to services rendered in Québec, as part of the production of the property, by an eligible individual who is a member of the partnership, or to the wages of the partnership's eligible employees that relate to services

rendered in Québec by the eligible employees as part of the production of the property;

"qualified corporation" for a taxation year means a corporation, other than an excluded corporation, that, in the year, has an establishment in Québec and carries on a business in Québec that consists in particular in producing a qualified production;

"qualified labour expenditure" of a corporation for a taxation year in respect of a property that is a qualified production means, subject to the third and fifth paragraphs, the lesser of

(*a*) the amount by which

i. the aggregate of

(1) the labour expenditure of the corporation for the year in respect of the property,

(2) any repayment made in the year by the corporation, another person or a partnership, as the case may be, pursuant to a legal obligation, of any assistance that was received by the corporation, the other person or the partnership and that is referred to, in relation to the property, in subparagraph ii or in subparagraph *d* of the second paragraph in respect of a taxation year for which the corporation is a qualified corporation, or of any other assistance that was received by the corporation, the other person or the partnership and that is referred to, in relation to the production of the property, in subparagraph i of subparagraph *b* of the first paragraph of section 1129.4.0.16.2, up to 20/7 of the tax under Part III.1.0.4.1 that the corporation is required to pay in a taxation year preceding the year because of that subparagraph i in relation to that assistance, and

(3) the amount by which the aggregate of all amounts each of which is, for a taxation year preceding the year and in respect of the property, the labour expenditure of the corporation or an amount determined under subparagraph 2, exceeds the amount by which the aggregate of all amounts each of which is the qualified labour expenditure of the corporation in respect of the property, for a taxation year before the end of which an application for an advance ruling has been filed in respect of the property with the Société de développement des entreprises culturelles and which precedes the year, exceeds 20/7 of the aggregate of all amounts each of which is tax that the corporation is required to pay under Part III.1.0.4.1 for a taxation year preceding the year because of subparagraph i of subparagraph *b* of the first paragraph of section 1129.4.0.16.2, in relation to assistance referred to in subparagraph ii, exceeds

ii. the aggregate of

(1) the amount of any government assistance and non-government assistance that the corporation has received, is entitled to receive or may reasonably expect to receive on or before the corporation's filing-due date for the year, that is

attributable to a labour expenditure of the corporation for a taxation year preceding the year in respect of the property, to the extent that the amount has not, under subparagraph i of subparagraph *d* of the second paragraph, reduced the amount of the labour expenditure of the corporation for that preceding year,

(2) the amount of any benefit or advantage that a person or partnership has obtained, is entitled to obtain or may reasonably expect to obtain on or before the corporation's filing-due date for the year, that is attributable to a labour expenditure of the corporation for a taxation year preceding the year in respect of the property, whether in the form of a reimbursement, compensation or guarantee, in the form of proceeds of disposition of a property which exceed the fair market value of the property or in any other form or manner, to the extent that that amount has not, under subparagraph ii of subparagraph *d* of the second paragraph, reduced the amount of that labour expenditure of the corporation for that preceding year, and

(3) the amount of any government assistance and non-government assistance that an eligible individual, another corporation or a partnership with whom the corporation is not dealing at arm's length has received, is entitled to receive or may reasonably expect to receive on or before the corporation's filing-due date for the year, that, for a taxation year preceding the year in respect of the property, is attributable to services rendered by an eligible individual or to the wages of the eligible employees of the eligible individual, the other corporation or the partnership, as the case may be, that are referred to in any of subparagraphs i to iv of paragraph *b* of the definition of "labour expenditure", to the extent that the amount has not, under subparagraph iii of subparagraph *d* of the second paragraph, reduced the amount of the labour expenditure of the corporation for that preceding year in respect of the property; and

(*b*) the amount by which

i. 50% of the amount by which the production costs directly attributable to the production of the property that are incurred by the corporation before the end of the year in respect of the property until the first presentation of the property outside Québec or within a period that is reasonable to the Minister but that must not extend beyond the date provided for in subparagraph *a* of the third paragraph, and that are paid by the corporation, exceeds the aggregate of

(1) the amount of any government assistance and non-government assistance attributable to those costs that the corporation or a person or partnership with whom the corporation is not dealing at arm's length has received, is entitled to receive or may reasonably expect to receive on or before the corporation's filing-due date for the year, and that the corporation, person or partnership, as the case may be, has not repaid at that time pursuant to a legal obligation, and

(2) the amount of any benefit or advantage attributable to those costs that a person or partnership has obtained, is entitled to obtain or may reasonably expect to obtain on or before the corporation's filing-due date for the year, whether in the form of a reimbursement, compensation or guarantee, in the

form of proceeds of disposition of a property which exceed the fair market value of the property or in any other form or manner, exceeds

ii. the amount by which the aggregate of all amounts each of which is the qualified labour expenditure of the corporation in respect of the production of the property for a taxation year preceding the year exceeds 20/7 of the aggregate of all amounts each of which is tax that the corporation is required to pay under Part III.1.0.4.1 for a taxation year preceding the year in respect of the production of the property;

"qualified production" of a corporation means any of the following properties in respect of which the corporation holds a favourable advance ruling given or a qualification certificate issued, as the case may be, by the Société de développement des entreprises culturelles for the purposes of this division:

(*a*) a multimedia event presented in a place of amusement situated outside Québec; or

(*b*) a multimedia environment for presentation outside Québec;

"salary or wages" means the income computed under Chapters I and II of Title II of Book III.

For the purposes of the definition of "labour expenditure" in the first paragraph, the following rules apply:

(*a*) a salary or wages or a remuneration does not include an expenditure incurred by a corporation in respect of the production of a qualified production before 21 March 2012 and after 31 December 2015;

(*b*) for the purposes of paragraph *a* of that definition, the salaries or wages directly attributable to the production of a property that is a qualified production are, where an eligible employee directly undertakes, supervises or supports the production of the property, the portion of the salaries or wages paid to or on behalf of the employee that may reasonably be considered to relate to the production of the property;

(*c*) remuneration, including a salary or wages, does not include remuneration by reference to the profits or revenues derived from the operation of the property, or an expenditure as remuneration that is, or may reasonably be considered to be, incurred by a corporation, as a mandatary, on behalf of another person;

(*d*) the amount of the labour expenditure of a corporation for a taxation year in respect of a property is to be reduced, where applicable, by the aggregate of all amounts each of which is the lesser of the particular amount that corresponds either to the salaries or wages described in paragraph *a* of that definition or to the portion of the remuneration described in any of subparagraphs i to iv of paragraph *b* of that definition, that are included in that labour expenditure of the corporation for the year, and the aggregate of

i. the amount of any government assistance and non-government assistance attributable to the particular amount that the corporation has received, is entitled to receive or may reasonably expect to receive on or before the corporation's filing-due date for that year,

ii. the amount of any benefit or advantage attributable to the particular amount that the corporation has obtained, is entitled to obtain or may reasonably expect to obtain on or before the corporation's filing-due date for that year, whether in the form of a reimbursement, compensation or guarantee, in the form of proceeds of disposition of a property which exceed the fair market value of the property, or in any other form or manner, and

iii. if the particular amount corresponds to the portion of the remuneration described in any of subparagraphs i to iv of paragraph *b* of that definition, the amount of any government assistance and non-government assistance that an eligible individual, another corporation or a partnership with whom the corporation is not dealing at arm's length has received, is entitled to receive or may reasonably expect to receive on or before the corporation's filing-due date for that year, that is attributable to services rendered by an eligible individual or to the wages of the eligible employees of the eligible individual, the other corporation or the partnership, as the case may be, that are referred to in that subparagraph; and

(*e*) where, for a taxation year, a corporation is not a qualified corporation, its labour expenditure for the year in respect of a property that is a qualified production is deemed to be nil.

For the purposes of the definitions of "labour expenditure" and "qualified labour expenditure" in the first paragraph, the following rules apply:

(*a*) the date to which those definitions refer is the date that is 18 months after the end of the corporation's fiscal period that includes the date of the first presentation outside Québec of a property that is a qualified production;

(*b*) no expenditure may be taken into consideration in computing a labour expenditure of a corporation for a taxation year in respect of a property that is a qualified production, or production costs directly attributable to the production of the property incurred before the end of the year, unless the expenditure is paid at the time the corporation first files with the Minister the prescribed form containing prescribed information provided for in the first paragraph of section 1029.8.36.0.0.12.2 for that taxation year; and

(*c*) an expenditure may not be taken into consideration in computing a qualified labour expenditure of a corporation for a taxation year in respect of a property that is a qualified production, or production costs directly attributable to the production of such a property incurred before the end of the year if it has been taken into consideration in computing such a labour expenditure or such costs in respect of another property that is a qualified production.

For the purposes of subparagraph 2 of subparagraph i of paragraph *a* of the definition of "qualified labour expenditure" in the first paragraph, an amount of assistance received by a corporation, another person or a partnership, as the case may be, is deemed, in respect of a property that is a qualified production, to be repaid by the corporation, the other person or the partnership in a taxation year, pursuant to a legal obligation, if that amount

(*a*) reduced, for the purpose of computing the amount that a corporation is deemed to have paid to the Minister for a taxation year under section 1029.8.36.0.0.12.2, in respect of the property,

i. because of subparagraph *d* of the second paragraph, a labour expenditure of the corporation in respect of the property, or

ii. because of subparagraph ii of paragraph *a* of the definition of "qualified labour expenditure" in the first paragraph, a qualified labour expenditure of the corporation in respect of the property;

(*b*) was not received by the corporation, the other person or the partnership; and

(*c*) ceased in the taxation year to be an amount that the corporation, the other person or the partnership may reasonably expect to receive.

For the purposes of subparagraph i of paragraph *b* of the definition of "qualified labour expenditure" in the first paragraph, the following rules apply:

(*a*) the production costs directly attributable to the production of a property that is described in paragraph *a* of the definition of "qualified production" in the first paragraph are the following amounts, to the extent that they are reasonable in the circumstances, but do not include however the costs incurred for the promotion of the property:

i. the portion of the production costs, other than the production fees and administration costs, to the extent that they are included in the production cost, cost or capital cost, as the case may be, of the property to the corporation, and

ii. the production fees and administration costs;

(*b*) the production costs directly attributable to the production of a property that is described in paragraph *a* of the definition of "qualified production" in the first paragraph include the portion of the cost of acquisition of a particular property, owned by a corporation and used by it as part of the production of the property, which corresponds to the portion of the depreciation of the particular property, for a taxation year, determined in accordance with the generally accepted accounting principles, relating to the use of the particular property by the corporation in the year, as part of the production of the property;

(*c*) the amount of a benefit attributable to production costs of a property that is described in paragraph *a* of the definition of "qualified production" in

the first paragraph includes the portion of the proceeds of disposition for a corporation of a particular property used by it as part of the production of the property that relates to the portion of the cost of acquisition of the particular property that has already been included in the production costs of the property up to the amount of the portion of the cost of acquisition of the particular property that has already been so included in the production costs of the property; and

(*d*) the production costs directly attributable to the production of a property that is described in paragraph *b* of the definition of "qualified production" in the first paragraph only include an amount equal to 75% of the consideration received by a corporation as part of the performance of the contract for the design and production of the property.

"**1029.8.36.0.0.12.2.** A corporation that encloses with the fiscal return it is required to file for a taxation year under section 1000 the prescribed form containing prescribed information and a copy of the favourable advance ruling given or qualification certificate issued by the Société de développement des entreprises culturelles in respect of a property that is a qualified production, is deemed, subject to the second paragraph, where the application for an advance ruling has been filed or, in the absence of such an application, an application for a qualification certificate has been filed in respect of the property with the Société de développement des entreprises culturelles before the end of the year, to have paid to the Minister on the corporation's balance-due day for that year, on account of its tax payable for that year under this Part, an amount equal to 35% of its qualified labour expenditure for the year in respect of the property.

For the purpose of computing the payments that a corporation referred to in the first paragraph is required to make under subparagraph *a* of the first paragraph of section 1027, or any of sections 1159.7, 1175 and 1175.19 where they refer to that subparagraph *a*, the corporation is deemed to have paid to the Minister, on account of the aggregate of its tax payable for the year under this Part and of its tax payable for the year under Parts IV.1, VI and VI.1, on the date on or before which each payment is required to be made, an amount equal to the lesser of

(*a*) the amount by which the amount determined under the first paragraph for the year exceeds the aggregate of all amounts each of which is the portion of that amount that may reasonably be considered to be deemed to have been paid to the Minister under this paragraph in the year but before that date; and

(*b*) the amount by which the amount of that payment, determined without reference to this chapter, exceeds the aggregate of all amounts each of which is an amount that is deemed, under this chapter but otherwise than under the first paragraph, to have been paid to the Minister on that date, for the purpose of computing that payment.

The amount that a corporation is deemed to have paid to the Minister, under the first paragraph, on account of its tax payable for a taxation year under this

Part in respect of a property that is a qualified production must not exceed the amount by which, where the property is co-produced by the corporation and one or more other qualified corporations, the amount obtained by applying to $350,000 the corporation's share, expressed as a percentage, of the production costs in relation to the production of the property that is specified in the favourable advance ruling given or the qualification certificate issued, as the case may be, by the Société de développement des entreprises culturelles in respect of the property or, in any other case, $350,000, exceeds the amount by which the aggregate of all amounts each of which is an amount that the corporation is deemed to have paid to the Minister under that paragraph in respect of the property for a preceding taxation year exceeds the aggregate of all amounts each of which is an amount that the corporation is required to pay under section 1129.4.0.16.2 in respect of the property for a preceding taxation year."

(2) Subsection 1 applies in respect of a qualified labour expenditure incurred after 20 March 2012.

111. Section 1029.8.36.0.0.13 of the Act is amended by replacing subparagraph *b* of the fourth paragraph by the following subparagraph:

"(*b*) no expenditure may be taken into consideration in computing a qualified labour expenditure attributable to printing and reprinting costs for a taxation year in respect of a property that is an eligible work or an eligible group of works or a qualified labour expenditure attributable to preparation costs and digital version publishing costs for the year in respect of the property, printing and reprinting costs directly attributable to the printing and reprinting of the property, preparation costs directly attributable to the preparation of the property and digital version publishing costs directly attributable to the publishing of an eligible digital version relating to the property, as the case may be, incurred before the end of the year, unless the expenditure is paid at the time the corporation first files with the Minister the prescribed form containing prescribed information provided for in the first paragraph of section 1029.8.36.0.0.14 for that taxation year; and".

112. (1) Section 1029.8.36.0.3.8 of the Act is amended by replacing subparagraph *b* of the second paragraph by the following subparagraph:

"(*b*) the consideration referred to in paragraph *b* or *c* of that definition does not include an amount paid by a corporation to another corporation under the terms of a contract entered into before 21 March 2012, to the extent that the amount may reasonably be attributed to eligible production work in respect of a property that was carried out in a taxation year of that other corporation for which that other corporation holds a valid qualification certificate referred to in the first paragraph of section 1029.8.36.0.3.19 issued to it for that year; and".

(2) Subsection 1 has effect from 20 March 2012.

113. (1) Section 1029.8.36.0.3.9 of the Act is amended by replacing the third paragraph by the following paragraph:

"The percentage to which the first paragraph refers in relation to a property that is a multimedia title for a taxation year is, as the case may be, one of the following percentages:

(*a*) if an application for a qualification certificate in respect of the property is filed before 21 March 2012, or after 20 March 2012 but in respect of a taxation year that ended before 21 March 2012,

i. 37.5%, where it is certified that the property is produced without having been ordered, is to be commercialized and is available in a French version,

ii. 30%, where it is certified that the property is produced without having been ordered, is to be commercialized and is not available in a French version, and

iii. 26.25%, in any other case; or

(*b*) if an application for a qualification certificate in respect of the property is filed after 20 March 2012 in respect of a taxation year that ends after that date,

i. 37.5%,where it is certified that the property is to be commercialized, is available in a French version and is not a vocational training title,

ii. 30%, where it is certified that the property is to be commercialized, is not available in a French version and is not a vocational training title, and

iii. 26.25%, in any other case."

(2) Subsection 1 has effect from 20 March 2012.

114. (1) Section 1029.8.36.0.3.18 of the Act is amended by replacing subparagraph *b* of the second paragraph by the following subparagraph:

"(*b*) the consideration referred to in paragraph *b* or *c* of that definition does not include an amount paid by a corporation to another corporation under the terms of a contract entered into before 21 March 2012 where the amount may reasonably be attributed to eligible production work relating to eligible multimedia titles that was carried out in a taxation year of that other corporation for which that other corporation holds a valid qualification certificate referred to in the first paragraph of section 1029.8.36.0.3.19 issued to it for that year;".

(2) Subsection 1 has effect from 20 March 2012.

115. (1) Section 1029.8.36.0.3.19 of the Act is amended by replacing the third paragraph by the following paragraph:

"The percentage to which the first paragraph refers for a taxation year is, as the case may be, one of the following percentages:

(*a*) if an application for a qualification certificate is filed for the year before 21 March 2012, or after 20 March 2012 but in respect of a taxation year that ended before 21 March 2012,

i. 37.5%, where the valid qualification certificate issued to the corporation for the year certifies that at least 75% of the eligible multimedia titles produced by the corporation in the year are produced without having been ordered, are to be commercialized and are available in a French version, or that at least 75% of its gross revenue for the year is derived from such eligible multimedia titles,

ii. 30%, where subparagraph i does not apply and the valid qualification certificate issued to the corporation for the year certifies that at least 75% of the eligible multimedia titles produced by the corporation in the year are produced without having been ordered and are to be commercialized, or that at least 75% of its gross revenue for the year is derived from such eligible multimedia titles, and

iii. 26.25%, in any other case; or

(*b*) if an application for a qualification certificate is filed after 20 March 2012 in respect of a taxation year that ends after that date,

i. 37.5%, where the valid qualification certificate issued to the corporation for the year certifies that at least 75% of the eligible multimedia titles produced by the corporation in the year are to be commercialized, are available in a French version and are not vocational training titles, or that at least 75% of its gross revenue for the year is derived from such eligible multimedia titles,

ii. 30%, where subparagraph i does not apply and the valid qualification certificate issued to the corporation for the year certifies that at least 75% of the eligible multimedia titles produced by the corporation in the year are to be commercialized and are not vocational training titles, or that at least 75% of its gross revenue for the year is derived from such eligible multimedia titles, and

iii. 26.25%, in any other case."

(2) Subsection 1 has effect from 20 March 2012.

116. (1) The Act is amended by inserting the following after section 1029.8.36.0.106:

"**DIVISION II.6.0.10**

"CREDIT TO FOSTER THE MODERNIZATION OF THE TOURIST ACCOMMODATION OFFERING

"§1. — *Interpretation and general*

"**1029.8.36.0.107.** In this division,

"eligible components" of a qualified tourist accommodation establishment means

(*a*) the rooms, including bathrooms;

(*b*) the dining rooms;

(*c*) the foyer, reception, rest areas, public lavatories, bar, shops, meeting rooms and other interior facilities that constitute public areas, except a fitness room, a health centre, a room equipped with a pool, spa or sauna, a games room or a parking lot; and

(*d*) the exterior structure of the building, in particular the facing, roofing, doors and windows;

"eligible contract" means a contract entered into after 20 March 2012 and before 1 January 2016 between a corporation or a partnership and a qualified contractor under which the qualified contractor undertakes to carry out eligible work in respect of a qualified tourist accommodation establishment of the corporation or partnership;

"eligible work" in respect of a qualified tourist accommodation establishment of a qualified corporation or a qualified partnership means the following particular work relating to the eligible components of the tourist accommodation establishment, other than work consisting exclusively of repair or maintenance work on the tourist accommodation establishment, and work required to restore the land on which the tourist accommodation establishment is situated to the condition it was in before the particular work was carried out:

(*a*) refurbishment work done to improve the appearance and functional nature of the tourist accommodation establishment;

(*b*) reorganization work that consists in altering the interior distribution of the rooms, openings and divisions of the tourist accommodation establishment without increasing the floor space or volume; and

(*c*) improvement, conversion or expansion work on the tourist accommodation establishment;

"excluded corporation" for a taxation year means

(*a*) a corporation that is exempt from tax for the year under Book VIII, other than an insurer referred to in paragraph *k* of section 998 that is not so exempt from tax on all of its taxable income for the year because of section 999.0.1; or

(*b*) a corporation that would be exempt from tax for the year under section 985, but for section 192;

"excluded region" means the Montréal census metropolitan area and the Québec census metropolitan area, as described in the *Standard Geographical Classification* (SGC) 2011 published by Statistics Canada;

"excluded tourist accommodation establishment" means a tourist accommodation establishment of a corporation or a partnership that, prior to the beginning of eligible work in respect of the tourist accommodation establishment, is the object of

(*a*) a notice of expropriation;

(*b*) a reserve for public purposes; or

(*c*) a prior notice of the exercise of a hypothecary right registered in the registry office or any other procedure calling the corporation's or partnership's right of ownership of the tourist accommodation establishment into question;

"expenditure relating to eligible work" for a qualified corporation or a qualified partnership means an expenditure that is attributable to the carrying out of eligible work provided for in an eligible contract entered into in respect of a qualified tourist accommodation establishment of the corporation or partnership and that corresponds to the aggregate of

(*a*) the cost of labour supplied by the qualified contractor who is a party to the eligible contract for the eligible work carried out before 1 January 2016, excluding the amount of any goods and services tax and Québec sales tax applicable; and

(*b*) the cost of movable property acquired, before 1 January 2016, from the qualified contractor or from a qualified merchant for use in the carrying out of the eligible work provided for in the eligible contract, excluding the amount of any goods and services tax and Québec sales tax applicable, if, after the work is carried out, the property

i. has been incorporated into the qualified tourist accommodation establishment, has lost its individuality and ensures the utility of the establishment, or

ii. has been permanently physically attached or joined to the qualified tourist accommodation establishment, without losing its individuality or being incorporated into the qualified tourist accommodation establishment, and ensures the utility of the establishment;

"qualified contractor" means a person or partnership that, in respect of an eligible contract entered into with a corporation, deals at arm's length with the corporation, a specified shareholder of the corporation or, if the corporation is a cooperative, a specified member of the cooperative or, in respect of an eligible contract entered into with a partnership, deals at arm's length with a corporation that is a member of the partnership, a specified shareholder of that corporation or, if the corporation is a cooperative, a specified member of the cooperative, and that

(*a*) at the time the contract is entered into, has an establishment in Québec; and

(*b*) at the time the eligible work provided for in the contract is being carried out and if required for the carrying out of such work, is the holder of the appropriate licence issued, in accordance with the Building Act (chapter B-1.1), by the Régie du bâtiment du Québec, the Corporation des maîtres électriciens du Québec or the Corporation des maîtres mécaniciens en tuyauterie du Québec and, if applicable, has paid the security provided for in that Act;

"qualified corporation" for a particular taxation year means a corporation that, in the particular year, owns a qualified tourist accommodation establishment and meets the following conditions:

(*a*) the corporation's gross revenue for the particular year or the taxation year preceding the particular year is at least $100,000; and

(*b*) the corporation's assets shown in its financial statements submitted to its shareholders for its taxation year preceding the particular year or, if the corporation is in its first fiscal period, at the beginning of that fiscal period, is at least $400,000;

"qualified expenditure" of a qualified corporation for a taxation year or of a qualified partnership for a fiscal period means the aggregate of all amounts each of which is an expenditure relating to eligible work of the corporation or partnership that is incurred after 20 March 2012 by the corporation in the taxation year or by the partnership in the fiscal period;

"qualified merchant" means a person or partnership who sells property to a qualified corporation or a qualified partnership for use in the carrying out of eligible work of the qualified corporation or qualified partnership, who, at the time of the sale, has an establishment in Québec and who

(*a*) if the property is sold to a qualified corporation, deals at arm's length with the qualified corporation, a specified shareholder of the qualified corporation or, if the qualified corporation is a cooperative, a specified member of the cooperative; or

(*b*) if the property is sold to a qualified partnership, deals at arm's length with a corporation that is a member of the qualified partnership, a specified

shareholder of that corporation or, if the corporation is a cooperative, a specified member of the cooperative;

"qualified partnership" for a particular fiscal period ended in a particular taxation year of a corporation means a partnership that, in the particular fiscal period, carries on a business in Québec, has an establishment in Québec, owns a qualified tourist accommodation establishment and meets the following conditions:

(*a*) the amount that would be the gross revenue of the partnership for its fiscal period that ends in the taxation year preceding the particular taxation year or for the particular fiscal period if, for the purposes of the definition of "gross revenue" in section 1, the qualified partnership was a corporation, is at least $100,000; and

(*b*) the assets of the partnership shown in its financial statements for the particular fiscal period or, if the partnership is in its first fiscal period, at the beginning of that fiscal period is at least $400,000;

"qualified tourist accommodation establishment" of a corporation for a taxation year or of a partnership for a fiscal period means a tourist accommodation establishment, other than an excluded tourist accommodation establishment, that is located in Québec, elsewhere than in an excluded region, and in respect of which a classification certificate, valid for the year or fiscal period, has been issued to the corporation or partnership under the Act respecting tourist accommodation establishments (chapter E-14.2), certifying that the tourist accommodation establishment is a hotel establishment, tourist home, resort, bed and breakfast establishment or youth hostel;

"specified member" of a corporation that is a cooperative, in a taxation year, means a member having, directly or indirectly, at any time in the year, at least 10% of the votes at a meeting of the members of the cooperative.

For the purposes of the definition of "qualified tourist accommodation establishment" in the first paragraph, a qualified corporation or a qualified partnership that holds a classification certificate, issued under the Act respecting tourist accommodation establishments, valid throughout the duration of the eligible work carried out in a taxation year or a fiscal period, as applicable, in respect of a qualified tourist accommodation establishment of the corporation or partnership is deemed to hold such a valid classification certificate for the taxation year or fiscal period. However, for the purposes of that definition and this paragraph, a qualified corporation or a qualified partnership whose classification certificate is suspended is deemed not to hold a valid classification certificate during the suspension period.

For the purposes of the definitions of "qualified corporation" and "qualified partnership" in the first paragraph and for the purpose of determining the assets of a corporation or a partnership, the following rules apply:

(*a*) if the financial statements of the corporation or partnership have not been prepared or were not prepared in accordance with generally accepted accounting principles, its assets are those that would be shown in the financial statements if they had been prepared in accordance with those accounting principles; and

(*b*) if the corporation is a cooperative, paragraph *b* of the definition of "qualified corporation" in the first paragraph is to be read as if "submitted to its shareholders" was replaced by "submitted to its members".

"**1029.8.36.0.108.** For the purposes of this division, work carried out in respect of a qualified tourist accommodation establishment of a qualified corporation or a qualified partnership can be considered to be eligible work only if it is consistent with the policy of the Government referred to in section 2.1 of the Environment Quality Act (chapter Q-2).

"§2. — *Credit*

"**1029.8.36.0.109.** A corporation that, in a taxation year, carries on a business in Québec and has an establishment in Québec, that is not an excluded corporation for the year and that encloses with the fiscal return it is required to file for the year under section 1000 the prescribed form containing prescribed information and a copy of the agreement described in section 1029.8.36.0.111, if applicable, is deemed, subject to the second paragraph, to have paid to the Minister on the corporation's balance-due day for that year, on account of its tax payable for that year under this Part, an amount equal to 25% of the amount by which the lesser of the following amounts exceeds $50,000:

(*a*) the aggregate of

i. if the corporation is a qualified corporation for the year, the qualified expenditure of the corporation for the year, to the extent that that expenditure has been paid, and

ii. if the corporation is a member of a qualified partnership at the end of the partnership's fiscal period ending in the year, the aggregate of all amounts each of which is the corporation's share of the lesser of

(1) the qualified expenditure of such a qualified partnership for such a fiscal period, to the extent that that expenditure has been paid, and

(2) the qualified partnership's qualified expenditure limit for that fiscal period; and

(*b*) the corporation's qualified expenditure limit for the year.

For the purpose of computing the payments that a corporation is required to make under subparagraph *a* of the first paragraph of section 1027, or under any of sections 1159.7, 1175 and 1175.19 if they refer to that subparagraph *a*,

the corporation is deemed to have paid to the Minister, on account of the aggregate of its tax payable for the year under this Part and of its tax payable for the year under Parts IV.1, VI and VI.1, on the date on or before which each payment is required to be made, an amount equal to the lesser of

(*a*) the amount by which the amount determined under the first paragraph for the year exceeds the aggregate of all amounts each of which is the portion of that amount that may reasonably be considered to be deemed to have been paid to the Minister under this paragraph in the year but before that date; and

(*b*) the amount by which the amount of that payment, determined without reference to this chapter, exceeds the aggregate of all amounts each of which is an amount that is deemed, under this chapter but otherwise than under the first paragraph, to have been paid to the Minister on that date, for the purpose of computing that payment.

For the purposes of the first paragraph, the amount of $50,000 is to be replaced by

(*a*) if the taxation year of the corporation has fewer than 51 weeks, except in cases where subparagraph *b* or *c* applies, the proportion of that amount that the number of days in the taxation year of the corporation is of 365;

(*b*) if the taxation year of the corporation includes 20 March 2012, the proportion of that amount that the number of days in the taxation year of the corporation that follow 20 March 2012 is of 365; or

(*c*) if the taxation year of the corporation includes 1 January 2016, the proportion of that amount that the number of days in the taxation year of the corporation that precede 1 January 2016 is of 365.

For the purposes of subparagraph ii of subparagraph *a* of the first paragraph, a corporation's share of a particular amount, in relation to a qualified partnership of which the corporation is a member at the end of a fiscal period, is equal to the agreed proportion of the amount in respect of the corporation for the fiscal period.

"**1029.8.36.0.110.** In this division, the qualified expenditure limit of a partnership for a fiscal period is equal to $750,000 and the qualified expenditure limit of a corporation for a taxation year is equal to

(*a*) if the corporation is not a member of an associated group in the year, $750,000; or

(*b*) if the corporation is a member of an associated group in the year, an amount attributed for the year to the corporation pursuant to the agreement described in section 1029.8.36.0.111 and enclosed with the fiscal return the corporation is required to file for the year under section 1000 or, if no amount

is attributed to the corporation under the agreement or in the absence of such an agreement, zero.

For the purposes of this section and sections 1029.8.36.0.111 to 1029.8.36.0.113, an associated group in a taxation year means all the corporations that, in the year, carry on a business in Québec and have an establishment in Québec, that are not excluded corporations for the year, that are associated with each other in the year and each of which is a qualified corporation for the year or a corporation that is a member of a qualified partnership at the end of a fiscal period of the qualified partnership that ends in the year.

"**1029.8.36.0.111.** The agreement to which subparagraph *b* of the first paragraph of section 1029.8.36.0.110 refers is the agreement under which all the corporations that are members of the associated group in the year attribute for the year, in the prescribed form, to one or more of their number, for the purposes of this division, one or more amounts the total of which does not exceed $750,000.

If the aggregate of the amounts attributed, in respect of a taxation year, pursuant to an agreement described in the first paragraph and entered into by the corporations that are members of an associated group in the year exceeds $750,000, the amount determined under subparagraph *b* of the first paragraph of section 1029.8.36.0.110 in respect of each of those corporations for the taxation year is deemed, for the purposes of this division, to be equal to the proportion of $750,000 that that determined amount is of the aggregate of the amounts attributed for the year under the agreement.

"**1029.8.36.0.112.** If a corporation that is a member of an associated group referred to in subparagraph *b* of the first paragraph of section 1029.8.36.0.110 fails to file with the Minister an agreement described in that subparagraph within 30 days after notice in writing by the Minister has been sent to any of the corporations that are members of that group that such an agreement is required for the purposes of any assessment of tax under this Part or for the determination of another amount, the Minister shall, for the purposes of this division, attribute an amount to one or more of those corporations for the taxation year, which amount or the aggregate of which amounts must be equal to $750,000, and in such a case, despite that subparagraph *b*, the qualified expenditure limit for the year of each of the corporations is equal to the amount so attributed to it.

"**1029.8.36.0.113.** Despite sections 1029.8.36.0.110 to 1029.8.36.0.112, the following rules apply:

(*a*) if a corporation that is a member of an associated group (in this paragraph referred to as the "first corporation") has more than one taxation year ending in the same calendar year and is associated in two or more of those taxation years with another corporation that is a member of the group that has a taxation year ending in that calendar year, the qualified expenditure limit of the first

corporation for each particular taxation year that ends in the calendar year in which it is associated with the other corporation and that ends after the first taxation year ending in that calendar year is, subject to paragraph *b*, an amount equal to the lesser of

i. its qualified expenditure limit for the first taxation year ending in the calendar year, determined without reference to this section, and

ii. its qualified expenditure limit for the particular taxation year ending in the calendar year, determined without reference to this section;

(*b*) if a corporation has a taxation year of fewer than 51 weeks or if a partnership has a fiscal period of fewer than 51 weeks, except in cases where paragraph *c* or *d* applies, the qualified expenditure limit of the corporation for the year or of the partnership for the fiscal period is equal to that proportion of its qualified expenditure limit for the year or period, determined without reference to this paragraph, that the number of days in the year or period is of 365;

(*c*) if the taxation year of a corporation or the fiscal period of a partnership includes 20 March 2012, the qualified expenditure limit of the corporation for the year or of the partnership for the fiscal period is equal to that proportion of its qualified expenditure limit for the year or period, determined without reference to this paragraph, that the number of days in the year or period that follow 20 March 2012 is of 365; and

(*d*) if the taxation year of a corporation or the fiscal period of a partnership includes 1 January 2016, the qualified expenditure limit of the corporation for the year or of the partnership for the fiscal period is equal to that proportion of its qualified expenditure limit for the year or period, determined without reference to this paragraph, that the number of days in the year or period that precede 1 January 2016 is of 365.

"**1029.8.36.0.114.** Where it may reasonably be considered that one of the main reasons for the separate existence of two or more corporations in a taxation year is to cause a corporation to be deemed to have paid an amount to the Minister under this division for that year or to increase an amount that a corporation is deemed to have paid to the Minister under this division for that year, those corporations are deemed, for the purposes of this division, to be associated with each other in the year.

"§3. — *Government assistance, non-government assistance and other particulars*

"**1029.8.36.0.115.** For the purpose of computing the amount that is deemed to have been paid to the Minister by a corporation, for a taxation year, under section 1029.8.36.0.109, the following rules apply:

(*a*) the amount of the corporation's qualified expenditure referred to in subparagraph i of subparagraph *a* of the first paragraph of section 1029.8.36.0.109 is to be reduced, if applicable, by the amount of any government assistance or non-government assistance attributable to the expenditure that the corporation has received, is entitled to receive or may reasonably expect to receive on or before the corporation's filing-due date for the taxation year; and

(*b*) the corporation's share of a partnership's qualified expenditure referred to in subparagraph 1 of subparagraph ii of subparagraph *a* of the first paragraph of section 1029.8.36.0.109, for a fiscal period of the partnership that ends in the taxation year of the corporation, is to be reduced, if applicable,

i. by the corporation's share, for that fiscal period, of the amount of any government assistance or non-government assistance attributable to the expenditure that the partnership has received, is entitled to receive or may reasonably expect to receive on or before the day that is six months after the end of the fiscal period, and

ii. by the amount of any government assistance or non-government assistance attributable to the expenditure that the corporation has received, is entitled to receive or may reasonably expect to receive on or before the day that is six months after the end of the fiscal period.

For the purposes of subparagraph i of subparagraph *b* of the first paragraph, the corporation's share, for the partnership's fiscal period, of the amount of any government assistance or non-government assistance that the partnership has received, is entitled to receive or may reasonably expect to receive, is equal to the agreed proportion of the amount in respect of the corporation for the partnership's fiscal period that ends in its taxation year.

"**1029.8.36.0.116.** If, in respect of a qualified expenditure of a qualified corporation or a qualified partnership, a person or a partnership has obtained, is entitled to obtain or may reasonably expect to obtain a benefit or advantage, other than a benefit or advantage that may reasonably be attributed to eligible work carried out under an eligible contract between the qualified corporation or qualified partnership and a qualified contractor, whether in the form of a repayment, compensation or guarantee, in the form of proceeds of disposition of a property which exceed the fair market value of the property, or in any other form or manner, the following rules apply:

(*a*) for the purpose of computing the amount that is deemed to have been paid to the Minister for a taxation year by the qualified corporation under section 1029.8.36.0.109, the amount of the corporation's qualified expenditure referred to in subparagraph i of subparagraph *a* of the first paragraph of that section is to be reduced by the amount of the benefit or advantage that the person or partnership has obtained, is entitled to obtain or may reasonably expect to obtain on or before the qualified corporation's filing-due date for the taxation year; and

(*b*) for the purpose of computing the amount that is deemed to have been paid to the Minister under section 1029.8.36.0.109 by a corporation that is a member of the qualified partnership for a taxation year, the corporation's share of the qualified expenditure referred to in subparagraph 1 of subparagraph ii of subparagraph *a* of the first paragraph of that section, for the partnership's fiscal period that ends in the taxation year, is to be reduced

i. by its share, for the fiscal period, of the amount of the benefit or advantage that a partnership or a person, other than a person referred to in subparagraph ii, has obtained, is entitled to obtain or may reasonably expect to obtain on or before the day that is six months after the end of the qualified partnership's fiscal period in which the expenditure was incurred, and

ii. by the amount of the benefit or advantage that the corporation or a person with whom the corporation does not deal at arm's length has obtained, is entitled to obtain or may reasonably expect to obtain on or before the day that is six months after the end of the qualified partnership's fiscal period in which the expenditure was incurred.

For the purposes of subparagraph i of subparagraph *b* of the first paragraph, the corporation's share, for the qualified partnership's fiscal period, of the amount of the benefit or advantage that a partnership or a person has obtained, is entitled to obtain or may reasonably expect to obtain, is equal to the agreed proportion of the amount in respect of the corporation for the qualified partnership's fiscal period that ends in its taxation year.

"**1029.8.36.0.117.** If a corporation is deemed to have paid to the Minister, under section 1029.8.36.0.109, an amount on account of its tax payable under Part I for a particular taxation year, in relation to a qualified expenditure of the corporation for the particular taxation year or to a qualified expenditure of a partnership of which it is a member at the end of a particular fiscal period of the partnership that ends in the particular taxation year, in respect of a qualified tourist accommodation establishment, and, before 1 January 2018 and in a taxation year (in this section referred to as the "repayment year") in which the corporation pays, pursuant to a legal obligation, an amount that may reasonably be considered to be a repayment of government assistance or non-government assistance that reduced, in accordance with subparagraph *a* of the first paragraph of section 1029.8.36.0.115, the corporation's qualified expenditure for the particular taxation year, or in which ends a fiscal period of the partnership (in this section referred to as "fiscal period of repayment") in which the partnership or corporation pays, pursuant to a legal obligation, an amount that may reasonably be considered to be a repayment of government assistance or non-government assistance that reduced, in accordance with subparagraph *b* of the first paragraph of section 1029.8.36.0.115, the corporation's share of a qualified expenditure of the partnership for the particular fiscal period, the corporation is deemed, if it encloses the prescribed form containing prescribed information with the fiscal return it is required to file under section 1000 for the repayment year and, in the case of a repayment made in the fiscal period of repayment, if it is a member of the partnership at the end of the fiscal period of repayment, to have paid to the Minister on the

corporation's balance-due day for the repayment year on account of its tax payable for the year under this Part, an amount equal to the amount by which the particular amount it would be deemed, if the assumptions set out in the second paragraph were taken into account, to have paid to the Minister under section 1029.8.36.0.109 for the particular year, in respect of such a qualified expenditure, exceeds the aggregate of

(*a*) the amount that the corporation is deemed to have paid to the Minister under section 1029.8.36.0.109 in relation to such a qualified expenditure for the particular taxation year, or, in the case of a repayment made in the fiscal period of repayment, would be so deemed to have been paid to the Minister if the agreed proportion, in respect of the corporation for the particular fiscal period, were the same as that for the fiscal period of repayment; and

(*b*) any amount that the corporation is deemed to have paid to the Minister under this section for a taxation year preceding the repayment year, in respect of an amount of assistance repaid by the corporation or partnership, or, in the case of a repayment made in the fiscal period of repayment, would be so deemed to have paid to the Minister if the agreed proportion, in respect of the corporation for the particular fiscal period, were the same as that for the fiscal period of repayment.

The particular amount to which the first paragraph refers is to be computed as if

(*a*) any amount of assistance repaid at or before the end of the repayment year reduced the amount of any government assistance or non-government assistance referred to in section 1029.8.36.0.115; and

(*b*) in the case of a repayment made in the fiscal period of repayment, the agreed proportion in respect of the corporation for the particular fiscal period were the same as that for the fiscal period of repayment.

"**1029.8.36.0.118.** For the purposes of section 1029.8.36.0.117, an amount of assistance is deemed to be repaid by a corporation or partnership at a particular time, pursuant to a legal obligation, if that amount

(*a*) reduced, because of section 1029.8.36.0.115, a qualified expenditure or the share of a corporation that is a member of the partnership in such an expenditure, for the purpose of computing the amount that the corporation or the corporation that is a member of the partnership is deemed to have paid to the Minister for a taxation year under section 1029.8.36.0.109;

(*b*) was not received by the corporation or partnership; and

(*c*) ceased at the particular time to be an amount that the corporation or partnership could reasonably expect to receive.

"**DIVISION II.6.0.11**

"CREDIT FOR THE MARKET DIVERSIFICATION OF MANUFACTURING BUSINESSES

"§1. — *Interpretation*

"**1029.8.36.0.119.** In this division,

"certificate of compliance" in relation to a qualified property of a corporation means a certificate issued to the corporation certifying that the property complies with standards prescribed by an Act or regulation applicable outside Québec where the corporation intends to commercialize the property;

"eligibility period" means the period that begins on 21 March 2012 and ends on 31 December 2015;

"eligible activities" of a corporation for a taxation year means the activities that the corporation carries on in the year and that are covered by the certificate referred to in the first paragraph of section 1029.8.36.0.120 that is issued to the corporation for the year;

"eligible certification costs" of a corporation for a particular taxation year in relation to a certificate of compliance issued in respect of a qualified property of the corporation for the particular year mean the amount by which the amount determined under the second paragraph is exceeded by the aggregate of the following expenses incurred by the corporation in the part of the eligibility period that is included in the particular year or in a preceding taxation year for which it was a qualified corporation, to the extent that they are reasonable in the circumstances:

(*a*) the fees charged by a certification body to issue a certificate of compliance to the corporation in relation to the qualified property; and

(*b*) the cost of a contract between the corporation and an outside consultant, other than a person with whom the corporation does not deal at arm's length, pursuant to which the outside consultant obtained, on behalf of the corporation, the certificate of compliance in relation to the qualified property;

"excluded corporation" for a particular taxation year means

(*a*) a corporation that is exempt from tax for the particular year under Book VIII, other than an insurer referred to in paragraph *k* of section 998 that is not so exempt from tax on all of its taxable income for the particular year because of section 999.0.1;

(*b*) a corporation that would be exempt from tax for the particular year under section 985, but for section 192; or

(*c*) a corporation whose assets shown in its financial statements submitted to the shareholders or, where such financial statements have not been prepared, or have not been prepared in accordance with generally accepted accounting principles, that would be shown if such financial statements had been prepared in accordance with generally accepted accounting principles, for its taxation year that precedes the particular year, exceed $50,000,000;

"qualified corporation" for a taxation year means a corporation, other than an excluded corporation for the year, that, in the year, carries on a business in Québec and has an establishment in Québec;

"qualified property" of a corporation for a taxation year means a property that is manufactured by the corporation in an establishment of the corporation situated in Québec within the scope of its eligible activities for the year and in respect of which it has obtained at or before the end of the year, but before 1 January 2017, a certificate of compliance.

The amount to which the definition of "eligible certification costs" in the first paragraph refers is equal to the portion of the expenses described in that definition that was taken into account for the purpose of determining the amount that the corporation is deemed to have paid to the Minister under section 1029.8.36.0.120 for a taxation year preceding the particular year.

"§2. — *Credit*

"**1029.8.36.0.120.** A qualified corporation for a taxation year that holds, for the year, a valid certificate issued for the purposes of this division and that encloses with the fiscal return it is required to file for the year under section 1000 a copy of the certificate as well as the prescribed form containing prescribed information is deemed, subject to the second paragraph, to have paid to the Minister on the corporation's balance-due day for that year, on account of its tax payable for that year under this Part, an amount equal to 30% of the aggregate of all amounts each of which is the eligible certification costs of the corporation for the year in relation to a certificate of compliance issued in respect of a qualified property of the corporation for the year, to the extent that those costs are paid.

For the purpose of computing the payments that a corporation referred to in the first paragraph is required to make under subparagraph *a* of the first paragraph of section 1027, or any of sections 1159.7, 1175 and 1175.19 if they refer to that subparagraph *a*, the corporation is deemed to have paid to the Minister, on account of the aggregate of its tax payable for the year under this Part and of its tax payable for the year under Parts IV.1, VI and VI.1, on the date on or before which each payment is required to be made, an amount equal to the lesser of

(*a*) the amount by which the amount determined under the first paragraph for the year exceeds the aggregate of all amounts each of which is the portion

of that amount that may reasonably be considered to be deemed to have been paid to the Minister under this paragraph in the year but before that date; and

(*b*) the amount by which the amount of that payment, determined without reference to this chapter, exceeds the aggregate of all amounts each of which is an amount that is deemed, under this chapter but otherwise than under the first paragraph, to have been paid to the Minister on that date, for the purpose of computing that payment.

"**1029.8.36.0.121.** For the purposes of this division, the amount that a corporation is deemed to have paid to the Minister for a taxation year under this division may not exceed the amount by which $45,000 exceeds the amount by which the aggregate of all amounts each of which is an amount deemed to have been paid to the Minister by the corporation under this division for a preceding taxation year exceeds the aggregate of all amounts each of which is a tax that the corporation is required to pay for the taxation year or a preceding taxation year under Part III.10.1.11, or under Part VI.3.1 in relation to the revocation or replacement of a certificate issued for the purposes of this division.

"§3. — *Government assistance, non-government assistance and other particulars*

"**1029.8.36.0.122.** For the purpose of computing the amount that is deemed to have been paid to the Minister for a taxation year by a qualified corporation under section 1029.8.36.0.120, the aggregate of the eligible certification costs that are referred to in the first paragraph of that section must be reduced, where applicable, by the amount of any government assistance or non-government assistance, attributable to those costs, that the qualified corporation has received, is entitled to receive or may reasonably expect to receive on or before its filing-due date for that year.

"**1029.8.36.0.123.** If, before 1 January 2018, a corporation pays in a taxation year (in this section referred to as the "repayment year"), pursuant to a legal obligation, an amount that may reasonably be considered to be a repayment of government assistance or non-government assistance that was taken into account for the purpose of computing the eligible certification costs of the corporation for a particular taxation year in respect of which the corporation is deemed to have paid an amount to the Minister under section 1029.8.36.0.120 for the particular taxation year, the corporation is deemed to have paid to the Minister for the repayment year, if it encloses the prescribed form with the fiscal return it is required to file for that year under section 1000, an amount equal to the amount by which the amount that it would be deemed to have paid to the Minister for the particular year under section 1029.8.36.0.120 in respect of those eligible certification costs if any amount of assistance so repaid at or before the end of the repayment year had reduced, for the particular year, the amount of any government assistance or non-government assistance referred to in section 1029.8.36.0.122, exceeds the aggregate of

(*a*) the amount that the corporation is deemed to have paid to the Minister for the particular year under section 1029.8.36.0.120 in respect of those eligible certification costs; and

(*b*) any amount that the corporation is deemed to have paid to the Minister under this section for a taxation year preceding the repayment year in respect of an amount of repayment of that assistance.

"**1029.8.36.0.124.** For the purposes of section 1029.8.36.0.123, an amount of assistance is deemed to be repaid at a particular time by a corporation, pursuant to a legal obligation, if that amount

(*a*) reduced, because of section 1029.8.36.0.122, the eligible certification costs for the purpose of computing the amount that the corporation is deemed to have paid to the Minister for a taxation year under section 1029.8.36.0.120;

(*b*) was not received by the corporation; and

(*c*) ceased at the particular time to be an amount that the corporation may reasonably expect to receive.

"**1029.8.36.0.125.** If, in respect of eligible certification costs of a qualified corporation, a person or a partnership has obtained, is entitled to obtain or may reasonably expect to obtain a benefit or advantage, other than the benefit or advantage that consists in the obtention by the corporation of a certificate of compliance in relation to a qualified property of the corporation, whether in the form of a reimbursement, compensation or guarantee, in the form of proceeds of disposition of a property which exceed the fair market value of the property, or in any other form or manner, for the purpose of computing the amount that the qualified corporation is deemed to have paid to the Minister for a taxation year under section 1029.8.36.0.120, the amount of the eligible certification costs of the qualified corporation that are referred to in the first paragraph of that section is to be reduced by the amount of the benefit or advantage relating to those costs that the person or partnership has obtained, is entitled to obtain or may reasonably expect to obtain on or before the qualified corporation's filing-due date for that taxation year."

(2) Subsection 1 has effect from 21 March 2012.

117. (1) Section 1029.8.36.59.32 of the Act is amended

(1) by replacing the formula in the definition of "tax credit relating to Part III.2.3" in the first paragraph by the following formula:

"30% (A – B) + C – D.";

(2) by striking out the definitions of "specified percentage" and "transition time" in the first paragraph;

(3) by replacing subparagraphs *a* to *e* of the second paragraph by the following subparagraphs:

"(*a*) A is the amount by which the aggregate of the amounts paid in respect of the securities that are issued by the qualified cooperative under the Cooperative Investment Plan Act and under the cooperative investment plan enacted by Order in Council 1596-85 (1985, G.O. 2, 5580, in French only) and that are outstanding at the end of the calendar year ending in the particular taxation year, exceeds an amount equal to 165% of the acquisition cost, determined without taking into account the borrowing costs and the other costs related to their acquisition, of the aggregate of the investments under the plan that the qualified cooperative holds at the end of that calendar year;

"(*b*) B is the amount by which the aggregate of the amounts paid in respect of the securities that are issued by the qualified cooperative under the cooperative investment plan and that are outstanding immediately before the issue to the qualified cooperative of its first qualification certificate, exceeds the acquisition cost, determined without taking into account the borrowing costs and the other costs related to their acquisition, of the aggregate of the investments under the plan that the qualified cooperative held at that time;

"(*c*) C is the aggregate of all amounts each of which is an amount that the qualified cooperative is deemed to have paid to the Minister under this division on account of its tax payable under this Part for a taxation year preceding the particular taxation year;

"(*d*) D is the aggregate of all amounts each of which is a tax that the qualified cooperative is required to pay under Part III.2.3 for a calendar year preceding the calendar year in which the particular taxation year ends; and

"(*e*) where the result of the subtraction of the amounts that A and B represent is less than zero, the result of that subtraction is deemed to be equal to zero.";

(4) by striking out subparagraph *f* of the second paragraph.

(2) Subsection 1 applies from the taxation year of a cooperative that includes 31 December 2012.

118. (1) Section 1029.8.36.59.33 of the Act is amended

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

"**1029.8.36.59.33.** A qualified cooperative that is a shareholding workers cooperative, within the meaning of the first paragraph of section 2 of the Cooperative Investment Plan Act (chapter R-8.1.1), and that holds a qualification certificate is deemed, subject to the second and third paragraphs, to have paid to the Minister, for a taxation year, on the qualified cooperative's balance-due day for that year, on account of its tax payable for that year under this Part, an amount equal to its tax credit relating to Part III.2.3 for the year.";

(2) by striking out "1145," and "IV," in the portion of the second paragraph before subparagraph *a*;

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

"No amount may be deemed to have been paid to the Minister under the first paragraph for the taxation year in which ends the calendar year in which the qualified cooperative decides to wind-up in accordance with the Cooperatives Act (chapter C-67.2) or the Canada Cooperatives Act (Statutes of Canada, 1998, chapter 1) or for a subsequent taxation year."

(2) Subsection 1 applies from the taxation year of a cooperative that includes 31 December 2012.

119. (1) The Act is amended by inserting the following section after section 1029.8.36.59.33:

"**1029.8.36.59.33.1.** A qualified cooperative that is a shareholding workers cooperative, within the meaning of the first paragraph of section 2 of the Cooperative Investment Plan Act (chapter R-8.1.1), and that holds a qualification certificate is deemed, subject to the third paragraph, to have paid to the Minister, for a particular taxation year in which ends the calendar year in which the cooperative decides to wind-up in accordance with the Cooperatives Act (chapter C-67.2) or the Canada Cooperatives Act (Statutes of Canada, 1998, chapter 1), on the cooperative's balance-due day for that particular year, on account of its tax payable for that particular year under this Part, an amount equal to the amount determined by the formula

A – B.

In the formula in the first paragraph,

(*a*) A is the aggregate of all amounts each of which is a tax that the qualified cooperative is required to pay under Part III.2.3 for a calendar year preceding the calendar year ending in the particular taxation year; and

(*b*) B is the aggregate of all amounts each of which is an amount that the qualified cooperative is deemed to have paid to the Minister under this division on account of its tax payable under this Part for a taxation year preceding the particular taxation year.

For the purpose of computing the payments that a cooperative referred to in the first paragraph is required to make under subparagraph *a* of the first paragraph of section 1027, or any of sections 1159.7, 1175 and 1175.19 where they refer to that subparagraph *a*, the cooperative is deemed to have paid to the Minister, on account of the aggregate of the cooperative's tax payable for the year under this Part and of the cooperative's tax payable for the year under Parts IV.1, VI and VI.1, on the date on or before which each payment is required to be made, an amount equal to the lesser of

(*a*) the amount by which the amount determined under the first paragraph for the year exceeds the aggregate of all amounts each of which is the portion of the amount that may reasonably be considered to be deemed to have been paid to the Minister under this paragraph in the year but before that date; and

(*b*) the amount by which the amount of that payment, determined without reference to this chapter, exceeds the aggregate of all amounts each of which is an amount that is deemed, under this chapter but otherwise than under the first paragraph, to have been paid to the Minister on that date, for the purpose of computing that payment."

(2) Subsection 1 applies from the taxation year of a cooperative that includes 31 December 2012.

120. (1) Section 1029.8.36.59.34 of the Act is replaced by the following section:

"**1029.8.36.59.34.** For the purposes of this Part and the regulations, the amount that a qualified cooperative is deemed to have paid to the Minister for a taxation year under section 1029.8.36.59.33 or 1029.8.36.59.33.1 is deemed not to be an amount of assistance or an inducement received by the cooperative from a government."

(2) Subsection 1 applies from the taxation year of a cooperative that includes 31 December 2012.

121. (1) The Act is amended by inserting the following after section 1029.8.36.59.34:

"**DIVISION II.6.5.6**

"CREDIT RELATING TO CERTAIN SHARE ISSUE EXPENSES UNDER THE STOCK SAVINGS PLAN II

"§1. — *Interpretation and general*

"**1029.8.36.59.35.** In this division,

"eligible issue expenses" for a taxation year means the expenses that a qualified issuing corporation has incurred in the year or in a preceding taxation year in the course of its first public share issue under Title VI.5 of Book VII, without exceeding the lesser of

(*a*) 15% of the proceeds of the public share issue; and

(*b*) $3,000,000;

"public share issue" means the distribution of a share in accordance with a receipt granted by the Autorité des marchés financiers;

"qualified issuing corporation" means a corporation described in section 965.90 or 965.94 and that is not governed by an Act establishing a labour-sponsored fund, by the Act constituting Capital régional et coopératif Desjardins (chapter C-6.1) or by the Act respecting Québec business investment companies (chapter S-29.1).

For the purposes of the definition of "eligible issue expenses" in the first paragraph, the expenses referred to in the definition do not include expenses that would, but for section 147.1, be deductible under section 147 in computing the qualified issuing corporation's income for a taxation year and that are incurred after 20 March 2012.

"**1029.8.36.59.36.** The eligible issue expenses incurred for a taxation year must be attributable to a public share issue that, before the receipt for a final prospectus was obtained, was the subject of a favourable advance ruling by the Minister to the effect that it complies with the objectives of Title VI.5 of Book VII.

"§2. — *Credit*

"**1029.8.36.59.37.** A qualified issuing corporation that, in a taxation year, makes a first public share issue under Title VI.5 of Book VII and that encloses the prescribed form containing prescribed information with the fiscal return it is required to file for the year under section 1000 is deemed, subject to the second paragraph, to have paid to the Minister on its balance-due day for that year, on account of its tax payable for that year under this Part, an amount equal to 30% of its eligible issue expenses for the year, to the extent that those expenses are paid.

For the purpose of computing the payments that a qualified issuing corporation is required to make under subparagraph *a* of the first paragraph of section 1027, or any of sections 1159.7, 1175 and 1175.19 where they refer to that subparagraph *a*, the corporation is deemed to have paid to the Minister, on account of the aggregate of its tax payable for the year under this Part and of its tax payable for the year under Parts IV.1, VI and VI.1, on the date on or before which each payment is required to be made, an amount equal to the lesser of

(*a*) the amount by which the amount determined under the first paragraph for the year exceeds the aggregate of all amounts each of which is the portion of that amount that may reasonably be considered to be deemed to have been paid to the Minister under this paragraph in the year but before that date; and

(*b*) the amount by which the amount of that payment, determined without reference to this chapter, exceeds the aggregate of all amounts each of which is an amount that is deemed, under this chapter but otherwise than under the first paragraph, to have been paid to the Minister on that date, for the purpose of computing that payment.

"§3. — *Government assistance, non-government assistance and other particulars*

"**1029.8.36.59.38.** For the purpose of computing the amount that is deemed to have been paid to the Minister by a qualified issuing corporation, for a taxation year, under section 1029.8.36.59.37, the amount of the issue expenses incurred by the corporation is to be reduced, if applicable, by the amount of any government assistance or non-government assistance attributable to the expenses that the corporation has received, is entitled to receive or may reasonably expect to receive on or before its filing-due date for the taxation year.

"**1029.8.36.59.39.** Where a corporation pays, in a taxation year (in this section referred to as the "repayment year"), pursuant to a legal obligation, an amount that may reasonably be considered to be a repayment of government assistance or non-government assistance that reduced, because of section 1029.8.36.59.38, the issue expenses incurred by the corporation, for the purpose of computing the amount that it is deemed to have paid to the Minister under section 1029.8.36.59.37 in respect of its eligible issue expenses, for a particular taxation year, the corporation is deemed to have paid to the Minister on its balance-due day for the repayment year, on account of its tax payable for that year under this Part, if it encloses the prescribed form containing prescribed information with the fiscal return it is required to file for the repayment year under section 1000, an amount equal to the amount by which the amount that it would be deemed to have paid to the Minister under section 1029.8.36.59.37 for the particular year, in respect of its eligible issue expenses, if any amount of such assistance so repaid at or before the end of the repayment year had reduced, for the particular year, the amount of any government assistance or non-government assistance referred to in section 1029.8.36.59.38, exceeds the aggregate of

(*a*) the amount that the corporation is deemed to have paid to the Minister for the particular year under section 1029.8.36.59.37 in respect of its eligible issue expenses; and

(*b*) any amount that the corporation is deemed to have paid to the Minister under this section for a taxation year preceding the repayment year in respect of an amount of repayment of that assistance.

"**1029.8.36.59.40.** For the purposes of section 1029.8.36.59.39, an amount of assistance is deemed to be repaid at a particular time by a corporation pursuant to a legal obligation if that amount

(*a*) reduced, because of section 1029.8.36.59.38, eligible issue expenses for the purpose of computing the amount that the corporation is deemed to have paid to the Minister for a taxation year under section 1029.8.36.59.37;

(*b*) was not received by the corporation; and

(*c*) ceased at the particular time to be an amount that the corporation may reasonably expect to receive.

"**1029.8.36.59.41.** If, in respect of eligible issue expenses of a qualified issuing corporation, a person or a partnership has obtained, is entitled to obtain or may reasonably expect to obtain a benefit or advantage, other than a benefit or advantage that may reasonably be attributed to the public share issue to which those expenses relate, whether in the form of a reimbursement, compensation or guarantee, in the form of proceeds of disposition of a property which exceed the fair market value of the property, or in any other form or manner, for the purpose of computing the amount that the qualified issuing corporation is deemed to have paid to the Minister for a taxation year under section 1029.8.36.59.37, the amount of the eligible issue expenses referred to in the first paragraph of that section is to be reduced by the amount of the benefit or advantage relating to the expenses that the person or partnership has obtained, is entitled to obtain or may reasonably expect to obtain on or before the qualified issuing corporation's filing-due date for the taxation year."

(2) Subsection 1 applies in respect of issue expenses incurred after 20 March 2012 as part of a first public share issue that was the subject of a favourable advance ruling by the Minister of Revenue after that date.

122. (1) Section 1029.8.36.166.40 of the Act is amended

(1) by inserting the following definition in alphabetical order in the first paragraph:

""refining" means any processing of a product from a smelting or concentration operation to remove impurities, which produces very high grade metal;";

(2) by replacing the portion of the definition of "qualified property" in the first paragraph before paragraph *b* by the following:

""qualified property" of a corporation or a partnership means a property that

(*a*) is acquired by the corporation or partnership,

i. in the case of a property to which paragraph *a*.1 applies because of the application of subparagraph i of that paragraph, after 13 March 2008 and before the date provided for in the second paragraph, but is not a property acquired pursuant to an obligation in writing entered into before 14 March 2008 or the construction of which, if applicable, by or on behalf of the purchaser, had begun by 13 March 2008, or

ii. in the case of a property to which paragraph *a*.1 applies because of the application of subparagraph ii of that paragraph, after 20 March 2012 and before 1 January 2018, but is not a property acquired pursuant to an obligation in writing entered into before 21 March 2012 or the construction of which, if applicable, by or on behalf of the purchaser, had begun by 20 March 2012;";

(3) by inserting the following paragraph after paragraph *a* of the definition of "qualified property" in the first paragraph:

"(*a*.1) but for section 93.6, would be included

i. in Class 29 or 43 of Schedule B to the Regulation respecting the Taxation Act (chapter I-3, r. 1), or

ii. in Class 43 of Schedule B to the Regulation respecting the Taxation Act if subparagraphs i and ii of paragraph *b* of that class were read as follows:

"i. would be included in Class 10 under subparagraph *e* of the second paragraph of that class, if this schedule were read without reference to this paragraph and subparagraphs *a*, *b* and *e* of the first paragraph of Class 41, and

"ii. at the time of its acquisition, may reasonably be expected to be used entirely in Canada and primarily for the purposes of smelting, refining or hydrometallurgy activities in respect of ore (other than ore from a gold or silver mine) extracted from a mineral resource located in Canada.";";

(4) by inserting the following definition in alphabetical order in the first paragraph:

""smelting" means any processing of an ore or concentrate in the course of which the charge is melted and chemically converted to produce a slag and a matte or metal containing impurities;";

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

""hydrometallurgy" means any processing of an ore or concentrate that produces a metal, metallic salt or metallic compound by carrying out a chemical reaction in an aqueous or organic solution;";

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

"The date to which subparagraph i of paragraph *a* of the definition of "qualified property" in the first paragraph refers, in respect of a property to which paragraph *a*.1 of that definition applies because of the application of subparagraph i of that paragraph *a*.1, is

(*a*) 1 January 2018, if the property is included in Class 43 of Schedule B to the Regulation respecting the Taxation Act and is acquired primarily for the purposes of smelting, refining or hydrometallurgy activities in respect of ore (other than ore from a gold or silver mine); or

(*b*) 1 January 2016, in any other case."

(2) Subsection 1 has effect from 20 March 2012.

123. (1) The Act is amended by inserting the following after section 1029.8.36.166.64:

"**DIVISION II.6.14.4**

"CREDIT FOR THE HIRING OF EMPLOYEES BY NEW FINANCIAL SERVICES CORPORATIONS

"**1029.8.36.166.65.** In this division,

"eligibility period" of a corporation for a taxation year means all of the taxation year for which a certificate has been issued to the corporation for the purposes of this division or, if applicable, the part of that year specified in the certificate;

"eligible employee" of a corporation for all or part of a taxation year means an individual who meets the following conditions:

(1) the individual is an employee of the corporation; and

(2) the corporation obtains a certificate for the year in respect of the individual, for the purposes of this division, certifying that the employee is recognized as an eligible employee for that year or part of year;

"excluded corporation" for a taxation year means

(*a*) a corporation that is exempt from tax for the year under Book VIII, other than an insurer referred to in paragraph *k* of section 998 that is not so exempt from tax on all of its taxable income for the year because of section 999.0.1;

(*b*) a corporation that would be exempt from tax for the year under section 985, but for section 192; or

(*c*) a corporation that carries on a personal services business in the year;

"qualified corporation" for a taxation year means a corporation, other than an excluded corporation, in respect of which all or part of the year is included in the period of validity specified in the qualification certificate it holds for the purposes of this division and that, in the year, carries on a business in Québec and has an establishment in Québec;

"qualified wages" incurred by a corporation in a taxation year in respect of an eligible employee means the lesser of

(*a*) the amount obtained by multiplying $100,000 by the proportion that the number of days in the taxation year during which the employee is recognized as an eligible employee of the corporation is of 365; and

(*b*) the amount by which the amount of the wages incurred by the corporation in its eligibility period for the taxation year in respect of the employee, while the employee is recognized as an eligible employee of the corporation, to the extent that that amount is paid, exceeds the aggregate of

i. the aggregate of all amounts each of which is an amount of government assistance or non-government assistance attributable to such wages that the corporation has received, is entitled to receive or may reasonably expect to receive, on or before the corporation's filing-due date for the taxation year, and

ii. the aggregate of all amounts each of which is the amount of a benefit or advantage in respect of such wages, other than a benefit or advantage that may reasonably be attributed to the duties performed by the employee in the course of the operations of the business carried on by the corporation in the taxation year that a person or a partnership has obtained, is entitled to obtain or may reasonably expect to obtain, on or before the corporation's filing-due date for that taxation year, whether in the form of a reimbursement, compensation or guarantee, in the form of proceeds of disposition of a property which exceed the fair market value of the property, or in any other form or manner;

"wages" means the income computed under Chapters I and II of Title II of Book III.

"**1029.8.36.166.66.** A qualified corporation that holds, for a taxation year, a certificate issued by the Minister of Finance for the purposes of this division and that encloses with the fiscal return it is required to file for the year under section 1000 a copy of the certificate as well as the documents described in the third paragraph is deemed, subject to the second paragraph, to have paid to the Minister on the corporation's balance-due day for that year, on account of its tax payable for that year under this Part, an amount equal to 30% of the aggregate of all amounts each of which is the qualified wages incurred by the corporation in the year and after 20 March 2012 in respect of an eligible employee.

For the purpose of computing the payments that a corporation referred to in the first paragraph is required to make under subparagraph *a* of the first paragraph of section 1027, or any of sections 1159.7, 1175 and 1175.19 if they refer to that subparagraph *a*, the corporation is deemed to have paid to the Minister, on account of the aggregate of its tax payable for the year under this Part and of its tax payable for the year under Parts IV.1, VI and VI.1, on the date on or before which each payment is required to be made, an amount equal to the lesser of

(*a*) the amount by which the amount determined under the first paragraph for the year exceeds the aggregate of all amounts each of which is the portion of that amount that may reasonably be considered to be deemed to have been paid to the Minister under this paragraph in the year but before that date; and

(*b*) the amount by which the amount of that payment, determined without reference to this chapter, exceeds the aggregate of all amounts each of which is an amount that is deemed, under this chapter but otherwise than under the first paragraph, to have been paid to the Minister on that date, for the purpose of computing that payment.

The documents to which the first paragraph refers are the following:

(*a*) the prescribed form containing prescribed information; and

(*b*) a copy of the following documents:

i. the qualification certificate issued to the corporation by the Minister of Finance for the purposes of this division, and

ii. any certificate issued to the corporation by the Minister of Finance for the year for the purposes of this division, in relation to an eligible employee.

"**1029.8.36.166.67.** If a corporation pays in a taxation year (in this section referred to as the "repayment year"), pursuant to a legal obligation, an amount that may reasonably be considered to be a repayment of government assistance or non-government assistance that was taken into account for the purpose of computing qualified wages incurred in a particular taxation year by the corporation in respect of an eligible employee and in respect of which the corporation is deemed to have paid an amount to the Minister under section 1029.8.36.166.66 for the particular taxation year, the corporation is deemed, if it encloses the prescribed form with the fiscal return it is required to file for the repayment year under section 1000, to have paid to the Minister on its balance due-day for the repayment year, on account of its tax payable for that year under this Part, an amount equal to the amount by which the amount that it would be deemed to have paid to the Minister for the particular year in respect of the qualified wages under section 1029.8.36.166.66 if any amount of assistance so repaid at or before the end of the repayment year had reduced, for the particular year, the amount determined under subparagraph i of paragraph *b* of the definition of "qualified wages" in section 1029.8.36.166.65, exceeds the aggregate of

(*a*) the amount that the corporation is deemed to have paid to the Minister under section 1029.8.36.166.66 for the particular year in respect of the qualified wages; and

(*b*) any amount that the corporation is deemed to have paid to the Minister for a taxation year preceding the repayment year under this section in respect of an amount of repayment of that assistance.

"**1029.8.36.166.68.** For the purposes of section 1029.8.36.166.67, an amount of assistance is deemed to be repaid by a corporation in a taxation year, pursuant to a legal obligation, if that amount

(*a*) reduced, because of subparagraph i of paragraph *b* of the definition of "qualified wages" in section 1029.8.36.166.65, the amount of the wages referred to in that paragraph *b*, for the purpose of computing qualified wages in respect of which the corporation is deemed to have paid an amount to the Minister under section 1029.8.36.166.66;

(*b*) was not received by the corporation; and

(*c*) ceased in the taxation year to be an amount that the corporation may reasonably expect to receive.

"**DIVISION II.6.14.5**

"CREDIT RELATING TO NEW FINANCIAL SERVICES CORPORATIONS

"§1. — *Interpretation*

"**1029.8.36.166.69.** In this division,

"eligibility period" of a corporation for a taxation year means all of the taxation year for which a certificate has been issued to the corporation for the purposes of this division or, if applicable, the part of that year specified in the certificate;

"eligible activities" of a corporation for a taxation year means the activities that the corporation carries on in the year and that are specified in the qualification certificate issued to it for the purposes of this division;

"excluded corporation" for a taxation year means

(*a*) a corporation that is exempt from tax for the year under Book VIII, other than an insurer referred to in paragraph *k* of section 998 that is not so exempt from tax on all of its taxable income for the year because of section 999.0.1;

(*b*) a corporation that would be exempt from tax for the year under section 985, but for section 192; or

(*c*) a corporation that carries on a personal services business in the year;

"qualified corporation" for a taxation year means a corporation, other than an excluded corporation, in respect of which all or part of the year is included in the period of validity specified in the qualification certificate it holds for the purposes of this division and that, in the year, carries on a business in Québec and has an establishment in Québec;

"qualified expenditure" of a corporation for a taxation year means the aggregate of all amounts each of which is an expenditure incurred by the corporation in the year, but after 20 March 2012, that is directly attributable to its eligible activities for the year carried on in an establishment of the corporation situated in Québec and is any of the following expenditures, provided it is wholly or partly attributable to its eligibility period for the year and is reasonable in the circumstances:

(*a*) the fees relating to the constitution of the initial regulatory file submitted to a recognized regulatory or self-regulatory organization of a financial market;

(*b*) the fees relating to the constitution of the initial file for participation in a stock exchange;

(*c*) the duties, dues and charges paid to a recognized regulatory or self-regulatory organization of a financial market;

(*d*) the duties and costs as a participant in a stock exchange;

(*e*) the connection and usage fees of an electronic trading solution for participation in a stock exchange; or

(*f*) the subscription fees for a research or financial analysis tool or service.

"§2. — *Credit*

"**1029.8.36.166.70.** A qualified corporation that holds, for a taxation year, a valid certificate issued by the Minister of Finance for the purposes of this division and that encloses with the fiscal return it is required to file for the year under section 1000 a copy of the certificate as well as the documents described in the third paragraph is deemed, subject to the second paragraph, to have paid to the Minister on the corporation's balance-due day for that year, on account of its tax payable for that year under this Part, an amount equal to 40% of the lesser of

(*a*) the corporation's qualified expenditure for the year, to the extent that it is paid; and

(*b*) the corporation's qualified expenditure limit for the year.

For the purpose of computing the payments that a corporation is required to make under subparagraph *a* of the first paragraph of section 1027, or any of sections 1159.7, 1175 and 1175.19 if they refer to that subparagraph *a*, the corporation is deemed to have paid to the Minister, on account of the aggregate of its tax payable for the year under this Part and of its tax payable for the year under Parts IV.1, VI and VI.1, on the date on or before which each payment is required to be made, an amount equal to the lesser of

(*a*) the amount by which the amount determined under the first paragraph for the year exceeds the aggregate of all amounts each of which is the portion of that amount that may reasonably be considered to be deemed to have been paid to the Minister under this paragraph in the year but before that date; and

(*b*) the amount by which the amount of that payment, determined without reference to this chapter, exceeds the aggregate of all amounts each of which is an amount that is deemed, under this chapter but otherwise than under the first paragraph, to have been paid to the Minister on that date, for the purpose of computing that payment.

The documents to which the first paragraph refers are the following:

(*a*) the prescribed form containing prescribed information; and

(*b*) a copy of the following documents:

i. the qualification certificate issued to the corporation by the Minister of Finance for the purposes of this division, and

ii. the agreement referred to in section 1029.8.36.166.72, if applicable.

"**1029.8.36.166.71.** In this division, the qualified expenditure limit of a corporation for a taxation year is equal to

(*a*) if the corporation is not a member of an associated group in the year, $375,000; or

(*b*) if the corporation is a member of an associated group in the year, an amount attributed for the year to the corporation pursuant to the agreement described in section 1029.8.36.166.72 and enclosed with the fiscal return the corporation is required to file for the year under section 1000 or, if no amount is attributed to the corporation under the agreement or in the absence of such an agreement, zero.

For the purposes of this section and sections 1029.8.36.166.72 to 1029.8.36.166.74, an associated group in a taxation year means all the corporations that are associated with each other in the year and are qualified corporations for the year.

"**1029.8.36.166.72.** The agreement to which subparagraph *b* of the first paragraph of section 1029.8.36.166.71 refers is the agreement under which all the qualified corporations that are members of the associated group in the year attribute for the year, in the prescribed form, to one or more of their number, for the purposes of this division, one or more amounts the total of which does not exceed $375,000.

If the aggregate of the amounts attributed, in respect of a taxation year, pursuant to an agreement described in the first paragraph and entered into by the qualified corporations that are members of an associated group in the year exceeds $375,000, the amount determined under subparagraph *b* of the first paragraph of section 1029.8.36.166.71 in respect of each of those corporations for the taxation year is deemed, for the purposes of this division, to be equal to the proportion of $375,000 that that determined amount is of the aggregate of the amounts attributed for the year under the agreement.

"**1029.8.36.166.73.** If a qualified corporation that is a member of an associated group referred to in subparagraph *b* of the first paragraph of section 1029.8.36.166.71 fails to file with the Minister an agreement described in that subparagraph within 30 days after notice in writing by the Minister has

been sent to any of the corporations that are members of that group that such an agreement is required for the purposes of any assessment of tax under this Part or for the determination of another amount, the Minister shall, for the purposes of this division, attribute an amount to one or more of those corporations for the taxation year, which amount or the aggregate of which amounts must be equal to $375,000, and in such a case, despite that subparagraph *b*, the qualified expenditure limit for the year of each of the corporations is equal to the amount so attributed to it.

"**1029.8.36.166.74.** Despite sections 1029.8.36.166.71 to 1029.8.36.166.73, the following rules apply:

(*a*) if a corporation that is a member of an associated group (in this paragraph referred to as the "first corporation") has more than one taxation year ending in the same calendar year and is associated in two or more of those taxation years with another corporation that is a member of the group that has a taxation year ending in that calendar year, the qualified expenditure limit of the first corporation for each particular taxation year that ends in the calendar year in which it is associated with the other corporation and that ends after the first taxation year ending in that calendar year is, subject to paragraph *b*, an amount equal to the lesser of

i. its qualified expenditure limit for the first taxation year ending in the calendar year, determined without reference to this section, and

ii. its qualified expenditure limit for the particular taxation year ending in the calendar year, determined without reference to this section;

(*b*) if a corporation has a taxation year of fewer than 51 weeks, except in cases where paragraph *c* applies, the qualified expenditure limit of the corporation for the year is equal to that proportion of its qualified expenditure limit for the year, determined without reference to this paragraph, that the number of days in the year is of 365; and

(*c*) if the eligibility period of a corporation for a taxation year corresponds to a part of the taxation year, the qualified expenditure limit of the corporation for the year is equal to that proportion of its qualified expenditure limit for the year, determined without reference to this paragraph, that the number of days in that period is of the number of days in the taxation year.

"**1029.8.36.166.75.** Where it may reasonably be considered that one of the main reasons for the separate existence of two or more corporations in a taxation year is to cause a qualified corporation to be deemed to have paid an amount to the Minister under this division for that year or to increase an amount that a qualified corporation is deemed to have paid to the Minister under this division for that year, those corporations are deemed, for the purposes of this division, to be associated with each other in the year.

"§3. — *Government assistance, non-government assistance and other particulars*

"**1029.8.36.166.76.** For the purpose of computing the amount that is deemed to have been paid to the Minister for a taxation year by a corporation under section 1029.8.36.166.70, the amount of the qualified expenditure of the corporation referred to in subparagraph *a* of the first paragraph of that section is to be reduced, if applicable, by the amount of any government assistance or non-government assistance, attributable to that expenditure, that the corporation has received, is entitled to receive or may reasonably expect to receive on or before the corporation's filing-due date for that taxation year.

"**1029.8.36.166.77.** If, in respect of a qualified expenditure of a qualified corporation, a person or a partnership has obtained, is entitled to obtain or may reasonably expect to obtain a benefit or advantage, other than a benefit or advantage that may reasonably be attributed to the qualified expenditure, whether in the form of a repayment, compensation or guarantee, in the form of proceeds of disposition of a property which exceed the fair market value of the property, or in any other form or manner, the amount of the qualified expenditure of the qualified corporation for a taxation year is, for the purpose of computing the amount that is deemed to have been paid to the Minister for that year by the qualified corporation under section 1029.8.36.166.70, to be reduced by the amount of the benefit or advantage that the person or partnership has obtained, is entitled to obtain or may reasonably expect to obtain on or before the qualified corporation's filing-due date for the taxation year.

"**1029.8.36.166.78.** If a corporation pays, in a taxation year (in this section referred to as the "repayment year"), pursuant to a legal obligation, an amount that may reasonably be considered to be a repayment of government assistance or non-government assistance that was taken into consideration for the purpose of computing the qualified expenditure of the corporation for a particular taxation year in respect of which it is deemed to have paid an amount to the Minister under section 1029.8.36.166.70 for the particular year, the corporation is deemed, if it encloses the prescribed form with the fiscal return it is required to file for the repayment year under section 1000, to have paid to the Minister on its balance-due day for the repayment year, on account of its tax payable for that year under this Part, an amount equal to the amount by which the amount that it would be deemed to have paid to the Minister for the particular year, in respect of the qualified expenditure, under section 1029.8.36.166.70 if any amount of such assistance so repaid at or before the end of the repayment year had reduced, for the particular year, the amount of any government assistance or non-government assistance referred to in section 1029.8.36.166.76, exceeds the aggregate of

(*a*) the amount that it is deemed to have paid to the Minister under section 1029.8.36.166.70 for the particular year in respect of the qualified expenditure; and

(*b*) any amount that it is deemed to have paid to the Minister for a taxation year preceding the repayment year under this section in respect of an amount of repayment of that assistance.

"**1029.8.36.166.79.** For the purposes of section 1029.8.36.166.78, an amount of assistance is deemed to be repaid by a corporation at a particular time, pursuant to a legal obligation, if that amount

(*a*) reduced, because of section 1029.8.36.166.76, a qualified expenditure for the purpose of computing the amount that the corporation is deemed to have paid to the Minister for a taxation year under section 1029.8.36.166.70;

(*b*) was not received by the corporation; and

(*c*) ceased at the particular time to be an amount that the corporation could reasonably expect to receive."

(2) Subsection 1 has effect from 21 March 2012.

124. (1) The heading of Division II.11.1 of Chapter III.1 of Title III of Book IX of Part I of the Act is replaced by the following heading:

"CREDIT FOR HOME SUPPORT FOR SENIORS".

(2) Subsection 1 applies from 1 January 2013.

125. (1) Section 1029.8.61.1 of the Act is amended

(1) by replacing the definition of "residence for the elderly" in the first paragraph by the following definition and by adjusting the alphabetical order of the definitions accordingly:

""private seniors' residence" for a particular month means a congregate residential facility, or a part of such a facility, in respect of which the operator holds, at the beginning of the particular month, a temporary certificate of compliance or a certificate of compliance issued under subdivision 2.1 of Division II of Chapter I of Title I of Part III of the Act respecting health services and social services (chapter S-4.2) by the health and social services agency for the region in which the facility is situated;";

(2) by replacing "paid in the year" and "in a taxation year" in subparagraph *a*.1 of the second paragraph by "paid in a taxation year" and "in the year", respectively;

(3) by replacing the portion of subparagraph *e* of the second paragraph before subparagraph 2 of subparagraph ii by the following:

"(*e*) an amount paid in respect of a dwelling unit of an eligible individual situated in a private seniors' residence for a particular month in a taxation year

in addition to the eligible rent for that dwelling unit for the particular month is an eligible expense made by the eligible individual in the year, to the extent that the amount is paid

i. to the operator of the private seniors' residence or to a person related to the operator, as consideration for the provision of an eligible service described in subparagraph *a* or *e* of the first paragraph of section 1029.8.61.3, or

ii. to a person or partnership, other than the operator of the private seniors' residence or a person related to the operator, as consideration for the provision of any of the following eligible services:

(1) a service described in any of subparagraphs *a*, *b*, *c*.2 and *e* of the first paragraph of section 1029.8.61.3,".

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

126. (1) The Act is amended by inserting the following sections before section 1029.8.61.2:

"**1029.8.61.1.2.** For the purposes of this division, the amount of an eligible expense made by an eligible individual in a taxation year in respect of a dwelling unit situated in a facility maintained by a private institution not under agreement that operates a residential and long-term care centre governed by the Act respecting health services and social services (chapter S-4.2) must be determined as if the dwelling unit were situated in a private seniors' residence.

"**1029.8.61.1.3.** For the purposes of this division, the following rules apply:

(*a*) a congregate residential facility, or a part of such a facility, in respect of which the operator does not hold, at the beginning of a particular month that begins after 31 December 2012 and before 1 July 2013, either of the certificates referred to in the definition of "private seniors' residence" in the first paragraph of section 1029.8.61.1 and that was not entered in the register of private seniors' residences referred to in section 346.0.1 of the Act respecting health services and social services (chapter S-4.2) on 1 December 2012, is considered to be a private seniors' residence for the particular month if it was a residence for the elderly on 31 December 2012, within the meaning of section 1029.8.61.1 as it read on that date, unless the operator has been notified, before 30 June 2013, in accordance with section 346.0.12 of the Act respecting health services and social services, of the maximum period for terminating the activities of the residence, in which case the rule in paragraph *b* applies; and

(*b*) a congregate residential facility, or a part of such a facility, that, on 31 December 2012, is a residence for the elderly, within the meaning of section 1029.8.61.1 as it read on that date, whose activities cease as a consequence of the application of section 42 or 43 of the Act to amend various

legislative provisions concerning health and social services in order, in particular, to tighten up the certification process for private seniors' residences (2011, chapter 27), is considered to be a private seniors' residence for any month subsequent to the month of December 2012 that precedes the month that follows the month in which the activities of the residence cease."

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

127. (1) Section 1029.8.61.2.1 of the Act is replaced by the following section:

"**1029.8.61.2.1.** The portion of an amount paid for a particular month in a taxation year as rent for a dwelling unit of an eligible individual situated in a private seniors' residence that is an eligible expense made by the eligible individual in the year is equal to

(*a*) if, for the particular month, the eligible individual lives alone in the dwelling unit or only with a person to whom the eligible individual provides lodging, co-leases the dwelling unit with at least one person who is not the eligible individual's spouse, or lives in the dwelling unit with the eligible individual's spouse who, at the end of the particular month, is 69 years of age or under, the amount determined under section 1029.8.61.2.2; or

(*b*) if, for the particular month, the eligible individual shares the dwelling unit only with the eligible individual's spouse who, at the end of the particular month, is 70 years of age or over, the amount determined under section 1029.8.61.2.4."

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

128. (1) Section 1029.8.61.2.2 of the Act is amended by replacing subparagraphs *a* to *f* of the second paragraph by the following subparagraphs:

"(*a*) A is an amount equal to the greater of 15% of the eligible rent for the dwelling unit for the particular month and $150, but without exceeding $375;

"(*b*) B is, if the eligible individual receives, for the particular month, a laundry service for the care of bedding or clothing at least once a week, as specified in the schedule to the lease of the dwelling unit, an amount equal to the greater of 5% of the eligible rent for the dwelling unit for that month and $50, but without exceeding $125;

"(*c*) C is, if the eligible individual receives, for the particular month, a housekeeping service at least once every two weeks, as specified in the schedule to the lease of the dwelling unit, an amount equal to the greater of 5% of the eligible rent for the dwelling unit for that month and $50, but without exceeding $125;

"(*d*) D is, if the eligible individual receives, for the particular month, a daily food service concerning the preparation or delivery of at least one of three meals (breakfast, lunch or supper), as specified in the schedule to the lease of the dwelling unit, an amount equal to

i. the greater of 10% of the eligible rent for the dwelling unit for that month and $100, but without exceeding $200, if the food service is provided in respect of one meal a day,

ii. the greater of 15% of the eligible rent for the dwelling unit for that month and $150, but without exceeding $300, if the food service is provided in respect of two meals a day, and

iii. the greater of 20% of the eligible rent for the dwelling unit for that month and $200, but without exceeding $400, if the food service is provided in respect of three meals a day;

"(*e*) E is, if the eligible individual receives, for the particular month, a service providing for the presence of a person, who is a member of the Ordre des infirmières et infirmiers du Québec or of the Ordre des infirmières et infirmiers auxiliaires du Québec, for a period of at least three hours a day, as specified in the schedule to the lease of the dwelling unit, an amount equal to the greater of 10% of the eligible rent for the dwelling unit for that month and $100, but without exceeding $250; and

"(*f*) F is, if the eligible individual receives, for the particular month, a service providing for the presence of a personal care attendant for a period of at least seven hours a day, as specified in the schedule to the lease of the dwelling unit, the aggregate of the following amounts:

i. the greater of 10% of the eligible rent for the dwelling unit for that month and $100, but without exceeding $350, and

ii. if the eligible individual is a dependent person at the end of the month, the greater of 10% of the eligible rent for the dwelling unit for that month and $100."

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

129. (1) Section 1029.8.61.2.3 of the Act is repealed.

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

130. (1) Section 1029.8.61.2.4 of the Act is amended

(1) by replacing "paragraph *c*" in the portion of the first paragraph before subparagraph *a* by "paragraph *b*";

(2) by replacing "75%" and "65%" in subparagraph *a* of the first paragraph by "80%" and "70%", respectively;

(3) by replacing "10.5%" and "$300" in subparagraph *a* of the second paragraph by "12%" and "$375", respectively;

(4) by replacing "$100" in subparagraph *b* of the second paragraph by "$125";

(5) by replacing "3.5%" and "$100" in subparagraph *c* of the second paragraph by "4%" and "$125", respectively;

(6) by replacing "27%" in subparagraph iii of subparagraph *d* of the second paragraph by "26%";

(7) by replacing "7%" and "$200" in subparagraph *e* of the second paragraph by "8%" and "$250", respectively;

(8) by replacing "14%" and "$400" in subparagraph i of subparagraph *f* of the second paragraph by "15%" and "$600", respectively;

(9) by replacing "7%" in subparagraph 1 of subparagraph ii of subparagraph *f* of the second paragraph by "10%";

(10) by replacing "14%" in subparagraph 2 of subparagraph ii of subparagraph *f* of the second paragraph by "20%".

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

131. (1) Section 1029.8.61.2.5 of the Act is replaced by the following section:

"**1029.8.61.2.5.** The portion of an amount paid for a particular month in a taxation year as rent for an eligible individual's dwelling unit, other than a dwelling unit situated in a private seniors' residence, that is an eligible expense made by the eligible individual in the year is equal to the amount obtained by multiplying the lesser of the eligible rent for the dwelling unit for that month and $600 by 5%.

If an eligible individual is co-leasing a dwelling unit with at least one person who is not the eligible individual's spouse, the amount of $600 mentioned in the first paragraph is to be replaced by the quotient obtained by dividing that amount by the number of co-lessees of the dwelling unit."

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

132. (1) Section 1029.8.61.2.7 of the Act is amended by replacing "any of sections 1029.8.61.2.2 to 1029.8.61.2.4" in the first paragraph by "section 1029.8.61.2.2 or 1029.8.61.2.4".

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

133. (1) Section 1029.8.61.3 of the Act is amended

(1) by replacing "section 1029.8.61.4" in the portion of the first paragraph before subparagraph *a* by "sections 1029.8.61.3.1 and 1029.8.61.4";

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

"(*c*.1) a person-centered remote monitoring service;

"(*c*.2) a service related to the use of a personal GPS locator;";

(3) by replacing "the second paragraph of section 1029.8.61.3.1 and section 1029.8.61.4" in the portion of the second paragraph before subparagraph *a* by "sections 1029.8.61.3.1 and 1029.8.61.4".

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

134. (1) Section 1029.8.61.3.1 of the Act is amended by inserting the following paragraph after the first paragraph:

"For the purposes of subparagraphs *c*.1 and *c*.2 of the first paragraph of section 1029.8.61.3, a person-centered remote monitoring service and a service related to the use of a personal GPS locator do not include the leasing of a device required for the provision of such a service."

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

135. (1) Section 1029.8.61.5 of the Act is amended

(1) by replacing subparagraphs *a* and *b* of the second paragraph by the following subparagraphs:

"(*a*) A is the product obtained by multiplying the aggregate of all amounts each of which is an eligible expense made by the eligible individual in the year by

i. 31%, for the taxation year 2013,

ii. 32%, for the taxation year 2014,

iii. 33%, for the taxation year 2015,

iv. 34%, for the taxation year 2016, or

v. 35%, for a taxation year subsequent to the taxation year 2016; and

"(*b*) B is

i. 3% of the amount by which the eligible individual's family income for the year exceeds $54,790, where neither the eligible individual, nor, if section 1029.8.61.5.1 applies in respect of the eligible individual, the eligible individual's eligible spouse, is a dependent person at the end of the year, and

ii. zero, in any other case.";

(2) by replacing subparagraphs *a* and *b* of the third paragraph by the following subparagraphs:

"(*a*) $25,500, if the eligible individual is a dependent person at the end of the year; or

"(*b*) $19,500, if subparagraph *a* does not apply to the eligible individual."

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

136. Section 1029.8.61.81 of the Act is amended by replacing paragraphs *b* and *c* by the following paragraphs:

"(*b*) an amount that was taken into account in computing an amount deducted in computing an individual's tax payable under this Part; and

"(*c*) an amount that was taken into account in computing an amount that an individual is deemed to have paid to the Minister on account of the individual's tax payable under this chapter, but otherwise than under this division."

137. (1) Section 1029.8.61.91 of the Act is amended by replacing the definition of "residence for the elderly" by the following definition:

""private seniors' residence" has the meaning that would be assigned by section 1029.8.61.1 if the definition of that expression were read without reference to "for a particular month" and ", at the beginning of the particular month,"."

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

138. (1) The Act is amended by inserting the following heading before section 1029.8.61.93:

"§2. — *Credit*".

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

139. (1) Section 1029.8.61.93 of the Act is amended

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

"**1029.8.61.93.** An individual who is resident in Québec at the end of 31 December of a taxation year and who, during the year, is not dependent upon another individual, is deemed to have paid to the Minister, on the individual's balance-due day for that taxation year, on account of the individual's tax payable under this Part for that taxation year, the amount determined under the third paragraph in respect of a person who, throughout the minimum cohabitation period of that person for the year, is an eligible relative of the individual and who, throughout that period, ordinarily lives with the individual in a self-contained domestic establishment (other than a self-contained domestic establishment situated in a private seniors' residence) of which the individual or the eligible relative, alone or jointly with another person, is the owner, lessee or sublessee throughout that period.";

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

"The amount to which the first paragraph refers is

(*a*) $591, for the taxation year 2011;

(*b*) $700, for the taxation year 2012;

(*c*) $775, for the taxation year 2013;

(*d*) $850, for the taxation year 2014;

(*e*) $925, for the taxation year 2015; and

(*f*) $1,000, for any taxation year subsequent to the taxation year 2015."

(2) Subsection 1 applies from the taxation year 2011. However, when section 1029.8.61.93 of the Act applies before 1 January 2013, it is to be read as if "private seniors' residence" in the first paragraph was replaced by "residence for the elderly".

140. (1) Section 1029.8.61.96 of the Act is amended by replacing "residence for the elderly" in subparagraph i of paragraph *a* by "private seniors' residence".

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

141. (1) The Act is amended by inserting the following after section 1029.8.61.96:

"**DIVISION II.11.8**

"CREDIT FOR A STAY IN A FUNCTIONAL REHABILITATION TRANSITION UNIT

"**1029.8.61.97.** In this division,

"eligible individual" for a taxation year means an individual who, at the end of 31 December of the year, is 70 years of age or over and is resident in Québec or who, if the individual died in the year, had reached that age and was resident in Québec immediately before the death;

"functional rehabilitation transition unit" means a public or private resource offering accommodation and services focusing on re-education and rehabilitation for persons with decreasing independence who have a geriatric profile and present a potential for recovery with a view to returning home following hospitalization.

"**1029.8.61.98.** An eligible individual for a taxation year is deemed to have paid to the Minister, on the individual's balance-due day for that year, on account of the individual's tax payable under this Part for that taxation year, an amount equal to 20% of the total of the amounts each of which is the aggregate of the expenses the individual paid in the year in respect of a stay, begun in the year or the preceding year, in a functional rehabilitation transition unit to the extent of the portion of that aggregate that is attributable to a stay of no more than 60 days.

An eligible individual may be deemed to have paid to the Minister an amount under the first paragraph for a taxation year only if the individual files with the Minister, together with the fiscal return the individual is required to file under section 1000 for the year, or would be required to file if tax were payable under this Part by the individual for the year, a receipt or other voucher for the expenses mentioned in the first paragraph.

"**1029.8.61.99.** For the purposes of section 1029.8.61.98, the expenses paid in the year in respect of a stay in a functional rehabilitation transition unit do not include

(*a*) an amount in respect of which a taxpayer is or was entitled to a reimbursement, or another form of assistance, except to the extent that the amount is included in computing the income of any taxpayer and is not deductible in computing that taxpayer's income or taxable income;

(*b*) an amount that was taken into account in computing an amount deducted in computing an individual's tax payable under this Part; and

(*c*) an amount that was taken into account in computing an amount that an individual is deemed to have paid to the Minister on account of the individual's tax payable under this chapter, but otherwise than under this division.

"**DIVISION II.11.9**

"CREDIT FOR THE ACQUISITION OR RENTAL OF PROPERTY INTENDED TO HELP SENIORS LIVE INDEPENDENTLY LONGER

"**1029.8.61.100.** In this division,

"eligible individual" for a taxation year means an individual who, at the end of 31 December of the year, is 70 years of age or over and is resident in Québec or who, if the individual died in the year, had reached that age and was resident in Québec immediately before the death;

"qualified property" means

(*a*) a person-centered remote monitoring device or a personal GPS locator;

(*b*) a property designed to assist a person to get into or out of a bathtub or shower or to get on or off a toilet;

(*c*) a walk-in bathtub or a walk-in shower;

(*d*) a chair mounted on a rail designed exclusively to enable a person to ascend or descend a stairway mechanically; or

(*e*) a hospital bed.

"**1029.8.61.101.** An eligible individual for a taxation year is deemed to have paid to the Minister, on the individual's balance-due day for that year, on account of the individual's tax payable under this Part for that taxation year, an amount equal to 20% of the amount by which $500 is exceeded by the aggregate of all amounts each of which is an amount the individual paid in the year for the acquisition or rental, including installation costs, of a qualified property intended for use in the individual's principal place of residence.

An eligible individual may be deemed to have paid to the Minister an amount under the first paragraph for a taxation year only if the individual files with the Minister, together with the fiscal return the individual is required to file under section 1000 for the year, or would be required to file if tax were payable under this Part by the individual for the year, a receipt or other voucher for the amounts mentioned in the first paragraph.

"**1029.8.61.102.** For the purposes of section 1029.8.61.101, an amount paid in the year in respect of the acquisition or rental of a qualified property does not include

(*a*) an amount in respect of which a taxpayer is or was entitled to a reimbursement, or another form of assistance, except to the extent that the amount is included in computing the income of any taxpayer and is not deductible in computing that taxpayer's income or taxable income;

(*b*) an amount that was taken into account in computing an amount deducted in computing an individual's tax payable under this Part; and

(*c*) an amount that was taken into account in computing an amount that an individual is deemed to have paid to the Minister on account of the individual's tax payable under this chapter, but otherwise than under this division."

(2) Subsection 1 applies from the taxation year 2012.

142. (1) Section 1033.3 of the Act is amended by replacing subparagraph *a* of the first paragraph by the following subparagraph:

"(*a*) the amount of tax that would be payable for the year by an inter vivos trust that is resident in Québec on the last day of the year and whose taxable income for the year is $50,000; and".

(2) Subsection 1 applies in respect of a disposition that occurs after 18 April 2012.

143. Section 1044.3 of the Act is amended by replacing the portion before paragraph *a* by the following:

"**1044.3.** A corporation may apply in writing to the Minister for the allocation of an accumulated overpayment amount for a period that begins after 31 December 1999 on account of an accumulated underpayment amount for the period if, in respect of tax paid or payable by the corporation under this Part or Parts III.0.1 to III.3, III.6 to III.11, III.14 or VI.2 to VII or tax paid or payable by the corporation under Part IV, IV.1, VI or VI.1,".

144. (1) Section 1049.15 of the Act is amended by replacing subparagraph *b* of the second paragraph by the following subparagraph:

"(*b*) 25%, where the amount paid by the first purchaser relates to such a share purchased by the first purchaser in the period that begins on 1 June 2009 and ends on 31 May 2015; and".

(2) Subsection 1 has effect from 21 March 2012.

145. (1) Section 1079.4 of the Act is replaced by the following section:

"**1079.4.** A person may, at any time, sell or issue, or accept consideration in respect of, a tax shelter only if

(*a*) the Minister has issued before that time an identification number for the tax shelter; and

(*b*) that time is during the calendar year designated by the Minister as being applicable to the identification number."

(2) Subsection 1 has effect from 29 March 2012. However, when section 1079.4 of the Act applies in respect of a tax shelter in respect of which an application for an identification number has been filed before 29 March 2012, it is to be read as if paragraph *b* was replaced by the following paragraph:

"(*b*) that time is before 1 January 2014."

146. (1) Section 1079.7.4 of the Act is amended by replacing subparagraph *b* of the first paragraph by the following subparagraph:

"(*b*) 25% of the greater of

i. the aggregate of all amounts each of which is the consideration received or receivable from a person in respect of the tax shelter before the correct information is filed with the Minister or the identification number is issued, as the case may be, and

ii. the aggregate of all amounts each of which is an amount stated or represented to be the value of property that a particular person who acquires or otherwise invests in the tax shelter could donate to a qualified donee, if the tax shelter is a gifting arrangement and consideration has been received or is receivable from the particular person in respect of the tax shelter before the correct information is filed with the Minister or the identification number is issued, as the case may be."

(2) Subsection 1 applies in respect of an application for a tax shelter identification number made after 4 June 2013, a sale or issuance of a tax shelter made after that date or a consideration in respect of a tax shelter accepted after that date.

147. (1) The Act is amended by inserting the following section after section 1079.7.4:

"**1079.7.4.1.** Every person who is required under section 1079.7 to file an information return and who fails to comply with a demand under section 39 of the Tax Administration Act (chapter A-6.002) to file the return, or to report in the return information required under paragraphs *a* and *b* of section 1079.7, incurs a penalty equal to 25% of the greater of

(*a*) the aggregate of all amounts each of which is the consideration received or receivable by the person in respect of the tax shelter from a particular person in respect of whom information required under paragraphs *a* and *b* of section 1079.7 had not been reported at or before the time that the demand was issued or the return was filed, as the case may be; and

(*b*) if the tax shelter is a gifting arrangement, the aggregate of all amounts each of which is an amount stated or represented to be the value of property that the particular person referred to in paragraph *a* could donate to a qualified donee."

(2) Subsection 1 applies in respect of a demand made after 4 June 2013 or in respect of an information return filed after that date.

148. (1) Section 1079.7.5 of the Act is amended by replacing the portion before paragraph *a* by the following:

"**1079.7.5.** Where a partnership incurs a penalty under section 1079.7.4 or 1079.7.4.1, the following provisions apply, with the necessary modifications, with respect to the penalty as if the partnership were a corporation:".

(2) Subsection 1 applies in respect of a demand to file a return, under section 39 of the Tax Administration Act (chapter A-6.002), made by the Minister of Revenue after 4 June 2013 or in respect of an information return filed after that date.

149. (1) The heading of Part I.3 of the Act is replaced by the following heading:

"TAX IN RESPECT OF ADVANCE PAYMENTS OF THE CREDIT FOR HOME SUPPORT FOR SENIORS".

(2) Subsection 1 applies from 1 January 2013.

150. (1) Section 1089 of the Act, amended by section 295 of chapter 3 of the statutes of 2010, is again amended, in the first paragraph,

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

"(*a*) the amount by which the aggregate of the income from the duties of offices or employments performed by the individual in Québec and the income from the duties of offices or employments performed by the individual outside Canada if the individual was resident in Québec at the time the individual performed the duties exceeds the aggregate of the amounts that, if the individual is an individual referred to in section 737.16.1, a foreign researcher within the meaning of section 737.19, a foreign researcher on a postdoctoral internship within the meaning of section 737.22.0.0.1, a foreign expert within the meaning of section 737.22.0.0.5, a foreign specialist within the meaning of section 737.22.0.1 or 737.22.0.4.1, a foreign professor within the meaning of section 737.22.0.5 or a foreign farm worker within the meaning of section 737.22.0.12, would be deductible in computing the individual's taxable income for the year under any of sections 737.16.1, 737.21, 737.22.0.0.3, 737.22.0.0.7, 737.22.0.3, 737.22.0.4.7, 737.22.0.7 and 737.22.0.13 if the taxable income were determined under Part I;";

(2) by replacing subparagraph *g* by the following subparagraph:

"(*g*) the amount by which the income determined under paragraphs *b* and *c* of section 1092 in respect of the individual exceeds the aggregate of the amounts that, if the individual is an individual referred to in section 737.16.1, a foreign researcher within the meaning of section 737.19, a foreign researcher on a postdoctoral internship within the meaning of section 737.22.0.0.1, a foreign expert within the meaning of section 737.22.0.0.5, a foreign specialist within the meaning of section 737.22.0.1 or 737.22.0.4.1 or a foreign professor within the meaning of section 737.22.0.5, would be deductible in computing the individual's taxable income for the year under any of sections 737.16.1, 737.21,

737.22.0.0.3, 737.22.0.0.7, 737.22.0.3, 737.22.0.4.7 and 737.22.0.7 if the individual's taxable income were determined under Part I;".

(2) Subsection 1 applies from the taxation year 2012.

151. (1) Section 1090 of the Act, amended by section 296 of chapter 3 of the statutes of 2010, is again amended, in the first paragraph,

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

"(*a*) the amount by which the aggregate of the income from the duties of offices or employments performed by the individual in Canada and the income from the duties of offices or employments performed by the individual outside Canada if the individual was resident in Canada at the time the individual performed the duties exceeds the aggregate of the amounts that, if the individual is an individual referred to in section 737.16.1, a foreign researcher within the meaning of section 737.19, a foreign researcher on a postdoctoral internship within the meaning of section 737.22.0.0.1, a foreign expert within the meaning of section 737.22.0.0.5, a foreign specialist within the meaning of section 737.22.0.1 or 737.22.0.4.1, a foreign professor within the meaning of section 737.22.0.5 or a foreign farm worker within the meaning of section 737.22.0.12, would be deductible in computing the individual's taxable income for the year under any of sections 737.16.1, 737.21, 737.22.0.0.3, 737.22.0.0.7, 737.22.0.3, 737.22.0.4.7, 737.22.0.7 and 737.22.0.13 if the taxable income were determined under Part I;";

(2) by replacing subparagraph *g* by the following subparagraph:

"(*g*) the amount by which the income that would be determined under paragraphs *b* and *c* of section 1092 in respect of the individual if the word "Québec", in sections 1092 and 1093, were replaced, wherever it appears, by the word "Canada", exceeds the aggregate of the amounts that, if the individual is an individual referred to in section 737.16.1, a foreign researcher within the meaning of section 737.19, a foreign researcher on a postdoctoral internship within the meaning of section 737.22.0.0.1, a foreign expert within the meaning of section 737.22.0.0.5, a foreign specialist within the meaning of section 737.22.0.1 or 737.22.0.4.1 or a foreign professor within the meaning of section 737.22.0.5, would be deductible in computing the individual's taxable income for the year under any of sections 737.16.1, 737.21, 737.22.0.0.3, 737.22.0.0.7, 737.22.0.3, 737.22.0.4.7 and 737.22.0.7 if the individual's taxable income were determined under Part I;".

(2) Subsection 1 applies from the taxation year 2012.

152. (1) Section 1091 of the Act is amended by inserting ", 737.22.0.4.7" after "737.22.0.3" in paragraph *c*.

(2) Subsection 1 applies from the taxation year 2012.

153. (1) Section 1129.0.0.1 of the Act is amended by replacing "III.2.6" in the portion of the third paragraph before the definition of "filing-due date" by "III.2.7".

(2) Subsection 1 has effect from 21 March 2012.

154. (1) The Act is amended by inserting the following after section 1129.4.0.16:

"**PART III.1.0.4.1**

"SPECIAL TAX RELATING TO THE CREDIT FOR THE PRODUCTION OF MULTIMEDIA EVENTS OR ENVIRONMENTS PRESENTED OUTSIDE QUÉBEC

"**1129.4.0.16.1.** In this Part, "qualified labour expenditure" and "qualified production" have the meaning assigned by section 1029.8.36.0.0.12.1.

"**1129.4.0.16.2.** Every corporation that, in relation to the production of a property that is a qualified production, is deemed to have paid an amount to the Minister, under section 1029.8.36.0.0.12.2, on account of its tax payable under Part I for any taxation year shall pay, for a particular taxation year, a tax equal to

(*a*) the amount by which the aggregate of all amounts each of which is a tax that the corporation is required to pay under this Part in respect of the production of the property for a taxation year preceding the particular year is exceeded by the aggregate of all amounts each of which is an amount that the corporation is deemed, under section 1029.8.36.0.0.12.2, to have so paid to the Minister in respect of the production of the property for a year preceding the particular year, where the property ceases, in the particular year, to be considered as a qualified production because the favourable advance ruling given in respect of the property by the Société de développement des entreprises culturelles ceases at that time to be in force and no qualification certificate is issued in respect of the property by the Société, or because the qualification certificate issued in respect of the property by the Société is revoked at that time; and

(*b*) where subparagraph *a* does not apply in the particular year or in a preceding taxation year, in relation to the production of the property, the amount determined in respect of the corporation under the second paragraph where

i. in computing the amount determined under subparagraph ii of paragraph *a*, or subparagraph i of paragraph *b*, of the definition of "qualified labour expenditure" in the first paragraph of section 1029.8.36.0.0.12.1, government assistance or non-government assistance that the corporation, another person or a partnership has received, is entitled to receive or may reasonably expect to receive, on or before the corporation's filing-due date for the particular year, must be taken into account for or from the particular year in respect of the

production of the property, and the expenditure or costs to which the assistance is attributable or relates were incurred by the corporation in a taxation year preceding the particular year, or

ii. an amount relating to an expenditure included in a qualified labour expenditure in respect of the property or to production costs directly attributable to the production of the property, other than the amount of assistance to which subparagraph i applies, is, during the particular taxation year, directly or indirectly, refunded or otherwise paid to the corporation or allocated to a payment to be made by the corporation.

The amount to which subparagraph *b* of the first paragraph refers, in relation to a property, is equal, for the corporation, to the amount by which the aggregate of all amounts each of which is an amount that the corporation is deemed to have paid to the Minister under section 1029.8.36.0.0.12.2 in respect of the production of the property for the particular year or a preceding taxation year, exceeds the aggregate of

(*a*) the aggregate of all amounts each of which is an amount that the corporation would have been deemed to have paid to the Minister under section 1029.8.36.0.0.12.2 in respect of the property for the particular year or for a preceding taxation year if

i. where subparagraph i of subparagraph *b* of the first paragraph applies, the assistance referred to in that subparagraph i had been received by the corporation, the other person or the partnership in the year during which the expenditure or costs to which the assistance is attributable or relates were incurred by the corporation, and

ii. where subparagraph ii of subparagraph *b* of the first paragraph applies, any amount referred to in that subparagraph ii had been refunded, paid or allocated in the year during which the expenditure or costs to which the amount is attributable were incurred; and

(*b*) the aggregate of all amounts each of which is a tax that the corporation is required to pay under this Part in respect of the property for a taxation year preceding the particular year.

Furthermore, where applicable, the corporation that controls, directly or indirectly in any manner whatever, the corporation referred to in the first paragraph is liable, solidarily with that corporation, for payment of the tax under the first paragraph.

"**1129.4.0.16.3.** For the purposes of Part I, except Division II.6.0.0.4.1 of Chapter III.1 of Title III of Book IX, tax paid to the Minister by a corporation at any time, under section 1129.4.0.16.2, in relation to an expenditure that is included in a qualified labour expenditure of the corporation, is deemed to be an amount of assistance repaid by the corporation at that time in respect of a property that is a qualified production, pursuant to a legal obligation.

"**1129.4.0.16.4.** Unless otherwise provided in this Part, section 21.25, the first paragraph of section 549, section 564 where it refers to the first paragraph of section 549, sections 1000 to 1024, subparagraph *b* of the first paragraph of section 1027 and sections 1037 to 1079.16 apply to this Part, with the necessary modifications."

(2) Subsection 1 has effect from 21 March 2012.

155. (1) Section 1129.12.12 of the Act is amended by striking out the definitions of "determination time of investments", "specified percentage" and "transition time" in the first paragraph.

(2) Subsection 1 applies from the calendar year 2012.

156. (1) Section 1129.12.13 of the Act is replaced by the following section:

"**1129.12.13.** If, in a particular calendar year, a qualified cooperative that is a shareholding workers cooperative, within the meaning of the first paragraph of section 2 of the Cooperative Investment Plan Act (chapter R-8.1.1), and that holds a qualification certificate has issued qualifying securities, redeemed securities issued under that Act or under the cooperative investment plan enacted by Order in Council 1596-85 (1985, G.O. 2, 5580, in French only), acquired an investment under the plan, or disposed of such an investment, the qualified cooperative shall pay tax for that year equal to the regulation amount determined under section 1129.12.14.

The first paragraph ceases to apply from the calendar year in which the qualified cooperative decides to wind-up in accordance with the Cooperatives Act (chapter C-67.2) or the Canada Cooperatives Act (Statutes of Canada, 1998, chapter 1)."

(2) Subsection 1 applies from the calendar year 2012.

157. (1) Section 1129.12.14 of the Act is amended

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

"**1129.12.14.** The regulation amount to which the first paragraph of section 1129.12.13 refers in respect of a qualified cooperative for a particular calendar year is equal to the amount determined by the formula

30% (A – B) + C – D.";

(2) by replacing subparagraphs *a* to *e* of the second paragraph by the following subparagraphs:

"(*a*) A is the amount by which the aggregate of the amounts paid in respect of the securities that are issued by the qualified cooperative under the Cooperative Investment Plan Act (chapter R-8.1.1) and under the cooperative

investment plan enacted by Order in Council 1596-85 (1985, G.O. 2, 5580, in French only) and that are outstanding at the end of the particular calendar year, exceeds an amount equal to 165% of the acquisition cost, determined without taking into account the borrowing costs and the other costs related to their acquisition, of the aggregate of the investments under the plan that the qualified cooperative holds at the end of the particular calendar year;

"(*b*) B is the amount by which the aggregate of the amounts paid in respect of the securities that are issued by the qualified cooperative under the cooperative investment plan and that are outstanding immediately before the issue to the qualified cooperative of its first qualification certificate, exceeds the acquisition cost, determined without taking into account the borrowing costs and the other costs related to their acquisition, of the aggregate of the investments under the plan that the qualified cooperative held at that time;

"(*c*) C is the aggregate of all amounts each of which is an amount that the qualified cooperative is deemed to have paid to the Minister under Division II.6.5.5 of Chapter III.1 of Title III of Book IX of Part I, on account of its tax payable under that Part for a taxation year preceding its taxation year in which the particular calendar year ends;

"(*d*) D is the aggregate of all amounts each of which is a tax that the qualified cooperative is required to pay under this Part for a calendar year preceding the particular calendar year; and

"(*e*) where the result of the subtraction of the amounts that A and B represent is less than zero, the result of that subtraction is deemed to be equal to zero.";

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

(2) Subsection 1 applies from the calendar year 2012.

158. (1) Section 1129.12.24 of the Act is amended by replacing the portion of the first paragraph before the formula by the following:

"**1129.12.24.** Every qualified cooperative that carries out, after 23 June 2009 and before 1 January 2010, a block redemption of all of the outstanding qualifying securities of a class or, if applicable, of a series in a class of its capital stock it issued under the cooperative investment plan is required to pay for the calendar year 2009 a tax equal to 50% of the aggregate of all amounts each of which is the amount determined by the following formula in respect of each of those qualifying securities, unless the block redemption is described in the third paragraph:".

(2) Subsection 1 applies in respect of a redemption made after 23 June 2009.

159. (1) Section 1129.12.28 of the Act is replaced by the following section:

"**1129.12.28.** Sections 1129.12.26 and 1129.12.27 do not apply in respect of the redemption of a qualifying security of a qualified cooperative issued under the cooperative investment plan, if the redemption meets the requirements of section 4 of the plan or is made as part of a block redemption of all the outstanding qualifying securities of a class or, if applicable, of a series in a class of the capital stock of the cooperative."

(2) Subsection 1 applies in respect of a redemption made after 23 June 2009.

160. (1) Section 1129.12.33 of the Act is amended by replacing the portion of the first paragraph before the formula by the following:

"**1129.12.33.** Every qualified cooperative or qualified federation of cooperatives that carries out, in a calendar year and after 23 June 2009, a block redemption or repayment of all of the outstanding qualifying securities of a class or, if applicable, of a series in a class of its capital stock it issued under the Cooperative Investment Plan Act (chapter R-8.1.1) is required to pay for that year a tax equal to 30% of the aggregate of all amounts each of which is the amount determined by the following formula in respect of each of those qualifying securities, unless the block redemption or repayment is made as part of the winding-up of the qualified cooperative or qualified federation of cooperatives, as the case may be, or is an exchange operation described in the third paragraph:".

(2) Subsection 1 applies in respect of a redemption or repayment made after 23 June 2009. However, when section 1129.12.33 of the Act applies in respect of a redemption or repayment made before 21 March 2012, the portion of the first paragraph of that section before the formula is to be read as follows:

"**1129.12.33.** Every qualified cooperative or qualified federation of cooperatives that carries out, in a calendar year and after 23 June 2009, a block redemption or repayment of all of the outstanding qualifying securities of a class or, if applicable, of a series in a class of its capital stock it issued under the Cooperative Investment Plan Act (chapter R-8.1.1) is required to pay for that year a tax equal to 30% of the aggregate of all amounts each of which is the amount determined by the following formula in respect of each of those qualifying securities, unless the block redemption or repayment is an exchange operation described in the third paragraph:".

161. (1) Section 1129.12.35 of the Act is amended by replacing the portion of the first paragraph before the formula by the following:

"**1129.12.35.** If a qualifying security is the subject of a redemption or repayment by a qualified cooperative or qualified federation of cooperatives after 23 June 2009, otherwise than under the circumstances to which section 1129.12.36 applies, the individual referred to in section 965.39.4, the person to whom, if applicable, the security devolved as a consequence of the individual's death, or a trust holding the security and that is governed by a registered retirement savings plan or by a registered retirement income fund

the annuitant of which is the individual, is required to pay, for the taxation year in which the redemption or repayment is made, a tax equal to the amount determined by the following formula, unless the redemption or repayment is made as part of a block redemption or repayment to which section 1129.12.33 applies or is an exchange operation described in the third paragraph of that section:".

(2) Subsection 1 applies in respect of a redemption or repayment made after 23 June 2009. However, when section 1129.12.35 of the Act applies in respect of a redemption or repayment made before 21 March 2012, the portion of the first paragraph of that section before the formula is to be read as follows:

"**1129.12.35.** If a qualifying security is the subject of a redemption or repayment by a qualified cooperative or qualified federation of cooperatives after 23 June 2009, otherwise than under the circumstances to which section 1129.12.36 applies, the individual referred to in section 965.39.4, the person to whom, if applicable, the security devolved as a consequence of the individual's death, or a trust holding the security and that is governed by a registered retirement savings plan or by a registered retirement income fund the annuitant of which is the individual, is required to pay, for the taxation year in which the redemption or repayment is made, a tax equal to the amount determined by the following formula, unless the redemption or repayment is made as part of the block redemption or repayment of all of the outstanding qualifying securities of a class or, if applicable, of a series in a class of the capital stock of the qualified cooperative or qualified federation of cooperatives, as the case may be:".

162. (1) Section 1129.12.36 of the Act is amended by replacing the portion of the first paragraph before the formula by the following:

"**1129.12.36.** If a qualifying security held by a partnership is the subject of a redemption or repayment by a qualified cooperative or qualified federation of cooperatives after 23 June 2009, an individual who is a member of the partnership at the end of the partnership's fiscal period in which the redemption or repayment is made, is required to pay, for the taxation year in which the fiscal period ends, a tax equal to the amount determined by the following formula, unless the redemption or repayment is made as part of a block redemption or repayment to which section 1129.12.33 applies or is an exchange operation described in the third paragraph of that section:".

(2) Subsection 1 applies in respect of a redemption or repayment made after 23 June 2009. However, when section 1129.12.36 of the Act applies in respect of a redemption or repayment made before 21 March 2012, the portion of the first paragraph of that section before the formula is to be read as follows:

"**1129.12.36.** If a qualifying security held by a partnership is the subject of a redemption or repayment by a qualified cooperative or qualified federation of cooperatives after 23 June 2009, an individual who is a member of the partnership at the end of the partnership's fiscal period in which the redemption

or repayment is made, is required to pay, for the taxation year in which the fiscal period ends, a tax equal to the amount determined by the following formula, unless the redemption or repayment is made as part of the block redemption or repayment of all of the outstanding qualifying securities of a class or, if applicable, of a series in a class of the capital stock of the qualified cooperative or qualified federation of cooperatives, as the case may be:".

163. (1) The Act is amended by inserting the following after section 1129.12.39:

"**PART III.2.7**

"SPECIAL TAX RELATING TO CERTAIN SHARE ISSUE EXPENSES UNDER THE STOCK SAVINGS PLAN II

"**1129.12.40.** In this Part, "eligible issue expenses" and "qualified issuing corporation" have the meaning assigned by section 1029.8.36.59.35.

"**1129.12.41.** Every qualified issuing corporation that is deemed to have paid an amount to the Minister, under section 1029.8.36.59.37, on account of its tax payable under Part I for a particular taxation year, in relation to eligible issue expenses incurred by the qualified issuing corporation for the particular year, shall pay the tax computed under the second paragraph for a subsequent taxation year (in this section referred to as the "repayment year") in which an amount relating to the eligible issue expenses is, directly or indirectly, refunded or otherwise paid to the qualified issuing corporation or allocated to a payment to be made by the qualified issuing corporation.

The tax to which the first paragraph refers is equal to the amount by which the aggregate of all amounts each of which is an amount that the qualified issuing corporation is deemed to have paid to the Minister under section 1029.8.36.59.37, in relation to the eligible issue expenses, exceeds the total of

(*a*) the aggregate of all amounts each of which is an amount that the corporation would be deemed to have paid to the Minister under section 1029.8.36.59.37, in relation to the eligible issue expenses, if every amount that is, at or before the end of the repayment year, so refunded, paid or allocated, in relation to the eligible issue expenses were refunded, paid or allocated in the particular year; and

(*b*) the aggregate of all amounts each of which is a tax that the corporation is required to pay to the Minister under this section for a taxation year preceding the repayment year, in relation to the eligible issue expenses.

"**1129.12.42.** For the purposes of Part I, except Division II.6.5.6 of Chapter III.1 of Title III of Book IX, tax paid at any time by a corporation to the Minister under section 1129.12.41 in relation to eligible issue expenses is

deemed to be an amount of assistance repaid at that time by the corporation in respect of the expenses pursuant to a legal obligation.

"**1129.12.43.** Unless otherwise provided in this Part, the first paragraph of section 549, section 564 where it refers to the first paragraph of section 549, sections 1000 to 1024, subparagraph *b* of the first paragraph of section 1027 and sections 1037 to 1079.16 apply to this Part, with the necessary modifications."

(2) Subsection 1 has effect from 21 March 2012.

164. (1) Section 1129.27.0.2.1 of the Act is amended

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

"**1129.27.0.2.1.** The Fund shall pay, for a particular taxation year referred to in the second paragraph, a tax equal to 25% of the amount by which the aggregate of all amounts each of which is an amount paid in that particular year for the purchase of a share as first purchaser exceeds the amount determined for that particular year under the second paragraph.";

(2) by replacing the portion of subparagraph *b* of the second paragraph before subparagraph i by the following:

"(*b*) where the particular taxation year ends on 31 May 2011, the aggregate of";

(3) by replacing subparagraph ii of subparagraph *b* of the second paragraph by the following subparagraph:

"ii. the amount by which $150,000,000 exceeds the aggregate of all amounts each of which is an amount paid in the taxation year that ends on 31 May 2010 for the purchase of a share as first purchaser;";

(4) by adding the following subparagraphs after subparagraph *b* of the second paragraph:

"(*c*) where the particular taxation year ends on 31 May 2012, the aggregate of

i. $150,000,000, and

ii. the amount by which the amount determined under this paragraph for the taxation year that ends on 31 May 2011 exceeds the aggregate of all amounts each of which is an amount paid in that taxation year for the purchase of a share as first purchaser;

"(*d*) where the particular taxation year ends on 31 May 2013, $175,000,000;

"(*e*) where the particular taxation year ends on 31 May 2014, the aggregate of

i. $200,000,000, and

ii. the amount by which $175,000,000 exceeds the aggregate of all amounts each of which is an amount paid in the taxation year that ends on 31 May 2013 for the purchase of a share as first purchaser; or

"(*f*) where the particular taxation year ends on 31 May 2015, to the aggregate of

i. $225,000,000, and

ii. the amount by which the amount determined under this paragraph for the taxation year that ends on 31 May 2014 exceeds the aggregate of all amounts each of which is an amount paid in the taxation year for the purchase of a share as first purchaser."

(2) Subsection 1 has effect from 21 March 2012.

165. (1) The Act is amended by inserting the following after section 1129.45.3.39:

"**PART III.10.1.10**

"SPECIAL TAX RELATING TO THE CREDIT TO FOSTER THE MODERNIZATION OF THE TOURIST ACCOMMODATION OFFERING

"**1129.45.3.40.** In this Part, "qualified expenditure" and "qualified tourist accommodation establishment" have the meaning assigned by section 1029.8.36.0.107.

"**1129.45.3.41.** Every corporation that is deemed to have paid an amount to the Minister, under section 1029.8.36.0.109, on account of its tax payable under Part I for a particular taxation year, in relation to a qualified expenditure of the corporation for the particular taxation year or to a qualified expenditure of a partnership of which the corporation is a member for a particular fiscal period of the partnership that ends in the particular taxation year, in respect of a qualified tourist accommodation establishment, shall pay the tax computed under the second paragraph for a subsequent taxation year (in this section referred to as the "repayment year") in which

(*a*) an amount relating to an amount included in computing the corporation's qualified expenditure is, directly or indirectly, refunded or otherwise paid to the corporation or allocated to a payment to be made by the corporation; or

(*b*) a fiscal period of the partnership ends (in this section referred to as the "fiscal period of repayment") in which an amount relating to an amount included in computing the partnership's qualified expenditure is, directly or indirectly, refunded or otherwise paid to the partnership or corporation or allocated to a payment to be made by the partnership or corporation.

The tax to which the first paragraph refers is equal to the amount by which the aggregate of all amounts each of which is an amount that the corporation is deemed to have paid to the Minister, under Division II.6.0.10 of Chapter III.1 of Title III of Book IX of Part I, in relation to a qualified expenditure referred to in the first paragraph for a taxation year preceding the repayment year or, if the tax becomes payable in whole or in part because of the application of subparagraph *b* of the first paragraph, would be so deemed to have paid to the Minister if the agreed proportion in respect of the corporation for the partnership's fiscal period that ends in that preceding taxation year were the same as that for the fiscal period of repayment, exceeds the total of

(*a*) the aggregate of all amounts each of which is an amount that the corporation would be deemed to have paid to the Minister in relation to a qualified expenditure referred to in the first paragraph under Division II.6.0.10 of Chapter III.1 of Title III of Book IX of Part I for a taxation year preceding the repayment year if

i. every amount that is, at or before the end of the repayment year, so refunded, paid or allocated, in respect of an amount included in computing a qualified expenditure of the corporation, or at or before the end of the fiscal period of repayment, in respect of an amount included in computing a qualified expenditure of the partnership, were refunded, paid or allocated in the particular year or the particular fiscal period, as the case may be, and

ii. the agreed proportion, in respect of the corporation for the partnership's fiscal period that ends in that preceding taxation year, were the same as that for the fiscal period of repayment; and

(*b*) the aggregate of all amounts each of which is

i. a tax that the corporation must pay to the Minister under this section for a taxation year preceding the repayment year in relation to an amount relating to an amount included in computing the corporation's qualified expenditure that is, directly or indirectly, refunded or otherwise paid to the corporation or allocated to a payment to be made by the corporation, or

ii. a tax that the corporation would be required to pay to the Minister under this section, for a taxation year preceding the repayment year in relation to an amount relating to an amount included in computing the partnership's qualified expenditure that is, directly or indirectly, refunded or otherwise paid to the partnership or corporation if the agreed proportion in respect of the corporation for the partnership's fiscal period that ends in that preceding taxation year were the same as that for the fiscal period of repayment.

"**1129.45.3.42.** For the purposes of Part I, except Division II.6.0.10 of Chapter III.1 of Title III of Book IX, tax paid at any time by a corporation to the Minister under this Part, in relation to a qualified expenditure of the corporation or of a partnership, in respect of a qualified tourist accommodation establishment, is deemed to be an amount of assistance repaid at that time by the corporation or partnership in respect of that expenditure, pursuant to a legal obligation.

"**1129.45.3.43.** Unless otherwise provided in this Part, the first paragraph of section 549, section 564 where it refers to the first paragraph of section 549, sections 1000 to 1024, subparagraph *b* of the first paragraph of section 1027 and sections 1037 to 1079.16 apply to this Part, with the necessary modifications.

"**PART III.10.1.11**

"SPECIAL TAX RELATING TO THE CREDIT FOR THE MARKET DIVERSIFICATION OF MANUFACTURING BUSINESSES

"**1129.45.3.44.** In this Part, "eligible certification costs" has the meaning assigned by section 1029.8.36.0.119.

"**1129.45.3.45.** Every corporation that is deemed to have paid an amount to the Minister, under section 1029.8.36.0.120, on account of its tax payable under Part I for a particular taxation year, in relation to eligible certification costs of the corporation for the particular year, shall pay the tax computed under the second paragraph for a subsequent taxation year (in this section referred to as the "repayment year") in which an amount relating to those eligible certification costs is, directly or indirectly, refunded or otherwise paid to the corporation or allocated to a payment to be made by the corporation.

The tax to which the first paragraph refers is equal to the amount by which the aggregate of all amounts each of which is an amount that the corporation is deemed to have paid to the Minister under section 1029.8.36.0.120 or 1029.8.36.0.123, in relation to those eligible certification costs, exceeds the total of

(*a*) the aggregate of all amounts each of which is an amount that the corporation would be deemed to have paid to the Minister under section 1029.8.36.0.120 or 1029.8.36.0.123, in relation to those eligible certification costs, if every amount that is, at or before the end of the repayment year, so refunded, paid or allocated, in relation to those eligible certification costs, were refunded, paid or allocated in the particular year; and

(*b*) the aggregate of all amounts each of which is a tax that the corporation is required to pay to the Minister under this section for a taxation year preceding the repayment year, in relation to those eligible certification costs.

"**1129.45.3.46.** For the purposes of Part I, except Division II.6.0.11 of Chapter III.1 of Title III of Book IX, tax paid at any time by a corporation to the Minister under section 1129.45.3.45, in relation to eligible certification costs, is deemed to be an amount of assistance repaid at that time by the corporation in respect of those costs, pursuant to a legal obligation.

"**1129.45.3.47.** Unless otherwise provided in this Part, the first paragraph of section 549, section 564 where it refers to the first paragraph of section 549, sections 1000 to 1024, subparagraph *b* of the first paragraph of section 1027 and sections 1037 to 1079.16 apply to this Part, with the necessary modifications."

(2) Subsection 1 has effect from 21 March 2012.

166. (1) The Act is amended by inserting the following after section 1129.45.41.22:

"**PART III.10.9.4**

"SPECIAL TAX RELATING TO THE CREDIT FOR THE HIRING OF EMPLOYEES BY NEW FINANCIAL SERVICES CORPORATIONS

"**1129.45.41.23.** In this Part, "eligible employee" and "qualified wages" have the meaning assigned by section 1029.8.36.166.65.

"**1129.45.41.24.** Every corporation that is deemed to have paid an amount to the Minister, under section 1029.8.36.166.66, on account of its tax payable for a particular taxation year under Part I, in relation to qualified wages incurred in the particular taxation year in respect of an eligible employee, shall pay the tax computed under the second paragraph for a subsequent taxation year (in this section referred to as the "repayment year") in which an amount relating to wages included in computing the qualified wages is, directly or indirectly, refunded or otherwise paid to the corporation or allocated to a payment to be made by the corporation.

The tax to which the first paragraph refers is equal to the amount by which the aggregate of all amounts each of which is an amount that the corporation is deemed to have paid to the Minister under section 1029.8.36.166.66 or 1029.8.36.166.67, in relation to the qualified wages, exceeds the total of

(*a*) the aggregate of all amounts each of which is an amount that the corporation would be deemed to have paid to the Minister under section 1029.8.36.166.66 or 1029.8.36.166.67, in relation to the qualified wages, if every amount that is, at or before the end of the repayment year, so refunded, paid or allocated, in relation to wages included in computing the qualified wages, were refunded, paid or allocated in the particular year; and

(*b*) the aggregate of all amounts each of which is a tax that the corporation is required to pay to the Minister under this section for a taxation year preceding the repayment year, in relation to the qualified wages.

"**1129.45.41.25.** For the purposes of Part I, except Division II.6.14.4 of Chapter III.1 of Title III of Book IX, tax paid at any time by a corporation to the Minister under section 1129.45.41.24, in relation to qualified wages, is deemed to be an amount of assistance repaid at that time by the corporation in respect of the wages, pursuant to a legal obligation to do so.

"**1129.45.41.26.** Unless otherwise provided in this Part, the first paragraph of section 549, section 564 where it refers to the first paragraph of section 549, sections 1000 to 1024, subparagraph *b* of the first paragraph of section 1027 and sections 1037 to 1079.16 apply to this Part, with the necessary modifications.

"**PART III.10.9.5**

"SPECIAL TAX RELATING TO THE CREDIT FOR NEW FINANCIAL SERVICES CORPORATIONS

"**1129.45.41.27.** In this Part, "qualified expenditure" has the meaning assigned by section 1029.8.36.166.69.

"**1129.45.41.28.** Every corporation that is deemed to have paid an amount to the Minister, under section 1029.8.36.166.70, on account of its tax payable under Part I for a particular taxation year, in relation to a qualified expenditure incurred in the particular year, shall pay the tax referred to in the second paragraph for a subsequent taxation year (in this section referred to as the "repayment year") in which an amount relating to an expenditure included in computing the qualified expenditure is, directly or indirectly, refunded or otherwise paid to the corporation or allocated to a payment to be made by the corporation.

The tax to which the first paragraph refers is equal to the amount by which the aggregate of all amounts each of which is an amount that the corporation is deemed to have paid to the Minister under section 1029.8.36.166.70 or 1029.8.36.166.78, in relation to the qualified expenditure, exceeds the total of

(*a*) the aggregate of all amounts each of which is an amount that the corporation would be deemed to have paid to the Minister under section 1029.8.36.166.70 or 1029.8.36.166.78, in relation to the qualified expenditure, if every amount that is, at or before the end of the repayment year, so refunded, paid or allocated, in relation to an expenditure included in computing the qualified expenditure, were refunded, paid or allocated in the particular year; and

(*b*) the aggregate of all amounts each of which is a tax that the corporation is required to pay to the Minister under this section for a taxation year preceding the repayment year, in relation to the qualified expenditure.

"**1129.45.41.29.** For the purposes of Part I, except Division II.6.14.5 of Chapter III.1 of Title III of Book IX, tax paid to the Minister by a corporation at any time, under this Part, in relation to a qualified expenditure of the corporation is deemed to be an amount of assistance repaid by the corporation at that time in respect of that expenditure, pursuant to a legal obligation to do so.

"**1129.45.41.30.** Unless otherwise provided in this Part, the first paragraph of section 549, section 564 where it refers to the first paragraph of section 549, sections 1000 to 1024, subparagraph *b* of the first paragraph of section 1027 and sections 1037 to 1079.16 apply to this Part, with the necessary modifications."

(2) Subsection 1 has effect from 21 March 2012.

167. (1) Section 1129.45.46 of the Act is amended by replacing the definition of "qualified patronage dividend" by the following definition:

""qualified patronage dividend" of a cooperative or a federation of cooperatives means a patronage dividend allocated by the cooperative or federation of cooperatives in the form of a preferred share received after 21 February 2002 and before 1 January 2023 by a member of the cooperative or federation of cooperatives."

(2) Subsection 1 applies in respect of a patronage dividend allocated in respect of a taxation year that ends after 22 December 2009.

168. (1) Section 1129.45.47 of the Act is replaced by the following section:

"**1129.45.47.** Where, in a taxation year, the Minister of Economic Development, Innovation and Export Trade revokes a qualification certificate issued to a cooperative or a federation of cooperatives, the cooperative or federation of cooperatives shall pay for the year a tax equal to 10% of the amount that is the aggregate of all qualified patronage dividends it allocated in respect of a taxation year covered by the notice of revocation of the qualification certificate."

(2) Subsection 1 applies in respect of a patronage dividend allocated in respect of a taxation year that ends after 22 December 2009.

169. (1) Section 1129.51 of the Act is amended

(1) by inserting the following definitions in alphabetical order:

""Canada" has the meaning assigned by section 1;

""“property” has the meaning assigned by section 1;

""“qualifying contract”, in respect of a trust, means a contract entered into with the State, Her Majesty in right of Canada or Her Majesty in right of a province, other than Québec, on or before the later of 1 January 1996 and the day that is one year after the day on which the trust was created;";

(2) by inserting the following definitions in alphabetical order:

""“excluded trust”, at a particular time, means a trust that

(*a*) has as its object at that time the reclamation of a well;

(*b*) is not maintained at that time to secure the reclamation obligations of one or more persons or partnerships that are beneficiaries under the trust;

(*c*) borrows money at that time;

(*d*) if the trust is not a trust to which paragraph *e* applies, acquires at that time any property that is not described in any of paragraphs *a*, *b* and *f* of the definition of “qualified investment” in section 204 of the Income Tax Act (Revised Statutes of Canada, 1985, chapter 1, 5th Supplement);

(*e*) if the trust is created after 31 December 2011 (or if the trust was created before 1 January 2012, it made a valid election under paragraph *e* of the definition of “excluded trust” in subsection 1 of section 211.6 of the Income Tax Act),

i. acquires at that time any property that is not described in any of paragraphs *a*, *b*, *c*, *c*.1, *d* and *f* of the definition of “qualified investment” in section 204 of the Income Tax Act, or

ii. holds at that time a prohibited investment;

(*f*) is not a qualifying environmental trust for the purposes of the Income Tax Act because of a valid election made by it to that effect under paragraph *f* of the definition of “excluded trust” in subsection 1 of section 211.6 of that Act; or

(*g*) was, at any time before the particular time but during its existence, not an environmental trust (within the meaning of section 21.40 as it applied at that time);

""“qualifying site”, in respect of a trust, means a site in Canada that is or has been used primarily for, or for any combination of,

(*a*) the operation of a mine;

(*b*) the extraction of clay, peat, sand, shale or aggregates (including dimension stone and gravel);

(*c*) the deposit of waste; or

(*d*) if the trust was created after 31 December 2011, the operation of a pipeline;

""trust" has the meaning assigned by Part I.";

(3) by replacing the definition of "environmental trust" by the following definition:

""environmental trust" means a trust

(*a*) each trustee of which is

i. the State, Her Majesty in right of Canada or Her Majesty in right of a province, other than Québec, or

ii. a corporation resident in Canada that is licensed or otherwise authorized under the laws of Canada or a province to offer its services as trustee in Canada;

(*b*) that is maintained for the sole purpose of funding the reclamation of a qualifying site;

(*c*) that is, or may become, required to be maintained under

i. a qualifying contract, or

ii. a qualifying law or order; and

(*d*) that is not an excluded trust;";

(4) by adding the following definitions in alphabetical order:

""prohibited investment", of a trust at any time, means a property that

(*a*) at the time it was acquired by the trust, was described in any of paragraphs *c*, *c*.1 and *d* of the definition of "qualified investment" in section 204 of the Income Tax Act; and

(*b*) was issued by

i. a person or partnership that has contributed property to, or that is a beneficiary under, the trust,

ii. a person that is related to, or a partnership that is affiliated with, a person or partnership that has contributed property to, or that is a beneficiary under, the trust, or

iii. a particular person or partnership if

(1) another person or partnership holds a significant interest (within the meaning of subsection 4 of section 207.01 of the Income Tax Act with the necessary modifications) in the particular person or partnership, and

(2) the holder of that significant interest has contributed property to, or is a beneficiary under, the trust;

""province" has the meaning assigned by section 1;

""qualifying law or order", in respect of a trust, means

(*a*) a law of Canada or a province that was enacted on or before the later of 1 January 1996 and the day that is one year after the day on which the trust was created; and

(*b*) if the trust was created after 31 December 2011, an order made

i. by a tribunal constituted under a law described in paragraph *a*, and

ii. on or before the day that is one year after the day on which the trust was created;";

(5) by adding the following paragraphs:

"For the purposes of this Part, a person is related to, or a partnership is affiliated with, a person or partnership when the person is related to, or the partnership is affiliated with, a person or partnership for the purposes of Part I.

Chapter V.2 of Title II of Book I of Part I applies in relation to an election made under paragraph *e* or *f* of the definition of "excluded trust" in subsection 1 of section 211.6 of the Income Tax Act."

(2) Subsection 1 applies from the taxation year 2012.

170. (1) The Act is amended by inserting the following section after section 1129.51:

"**1129.51.1.** For the purposes of this Part, an environmental trust is deemed to be resident in the province in which the site in respect of which the trust is maintained is situated and in no other province."

(2) Subsection 1 applies from the taxation year 2012.

171. (1) Section 1129.52 of the Act is amended by inserting "(other than a trust that is at that time described in paragraph *p* or *q* of section 998)" after "Québec" in the first paragraph.

(2) Subsection 1 applies from the taxation year 1997.

172. (1) Section 1129.54 of the Act is amended by striking out "11.4,".

(2) Subsection 1 applies from the taxation year 2012.

173. (1) The Act is amended by inserting the following after section 1129.76:

"**PART III.18**

"TAX ON PROPERTY INCOME OF SPECIFIED TRUSTS FROM THE RENTAL OF SPECIFIED IMMOVABLES

"**1129.77.** In this Part,

"specified immovable" means an immovable property situated in Québec that is used principally for the purpose of earning or producing gross revenue that is rent;

"specified trust" for a taxation year means an inter vivos trust that was not resident in Canada at any time in the year and that is not exempt from tax payable under Part I because of Book VIII of that Part;

"taxation year" means a calendar year or, if applicable, the period determined in accordance with paragraph *a*.1 of section 785.1 or subparagraph *a*.0.1 of the first paragraph of section 785.2.

"**1129.78.** A specified trust for a taxation year that, at any time in the year, owns a specified immovable or is a member of a partnership that owns a specified immovable shall pay a tax under this Part for the year that is equal to the product obtained by multiplying 5.3% by the property income of the specified trust from the rental of specified immovables for the year.

For the purposes of the first paragraph, each member of a partnership, at any time, is deemed to be a member of another partnership of which the first partnership is a member at that time.

"**1129.79.** For the purposes of section 1129.78, the property income of a specified trust from the rental of specified immovables for a taxation year means the amount by which the amount that is the trust's income for the year from the rental of a specified immovable computed under Titles III and XI of Book III of Part I, except to the extent that the income is otherwise included under subparagraph *b* of the first paragraph of section 1089 in computing the trust's income earned in Québec for the year, exceeds the amount that is the trust's loss for the year from the rental of a specified immovable computed under those Titles III and XI, except to the extent that the loss is otherwise taken into consideration under subparagraph *i* of the first paragraph of section 1089 in computing the trust's income earned in Québec for the year or could be so taken into consideration if the trust had sufficient income for that purpose.

"**1129.80.** For the purposes of section 1129.79, in computing the property income of a specified trust from the rental of specified immovables owned by the trust for a taxation year, a trust that becomes resident in Canada at a particular time is deemed to dispose, at the time (in this section referred to as the "time of disposition") immediately preceding the end of the trust's taxation year that ends immediately before the particular time, of each specified immovable then owned by the trust for proceeds of disposition equal to its fair market value at the time of disposition.

"**1129.81.** Unless otherwise provided in this Part, Book I of Part I, sections 647, 1000 to 1014, 1026 to 1026.1 and 1037 to 1079.16 apply to this Part, with the necessary modifications."

(2) Subsection 1 applies to a taxation year that ends after 19 March 2012. However, when section 1129.78 of the Act applies to a taxation year of a specified trust that includes 20 March 2012, the first paragraph of that section is to be read as if the percentage of 5.3% was replaced by the proportion of 5.3% that the number of days in that taxation year that follow 19 March 2012 is of the number of days in that taxation year.

174. (1) Section 1159.1 of the Act is amended by replacing paragraph *a* of the definition of "base wages" by the following paragraph:

"(*a*) any amount, other than an amount described in section 1159.1.0.1, that is paid, allocated, granted or awarded by the person and that is included under Chapters I and II of Title II of Book III of Part I, except the second paragraph of section 39.6 and section 58.0.1, as it read before being repealed, in computing the individual's income from an office or employment or that would be included in computing that income if the individual were subject to tax under Part I; and".

(2) Subsection 1 applies from 1 January 2013.

175. (1) The Act is amended by inserting the following section after section 1159.1:

"**1159.1.0.1.** The amount to which paragraph *a* of the definition of "base wages" in section 1159.1 refers is an amount equal to the value of the benefit that is received or enjoyed by the individual referred to in that paragraph *a* because of, or in the course of, the individual's office or employment, and that is derived from the amount paid by the person referred to in that paragraph *a* to obtain, for the benefit of the individual and after 31 December 2012, a share, within the meaning of section 1, referred to in paragraph *a* or *b* of section 776.1.1."

(2) Subsection 1 applies from 1 January 2013.

176. (1) Section 1175.1 of the Act is amended by replacing the definition of "total reserve liabilities" by the following definition:

""“total reserve liabilities” of an insurer at the end of a taxation year means the amount by which the aggregate amount of the insurer's liabilities and reserves at the end of the year in respect of all its insurance policies, other than liabilities and reserves in respect of a segregated fund, within the meaning of subparagraph *b* of the first paragraph of section 835, as determined for the purposes of the Superintendent of Financial Institutions, exceeds the aggregate of all amounts each of which is a reinsurance recoverable within the meaning of section 818R53 of the Regulation respecting the Taxation Act (chapter I-3, r. 1) reported as a reinsurance asset by the insurer as at the end of the year relating to those liabilities or reserves.”

(2) Subsection 1 applies to a taxation year that begins after 31 December 2010.

177. Parts VII.1 and VII.2 of the Act, comprising sections 1186.1 to 1186.5 and 1186.6 to 1186.10, respectively, are repealed.

ACT RESPECTING THE SECTORAL PARAMETERS OF CERTAIN FISCAL MEASURES

178. (1) Section 1.1 of Schedule A to the Act respecting the sectoral parameters of certain fiscal measures (chapter P-5.1) is amended by adding the following paragraph after paragraph 12:

“(13) the tax credit for the market diversification of manufacturing businesses provided for in sections 1029.8.36.0.119 to 1029.8.36.0.125 of the Taxation Act.”

(2) Subsection 1 has effect from 21 March 2012.

179. (1) Section 5.3 of Schedule A to the Act is amended, in the first paragraph,

(1) by striking out subparagraph 1;

(2) by adding the following subparagraph after subparagraph 3:

“(4) whether or not the title is a vocational training title.”

(2) Subsection 1 applies in respect of an application for an initial qualification certificate that is filed after 20 March 2012 in relation to a taxation year that ends after that date.

180. (1) Section 5.7 of Schedule A to the Act is repealed.

(2) Subsection 1 applies in respect of an application for an initial qualification certificate that is filed after 20 March 2012 in relation to a taxation year that ends after that date.

181. (1) Section 5.11 of Schedule A to the Act is amended by replacing the first paragraph by the following paragraph:

"**5.11.** To be recognized as eligible production work in relation to a title, work must be engaged in for the purpose of completing a stage in the production of the title and in the period commencing at the beginning of the design stage and ending 36 months after the completion date of the final version. Such work includes activities relating to the writing of the title's script, the development of its interactive structure, the acquisition and production of its constituent elements, its computer development, the system architecture and the analysis of performance-related quantitative data for the purpose of optimizing its performance. In the case of a title that is recognized as an eligible related title, such work also includes eligible computer-aided special effects and animation activities."

(2) Subsection 1 applies in respect of an application for a certificate that is filed after 20 March 2012 in relation to a taxation year that ends after that date.

182. (1) Section 6.3 of Schedule A to the Act is amended by replacing the first paragraph by the following paragraph:

"**6.3.** The specialized corporation certificate issued to a corporation for a taxation year certifies that at least 75% of the activities it carries on in Québec consist in producing, for itself or for another person or a partnership, eligible titles and, if applicable, in engaging in scientific research and experimental development relating to those titles. It specifies, as the case may be,

(1) that at least 75% of the eligible titles produced by the corporation in the year are to be commercialized, are available in a French version and are not vocational training titles, or that at least 75% of its gross revenue for the year is derived from such eligible titles;

(2) that at least 75% of the eligible titles produced by the corporation in the year are to be commercialized and are not vocational training titles, or that at least 75% of its gross revenue for the year is derived from such eligible titles; or

(3) that less than 75% of the eligible titles produced by the corporation in the year are to be commercialized and are not vocational training titles, and that less than 75% of its gross revenue for the year is derived from such eligible titles."

(2) Subsection 1 applies in respect of an application for a certificate that is filed after 20 March 2012 in relation to a taxation year that ends after that date.

183. (1) Section 6.7 of Schedule A to the Act is repealed.

(2) Subsection 1 applies in respect of an application for a certificate that is filed after 20 March 2012 in relation to a taxation year that ends after that date.

184. (1) Section 6.11 of Schedule A to the Act is amended by replacing the first paragraph by the following paragraph:

"**6.11.** To be recognized as eligible production work in relation to an eligible title, work must be engaged in for the purpose of completing a stage in the production of the title and in the period commencing at the beginning of the design stage and ending 36 months after the completion date of the final version. Such work includes activities relating to the writing of the title's script, the development of its interactive structure, the acquisition and production of its constituent elements, its computer development, the system architecture and the analysis of performance-related quantitative data for the purpose of optimizing its performance. If the eligible title is a title that is recognized as an eligible related title, such work also includes eligible computer-aided special effects and animation activities."

(2) Subsection 1 applies in respect of an application for a certificate that is filed after 20 March 2012 in relation to a taxation year that ends after that date.

185. (1) Section 6.12 of Schedule A to the Act is amended

(1) by striking out paragraph 1;

(2) by adding the following paragraph after paragraph 3:

"(4) whether or not the title is a vocational training title."

(2) Subsection 1 applies in respect of an application for a certificate that is filed after 20 March 2012 in relation to a taxation year that ends after that date.

186. (1) Schedule A to the Act is amended by adding the following after section 13.14:

"**CHAPTER XIV**

"SECTORAL PARAMETERS OF TAX CREDIT FOR MARKET DIVERSIFICATION OF MANUFACTURING BUSINESSES

"**DIVISION I**

"INTERPRETATION AND GENERAL

"**14.1.** In this chapter, "tax credit for the market diversification of manufacturing businesses" means the fiscal measure provided for in Division II.6.0.11 of Chapter III.1 of Title III of Book IX of Part I of the Taxation Act, under which a corporation is deemed to have paid an amount to the Minister of Revenue on account of its tax payable under that Part for a taxation year.

"**14.2.** To benefit from the tax credit for the market diversification of manufacturing businesses, a corporation must obtain a certificate (in this chapter referred to as a "corporation certificate"). The certificate must be obtained for each taxation year for which the corporation intends to claim the tax credit.

"**DIVISION II**

"CORPORATION CERTIFICATE

"**14.3.** A corporation certificate issued to a corporation for a particular taxation year certifies that at least 75% of the corporation's gross revenue for the preceding taxation year, or for the taxation year that precedes that preceding year, is derived from eligible activities.

"**14.4.** The following activities are eligible activities:

(1) structural wood product manufacturing activities covered by code 321215 of the North American Industry Classification System (NAICS) – Canada, as amended from time to time and published by Statistics Canada, which code is in this section referred to as the "NAICS code";

(2) activities carried on by particle board and fibreboard mills covered by NAICS code 321216;

(3) wood window and door manufacturing activities covered by NAICS code 321911;

(4) other millwork activities covered by NAICS code 321919;

(5) plastic pipe and pipe fitting manufacturing activities covered by NAICS code 326122;

(6) plastic window and door manufacturing activities covered by NAICS code 326196;

(7) rubber and plastic hose and belting manufacturing activities covered by NAICS code 326220;

(8) activities consisting in iron and steel pipes and tubes manufacturing from purchased steel covered by NAICS code 331210;

(9) prefabricated metal building and component manufacturing activities covered by NAICS code 332311;

(10) other plate work and fabricated structural product manufacturing activities covered by NAICS code 332319;

(11) metal window and door manufacturing activities covered by NAICS code 332321;

(12) power boiler and heat exchanger manufacturing activities covered by NAICS code 332410;

(13) metal tank manufacturing activities covered by NAICS code 332420;

(14) metal valve manufacturing activities covered by NAICS code 332910;

(15) ventilation, heating, air-conditioning and commercial refrigeration equipment manufacturing activities covered by NAICS code 3334;

(16) material handling equipment manufacturing activities covered by NAICS code 333920;

(17) communication and energy wire and cable manufacturing activities covered by NAICS code 335920; and

(18) wiring device manufacturing activities covered by NAICS code 335930."

(2) Subsection 1 has effect from 21 March 2012.

187. (1) Section 2.2 of Schedule C to the Act is replaced by the following section:

"**2.2.** A cooperative or a federation of cooperatives must obtain a certificate from the Minister so that the patronage dividends it allocates in respect of a taxation year in the form of preferred shares may give rise to the deferral of the taxation of a qualified patronage dividend."

(2) Subsection 1 applies in respect of a certificate issued after 20 March 2012.

188. (1) Section 2.3 of Schedule C to the Act is replaced by the following section:

"**2.3.** The period of validity of a certificate may begin in a taxation year preceding the taxation year in which the application for the certificate was filed, provided the application was filed with the Minister at or before the end of the twelfth month following the date on which that preceding taxation year ended."

(2) Subsection 1 applies in respect of an application filed after 20 March 2012.

189. (1) Section 2.4 of Schedule C to the Act is amended by replacing paragraph 1 by the following paragraph:

"(1) a statement, signed by two directors or officers of the cooperative or federation of cooperatives having filed the application, certifying either that the cooperative meets the criteria set out in subparagraphs 1 and 2 of the first paragraph of section 2.6 and, if applicable, in the third paragraph of that section,

or that the federation of cooperatives meets the criteria set out in subparagraphs 1 and 2 of the first paragraph of section 2.7, as the case may be; and".

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

190. (1) Section 2.5 of Schedule C to the Act is replaced by the following section:

"**2.5.** A certificate issued to a cooperative or a federation of cooperatives under this chapter confirms that the cooperative or federation of cooperatives is recognized as a qualified cooperative for the purposes of the deferral of the taxation of a qualified patronage dividend. The Minister specifies in the certificate the taxation year as of which the certificate is valid."

(2) Subsection 1 applies in respect of a certificate issued after 20 March 2012.

191. (1) Section 2.6 of Schedule C to the Act is amended

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

"**2.6.** A cooperative governed by the Cooperatives Act (chapter C-67.2) may be recognized as a qualified cooperative if

(1) it meets the conditions of subparagraphs 1 and 2 of the first paragraph of section 3 of the Cooperative Investment Plan Act;

(2) the majority of its members are either domiciled in Québec if they are natural persons, or have an establishment in Québec, in other cases; and

(3) the Minister is of the opinion that the cooperative is in compliance with the Cooperatives Act.";

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

"In addition, if the cooperative referred to in the first paragraph is a shareholding workers cooperative, the corporation in which it holds shares and that employs its members must also meet the condition of subparagraph 1 of the second paragraph of section 3 of the Cooperative Investment Plan Act.";

(3) by striking out the fourth paragraph.

(2) Subsection 1 applies in respect of a certificate issued after 20 March 2012.

192. (1) Sections 2.7 and 2.8 of Schedule C to the Act are replaced by the following sections:

"**2.7.** A federation of cooperatives governed by the Cooperatives Act may be recognized as a qualified cooperative if

(1) it meets the conditions of paragraphs 1 and 2 of section 4 of the Cooperative Investment Plan Act;

(2) the majority of its members are either domiciled in Québec if they are natural persons, or have an establishment in Québec, in other cases; and

(3) the Minister is of the opinion that the federation is in compliance with the Cooperatives Act.

For the purposes of subparagraph 2 of the first paragraph, "member" does not include an auxiliary member within the meaning assigned by the Cooperatives Act.

"**2.8.** A cooperative or federation of cooperatives governed by the Canada Cooperatives Act (Statutes of Canada, 1998, chapter 1) may also be recognized as a qualified cooperative if it meets the conditions of section 2.6 or 2.7, as applicable, and complies with the same requirements as those imposed on a cooperative or a federation of cooperatives under the Cooperatives Act."

(2) Subsection 1, when it replaces section 2.7 of Schedule C to the Act, has effect from 1 January 2011. However, when the first paragraph of section 2.7 of Schedule C to the Act applies in respect of a certificate issued before 21 March 2012, it is to be read as follows:

"**2.7.** A federation of cooperatives governed by the Cooperatives Act may be recognized as a qualified cooperative for a taxation year if

(1) it meets the conditions of paragraphs 1 and 2 of section 4 of the Cooperative Investment Plan Act for the taxation year;

(2) at the end of the taxation year, the majority of its members are either domiciled in Québec if they are natural persons, or have an establishment in Québec, in other cases; and

(3) the Minister is of the opinion that the federation is in compliance with the Cooperatives Act for the taxation year."

(3) Subsection 1, when it replaces section 2.8 of Schedule C to the Act, applies in respect of a certificate issued after 20 March 2012.

193. (1) Section 2.9 of Schedule C to the Act is replaced by the following section:

"**2.9.** The Minister is justified in revoking a certificate issued to a cooperative or a federation of cooperatives if

(1) the cooperative or federation of cooperatives has been required to produce a cooperative compliance program under section 185.5 of the Cooperatives Act or has failed to produce such a program or to implement it within the time prescribed;

(2) the cooperative or federation of cooperatives has omitted to send any document required for the purposes of this Act; or

(3) the cooperative or federation of cooperatives did not send a copy of its annual report within the time prescribed, as required by the Cooperatives Act."

(2) Subsection 1 applies in respect of a certificate issued after 20 March 2012.

194. (1) Schedule C to the Act is amended by inserting the following sections after section 2.9:

"**2.9.1.** The certificate of a cooperative or a federation of cooperatives issued under this chapter is deemed to be revoked on the date of its dissolution or, if the cooperative or federation of cooperatives is dissolved under the Act respecting the legal publicity of enterprises (chapter P-44.1), the Cooperatives Act or the Canada Cooperatives Act or has decided to wind-up in accordance with the Cooperatives Act or the Canada Cooperatives Act, on the date on which its liquidation was decided.

"**2.9.2.** The certificate of a cooperative or a federation of cooperatives issued under this chapter is deemed to be revoked on the effective date of an amalgamation to which the cooperative or federation of cooperatives is party

(1) that is carried out in accordance with the rules set out in Division II or Division V of Chapter XXI of Title I of the Cooperatives Act;

(2) that is carried out in accordance with the rules set out in Division III of that Chapter XXI, where the cooperative or federation of cooperatives is the absorbed cooperative or federation;

(3) that is carried out in accordance with the rules set out in sections 295 to 297 of the Canada Cooperatives Act;

(4) that is carried out in accordance with the rules set out in subsection 1 of section 298 of that Act, where the cooperative or federation of cooperatives is a wholly-owned subsidiary cooperative; or

(5) that is carried out in accordance with the rules set out in subsection 2 of that section 298, where the cooperative or federation of cooperatives is a subsidiary whose shares have been cancelled."

(2) Subsection 1 applies in respect of a certificate issued after 20 March 2012.

195. (1) Section 5.3 of Schedule C to the Act is amended by replacing subparagraph *a* of subparagraph 5 of the first paragraph by the following subparagraph:

"(*a*) a certificate signed by the auditor of the books of the cooperative or federation of cooperatives certifying that its capitalization rate is less than 60%, except in the case of

i. a shareholding workers cooperative, or

ii. a work cooperative, or a solidarity cooperative that would be a work cooperative but for its supporting members, the majority of whose employees are seasonal workers, or".

(2) Subsection 1 applies in respect of a cooperative that files an application for a qualification certificate after 20 March 2012 or filed such an application before 21 March 2012 if the Minister of Economic Development, Innovation and Export Trade had not made a decision in respect of the application on or before 20 March 2012.

196. (1) Schedule C to the Act is amended by inserting the following section after section 5.6:

"**5.6.1.** The Minister is justified in revoking a qualification certificate issued to a shareholding workers cooperative if, at any time, it does not invest all of the amount collected from its members as of that time in any of, or a combination of, the following:

(1) a share or a debt obligation of the legal person that employs its members;

(2) a deposit with a chartered bank or a financial institution authorized to receive deposits; or

(3) a property described in any of paragraphs 2, 3, 4, 5 and 10 of article 1339 of the Civil Code.

For the purposes of the first paragraph, the amount collected at any time by a shareholding workers cooperative from its members means all of the amounts paid in respect of the securities that are issued by the cooperative under the Cooperative Investment Plan Act and under the cooperative investment plan enacted by Order in Council 1596-85 (1985, G.O. 2, 5580, in French only) and that are outstanding at that time."

(2) Subsection 1 applies in respect of a fiscal period that begins after 20 March 2012.

197. (1) Section 1.1 of Schedule E to the Act is amended by adding the following paragraphs after paragraph 4:

"(5) the tax credits relating to new financial services corporations provided for in sections 1029.8.36.166.65 to 1029.8.36.166.79 of the Taxation Act; and

"(6) the deduction relating to foreign specialists working for financial services corporations provided for in sections 737.22.0.4.1 to 737.22.0.4.8 of the Taxation Act."

(2) Subsection 1 has effect from 21 March 2012.

198. (1) Schedule E to the Act is amended by adding the following after section 5.6:

"**CHAPTER VI**

"SECTORAL PARAMETERS OF TAX CREDITS FOR NEW FINANCIAL SERVICES CORPORATIONS

"**DIVISION I**

"INTERPRETATION AND GENERAL

"**6.1.** In this chapter, unless the context indicates otherwise,

"adviser" means an adviser within the meaning of section 3 of the Derivatives Act (chapter I-14.01) or section 5 of the Securities Act (chapter V-1.1), authorized to act in that capacity under those Acts;

"dealer" means a dealer within the meaning of section 3 of the Derivatives Act or section 5 of the Securities Act, authorized to act in that capacity under those Acts;

"security" means a derivative within the meaning of section 3 of the Derivatives Act or any of the forms of investment listed in section 1 of the Securities Act, except a share in an investment club;

"tax credit for new financial services corporations" means

(1) the tax credit for the hiring of employees by new financial services corporations; or

(2) the tax credit relating to new financial services corporations;

"tax credit for the hiring of employees by new financial services corporations" means the fiscal measure provided for in Division II.6.14.4 of Chapter III.1 of Title III of Book IX of Part I of the Taxation Act, under which a corporation is deemed to have paid an amount to the Minister of Revenue on account of its tax payable under that Part for a taxation year;

"tax credit relating to new financial services corporations" means the fiscal measure provided for in Division II.6.14.5 of Chapter III.1 of Title III of Book IX of Part I of the Taxation Act, under which a corporation is deemed to have paid an amount to the Minister of Revenue on account of its tax payable under that Part for a taxation year.

"**6.2.** To benefit from a tax credit for new financial services corporations, a corporation must obtain the following documents from the Minister:

(1) a qualification certificate in respect of the activities carried on, or to be carried on, by the corporation (in this chapter referred to as a "corporation qualification certificate"); and

(2) a certificate in respect of the activities carried on by the corporation (in this chapter referred to as a "corporation certificate").

In addition, where the tax credit is the tax credit for the hiring of employees by new financial services corporations, the corporation must also obtain from the Minister a certificate in respect of each individual for whom the corporation claims the tax credit (in this chapter referred to as an "employee certificate").

The corporation qualification certificate may be obtained only once. It is valid for five years unless the corporation that obtains it is associated, in the taxation year in which it files an application for the certificate, with one or more other corporations, in which case it is valid until the last day of the five-year period that begins on the earliest of the dates of coming into force of the corporation qualification certificates that are issued to the corporations so associated.

An application for a corporation qualification certificate must be filed with the Minister before the end of the corporation's second taxation year, but on or before 31 December 2017. However, a corporation whose first taxation year begins after 20 March 2010 and whose second taxation year ends before 1 July 2013 may file such an application on or before 30 June 2013.

A corporation certificate must be obtained for each taxation year for which the corporation intends to avail itself of a tax credit for new financial services corporations. Similarly, the employee certificate must be obtained for each taxation year for which the corporation intends to benefit from the tax credit for the hiring of employees by new financial services corporations.

If, at a particular time, the Minister revokes a corporation qualification certificate issued to the corporation, any corporation certificate or employee certificate issued to the corporation for a taxation year subsequent to a given taxation year that includes the date on which the revocation becomes effective is deemed to be revoked by the Minister at that time. In such a case, the effective date of the deemed revocation is the date of coming into force of the certificate that is deemed to be revoked. Such a certificate issued to the corporation for the given taxation year is also deemed to be revoked by the Minister at the particular time, except that the effective date of its deemed revocation is the date specified in the notice of revocation of the corporation qualification certificate.

"**DIVISION II**

"DOCUMENTS RELATING TO A CORPORATION

"**6.3.** A corporation qualification certificate issued to a corporation certifies that the activities that are specified in the certificate and that are carried on, or to be carried on, by the corporation are recognized as eligible activities.

The date of coming into force of the corporation qualification certificate may not precede the date the application for the certificate was made.

"**6.4.** The Minister may issue a corporation qualification certificate only if the net shareholders' equity of the corporation for its taxation year preceding that in which the corporation files its application for the certificate is less than $15,000,000.

However, the net shareholders' equity of a corporation that is associated with one or more other corporations in the taxation year of the application corresponds to the aggregate of all of the corporation's net shareholders' equities and of those of each of the other corporations with which the corporation is associated, minus the total of equity investments those corporations have in one another.

For the purposes of this section, a corporation's net shareholders' equity means the net shareholders' equity shown in the corporation's financial statements submitted to the shareholders or, where such financial statements have not been prepared, or have not been prepared in accordance with generally accepted accounting principles, that would be shown if such financial statements had been so prepared.

"**6.5.** The following activities are eligible activities:

(1) an analysis, research, management, advisory and securities trading service or securities distribution, carried out by a securities dealer who is

(*a*) an investment dealer,

(*b*) a derivatives dealer,

(*c*) a mutual fund dealer,

(*d*) an exempt market dealer, or

(*e*) a restricted dealer; and

(2) a securities advisory or securities portfolio management service provided by a securities adviser who is

(*a*) a portfolio manager,

(*b*) a restricted portfolio manager,

(*c*) a derivatives portfolio manager, or

(*d*) an investment fund manager.

"**6.6.** A corporation certificate issued to a corporation certifies that the activities it carried out throughout the taxation year for which the application for the certificate is filed, or for the part of that year that is specified in the certificate, are activities mentioned in the corporation qualification certificate it obtained.

"**6.7.** The Minister may issue a corporation certificate to a corporation if, for all or part of the taxation year for which the application for the certificate is filed,

(1) the corporation qualification certificate issued to the corporation was valid; and

(2) it is established to the Minister's satisfaction that the activities the corporation carried out consisted in a provision of services to clients with whom the corporation was dealing at arm's length.

"**DIVISION III**

"DOCUMENT RELATING TO AN EMPLOYEE

"**6.8.** An employee certificate issued to a corporation certifies that the individual referred to in the certificate is recognized as an eligible employee of the corporation for the taxation year for which the application for the certificate is made or for the part of that year that is specified in the certificate.

"**6.9.** An individual may be recognized as an eligible employee of a corporation, if

(1) the individual works full-time for the corporation, that is, at least 26 hours per week, for an expected minimum period of 40 weeks; and

(2) at least 75% of the individual's working time is spent performing, in an establishment of the corporation situated in Québec, duties directly attributable to the transactional process that is specific to the carrying out of activities specified in the corporation qualification certificate that was issued to the corporation.

For the purposes of subparagraph 2 of the first paragraph, the duties of an individual that relate to corporate management, finance activities other than those specified in the corporation qualification certificate, accounting, taxation, legal affairs, marketing, communications, reception work, secretarial work, messenger services, electronic data processing or human and physical resources

management may not be considered to be part of duties directly attributable to the transactional process that is specific to the carrying out of activities specified in the corporation qualification certificate.

"**6.10.** If an individual is temporarily absent from work for reasons the Minister considers reasonable, the Minister may, for the purpose of determining whether the individual meets the conditions for recognition as an eligible employee of a corporation, consider that the individual continued to perform his or her duties throughout the period of absence exactly as he or she was performing them immediately before the beginning of that period.

"**CHAPTER VII**

"SECTORAL PARAMETERS OF DEDUCTION RELATING TO FOREIGN SPECIALISTS WORKING IN FINANCIAL SERVICES SECTOR

"**DIVISION I**

"INTERPRETATION AND GENERAL

"**7.1.** In this chapter, unless the context indicates otherwise,

"corporation certificate" has the meaning assigned by subparagraph 2 of the first paragraph of section 6.2;

"corporation qualification certificate" has the meaning assigned by subparagraph 1 of the first paragraph of section 6.2;

"eligible employer" for a taxation year means a corporation in respect of which the following conditions are met:

(1) a corporation qualification certificate has been issued to the corporation; and

(2) either a corporation certificate is issued to the corporation for the year, or the corporation would meet the conditions for obtaining such a certificate for the year but for the expiry of the period of validity specified in the corporation qualification certificate;

"foreign specialist tax holiday" means the fiscal measure provided for in Title VII.3.1.1 of Book IV of Part I of the Taxation Act, under which an individual may deduct an amount in computing the individual's taxable income for a taxation year.

For the purposes of the definition of "eligible employer" in the first paragraph, the following presumptions must be taken into consideration:

(1) if the corporation qualification certificate that was issued to a corporation is revoked retroactively,

(*a*) it is deemed to be valid until the date of issue of the notice of revocation, and

(*b*) the corporation is deemed to hold for the particular taxation year in which it was revoked and for the preceding taxation year valid corporation certificates that cover that preceding year and the part of the particular year that ends on that date of issue, respectively; and

(2) if a corporation certificate is revoked, it is deemed to be valid for the whole taxation year for which it had been issued.

The presumption provided for in subparagraph *b* of subparagraph 1 of the second paragraph applies to either of the taxation years referred to in that subparagraph only if the sole reason for which the eligible employer was not issued a corporation certificate for the year is that the corporation qualification certificate that was issued to the employer has been revoked.

"**7.2.** In order for an individual who works for an eligible employer to benefit from the foreign specialist tax holiday, the eligible employer must obtain the following documents from the Minister:

(1) a qualification certificate in respect of the individual (in this chapter referred to as a "specialist qualification certificate"); and

(2) a certificate in respect of the individual (in this chapter referred to as a "specialist certificate").

A specialist certificate must be obtained for each taxation year for which the individual may claim the tax holiday.

The eligible employer must file an application for the specialist certificate before 1 March of the calendar year that follows the individual's taxation year concerned.

However, an application for a specialist qualification certificate or a specialist certificate is admissible only if the employment contract binding the individual to the employer was entered into before the expiry of the period of validity specified in the corporation qualification certificate that was issued to the employer.

For the purposes of this chapter, a contract resulting from the renewal of an employment contract referred to in the fourth paragraph and in this section referred to as the "original contract" is deemed not to be an employment contract separate from the original contract.

"**DIVISION II**

"DOCUMENTS RELATING TO SPECIALISTS

"**7.3.** A specialist qualification certificate issued to an eligible employer certifies that the individual referred to in the certificate is recognized by the Minister as a specialist in respect of the eligible employer.

"**7.4.** In order for the Minister to recognize an individual as a specialist in respect of an eligible employer, the Minister must be of the opinion that the individual is a professional with a high level of expertise in the field of finance and that, from the date on which the individual takes up employment with the employer, it may reasonably be expected that the individual spends at least 75% of working time performing duties that are directly attributable to the transactional process that is specific to the carrying out of the activities specified in the corporation qualification certificate issued to the employer.

For the purposes of the first paragraph, an individual's duties that relate to corporate management, finance activities other than those specified in the corporation qualification certificate, accounting, taxation, legal affairs, marketing, communications, reception work, secretarial work, messenger services, electronic data processing or human or physical resources management are not to be considered as part of duties directly attributable to the transactional process that is specific to the carrying out of activities specified in the corporation qualification certificate.

"**7.5.** A specialist certificate issued to an eligible employer certifies that the individual referred to in the certificate is recognized by the Minister as a specialist in respect of the eligible employer for the taxation year for which the application for the certificate is made or for the part of the year specified in it.

"**7.6.** The Minister recognizes an individual as a specialist in respect of an eligible employer for all or a part of the taxation year for which an application for a specialist certificate was filed with the Minister if

(1) the specialist qualification certificate issued to the employer in respect of the individual is valid in respect of the year or part of year; and

(2) throughout the year or part of year, at least 75% of the individual's working time was devoted to the performance of duties that are directly attributable to the transactional process that is specific to the carrying out of the activities specified in the corporation qualification certificate issued to the employer.

The second paragraph of section 7.4 applies to subparagraph 2 of the first paragraph, with the necessary modifications.

"**7.7.** If an individual is temporarily absent from work for reasons the Minister considers reasonable, the Minister may, for the purpose of determining

whether the individual meets the conditions for recognition as a specialist in respect of an eligible employer, consider that the individual continued to perform his or her duties throughout the period of absence exactly as he or she was performing them immediately before the beginning of that period.

"**7.8.** An eligible employer to which a specialist certificate is issued for a taxation year must promptly send a copy of the certificate to the individual concerned."

(2) Subsection 1 has effect from 21 March 2012.

199. (1) Section 1.1 of Schedule H to the Act is amended by adding the following paragraph after paragraph 7:

"(8) the tax credit for the production of multimedia events or environments presented outside Québec provided for in sections 1029.8.36.0.0.12.1 and 1029.8.36.0.0.12.2 of the Taxation Act."

(2) Subsection 1 has effect from 21 March 2012.

200. (1) Section 2.4 of Schedule H to the Act is replaced by the following section:

"**2.4.** A certificate issued to an individual under this chapter certifies that the individual works as a producer, an executive producer, an associate producer, a director, an assistant director, an artistic director, a director of photography, a musical director, a chief film editor, a set decorator, a financial controller, an accountant, a bookkeeper or a visual effects producer, supervisor or coordinator, in the course of the eligible production referred to in the certificate."

(2) Subsection 1 applies from the taxation year 2012.

201. (1) Section 3.1 of Schedule H to the Act is amended by replacing the definition of "labour expenditure" in the first paragraph by the following definition:

""labour expenditure" of a corporation for a taxation year in respect of a film means an expenditure that would be the corporation's labour expenditure for the year in respect of the film for the purposes of the tax credit for Québec film productions if no reference were made to subparagraph *e* of the second paragraph of section 1029.8.34 of the Taxation Act;".

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

202. (1) Section 3.17 of Schedule H to the Act is amended

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

"(1) feature-length, medium-length and short fiction films, including co-produced feature-length films;";

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

"For the purposes of subparagraph 3 of the first paragraph, a production intended for a young audience means a French-language one-off or serial production intended for a young audience which".

(2) Subsection 1 applies in respect of a film or television production for which an application for a favourable advance ruling or, in the absence of such an application, an application for a qualification certificate is filed with the Société de développement des entreprises culturelles after 20 March 2012.

203. (1) Section 5.1 of Schedule H to the Act is amended by replacing the definition of "labour expenditure" in the first paragraph by the following definition:

""labour expenditure" of a corporation for a taxation year in respect of a film means an expenditure that would be the corporation's labour expenditure for the year in respect of the film for the purposes of the film production services tax credit if no reference were made to subparagraph *d* of the second paragraph of section 1029.8.36.0.0.4 of the Taxation Act;".

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

204. (1) Section 6.1 of Schedule H to the Act is amended by replacing the definition of "labour expenditure" in the first paragraph by the following definition:

""labour expenditure" of a corporation for a taxation year in respect of a recording means an expenditure that would be the corporation's labour expenditure for the year in respect of the recording for the purposes of the tax credit for the production of sound recordings if no reference were made to subparagraph *c* of the second paragraph of section 1029.8.36.0.0.7 of the Taxation Act;".

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

205. (1) Section 6.5 of Schedule H to the Act is amended

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

"(1) unless it is a recording of a comedy show, at least 60% of the sound recording, determined with reference to its length in minutes, must consist in musical content;";

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

"For the purposes of subparagraph 4 of the first paragraph, a sound recording is considered to be released in the retail market if it is offered on the Internet for downloading."

(2) Subsection 1 applies in respect of a sound recording for which an application for a favourable advance ruling or, in the absence of such an application, an application for a qualification certificate is filed with the Société de développement des entreprises culturelles after 17 March 2011.

206. Section 6.8 of Schedule H to the Act is amended by replacing the second paragraph by the following paragraph:

"For the purposes of subparagraph 3 of the first paragraph, a clip is considered to be commercialized if it is offered on the Internet for downloading."

207. (1) Section 7.1 of Schedule H to the Act is amended by replacing the definition of "labour expenditure" in the first paragraph by the following definition:

""labour expenditure" of a corporation for a taxation year in respect of a performance means an expenditure that would be the corporation's labour expenditure for the year in respect of the performance for the purposes of the tax credit for the production of performances if no reference were made to subparagraph *d* of the second paragraph of section 1029.8.36.0.0.10 of the Taxation Act;".

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

208. (1) Section 7.4 of Schedule H to the Act is amended by inserting the following paragraph after the first paragraph:

"If applicable, the favourable advance ruling or the qualification certificate also specifies that the performance is a musical comedy in respect of which any of the periods referred to in section 7.2 had not ended on 20 March 2012."

(2) Subsection 1 has effect from 20 March 2012.

209. (1) Section 8.1 of Schedule H to the Act is amended, in the first paragraph,

(1) by replacing the definition of "labour expenditure attributable to printing and reprinting costs" by the following definition:

""labour expenditure attributable to printing costs" of a corporation for a taxation year in respect of a work or a group of works means an expenditure that would be the corporation's labour expenditure attributable to printing and

reprinting costs for the year, in respect of the work or group of works, for the purposes of the tax credit for book publishing if no reference were made to

(1) paragraph *a*.1 of the definition of that expression in the first paragraph of section 1029.8.36.0.0.13 of the Taxation Act;

(2) the portion of the remuneration or of the consideration that the corporation has incurred for services rendered to it in Québec for reprinting work concerning that work or group of works; and

(3) subparagraph *c* of the third paragraph of section 1029.8.36.0.0.13 of that Act;";

(2) by replacing the definition of "labour expenditure attributable to preparation costs" by the following definition:

""labour expenditure attributable to preparation costs and digital version publishing costs" of a corporation for a taxation year in respect of a work or a group of works means an expenditure that would be the corporation's labour expenditure attributable to preparation costs and digital version publishing costs for the year in respect of the work or group of works for the purposes of the tax credit for book publishing if no reference were made to subparagraph *c* of the fifth paragraph of section 1029.8.36.0.0.13 of the Taxation Act;";

(3) by replacing the definition of "publishing costs" by the following definition:

""publishing costs" of a corporation in respect of a work or a group of works means the costs incurred by the corporation that are printing costs or preparation costs directly attributable to the printing or the preparation of the work or group of works for the purposes of the tax credit for book publishing;";

(4) by adding the following definition in alphabetical order:

""digital version publishing costs" of a corporation in respect of a work or a group of works means the costs incurred by the corporation that are directly attributable to the publication of a digital version of the work or of a work that is part of the group of works for the purposes of the tax credit for book publishing;".

(2) Paragraphs 1 and 3 of subsection 1 have effect from 1 January 2011.

(3) Paragraphs 2 and 4 of subsection 1 have effect from 18 March 2011.

(4) In addition, when section 8.1 of Schedule H to the Act applies before 18 March 2011, the definition of "labour expenditure attributable to preparation costs" in the first paragraph is to be read as if "a labour expenditure attributable to preparation costs of the corporation" was replaced by "the corporation's labour expenditure attributable to preparation costs for the year".

210. (1) Section 8.4 of Schedule H to the Act is amended

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

"If applicable, the favourable advance ruling or the qualification certificate also certifies that the digital version of the work or a work that is part of the group of works is recognized as an eligible digital version of that work.";

(2) by replacing the definition of "labour expenditure" in the third paragraph by the following definition:

""labour expenditure" in respect of a work or a group of works for a taxation year means the amount that would be obtained if, for each of the items included in the corporation's labour expenditure attributable to printing costs in respect of the work or group of works for the taxation year and for each of the items included in the corporation's labour expenditure attributable to preparation costs and digital version publishing costs in respect of the work or group of works for the taxation year, the amounts that the corporation has incurred were replaced by all the amounts incurred in respect of the work or group of works and all those amounts were added together;";

(3) by replacing the definition of "publishing costs" in the third paragraph by the following definition:

""publishing costs" in respect of a work or a group of works for a taxation year means the aggregate of the costs incurred in respect of the work or group of works before the end of the year that are printing costs or preparation costs directly attributable to the printing or the preparation of the work or group of works for the purposes of the tax credit for book publishing, that are digital version publishing costs directly attributable to the publication of a digital version of the work or of a work that is part of the group of works for the purposes of that tax credit or that would be such printing costs, such preparation costs or such digital version publishing costs had they been incurred by the corporation."

(2) Subsection 1 has effect from 18 March 2011. In addition, when section 8.4 of Schedule H to the Act applies before 18 March 2011, the third paragraph is to be read

(1) as if "labour expenditure attributable to printing and reprinting costs" in the definition of "labour expenditure" was replaced by "labour expenditure attributable to printing costs"; and

(2) as if "and reprinting" was struck out wherever it appears in the definition of "publishing costs".

211. (1) The Act is amended by inserting the following section after section 8.6 of Schedule H:

"**8.6.1.** In order for the digital version of a work produced by a corporation to be recognized as an eligible digital version of the work,

(1) the work must be recognized as an eligible work or be part of a group of works that is recognized as an eligible group of works;

(2) the corporation must hold the publishing rights to the digital version of the work and provide proof of that fact to the Société de développement des entreprises culturelles;

(3) the application for recognition of the digital version of the work must be filed with the Société de développement des entreprises culturelles at the same time as the application for a favourable advance ruling or, in the absence of such an application, the application for a qualification certificate in respect of the work or the group of works of which the work is part; and

(4) at least 75% of the amount that is the aggregate of the corporation's digital version publishing costs in respect of the work or the group of works of which the work is part must have been paid to individuals who were resident in Québec at the end of the particular calendar year preceding the calendar year in which the digital version publishing work began or to corporations that had an establishment in Québec in that particular calendar year.

If there is a succession of particular corporations during the publication of a work or a group of works, the requirement of subparagraph 4 of the first paragraph is deemed to be met provided it appears that it would be met if all the individuals and corporations that provided services to the particular corporations in respect of the publication of the digital version of the work or of any work that is part of the group of works were taken into account. However, each particular corporation must show to the satisfaction of the Société de développement des entreprises culturelles that it is a qualified corporation for the purposes of the tax credit for book publishing."

(2) Subsection 1 has effect from 18 March 2011.

212. (1) The Act is amended by adding the following after section 8.8 of Schedule H:

"**CHAPTER IX**

"SECTORAL PARAMETERS OF TAX CREDIT FOR PRODUCTION OF MULTIMEDIA EVENTS OR ENVIRONMENTS PRESENTED OUTSIDE QUÉBEC

"**DIVISION I**

"INTERPRETATION AND GENERAL

"**9.1.** In this chapter, unless the context indicates otherwise,

"labour expenditure" of a corporation for a taxation year in respect of a multimedia event or environment means an expenditure that would be the corporation's labour expenditure for the year in respect of the multimedia event or environment for the purposes of the tax credit for the production of multimedia events or environments presented outside Québec if no reference were made to subparagraph *d* of the second paragraph of section 1029.8.36.0.0.12.1 of the Taxation Act;

"production costs" of a corporation at a particular time in respect of a multimedia event or environment means the aggregate of the costs incurred by the corporation in respect of the multimedia event or environment on or before that time that are production costs referred to in the portion of subparagraph i of paragraph *b* of the definition of "qualified labour expenditure" in the first paragraph of section 1029.8.36.0.0.12.1 of the Taxation Act before subparagraph 1;

"tax credit for the production of multimedia events or environments presented outside Québec" means the fiscal measure provided for in Division II.6.0.0.4.1 of Chapter III.1 of Title III of Book IX of Part I of the Taxation Act, under which a corporation is deemed to have paid an amount to the Minister of Revenue on account of its tax payable under that Part for a taxation year.

Any reference made, in a provision of this chapter, to an amount incurred or paid, including a labour expenditure, costs, a remuneration, a talent fee or an advance, is to be replaced, if the provision applies in respect of a favorable advance ruling, by a reference to such an amount determined according to a budget.

In this chapter, a reference to a favourable advance ruling is a reference to the document certifying the favourable advance ruling given.

"**9.2.** A corporation must obtain a favourable advance ruling or a qualification certificate from the Société de développement des entreprises culturelles in respect of each multimedia event or environment for which it intends to claim the tax credit for the production of multimedia events or environments presented outside Québec.

"**DIVISION II**

"FAVOURABLE ADVANCE RULING AND QUALIFICATION CERTIFICATE

"**9.3.** A qualification certificate must be obtained for a multimedia event or environment following its first presentation before an audience outside Québec. If applicable, the qualification certificate confirms the favourable advance ruling given in respect of the multimedia event or environment.

An application by a corporation for the issue of a qualification certificate in respect of a multimedia event or environment must be filed,

(1) if the multimedia event or environment has been given a favourable advance ruling, within 18 months after the end of the corporation's taxation year that includes the date of its first presentation before an audience outside Québec; and

(2) in any other case, within three years after the end of that taxation year.

The Société de développement des entreprises culturelles must revoke a favourable advance ruling given to a corporation in respect of a multimedia event or environment if the corporation fails to file an application for a qualification certificate in its respect within the time specified in the second paragraph or if such an application is denied. The effective date of the revocation is the date of coming into force of the favourable advance ruling.

"**9.4.** A favourable advance ruling or a qualification certificate given or issued to a corporation under this chapter certifies that the multimedia event or environment referred to in it is recognized as a qualified production of the corporation.

If the multimedia event or environment is a co-production, the favourable advance ruling or qualification certificate specifies the corporation's share, expressed as a percentage, of the labour expenditure and production costs in its respect for each taxation year for which they were incurred. The corporation's share must reflect, in respect of the multimedia event or environment, the corporation's production costs at the end of the year and the corporation's labour expenditure for the year, and take into account the scope of the responsibilities assumed by the corporation in the co-production.

For the purposes of this section,

"labour expenditure" in respect of a multimedia event or environment, for a taxation year, means the amount that would be obtained if, for each of the items included in the corporation's labour expenditure, in respect of the multimedia event or environment, for the taxation year, the amounts that the corporation has incurred were replaced by all the amounts incurred in its respect and all those amounts were added together;

"production costs" in respect of a multimedia event or environment, for a taxation year, means the aggregate of the costs incurred in respect of the multimedia event or environment, before the end of the year, that are production costs described in the portion of subparagraph i of paragraph *b* of the definition of "qualified labour expenditure" in the first paragraph of section 1029.8.36.0.0.12.1 of the Taxation Act that precedes subparagraph 1, or that would be such production costs had they been incurred by the corporation.

"**9.5.** In order for a multimedia event or environment to be recognized as a qualified production of a corporation,

(1) the multimedia event or environment must offer an educational or cultural experience and be presented for entertainment purposes not advertising purposes;

(2) in the case of a multimedia event, it must be reasonable to expect that, over a period of three years beginning on its first presentation before an audience, it be presented principally in places of amusement situated outside Québec;

(3) in the case of a multimedia environment, it must be produced under a contract that concerns the design and production of such an environment to be presented outside Québec and that the corporation entered into with a person who does not have an establishment in Québec and with whom the corporation deals at arm's length;

(4) the multimedia event or environment must obtain, in respect of its creative personnel, a minimum of five points out of nine, calculated by awarding the number of points specified in the second paragraph for a particular function of that personnel only if the individual who wholly performs the function was resident in Québec at the end of the particular calendar year that precedes the calendar year in which production work relating to the multimedia event or environment began;

(5) the production of the multimedia event or environment must be under the control of the corporation, which must demonstrate, to the satisfaction of the Société de développement des entreprises culturelles, that it is a qualified corporation for the purposes of the tax credit for the production of multimedia events or environments presented outside Québec; and

(6) at least 75% of the amount that is the corporation's production costs in respect of the multimedia event or environment, other than the remuneration paid to an individual who performs a function referred to in any of subparagraphs 1 to 9 of the second paragraph, must have been paid to individuals who were resident in Québec at the end of the particular calendar year that precedes the year in which production work relating to the multimedia event or environment began or to corporations that had an establishment in Québec in that particular calendar year.

For the purposes of the first paragraph, the following number of points may be allotted to a multimedia event or environment in respect of an individual:

(1) for the lighting designer, one point;

(2) for the designer, one point;

(3) for the environment designer, one point;

(4) for the graphic designer, one point;

(5) for the content and project manager for audiovisual and sound, one point;

(6) for the programmer, one point;

(7) for the writer, one point;

(8) for the scriptwriter, one point; and

(9) for the scenographer, one point.

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

(1) where an individual performs more than one of the functions referred to in subparagraphs 1 to 9 of the second paragraph, the point awarded for each function the individual performs must, subject to subparagraph 4 of the first paragraph, be taken into account; and

(2) where a function referred to in any of subparagraphs 1 to 9 of the second paragraph is performed by two or more individuals, the point awarded for that function must be taken into account, despite subparagraph 4 of the first paragraph, if the condition of that subparagraph 4 would be met in respect of at least half of the individuals were that subparagraph read without reference to "wholly".

For the purposes of subparagraph 5 of the first paragraph, a corporation is considered to have control of the production of a multimedia event if, alone or with other corporations, the corporation is responsible or shares responsibility for the artistic, technical and financial aspects of the multimedia event or environment, including its production, marketing and promotion. The same applies with respect to the control of the production of a multimedia environment, except that the responsibilities assumed or shared by the corporation do not include the marketing and promotion of the multimedia environment.

For the purposes of the first paragraph, a place of amusement means premises or a place, including a museum, where an event or an exhibition will be presented.

If there is a succession of particular corporations during the production of a multimedia event or environment, the condition of subparagraph 6 of the first paragraph is deemed to be met provided it appears that the condition would be met if all the individuals and corporations that provided services to the particular corporations in respect of the production were taken into account. However, each of the corporations must show, to the satisfaction of the Société de développement des entreprises culturelles, that it is a qualified corporation for the purposes of the tax credit for the production of multimedia events or environments presented outside Québec.

"**9.6.** The Société de développement des entreprises culturelles is justified in revoking the favourable advance ruling given or the qualification certificate issued to a corporation in respect of a particular multimedia event, if it is evident, at the end of the period provided for in subparagraph 2 of the first

paragraph of section 9.5, that the corporation has failed to meet the condition of that subparagraph. The effective date of the revocation is the date of coming into force of the revoked document. The revocation of a qualification certificate for that reason entails the revocation of any related favourable advance ruling."

(2) Subsection 1 has effect from 21 March 2012.

ACT RESPECTING THE RÉGIE DE L'ASSURANCE MALADIE DU QUÉBEC

213. Section 34.1.5 of the Act respecting the Régie de l'assurance maladie du Québec (chapter R-5) is amended by replacing paragraph *a* by the following paragraph:

"(*a*) in the case of an individual who has been resident in Canada only during part of the year, only the amounts referred to in section 34.1.4 that are included or deducted in computing the individual's income determined under Part I of the Taxation Act (chapter I-3) for any period of the year during which the individual was resident in Canada, computed as if that period were a whole taxation year, shall be taken into account;".

COOPERATIVE INVESTMENT PLAN ACT

214. (1) Section 3 of the Cooperative Investment Plan Act (chapter R-8.1.1) is amended by replacing subparagraph 5 of the first paragraph by the following subparagraph:

"(5) its capitalization rate is less than 60%, except where the cooperative is

(*a*) a shareholding workers cooperative,

(*b*) a work cooperative or a solidarity cooperative that would be a work cooperative but for its supporting members, the majority of whose employees are seasonal workers, or

(*c*) a cooperative that has obtained an exemption in accordance with Chapter IV;".

(2) Subsection 1

(1) has effect from 1 January 2013, in respect of a cooperative that holds a qualification certificate for the purposes of the Act as of 20 March 2012; and

(2) applies in respect of a cooperative that files an application for a qualification certificate after 20 March 2012 or filed such an application before 21 March 2012 if the Minister of Economic Development, Innovation and Export Trade had not made a decision in respect of the application on or before 20 March 2012.

215. (1) Section 6 of the Act is amended

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

"(3) if interest is to be paid on the security, it bears interest at a maximum rate determined by resolution of the board of directors of the qualified cooperative or qualified federation of cooperatives, which interest must be non-cumulative and payable annually when decided by the board of directors if the financial situation of the qualified cooperative or qualified federation of cooperatives so allows and, if it is issued after 20 March 2012, the terms and conditions of its issue, determined by resolution of the board of directors, provide that the interest is payable only in cash;";

(2) by adding the following paragraphs after paragraph 4:

"(5) if it is issued as payment of interest on a preferred share held by a qualified investor, the board of directors of the qualified cooperative or qualified federation of cooperatives decided, before 21 March 2012, to so pay the interest; and

"(6) in the case of a preferred share issued by a shareholding workers cooperative after 20 March 2012 pursuant to an agreement entered into after that day, it is acquired for a consideration that consists solely of money."

(2) Subsection 1 has effect from 21 March 2012.

ACT RESPECTING THE QUÉBEC SALES TAX

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

(1) by replacing "pour le bénéfice" in paragraph 3 of the definition of "fédération de sociétés mutuelles d'assurance" in the French text by "au bénéfice";

(2) by replacing the definition of "selected listed financial institution" by the following definition:

""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 Québec and

taxable income earned in the particular year and the preceding year in another province;

(2) 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;

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

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

(3) by replacing subparagraphs *a* to *c* of paragraph 1 of the definition of "specified partnership" by the following subparagraphs:

"(*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 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 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 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 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 the Taxation Act; and";

(4) by replacing subparagraphs *a* to *c* of paragraph 2 of the definition of "specified partnership" by the following subparagraphs:

"(*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 a province other than 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 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 a province other than 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 a province other than 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 the Taxation Act;".

(2) Paragraphs 2 to 4 of subsection 1 have effect from 1 January 2013.

217. (1) Section 11.2 of the Act is amended

(1) by replacing "16" in paragraph 2 and subparagraph *b* of paragraph 3 by "16.0.1";

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

"(4) in any other case, a place that would be an establishment, within the meaning of the first paragraph of section 12 or any of sections 13 to 16.0.1 of the Taxation Act, of the person if the person were a corporation and its activities were a business for the purposes of that Act."

(2) Subsection 1 applies from the taxation year 2009.

218. Section 239.0.1 of the Act is amended by replacing paragraphs 1 and 2 by the following paragraphs:

"(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 those 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 to the making of any advance, the lending of money or the granting of any credit; and

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

219. Section 289.4 of the Act is amended by replacing paragraph 2 by the following paragraph:

"(2) in the fiscal year, two or more pension entities, the person and one of those pension entities may jointly elect, in a document in the form and containing the information determined by the Minister, for that pension entity

to be the specified pension entity of the pension plan in respect of the person for the fiscal year."

220. Section 289.8 of the Act is replaced by the following section:

"**289.8.** If any of sections 289.5 to 289.7 applies in respect of a person that is a participating employer of a pension plan, the person shall, in the form and manner determined by the Minister, provide the information determined by the Minister to the pension entity of the pension plan that is deemed to have paid tax under that section."

221. Section 301.5 of the Act is amended by replacing ", at the place where the particular supply was made, a taxable supply" by "a taxable supply in Québec".

222. Section 301.7 of the Act is amended by replacing "exclusivement" and "directement" wherever they appear in the French text by "exclusive" and "directe", respectively.

223. (1) Section 301.8 of the Act is amended

(1) by replacing "and Division" in the portion of subparagraph *a* of subparagraph 2 of the first paragraph before the formula by "or Division";

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

"1° la lettre A représente le taux de la taxe prévu au premier alinéa de l'article 16;".

(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.

224. (1) Section 301.9 of the Act is amended, in the first paragraph,

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

"**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 under a performance bond 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 of the person and of determining the total amount of all input tax refunds in respect of direct inputs that the person is entitled to claim:";

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

"2° l'intrant donné est réputé avoir été acquis ou apporté au Québec, selon le cas, exclusivement et directement pour utilisation dans le cadre de la réalisation de la construction donnée;".

(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.

225. (1) Section 331.0.1 of the Act is amended by inserting the following paragraph after paragraph 4:

"(4.1) that is not a party to an effective election under section 297.0.2.1;".

(2) Subsection 1 applies from 1 January 2013.

226. (1) Section 407.6 of the Act is amended by striking out "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 has effect from 1 January 2013.

227. (1) Section 437.1 of the Act is amended, in the first paragraph, by replacing the portion of subparagraph 3 of the second paragraph of section 433.16 of the Act before subparagraph *a* enacted by that first paragraph by the following:

"(3) C is the lesser of 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, and the percentage corresponding to 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:".

(2) Subsection 1 applies in respect of a reporting period that ends after 31 December 2012.

228. (1) Section 437.3 of the Act is amended by replacing the portion before paragraph 1 by the following:

"**437.3.** A person who is a selected listed financial institution that is required to file a final return under section 470.1 for a reporting period shall".

(2) Subsection 1 applies in respect of a reporting period that ends after 31 December 2012.

229. (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 section 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 section 437 or section 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.

230. Section 450.0.8 of the Act is replaced by the following section:

"**450.0.8.** A tax adjustment note referred to in section 450.0.2 or 450.0.5 must be in the form and contain the information determined by the Minister and be issued in a manner satisfactory to the Minister."

231. Section 450.0.9 of the Act is replaced by the following section:

"**450.0.9.** Where a tax adjustment note is issued under section 450.0.2 or 450.0.5 to a pension entity of a pension plan and, as a consequence of that issuance, subparagraph 4 of the first paragraph of section 450.0.4 or 450.0.7 applies to a participating employer of the pension plan, the pension entity shall, in a document in the form and containing the information determined by the Minister and in a manner satisfactory to the Minister, notify without delay the participating employer of that issuance."

232. (1) Section 470.1 of the Act is amended by replacing the portion before paragraph 1 by the following:

"**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, the financial institution shall file with the Minister".

(2) Subsection 1 applies in respect of a reporting period that ends after 31 December 2012. However, when it applies in relation to a reporting period that includes 1 January 2013, section 470.1 of the Act is to be read as follows:

"**470.1.** Despite paragraph 2 of section 468 and section 470, if a selected listed financial institution has a reporting period that ends on a particular day in a fiscal year and, for the purposes of Part IX of the Excise Tax Act (Revised Statutes of Canada, 1985, chapter E-15), its reporting period ending on that particular day is a fiscal month or fiscal quarter, the financial institution shall file with the Minister".

233. (1) Section 472 of the Act is amended, in paragraph 1,

(1) by replacing the portion before subparagraph *a* in the French text by the following:

"1° dans le cas où la personne est un inscrit, payer la taxe au ministre ou à la personne prescrite au plus tard le jour donné où elle est tenue de produire sa déclaration en vertu de l'un des articles 468 et 469 pour la période de déclaration au cours de laquelle la taxe est devenue payable, et :";

(2) by striking out "or the prescribed person" in subparagraph *b*.

(2) Subsection 1 applies in respect of a reporting period that ends after 31 December 2012.

234. (1) Section 528 of the Act is amended by replacing paragraph 1 by the following paragraph:

"(1) where the person is registered under Title I, the day on which the person is required to file a return for the 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, except where the person is a selected listed financial institution throughout that reporting period; and".

(2) Subsection 1 applies in respect of a reporting period that ends after 31 December 2012.

235. (1) Section 541.24 of the Act is amended by adding the following subparagraph after subparagraph 3 of the first paragraph:

"(4) where the establishment is situated in a class 4 prescribed tourist region, a specific tax equal to $3 per overnight stay for each unit."

(2) Subsection 1 applies in respect of the supply of an accommodation unit that is invoiced after 30 June 2012 for occupancy after that date, unless

(1) the accommodation unit is supplied by an intermediary to whom the accommodation unit was supplied before 1 July 2012; or

(2) the operator of a sleeping-accommodation establishment invoices the supply of the accommodation unit to a travel intermediary that is a travel agent within the meaning of section 2 of the Travel Agents Act (chapter A-10), a foreign tour operator or a convention organizer that supplies the accommodation unit to a convention attendee, where consideration for the supply has been set under an agreement entered into before 1 July 2012 between the operator of the sleeping-accommodation establishment and the travel intermediary, and occupation of the accommodation unit takes place after 30 June 2012 and before 1 April 2013.

236. (1) Section 541.25 of the Act is amended by replacing subparagraph 1 of the third paragraph by the following subparagraph:

"(1) if the supply is made to a client, the tax provided for in subparagraph 1 of the first paragraph of section 541.24, subparagraph *b* of subparagraph 2 or 3 of that paragraph or subparagraph 4 of that paragraph, as the case may be; or".

(2) Subsection 1 applies in respect of the supply of an accommodation unit that is invoiced after 30 June 2012 for occupancy after that date, unless

(1) the accommodation unit is supplied by an intermediary to whom the accommodation unit was supplied before 1 July 2012; or

(2) the operator of a sleeping-accommodation establishment invoices the supply of the accommodation unit to a travel intermediary that is a travel agent within the meaning of section 2 of the Travel Agents Act (chapter A-10), a foreign tour operator or a convention organizer that supplies the accommodation unit to a convention attendee, where consideration for the supply has been set under an agreement entered into before 1 July 2012 between the operator of the sleeping-accommodation establishment and the travel intermediary, and occupation of the accommodation unit takes place after 30 June 2012 and before 1 April 2013.

237. The Act is amended by striking out "also" in the following provisions:

— subparagraph 3 of the second paragraph of section 402.18;

— subparagraphs 1 and 2 of the second paragraph of section 433.16;

— the portion of the first paragraph of section 450.0.4 before subparagraph 1;

— the portion of the first paragraph of section 450.0.7 before subparagraph 1.

238. This Act comes into force on 5 June 2013.

NATIONAL ASSEMBLY

FIRST SESSION FORTIETH LEGISLATURE

Bill 29
(2013, chapter 11)

An Act to amend the Act respecting Héma-Québec and the haemovigilance committee

Introduced 27 March 2013
Passed in principle 23 April 2013
Passed 28 May 2013
Assented to 5 June 2013

Québec Official Publisher
2013

EXPLANATORY NOTES

This Act contains various amendments to the Act respecting Héma-Québec and the haemovigilance committee.

Héma-Québec's mission is broadened to include duties and functions in connection with human milk, stem cells and any human tissues, as well as any other human biological product determined by the Government. The Government is empowered to entrust Héma-Québec with any other mandate related to those duties and functions.

The governing board of Héma-Québec also undergoes certain modifications, particularly with respect to its composition and the length of its members' terms, and Héma-Québec is empowered to make an agreement with the Minister of Health and Social Services on the use of any surpluses generated by its activities. Furthermore, the health and social services institutions are to pay the price of the products and services provided by Héma-Québec, unless the Minister decides otherwise.

Héma-Québec may not construct, acquire, dispose of, convert or renovate an immovable without the Minister's authorization, except in the cases specified by the Government. The Government may determine the cases in which Héma-Québec must obtain the Minister's authorization to rent an immovable. Moreover, the Minister is granted powers as regards inspections and investigations.

The proposed amendments also allow Héma-Québec, in certain circumstances, to remove tissues after the donor's death is attested by a single physician who does not participate either in the removal or in the transplantation.

The Minister is empowered to broaden the mandate of the haemovigilance committee to take into account Héma-Québec's new duties and functions; consequently, the committee's composition and name are modified.

In addition, the compensation plan for victims of a Héma-Québec product is amended to take into account Héma-Québec's new duties and functions.

Lastly, various consequential and transitional amendments are introduced.

LEGISLATION AMENDED BY THIS ACT:

– Act respecting Héma-Québec and the haemovigilance committee (chapter H-1.1).

REGULATION AMENDED BY THIS ACT:

– Regulation respecting the conditions for compensation to victims of a Héma-Québec product (chapter H-1.1, r. 1).

Bill 29

AN ACT TO AMEND THE ACT RESPECTING HÉMA-QUÉBEC AND THE HAEMOVIGILANCE COMMITTEE

THE PARLIAMENT OF QUÉBEC ENACTS AS FOLLOWS:

1. Section 3 of the Act respecting Héma-Québec and the haemovigilance committee (chapter H-1.1) is amended

(1) by replacing "at the request of a body managing joint supplies to institutions that has been designated by the Minister of Health and Social Services" in subparagraph 8 of the second paragraph by "at the request of the Minister of Health and Social Services or a body managing joint supplies to institutions that has been designated by the Minister";

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

"Héma-Québec is also assigned, with the necessary modifications, such duties and functions in connection with human milk, stem cells and any human tissue, as well as any other human biological product determined by the Government.

Héma-Québec shall carry out any other mandate related to the duties or functions described in the preceding paragraphs that is entrusted to it by the Government.

In pursuing its mission, Héma-Québec must manage its human, material, information, technological and financial resources effectively and efficiently."

2. Section 5 of the Act is amended by replacing "on blood or plasma donors with a view to reducing the risk of product contamination" by "on donors with a view to maintaining supply safety, in particular as regards the risk of product contamination".

3. Section 7 of the Act is replaced by the following section:

"**7.** The affairs of Héma-Québec are administered by a governing board composed of 13 members.

Eleven of these members are identified with the following categories:

(1) the associations representing product recipients;

(2) the Association québécoise d'établissements de santé et de services sociaux;

(3) the product donors and volunteer donor clinic organizers;

(4) the Collège des médecins du Québec;

(5) the scientific research sector;

(6) the business sector; and

(7) the public health sector.

There must be at least one but not more than 3 members per category. All 11 members are appointed by the Government after consultation with the persons or sectors in that category.

The board must also include a person who is a member of the Ordre des comptables professionnels agréés du Québec, appointed by the Government after consultation with that professional order.

The president and chief executive officer, who may be designated by the title "président-directeur général" or "président et chef de la direction" in French, is also a member of the board, appointed to that position by the other members of the board."

4. Section 9 of the Act is replaced by the following section:

"**9.** The president and chief executive officer is appointed for a term of not more than five years and the other members of the governing board are appointed for a term of not more than four years. At the expiry of their terms, they remain in office until they are replaced or reappointed.

The members of the governing board, other than the president and chief executive officer, may be reappointed only twice, for a consecutive or non-consecutive term."

5. Section 10 of the Act is amended

(1) by adding the following sentence at the end of the first paragraph: "The offices of chair and president and chief executive officer may not be held concurrently.";

(2) by replacing "director general" in the second paragraph by "president and chief executive officer".

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

"**13.** The Minister may designate a member of the biovigilance committee to attend the meetings of the governing board. That member is entitled to speak at the meetings."

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

"Any surpluses are paid into the Consolidated Revenue Fund, unless a prior agreement between Héma-Québec and the Minister is entered into on the use of the surplus."

8. Section 30 of the Act is replaced by the following section:

"**30.** Héma-Québec may not construct, acquire, dispose of, convert or renovate an immovable without the Minister's authorization, except in the cases, on the conditions and to the extent determined by the Government.

Héma-Québec may, however, rent an immovable without the Minister's authorization, except in the cases, on the conditions and to the extent determined by the Government.

The Minister's authorization is also necessary for any purchase or rental of equipment for an amount exceeding the thresholds determined by the Government, unless the equipment is required to ensure the safety of Héma-Québec products. In the latter case, Héma-Québec must, within 90 days after the purchase or rental, provide the Minister with proof that the purchase or rental was justified."

9. The Act is amended by inserting the following sections before section 32:

"**31.1.** The Minister or a person authorized in writing by the Minister may conduct an inspection and, at any reasonable time, enter any premises under the responsibility of Héma-Québec to verify compliance with this Act or the regulations.

The inspector may

(1) examine and make a copy of any document relating to Héma-Québec activities; and

(2) demand any information relating to the application of this Act or a regulation and the production of any document connected with it.

A person having custody, possession or control of such documents must, on request, make them available to the inspector.

The inspector must, on request, produce a certificate of authorization signed by the Minister.

No proceedings may be brought against the inspector for acts in good faith in the performance of inspection duties.

"**31.2.** The Minister may investigate or direct a person the Minister designates to investigate any matter relating to the application of this Act or the regulations.

For the purposes of such an investigation, the person who conducts an investigation has the powers and immunity conferred on commissioners appointed under the Act respecting public inquiry commissions (chapter C-37), except the power to order imprisonment.

"**31.3.** No person may hinder a person in the performance of inspection or investigation duties, mislead or attempt to mislead that person by misrepresentation or deceptive statements, refuse to produce documents required by that person or omit or refuse, without good cause, to answer any question that may lawfully be asked.

"**31.4.** Once the inspection or investigation is completed, the Minister may require Héma-Québec to submit an action plan to remedy the situation, if applicable."

10. The heading of Division VI of the Act is amended by adding "AND SERVICES" at the end.

11. The Act is amended by inserting the following section before section 38:

"**37.1.** The price of the products and services provided by Héma-Québec to health and social services institutions is to be paid in full by the institutions. However, if the Minister considers it expedient, the Minister may pay all or part of the cost directly, in the manner agreed by the Minister and Héma-Québec."

12. Section 45 of the Act is amended

(1) by replacing "haemovigilance" wherever it appears by "biovigilance";

(2) by replacing "bone marrow or any other human tissue" in the third paragraph by "human milk, stem cells, human tissues or organs and any other human biological product".

13. Section 46 of the Act is amended

(1) by replacing "haemovigilance" in the introductory clause of the first paragraph by "biovigilance";

(2) by replacing "two persons" in subparagraph 2 of the first paragraph by "one person";

(3) by replacing "four" in subparagraph 5 of the first paragraph by "three";

(4) by adding the following subparagraph after subparagraph 6 of the first paragraph:

"(7) one expert in the field of perinatal care.";

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

"The Minister may also appoint up to three other members to the committee if the Minister considers that their expertise would advance the work of the committee."

14. Section 54.1 of the Act is amended

(1) by replacing the definition of "Héma-Québec product" by the following definition:

""Héma-Québec product" means any product distributed by Héma-Québec, except

(1) when such a product is used for research or clinical trials, unless the Minister decides otherwise; or

(2) when such a product is made from a human biological product determined by the Government and the Government has decided to exclude it from the compensation plan for victims;";

(2) by striking out "through a transfusion or graft" in the definition of "victim".

15. The Act is amended by inserting the following section before section 55:

"**54.13.** Despite article 45 of the Civil Code, if cardiac and breathing functions have ceased simultaneously and irreversibly and are not maintained artificially, in compliance with the conditions determined by government regulation, tissues may be removed by Héma-Québec after the death of the donor is attested by a physician who does not participate either in the removal or in the transplantation."

16. The Act is amended by replacing "haemovigilance committee" by "biovigilance committee" in the title of the Act, in the heading of Chapter II and in sections 37 and 44 and by replacing "Comité d'hémovigilance" in section 44 by "Comité de biovigilance".

17. The Act is amended by replacing "director general" wherever it appears in sections 14 to 17 by "president and chief executive officer".

18. Sections 57 to 74 of the Act are repealed.

REGULATION RESPECTING THE CONDITIONS FOR COMPENSATION TO VICTIMS OF A HÉMA-QUÉBEC PRODUCT

19. The Regulation respecting the conditions for compensation to victims of a Héma-Québec product (chapter H-1.1, r. 1) is amended by inserting the following section after section 1:

"**1.1.** For the purposes of section 54.1 of the Act, the following reactions, associated with the normal constituents of human milk, in relation to the standards in force when a Héma-Québec product is administered, are adverse effects not constituting a bodily injury:

– lactose intolerance;

– necrotizing enterocolitis; and

– allergic reaction."

TRANSITIONAL AND FINAL PROVISIONS

20. The members of the governing board of Héma-Québec in office on 4 June 2013 continue in office on the same terms, for the unexpired portion of their term, until they are replaced or reappointed.

The director general of Héma-Québec continues in office as president and chief executive officer on the same terms, for the unexpired portion of the term.

21. The members of the haemovigilance committee in office on 4 June 2013 continue in office as members of the biovigilance committee on the same terms, for the unexpired portion of their term, until they are replaced or reappointed.

22. This Act comes into force on 5 June 2013, except

(1) section 8, which comes into force on the date to be set by the Government; and

(2) section 15, which comes into force on the date of coming into force of the first regulation made under this Act.

Regulations and other Acts

Gouvernement du Québec

O.C. 877-2013, 22 August 2013

Sustainable Forest Development Act
(chapter A-18.1)

Changes in the destination of timber purchased by a holder of a timber supply guarantee pursuant to the guarantee

Regulation respecting changes in the destination of timber purchased by a holder of a timber supply guarantee pursuant to the guarantee

WHEREAS, under paragraph 1 of section 115 of the Sustainable Forest Development Act (chapter A-18.1), the Government may, by regulation, determine, for the purposes of the first paragraph of section 92, the volume of timber that may be sent to other processing plants operating under a timber supply guarantee, in the course of a given year;

WHEREAS, under paragraph 2 of section 115 of the Act, the Government may, by regulation, determine, for the purposes of the second paragraph of section 92, the volume of timber that may be sent from other wood processing plants operating under a timber supply guarantee to a processing plant specified in the holder's guarantee, in the course of a given year;

WHEREAS, under paragraph 3 of section 115 of the Act, the Government may, by regulation, determine the provisions of the regulation whose violation constitutes an offence and specify, from among the fines prescribed in section 244, the one to which an offender is liable for a given offence;

WHEREAS the Government made the Regulation respecting changes in the destination of timber allocated to a holder of a timber supply and forest management agreement (chapter A-18.1, r. 1);

WHEREAS it is expedient to replace that Regulation;

WHEREAS, in accordance with sections 10 and 11 of the Regulations Act (chapter R-18.1), a draft of the Regulation respecting changes in the destination of timber purchased by a holder of a timber supply guarantee pursuant to the guarantee was published in Part 2 of the *Gazette officielle du Québec* of 13 February 2013 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 without amendment;

IT IS ORDERED, therefore, on the recommendation of the Minister of Natural Resources:

THAT the Regulation respecting changes in the destination of timber purchased by a holder of a timber supply guarantee pursuant to the guarantee, attached to this Order in Council, be made.

JEAN ST-GELAIS,
Clerk of the Conseil exécutif

Regulation respecting changes in the destination of timber purchased by a holder of a timber supply guarantee pursuant to the guarantee

Sustainable Forest Development Act
(chapter A-18.1, s. 115)

1. The volume of timber purchased during the year which is, under the timber supply guarantee, intended for the guarantee holder's wood processing plant and which, in accordance with the first paragraph of section 92 of the Sustainable Forest Development Act (chapter A-18.1), may be sent to other wood processing plants operating under a timber guarantee may not exceed, during a given year, 10% of the annual volumes of timber specified in the holder's timber supply guarantee.

However, any other volume equal to the volumes received by the guarantee holder from other wood processing plants pursuant to the second paragraph of section 92 of the Act may also be added to the volume referred to in the first paragraph.

2. The volume of timber which, pursuant to the second paragraph of section 92 of the Sustainable Forest Development Act (chapter A-18.1), may be sent to a guarantee holder's plant from other plants operating under a timber supply guarantee may not exceed, during a given year, 10% of the annual volumes of timber specified in the holder's guarantee, to which any other volume equal

to the volumes sent by the guarantee holder to other wood processing plants pursuant to the first paragraph of section 92 may also be added, pursuant to the second paragraph of section 92.

3. The holder of a timber supply guarantee who sends or allows to be sent to the plant specified in the holder's guarantee volumes of timber from other plants operating under a timber supply guarantee commits an offence and is liable to the fine provided for in paragraph 3 of section 244 of the Sustainable Forest Development Act (chapter A-18.1) if the total volume sent exceeds, during a given year, the volume referred to in section 2.

4. This Regulation replaces the Regulation respecting changes in the destination of timber allocated to a holder of a timber supply and forest management agreement (chapter A-18.1, r. 1).

5. This Regulation comes into force on the fifteenth day following the date of its publication in the *Gazette officielle du Québec.*

2914

M.O., 2013

Order of The Minister of Sustainable Development, Environment, Wildlife and Parks dated 14 August 2012

An Act respecting the conservation and development of wildlife
(chapter C-61.1)

Regulation to amend the Regulation respecting hunting

THE MINISTER OF SUSTAINABLE DEVELOPMENT, ENVIRONMENT, WILDLIFE AND PARKS,

CONSIDERING subparagraph 2 of the first paragraph of section 163 of the Act respecting the conservation and development of wildlife (chapter C-61.1), which provides in particular that the Minister may make regulations limiting the number of licences for a zone, territory or place the Minister specifies;

CONSIDERING the first paragraph of section 164 of the Act, which provides that a regulation made under subparagraph 2 of the first paragraph of section 163 of the Act is not subject to the publication requirements set out in section 8 of the Regulations Act (chapter R-18.1);

CONSIDERING the making of the Regulation respecting hunting (chapter C-61.1, r. 12), which provides among other things the number of hunting licences available per year for each area or part thereof;

CONSIDERING that it is expedient to amend certain numbers of licences;

ORDERS AS FOLLOWS:

The Regulation to amend the Regulation respecting hunting is hereby made;

The Regulation to amend the Regulation respecting hunting will come into force on the fifteen day following the date of its publication in the *Gazette officielle du Québec.*

Québec, 14 August 2013

YVES-FRANÇOIS BLANCHET,
Minister of Sustainable Development, Environment, Wildlife and Parks

Regulation to amend the Regulation respecting hunting

An Act respecting the conservation and development of wildlife
(chapter C-61.1, s. 163, 1st par., subpar. 2)

1. Schedule II to the Regulation respecting hunting is amended

(1) by replacing paragraph i. of section 1 by the following:

"1. For hunting white-tailed deer, female or male with antlers less than 7 cm, all areas except Area 20:

i. in area

Area		Number of licences
1		465
2	except the western part shown on the plan in Schedule IX	0
the western part of Area 2 shown on the plan in Schedule IX		330
3	except the western part shown on the plan in Schedule X	0
the western part of Area 3 shown on the plan in Schedule X, excluding the territory referred to in Schedule CCI		1,500
4		1,200
5	except the western part shown on the plan in Schedule XXXVIII	0

Area	Number of licences
6 except the northern part shown on the plan in Schedule XXXIX	1,800
the northern part of Area 6 shown on the plan in Schedule XXXIX	5,000
7 except the southern part shown on the plan in Schedule CXXXIV	850
the southern part of Area 7 shown on the plan in Schedule CXXXIV	5,000
9 except the western part shown on the plan in Schedule CXXXII	150
the western part of Area 9 shown on the plan in Schedule CXXXII	200
10 except the western part shown on the plan in Schedule XVI	600
the western part of Area 10 shown on the plan in Schedule XVI and Area 12	1,60
11 and the western part of Area 15 shown on the plan in Schedule CXXXIII	500
the southwestern part of Area 13 shown on the plan in Schedule CXC	50
the eastern part of Area 26 shown on the plan in Schedule CXCIII	0
the part of Area 27, sector white-tailed deer, shown on the plan in Schedule CLXXXVIII except Île d'Orléans and Île au Ruau	1,950

(2) by replacing the numbers of licences in paragraphs ii. and iii. of section 1 by the following numbers:

"ii. in the wildlife sanctuary

Wildlife sanctuary	Number of licences
La Vérendrye	20
Papineau-Labelle	82
Rouge Matawin	0

iii. in the controlled zone

Controlled zone	Number of licences
Bras-Coupé-Désert	40
Casault	0
Jaro, including the territory referred to in Schedule CCI	60
Maganasipi	50
Pontiac	40
Rapides-des-Joachims	5
Restigo	50
Saint-Patrice	5

";

(2) by replacing the numbers of licences in section 1.1 by the following:

"1.1 For hunting white-tailed deer, female or male with antlers less than 7 cm, all areas except Area 20 (1st killing)

Area	Number of licences
the western part of Area 5 shown on the plan in Schedule XXXVIII	6,000
the southern part of Area 8 shown on the plan in Schedule XIII	4,500
the eastern part of Area 8 shown on the plan in Schedule CXXXV	3,500

".

(3) by replacing the numbers of licences in paragraphs i. and ii. of section 3 by the following:

"3. For hunting female moose more than one year old:

i. in area

Area	Number of licences
1	3,375

ii. in the wildlife sanctuary

Wildlife sanctuary	Number of licences
Ashuapmushuan	38
Laurentides	203
La Vérendrye	261
Mastigouche	77
Papineau-Labelle	50
Port-Daniel	6
Portneuf	40
Rouge-Matawin	10
Saint-Maurice	65

".

(4) by replacing paragraph iii. of section 3 by the following:

"iii. in the controlled zone

Controlled zone	**Number of licences**
Batiscan-Neilson	56
Casault	185
Jaro, including the territory referred to in Schedule CCI	10
Lavigne	0
Lesueur	23
Mazana	22
Mitchinamécus	25
Normandie	25
des Nymphes	0
Petawaga	70
Rapides-des-Joachims	20
Rivière-Blanche	32
Saint-Patrice	30
Wessonneau	70

".

2. This Regulation comes into force on the fifteenth day following the date of its publication in the *Gazette officielle du Québec.*

2921

M.D., 2013-18

Order number V-1.1-2013-18 of the Minister of Finance and the Economy, August 23, 2013

Securities Act
(chapter V-1.1)

CONCERNING Regulation to amend Regulation 23-103 respecting Electronic Trading

WHEREAS subparagraphs 1, 11, 32 and 34 of section 331.1 of the Securities Act (chapter V-1.1) provide that the *Autorité des marchés financiers* may make regulations concerning the matters referred to in those paragraphs;

WHEREAS the third and fourth paragraphs of section 331.2 of the said Act provide that a draft regulation shall be published in the *Bulletin de l'Autorité des marchés financiers*, accompanied with the notice required under section 10 of the Regulations Act (chapter R-18.1) and may not be submitted for approval or be made before 30 days have elapsed since its publication;

WHEREAS the first and fifth paragraphs of the said section provide that every regulation made under section 331.1 must be approved, with or without amendment, by the Minister of Finance and comes into force on the date of its publication in the *Gazette officielle du Québec* or on any later date specified in the regulation;

WHEREAS the Regulation 23-103 respecting Electronic Trading was approved by ministerial order no. 2012-12 dated August 14, 2012;

WHEREAS there is cause to amend that regulation;

WHEREAS the draft Regulation to amend Regulation 23-103 respecting Electronic Trading was published in the *Bulletin de l'Autorité des marchés financiers*, volume 9, no. 43 of October 25, 2012;

WHEREAS the *Autorité des marchés financiers* made, on July 30, 2013, by the decision no. 2013-PDG-0137, Regulation to amend Regulation 23-103 respecting Electronic Trading;

WHEREAS there is cause to approve this regulation without amendment;

CONSEQUENTLY, the Minister of Finance and the Economy approves without amendment Regulation to amend Regulation 23-103 respecting Electronic Trading appended hereto.

August 23, 2013

NICOLAS MARCEAU,
Minister of Finance and the Economy

REGULATION TO AMEND REGULATION 23-103 RESPECTING ELECTRONIC TRADING

Securities Act
(chapter V-1.1, s. 331.1, par. (1), (11), (32) and (34))

1. Regulation 23-103 respecting Electronic Trading is amended by replacing the title with the following:

"**REGULATION 23-103 RESPECTING ELECTRONIC TRADING AND DIRECT ELECTRONIC ACCESS TO MARKETPLACES**".

2. Section 1.1 of the Regulation is amended:

(1) by inserting, after the definition of the expression "automated order system", the following:

""DEA client" means a client that is granted direct electronic access by a participant dealer;

"DEA client identifier" means a unique client identifier assigned to a DEA client;

"direct electronic access" means the access provided by a person to a client, other than a client that is registered as an investment dealer with a securities regulatory authority or, in Québec, is a foreign approved participant as defined in the Rules of the Montréal Exchange Inc., that permits the client to electronically transmit an order relating to a security to a marketplace, using the person's marketplace participant identifier,

(a) through the person's systems for automatic onward transmission to a marketplace; or

(b) directly to a marketplace without being electronically transmitted through the person's systems;";

(2) by replacing, in the French text of the definition of the expression "marketplace and regulatory requirements", the word "règlementation" with the word "réglementation";

(3) by inserting, after the definition of the expression "marketplace and regulatory requirements", the following:

""marketplace participant identifier" means the unique identifier assigned to a marketplace participant to access a marketplace; and";

(4) by replacing the definition of "participant dealer" with the following:

""participant dealer" means

(a) a marketplace participant that is an investment dealer; or

(b) in Québec, a foreign approved participant as defined in the Rules of the Montréal Exchange Inc., as amended from time to time.".

3. Section 3 of the Regulation is amended:

(1) by replacing, in the French text of subparagraph (a) of paragraph (1), the words "au marché" with the words "aux marchés";

(2) by replacing, in subparagraph (a) of paragraph (2), ", and" with "; and";

(3) in paragraph (3):

(a) by replacing, at the end of subparagraph (i) of subparagraph (a), "," with ";";

(b) in the French text of subparagraph (b):

(i) by replacing, in subparagraph (ii), the word "octroie" with the word "accorde";

(ii) by replacing, in subparagraph (iv), the words "transmis au marché" with the word "transmis", and the word "octroie" with the word "accorde";

(c) by replacing, in the French text of subparagraph (c), the word "octroie" with the word "accorde";

(d) by replacing, in the French text of subparagraph (d), the words "au marché qu'il octroie" with the words "à un marché qu'il accorde";

(4) by replacing, in the French text of paragraph (4), the words "doit être" with the word "est", and the word "octroie" with the word "accorde";

(5) by replacing, in the French text of paragraph (5), the words "ajuste de façon directe et exclusive" with the words "modifie directement et exclusivement";

(6) by replacing the French text of subparagraph (b) of paragraphs 6 and 7 with the following:

"*b)* il documente les lacunes dans la convenance et l'efficacité de ces contrôles, politiques et procédures et les corrige rapidement.".

4. Section 4 of the Regulation is amended:

(1) by replacing, in the French text of the title, the words "**d'ajuster**" with the words "**de modifier**";

(2) by replacing the part preceding the French text of subparagraph (a) with the following:

"Malgré le paragraphe 5 de l'article 3, le courtier participant peut, pour des motifs raisonnables, autoriser un courtier en placement à établir ou modifier en son nom un contrôle, une politique ou une procédure en particulier concernant la gestion des risques ou la surveillance prévu au paragraphe 1 de l'article 3, si les conditions suivantes sont réunies :";

(3) by replacing, in the French text of subparagraph (a), the word "client" with the words "client ultime", and the words "et peut ainsi établir ou ajuster le contrôle, la politique ou la procédure de manière plus efficace" with the words "et qu'il peut ainsi établir ou modifier le contrôle, la politique ou la procédure plus efficacement";

(4) by replacing, in subparagraph (b), the words "participant dealer and investment dealer" with the words "participant dealer and the investment dealer";

(5) by replacing, in the French text of subparagraph (c), the words "l'ajustement" with the words "la modification" and the words "l'ajuster" with the words "le modifier";

(6) in the French text of subparagraph (d):

(a) by replacing, in subparagraph (i), the words "l'ajustement" with the words "la modification";

(b) by replacing subparagraph (ii) with the following:

"*ii)* il documente les lacunes dans la convenance et l'efficacité de l'établissement ou de la modification et veille à les faire corriger rapidement;";

(7) by replacing, in the French text of subparagraph (e), the word "client" with the words "client ultime".

5. The Regulation is amended by inserting, after Part 2, the following:

"**PART 2.1 REQUIREMENTS APPLICABLE TO PARTICIPANT DEALERS PROVIDING DIRECT ELECTRONIC ACCESS**

"**4.1. Application of this Part**

This Part does not apply to a participant dealer if the participant dealer complies with similar requirements established by

(a) a regulation services provider;

(b) a recognized exchange that directly monitors the conduct of its members and enforces requirements set under subsection 7.1(1) of Regulation 23-101 respecting Trading Rules; or

(c) a recognized quotation and trade reporting system that directly monitors the conduct of its users and enforces requirements set under subsection 7.3(1) of Regulation 23-101 respecting Trading Rules.

"**4.2. Provision of Direct Electronic Access**

(1) A person must not provide direct electronic access unless it is a participant dealer.

(2) A participant dealer must not provide direct electronic access to a client that is acting and registered as a dealer with a securities regulatory authority.

"**4.3. Standards for DEA Clients**

(1) A participant dealer must not provide direct electronic access to a client unless the participant dealer

(a) has established, maintains and applies standards that are reasonably designed to manage, in accordance with prudent business practices, the participant dealer's risks associated with providing direct electronic access; and

(b) assesses and documents that the client meets the standards established by the participant dealer under paragraph (a).

(2) The standards established by the participant dealer under subsection (1) must include the following:

(a) a client must not have direct electronic access unless the client has sufficient resources to meet any financial obligations that may result from the use of direct electronic access by that client;

(b) a client must not have direct electronic access unless the client has reasonable arrangements in place to ensure that all individuals using direct electronic access on behalf of the client have reasonable knowledge of and proficiency in the use of the order entry system that facilitates the direct electronic access;

(c) a client must not have direct electronic access unless the client has reasonable knowledge of and the ability to comply with all applicable marketplace and regulatory requirements; and

(d) a client must not have direct electronic access unless the client has reasonable arrangements in place to monitor the entry of orders through direct electronic access.

(3) A participant dealer must assess, confirm and document, at least annually, that the DEA client continues to meet the standards established by the participant dealer, including for greater certainty, those set out in this section.

"**4.4. Written Agreement**

A participant dealer must not provide direct electronic access to a client unless the client has entered into a written agreement with the participant dealer that provides that,

(a) in the client's capacity as a DEA client,

(i) the client's trading activity will comply with marketplace and regulatory requirements;

(ii) the client's trading activity will comply with the product limits and credit or other financial limits specified by the participant dealer;

(iii) the client will take all reasonable steps to prevent unauthorized access to the technology that facilitates direct electronic access and will not permit any person to use the direct electronic access provided by the participant dealer other than those named by the client under the provision of the agreement referred to in subparagraph (vii);

(iv) the client will fully cooperate with the participant dealer in connection with any investigation or proceeding by any marketplace or regulation services provider with respect to trading conducted pursuant to the direct electronic access provided, including, upon request by the participant dealer, providing the marketplace or regulation services provider with access to information that is necessary for the purposes of the investigation or proceeding;

(v) the client will immediately inform the participant dealer if the client fails or expects not to meet the standards set by the participant dealer;

(vi) when trading for the accounts of another person, under subsection 4.7(1), the client will ensure that the orders of the other person are transmitted through the systems of the client and will be subject to reasonable risk management and supervisory controls, policies and procedures established and maintained by the client;

(vii) the client will immediately provide to the participant dealer in writing,

(A) the names of all personnel acting on the client's behalf that the client has authorized to enter an order using direct electronic access; and

(B) details of any change to the information in clause (A),

(b) the participant dealer has the authority to, without prior notice

(i) reject any order;

(ii) vary or correct any order to comply with a marketplace or regulatory requirement;

(iii) cancel any order entered on a marketplace; and

(iv) discontinue accepting orders from the DEA client.

"**4.5. Training of DEA Clients**

(1) A participant dealer must not allow a client to have, or continue to have, direct electronic access unless the participant dealer is satisfied that the client has reasonable knowledge of applicable marketplace and regulatory requirements and the standards established by the participant dealer under section 4.3.

(2) A participant dealer must ensure that a DEA client receives any relevant amendments to applicable marketplace and regulatory requirements or changes or updates to the standards established by the participant dealer under section 4.3.

"**4.6. DEA Client Identifier**

(1) Upon providing direct electronic access to a DEA client, a participant dealer must ensure the client is assigned a DEA client identifier in the form and manner required by

(a) a regulation services provider;

(b) a recognized exchange that directly monitors the conduct of its members and enforces requirements set under subsection 7.1(1) of Regulation 23-101 respecting Trading Rules; or

(c) a recognized quotation and trade reporting system that directly monitors the conduct of its users and enforces requirements set under subsection 7.3(1) of Regulation 23-101 respecting Trading Rules.

(2) A participant dealer under subsection (1) must immediately provide the DEA client identifier to each marketplace to which the DEA client has direct electronic access through the participant dealer.

(3) A participant dealer under subsection (1) must immediately provide the DEA client's name and the client's associated DEA client identifier to

(a) all regulation services providers monitoring trading on a marketplace to which the DEA client has access through the participant dealer;

(b) any recognized exchange or recognized quotation and trade reporting system that directly monitors the conduct of its members or users and enforces requirements set under subsection 7.1(1) or 7.3(1) of Regulation 23-101 respecting Trading Rules and to which the DEA client has access through the participant dealer; and

(c) any exchange or quotation and trade reporting system that is recognized for the purposes of this Regulation and that directly monitors the conduct of its members or users and enforces requirements set under subsection 7.1(1) or 7.3(1) of Regulation 23-101 respecting Trading Rules and to which the DEA client has access through the participant dealer.

(4) A participant dealer must ensure that an order entered by a DEA client using direct electronic access provided by the participant dealer includes the appropriate DEA client identifier.

(5) If a client ceases to be a DEA client, the participant dealer must promptly inform

(a) all regulation services providers monitoring trading on a marketplace to which the DEA client had access through the participant dealer;

(b) any recognized exchange or recognized quotation and trade reporting system that directly monitors the conduct of its members or users and enforces requirements set under section 7.1(1) or 7.3(1) of Regulation 23-101 respecting Trading Rules and to which the DEA client had access through the participant dealer; and

(c) any exchange or quotation and trade reporting system that is recognized for the purposes of this Regulation and that directly monitors the conduct of its members or users and enforces requirements set under subsection 7.1(1) or 7.3(1) of Regulation 23-101 respecting Trading Rules and to which the DEA client had access through the participant dealer.

"**4.7. Trading by DEA Clients**

(1) A participant dealer must not provide direct electronic access to a DEA client that is trading for the account of another person unless the DEA client is

(a) registered or exempted from registration as an adviser under securities legislation; or

(b) a person that

(i) carries on business in a foreign jurisdiction;

(ii) under the laws of the foreign jurisdiction, may trade for the account of another person using direct electronic access; and

(iii) is regulated in the foreign jurisdiction by a signatory to the International Organization of Securities Commissions' Multilateral Memorandum of Understanding.

(2) If a DEA client referred to in subsection (1) is using direct electronic access to trade for the account of another person, the DEA client must ensure that the orders of the other person are transmitted through the systems of the DEA client before being entered on a marketplace.

(3) A participant dealer must ensure that when a DEA client is trading for the account of another person using direct electronic access, the orders of the other person are subject to reasonable risk management and supervisory controls, policies and procedures established and maintained by the DEA client.

(4) A DEA client must not provide access to or pass on its direct electronic access to another person other than the personnel authorized under subparagraph 4.4(a)(vii).".

6. Section 5 of the Regulation is amended, in the French text of paragraph (3):

(1) by replacing, in subparagraph (b), the words "par année" with the words "l'an";

(2) by replacing, in subparagraph (c), the words "de contrôles" with the words "des contrôles" and the words "immédiatement de faire" with the words "de faire immédiatement".

7. Section 7 of the Regulation is amended, in the French text:

(1) by replacing, in paragraph (1), the words "n'octroie" with the words "n'accorde";

(2) by replacing, in subparagraph (c) of paragraph (2), the words "visés au" with the words "mis en œuvre en vertu du".

8. Section 9 of the Regulation is amended, in the French text:

(1) by replacing, in paragraph (1), the words "n'octroie" with the words "n'accorde";

(2) by replacing, subparagraph (b) of paragraph (2), the words "des parties à l'opération, les 2 parties" with the words "des deux parties à l'opération, celles-ci".

9. The Regulation is amended by inserting, after section 9, the following:

"**9.1. Support Use of DEA Client Identifiers**

A marketplace must not permit a marketplace participant to provide direct electronic access to a person unless the marketplace's systems support the use of DEA client identifiers.".

10. This Regulation comes into force on March 1, 2014.

2927

M.D., 2013-19

Order number V-1.1-2013-19 of the Minister of Finance and the Economy, August 23, 2013

Securities Act
(chapter V-1.1)

CONCERNING Regulation to amend Regulation 11-102 respecting Passport System

WHEREAS subparagraphs 11, 32 and 33.8 of section 331.1 of the Securities Act (chapter V-1.1) provide that the *Autorité des marchés financiers* may make regulations concerning the matters referred to in those paragraphs;

WHEREAS the third and fourth paragraphs of section 331.2 of the said Act provide that a draft regulation shall be published in the *Bulletin de l'Autorité des marchés financiers*, accompanied with the notice required under section 10 of the Regulations Act (chapter R-18.1) and may not be submitted for approval or be made before 30 days have elapsed since its publication;

WHEREAS the first and fifth paragraphs of the said section provide that every regulation made under section 331.1 must be approved, with or without amendment, by the Minister of Finance and comes into force on the date of its publication in the *Gazette officielle du Québec* or on any later date specified in the regulation;

WHEREAS the sixth paragraph of the said section stipulates that a draft regulation under Chapter II of Title X and paragraphs 33.1 to 33.9 of section 331.1 may be submitted for approval only if accompanied by a favourable notice from the Minister responsible for Canadian Intergovernmental Affairs;

WHEREAS the Regulation 11-102 respecting Passport System was approved by ministerial order no. 2008-04 dated March 4, 2008;

WHEREAS there is cause to amend that regulation;

WHEREAS the draft Regulation to amend Regulation 11-102 respecting Passport System was published in the *Bulletin de l'Autorité des marchés financiers*, volume 9, no. 43 of October 25, 2012;

WHEREAS the *Autorité des marchés financiers* made, on July 30, 2013, by the decision no. 2013-PDG-0138, Regulation to amend Regulation 11-102 respecting Passport System;

WHEREAS there is cause to approve this regulation without amendment;

CONSEQUENTLY, the Minister of Finance and the Economy approves without amendment Regulation to amend Regulation 11-102 respecting Passport System appended hereto.

August 23, 2013

NICOLAS MARCEAU,
Minister of Finance and the Economy

Regulation to amend Regulation 11-102 respecting passeport system

Securities Act
(chapter V-1.1, s. 331.1, par. (11), (32) and (33.8))

1. Appendix D of Regulation 11-102 respecting Passport System is amended by replacing the row that refers to Regulation 23-103 with the following:

"

Electronic trading and direct electronic access to marketplaces	Regulation 23-103 (only sections 3(1), 3(2), 3(3)(a) to 3(3)(d), 3(4) to 3(7), 4, 4.2, 4.3, 4.4(a)(ii), 4.4(a)(iii), 4.4(a)(v) to 4.4(a)(vii), 4.4(b), 4.5, 4.7 and 5(3))

".

2. Appendix E of the Regulation is amended by replacing "- Regulation 23-103 respecting Electronic Trading (c. V-1.1, r. X)", with the following row:

"— Regulation 23-103 respecting Electronic Trading and Direct Electronic Access to Marketplaces (c. V-1.1, r. X)".

3. This Regulation comes into force on March 1, 2014.

2928

M.D., 2013-20

Order number I-14.01-2013-20 of the Minister of Finance and the Economy, August 23, 2013

Derivatives Act
(chapter I-14.01).

CONCERNING Regulation to amend the Derivatives Regulation

WHEREAS subparagraphs 1, 9, 11, 12, 14 and 29 of par. 1 of section 175 of the Derivatives Act (chapter I-14.01) stipulates that the *Autorité des marchés financiers* may make regulations concerning the matters referred to in those paragraphs;

WHEREAS the fourth and fifth paragraphs of section 175 of the said Act stipulate that a draft regulation shall be published in the *Bulletin de l'Autorité des marchés financiers*, accompanied with the notice required under section 10 of the Regulations Act (chapter R-18.1) and may not be submitted for approval or be made before 30 days have elapsed since its publication;

WHEREAS the second and sixth paragraphs of the said section stipulate that every regulation made under section 175 must be submitted to the Minister of Finance for approval with or without amendment and comes into force on the date of its publication in the *Gazette officielle du Québec* or any later date specified in the regulation;

WHEREAS the Derivatives Regulation has been approved by Ministerial Order no. 2009-01 dated January 15, 2009;

WHEREAS there is cause to amend this regulation;

WHEREAS the draft Regulation to amend the Derivatives Regulation was published in the *Bulletin de l'Autorité des marchés financiers*, volume 9, no. 43 of October 25, 2012;

WHEREAS the *Autorité des marchés financiers* made, on July 30, 2013, by the decision no. 2013-PDG-0139, Regulation to amend the Derivatives Regulation;

WHEREAS there is cause to approve this regulation without amendment;

CONSEQUENTLY, the Minister of Finance and the Economy approves without amendment Regulation to amend the Derivatives Regulation appended hereto.

August 23, 2013

NICOLAS MARCEAU,
Minister of Finance and the Economy

Regulation to amend the Derivatives Regulation

Derivatives Act
(R.S.Q., c. I-14.01, s. 175, par. 1, subpars. (1), (9), (11), (12), (14) and (29))

1. Section 11.22.1 of the Derivatives Regulation (R.R.Q., c. I-14.01, r. 1) is amended by adding the words "and Direct Electronic Access to Marketplaces" after the words "Electronic Trading".

2. This Regulation comes into force on 1 March 2014.

2929

Draft Regulations

Draft Regulation

Building Act
(chapter B-1.1)

Construction Code
— Amendment

Notice is hereby given, in accordance with sections 10 and 11 of the Regulations Act (chapter R-18.1), that the Regulation to amend the Construction Code, appearing below, may be approved by the Government, with or without amendments, on the expiry of 45 days following this publication.

The purpose of the draft Regulation is to include as referenced documents in Chapter VIII "Petroleum Equipment Installation" of the Construction Code the most recent editions of both codes, and to extend the application of one of them. The 2009 edition of the Installation Code for Oil Burning Equipment (CSA-B139) will be referenced in Chapter VIII. That code will be rendered applicable both inside and outside a building. The 2010 edition of the National Fire Code will be a referenced document as well. Also, later amendments to an edition will also be included in the documents referenced in Chapter VIII.

Further information may be obtained by contacting Pierre Gauthier, Régie du bâtiment du Québec, 800, place D'Youville, 15e étage, Québec (Québec) G1R 5S3; telephone: 418 643-9896; fax: 418 646-9280.

Any person wishing to comment on the draft Regulation is requested to submit written comments within the 45-day period to Stéphane Labrie, President and Chief Executive Officer, Régie du bâtiment du Québec, 545, boulevard Crémazie Est, 3e étage, Montréal (Québec) H2M 2V2.

AGNÈS MALTAIS,
Minister of Labour

Regulation to amend the Construction Code

Building Act
(chapter B-1.1, s. 173, 1st par., subpars. 1, 2, 3, 7, 8 and 10, and s. 178)

1. The Construction Code (chapter B-1.1, r. 2) is amended in section 8.06 by replacing the references in Table 1

"

CCBFC	NRCC 476667F	National Fire Code – Canada 2005	8.21, 1st paragraph
CSA	CSA-B139-04	Installation Code for Oil Burning Equipment	8.21, 2nd paragraph 8.84, paragraph 1, subpar. *c*

"

by the following:

"

CCBFC	NRCC 53303	National Fire Code – Canada 2010	8.21, 1st paragraph
CSA	CSA-B139-2009	Installation Code for Oil Burning Equipment	8.21, 2nd paragraph 8.84, paragraph 1, subpar. *c*

".

2. Section 8.07 is replaced by the following:

"**8.07.** Unless otherwise indicated in this Chapter, the referenced documents indicated in Table 1 of section 8.06 include all later amendments to an edition, published by an agency mentioned in that Table.

Despite the foregoing, amendments published after (*insert the date of coming into force of this Regulation*) apply to construction work only as of the date corresponding to the last day of the sixth month following the month in which those amendments are published.".

3. The second paragraph of section 8.21 is replaced by the following:

"Any petroleum equipment that is covered by the standard "Installation Code for Oil Burning Equipment" (CSA-B-139), published by the Canadian Standards Association, must be installed in accordance with the requirements of that standard if the equipment is intended to store diesel fuel or fuel oil and to supply an engine or equipment that is installed permanently.".

4. This Regulation comes into force on the fifteenth day following the date of its publication in the *Gazette officielle du Québec.*

2917

Draft Regulation

Environment Quality Act
(chapter Q-2)

Mandatory reporting of certain emissions of contaminants into the atmosphere — Amendment

Notice is hereby given, in accordance with sections 10 and 11 of the Regulations Act (chapter R-18.1) and sections 2.2 and 46.2 of the Environment Quality Act (chapter Q-2), that the Regulation to amend the Regulation respecting mandatory reporting of certain emissions of contaminants into the atmosphere, appearing below, may be made by the Minister of Sustainable Development, Environment, Wildlife and Parks on the expiry of 60 days following this publication.

The draft Regulation specifies the information to be reported yearly and makes various amendments to the calculation protocols for greenhouse gas emissions, in particular to the definition of fuel distributors covered by the Regulation.

Further information may be obtained by contacting Vicky Leblond, Direction des politiques de la qualité de l'atmosphère, Ministère du Développement durable, de l'Environnement, de la Faune et des Parcs, telephone: 418 521-3813, extension 4386; email: vicky.leblond@mddefp.gouv.qc.ca; fax: 418 646-0001.

Any person wishing to comment is requested to submit written comments within the 60-day period to France Delisle, Director, Direction des politiques de la qualité de l'atmosphère, Ministère du Développement durable, de l'Environnement, de la Faune et des Parcs, édifice Marie-Guyart, 675, boulevard René-Lévesque Est, 5e étage, boîte 30, Québec (Québec) G1R 5V7; email: france.delisle@mddefp.gouv.qc.ca

YVES-FRANÇOIS BLANCHET,
Minister of Sustainable Development, Environment, Wildlife and Parks

Regulation to amend the Regulation respecting mandatory reporting of certain emissions of contaminants into the atmosphere

Environment Quality Act
(chapter Q-2, ss. 2.2, 46.2, 115.27 and 115.34)

1. The Regulation respecting mandatory reporting of certain emissions of contaminants into the atmosphere (chapter Q-2, r. 15) is amended in section 4

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

"The operator must also identify the activities, processes or equipment that are the source of contaminant emissions, by specifying separately for each of them the emissions attributable to them, the quantity of fuel and raw materials used and the volume of production that have been used in calculating the quantities of contaminants.

Furthermore, the operator must provide the Minister with the methods of calculation or assessment referred to in the second paragraph of section 6 that were used as well as any information relevant to the calculations, including the factors and emission rates used, their source and, if they originate in published documents, the applicable reference.";

(2) by striking out everything that follows "identified separately" in the fourth paragraph.

2. The second paragraph of section 5 is replaced by the following:

"The operator must also identify the activities, processes or equipment that are the source of contaminant emissions, by specifying separately for each of them the emissions attributable to them, the quantity of fuel and raw materials used and the volume of production that have been used in calculating the quantities of contaminants reported to the Minister of the Environment of Canada.

Furthermore, the operator must provide the Minister with the methods of calculation or assessment referred to in the second paragraph of section 6 that were used

as well as any information relevant to the calculations, including the factors and emission rates used, their origin and, if they originate in published documents, the applicable reference.".

3. Section 6.2 is amended

(1) by inserting "of Schedule A.2" in subparagraphs 1 and 2 of the first paragraph after "QC.17 and QC.30";

(2) by replacing subparagraph 2.3 of the first paragraph by the following:

"(2.3) for establishments in the sectors referred to in Appendix A to the Regulation respecting a cap-and-trade system for greenhouse gas emission allowances (chapter Q-2, r. 46.1), the total quantity of the emitter's greenhouse gas emission in metric tons CO_2 equivalent, excluding emissions captured, stored, re-used or transferred out of the establishment, emissions referred to in the second paragraph of section 6.6 and emissions calculated in accordance with protocols QC.17 and QC.30 of Schedule A.2;";

(3) by inserting "and the emissions calculated in accordance with protocols QC.17 and QC.30 of Schedule A.2" after "section 6.6" in paragraph *b* of subparagraph 8 of the first paragraph;

(4) by inserting "of Schedule A.2" in subparagraph 1 of the second paragraph after "QC.1.7".

4. Section 6.3 is amended by adding the following at the end of the third paragraph: "However, as soon as an emitter's situation no longer corresponds to one of the cases referred to in the second paragraph, the emitter must change the calculation method for the protocols referred to in the first paragraph.".

5. Section 6.6 is amended by replacing "specified in the fourth paragraph" in the seventh paragraph by "specified in the sixth paragraph".

6. Section 6.7 is amended by inserting "and referred to in subparagraph 2.3 of the first paragraph of section 6.2" at the end of the definition of the factor "TER" for the equation in the first paragraph.

7. Section 6.8 is amended by replacing "the enterprise, facility or establishment" in subparagraph 2 of the first paragraph by "each establishment".

8. Section 6.9 is amended

(1) by replacing "and emissions reported using protocols QC.17 and QC.30" in paragraph 7 by ", emissions referred to in the second paragraph of section 6.6 and emissions reported using protocols QC.17 and QC.30 of Schedule A.2";

(2) by striking out ", referred to in Table B of Part I of Schedule C to the Regulation respecting a cap-a-trade system for greenhouse gas emission allowances (chapter Q-2, r. 46.1),";

(3) by replacing paragraph 7.2 by the following:

"(7.2) for each benchmark unit, the total quantity of greenhouse gas emissions for each type of emissions, excluding emission referred to in the second paragraph of section 6.6, namely:

(a) annual CO_2 emissions attributable to fixed processes, in metric tons;

(b) annual emissions of greenhouse gas attributable to combustion, in metric tons CO_2 equivalent;

(c) other annual greenhouse gas emissions, in metric tons CO_2 equivalent;

(7.3) the total quantity of greenhouse gas emissions attributable to the use of fuel distributed for consumption in Québec, in metric tons CO_2 equivalent, excluding fuel emissions calculated in accordance with paragraph 1 of QC.30.2 of Schedule A.2;".

9. Schedule A is amended

(1) in the table of Part I:

(a) by striking out "7782-41-4" in column "CAS" of the contaminant causing toxic pollution identified as "total fluorides";

(b) by replacing "218-01-09" by "218-01-9" in column "CAS" of the contaminant causing toxic pollution identified as "Chrysene";

(c) by replacing "207-08-09" by "207-08-9" in column "CAS" of the contaminant causing toxic pollution identified as "Benzo (k) fluoranthene";

(2) in the table of Part II, by replacing "7446-09-05" in column "CAS" of the contaminant causing acid rain and smog identified as "sulphur dioxide (SO_2)" by "7446-09-5".

10. Schedule A.2 is amended

(1) in protocol QC.1:

(a) by inserting ", except for fuels containing less than 5% of biomass by weight or waste-derived fuels making up less than 30% by weight of the fuels combusted during the year" after "the emitter must" in the part preceding subparagraph *a* of paragraph 2 of QC.1.3.5;

(b) by replacing, in subparagraph *b* of paragraph 2 of QC.1.3.5, "if the fuels contain over 5% of biomass by weight or if waste-derived fuels make up over 30% by weight of the fuels combusted during the year, calculate the emissions" by "determine the biomass portion of the fuels";

(c) by inserting "or 1-1.1" in paragraph 3 of QC.1.3.5 after "equation 1-1";

(d) by inserting the following after paragraph 4 of QC.1.5.1:

"(4.1) monthly, in accordance with subparagraphs *a* to *c* of paragraph 4, or at each delivery in the case of coal;";

(e) by replacing paragraph 5 of QC.1.5.1 by the following:

"(5) at each delivery in the case of any fuel that is not referred to in paragraphs 1 to 4.1.";

(f) by adding the following at the end of QC.1.5.1:

"Despite subparagraphs 1 to 4.1 of the first paragraph, in the case of solid fuels used in an electric arc furnace, the emitter may do the fuel sampling or use the sampling results of the supplier provided that the sampling is composed of at least 3 representative samples per year.";

(g) by adding the following after paragraph *c* of subparagraph 1 of the first paragraph of QC.1.5.2:

"*(d)* in the case of an emitter that uses equation 1-3 or 1-5 to calculated CO_2 emissions, by using equation 1-8;";

(h) in the "Liquid fuels" part of Table 1-1 of QC.1.7:

(i) by striking out "Refinery Use" in the line "Petroleum Coke – Refinery Use";

(ii) by striking out the line "Petroleum Coke – Upgrader Use";

(i) in the "Gaseous fuels" part of Table 1-1 of QC.1.7:

(i) by striking out "Refineries" in the line "Still Gas – Refineries";

(ii) by striking out the line "Still Gas – Upgraders";

(j) in the part "Liquid fuels and biofuels" of Table 1-3 of QC.1.7:

(i) by striking out "Refinery Use" in the line "Petroleum Coke – Refinery Use";

(ii) by striking out the line "Petroleum Coke – Upgrader Use";

(k) in the part "Gaseous fuels and biofuels" of Table 1-3 of QC.1.7:

(i) by striking out "Refineries" in the line "Still Gas – Refineries";

(ii) by striking out the line "Still Gas – Upgraders";

(2) in protocol QC.3:

(a) by replacing the equation 3-5 of paragraph 3 of QC.3.3.3 by the following:

"**Equation 3-5**

$$CO_{2P} = \sum_{i=1}^{12} \left(GAC - BAC - \left(H_P \times PC \times GAC\right) - RT\right)_i \times 3.664$$

Where:

CO_{2P} = Annual CO_2 emissions attributable to the coking of pitch or another binding agent, in metric tons;

i = Month;

GAC = Quantity of green anodes or cathodes put into furnace during month *i*, in metric tons;

BAC = Quantity of baked anodes or cathodes removed from furnace for month *i*, in metric tons;

H_p = Hydrogen content in pitch or other binding agent for month *i* or the International Aluminium Institute factor used, in kilograms of hydrogen per kilogram of pitch or other binding agent;

PC = Pitch or other binding agent content of green anodes or cathodes for month *i*, in kilograms of pitch or other binding agent per kilogram of green anodes or cathodes;

RT = Recovered tar for month *i*, in metric tons;

3.664 = Ratio of molecular weights, CO_2 to carbon.";

(b) by adding the following after paragraph 5 of QC.3.6:

"(6) in the case of the quantity of calcinated coke, the emitter may directly measure that quantity or determine it by multiplying the recovery factor by the quantity of green coke consumed, in accordance with equation 3-10-1:

Equation 3.10.1

$$CCP_M = RF \times CGC$$

Where:

CCP_M = Calcinated coke produced and measured during the measurement campaign, in metric tons;

RF = Recovery factor determined yearly during a measurement campaign, in metric tons of calcinated coke per metric ton of green coke;

CGC = Consumption of green coke measured during the measurement campaign, in metric tons.";

(3) by striking out subparagraph 7 of the first paragraph of QC.4.2;

(4) in protocol QC.7:

(a) by inserting "or 7-9-01" in the part of paragraph 9 of QC.7.3.2 that precedes the equation 7-9 and after "equation 7-9";

(b) in the equation 7-9 of paragraph 9 of QC.7.3.2:

(i) by inserting "Annual" before "Consumption" in the definition of the factor "GBP";

(ii) by inserting "Annual" before "Quantity" in the definition of the factor "FP";

(c) by inserting the following after equation 7-9 of paragraph 9 of QC.7.3.2:

"**Equation 7-9.01**

$$CO_{2,IP} = \left[\sum_{j}^{n}\left(AD_j \times C_{ADj}\right) + \left(IRC \times C_{IRC}\right) - \left(FP \times C_{FP}\right) - \left(R \times C_R\right)\right] \times 3.664$$

Where:

$CO_{2,IP}$ = Annual CO_2 emissions attributable to the indurating of iron ore pellets, in metric tons;

n = Number of additives;

j = Type of additive, such as limestone, dolomite or bentonite;

AD_j = Annual consumption of additive *j*, in metric tons;

C_{ADj} = Annual average carbon content of the additive *j*, in metric tons of carbon per metric ton of additive;

IRC = Annual consumption of iron ore, in metric tons;

C_{IRC} = Annual average carbon content of the iron ore, in metric tons of carbon per metric ton of iron ore;

FP = Annual quantity of fired pellets produced by the indurating process, in metric tons;

C_{FP} = Average annual carbon content of fired pellets, in metric tons of carbon per metric ton of fired pellets;

R = Annual quantity of air pollution control residue, in metric tons;

C_R = Average annual carbon content of air pollution control residue collected or a default value of 0, in metric tons of carbon per metric ton of residue;

3.664 = Ratio of molecular weights, CO_2 to carbon;";

(d) by replacing the equation 7-9.1 of paragraph 10 of QC.7.3.2 by the following:

"**Equation 7-9.1**

$$CO_{2,LF} = \left[\begin{array}{l}\left(MS_{SUP} \times C_{MSsup}\right) + \sum_{j=1}^{m}\left(AD_j \times C_{AD,j}\right) + \left(EL \times C_{EL}\right) \\ -\left(MS_{prod} \times C_{MSprod}\right) - \left(SL \times C_{SL}\right) - \left(R \times C_R\right) - \left(Rp \times C_{Rp}\right)\end{array}\right] \times 3.664$$

Where:

$CO_{2,LF}$ = Annual CO_2 emissions attributable to using a ladle furnace, in metric tons;

MS_{SUP} = Annual quantity of molten steel supplied to the ladle furnace, in metric tons;

C_{MSsup} = Average annual carbon content of molten steel supplied to the ladle furnace, in metric tons of carbon per metric ton of molten steel;

m = Number of additives;

j = Additive;

AD_j = Annual consumption of the additive *j* that contributes 0.5% or more of the total carbon in the process, in metric tons;

C_{ADj} = Annual average carbon content of the additive *j* that contributes 0.5% or more of the total carbon in the process, in metric tons of carbon per metric ton of additive *j*;

EL = Annual consumption of carbon electrodes, in metric tons;

C_{EL} = Annual average carbon content of carbon electrodes, in metric tons of carbon per metric ton of carbon electrodes;

MS_{prod} = Annual production of molten steel produced in a ladle furnace, in metric tons;

C_{MSprod} = Average annual carbon content of molten steel, in metric tons of carbon per metric ton of molten steel;

SL = Annual production of slag, in metric tons;

C_{SL} = Average annual carbon content of slag or a default value of 0, in metric tons of carbon per metric ton of slag;

R = Annual quantity of air pollution control residue collected, in metric tons;

C_{R} = Average annual carbon content of air pollution control residue collected or a default value of 0, in metric tons of carbon per metric ton of residue;

Rp = Annual quantity of other residue produced, in metric tons;

C_{Rp} = Average annual carbon content of other residue produced or a default value of 0, in metric tons of carbon per metric ton of residue;

3.664 = Ratio of molecular weights, CO_2 to carbon.";

(e) by replacing "in QC.7.4.1 and QC.7.4.2" in QC.7.4 by "in QC.7.4.1 to QC.7.4.3";

(5) in protocol QC.9:

(a) by replacing, in the definition of the factor "MF" of the equation 9-9 of QC.9.3.4, "hydrogen sulphide" by "gas sent to sulphur recovery units";

(b) by replacing, in QC.9.4.4, "hydrogen sulphide" by "gas sent to sulphur recovery units";

(6) in protocol QC.12:

(a) by inserting "calculated and reported in accordance with QC.9" in subparagraphs 4 and 4.1 of the first paragraph of QC.12.2 after "regeneration";

(b) by inserting "calculated and reported in accordance with QC.9" in subparagraph 5 of the first paragraph of QC.12.2 after "devices";

(c) by inserting "calculated and reported in accordance with QC.9" in subparagraph 6 of the first paragraph of QC.12.2" after "vents";

(d) by inserting "calculated and reported in accordance with QC.9" in subparagraph 7 of the first paragraph of QC.12.2 after "components";

(e) by inserting "calculated and reported in accordance with QC.9" in subparagraph 8 of the first paragraph of QC.12.2 after "tanks";

(f) by inserting the following after subparagraph 11 of the first paragraph of QC.12.2:

"(11.1) the annual production of each petrochemical product, namely:

(a) in dry metric tons where the quantity is expressed in weight;

(b) in thousands of cubic metres at standard conditions where the quantity if expressed as a volume of gas;

(c) in kilolitres where the quantity is expressed as a volume of liquid;

(d) in dry metric tons in the case of biomass fuels where the quantity if expressed in weight;";

(g) by replacing subparagraph 12 of the first paragraph of QC.12.2 by the following:

"(12) the average annual carbon content of the materials consumed or of the products, in kilograms of carbon per kilogram of materials consumed or products;";

(h) by replacing "feedstock consumed or materials produced" in subparagraph 13 of the first paragraph of QC.12.2 by "gas consumed or of the products";

(7) in protocol QC.14:

(a) by inserting "or product" in subparagraphs 3 and 4 of the first paragraph of QC.14.2 after "each material";

(b) by adding "or product" at the end of subparagraph 4 of the first paragraph of QC.14.2;

(c) by replacing equation 14-1 in QC.14.3.2 by the following:

"**Equation 14-1**

$$CO_2 = \left[\sum_{i}^{n}(M_i \times C_i) - \sum_{j=1}^{m}(P_j \times C_j)\right] \times 3.664$$

Where:

CO_2 = Emissions of CO_2 attributable to the use in the furnace of materials containing carbon, in metric tons;

n = Number of types of material;

i = Type of material;

M_i = Annual quantity of each material *i* used that contributes 0.5% or more of the total carbon in the process, in metric tons;

C_i = Average annual carbon content of each material *i* used, in metric tons of carbon per metric ton of material;

m = Number of types of product;

j = Type of product;

P_j = Annual quantity of each product *j* that contributes 0.5% or more of the total carbon in the process, in metric tons;

C_j = Average annual carbon content of each product *j* used, in metric tons of carbon per metric ton of product;

3.664 = Ratio of molecular weights, CO_2 to carbon.";

(*d*) by inserting "or product" in the part of paragraph 1 of QC.14.4 preceding subparagraph *a* after "material" wherever that word appears;

(e) by replacing "and ores" in subparagraph *d* of paragraph 1 of QC.14.4 by ", ores or other materials or products";

(f) by inserting "or product" in paragraph 2 of QC.14.4 after "material" wherever that word appears;

(g) by replacing "lead production" in paragraph *b* of subparagraph 1 of the second paragraph of QC. 14.5 by "the production of lead or other products";

(8) in protocol QC.15:

(a) by inserting "or product" in subparagraphs 3 and 4 of the first paragraph of QC.15.2 after "material";

(b) by replacing equation 15-1 in QC.15.3.2 by the following:

"**Equation 15-1**

$$CO_2 = \left[\sum_{i}^{n}(M_i \times C_i) - \sum_{j=1}^{m}(P_j \times C_j)\right] \times 3.664$$

Where:

CO_2 = Annual CO_2 emissions attributable to the use in the furnace of materials containing carbon, in metric tons;

n = Number of types of material;

i = Type of material;

M_i = Annual quantity of each material *i* used that contributes 0.5% or more of the total carbon in the process, in metric tons;

C_i = Average monthly carbon content of material *i* used in metric tons of carbon per metric ton of material;

m = Number of types of product;

j = Type of product;

P_j = Annual quantity of each product *j* that contributes 0.5% more of the total carbon in the process, in metric tons;

C_j = Average annual carbon content of each product *j* used, in metric tons of carbon per metric ton of product;

3.664 = Ratio of molecular weights, CO_2 to carbon.";

(c) by inserting "or product" in the part of paragraph 1 of QC.15.4 preceding subparagraph *a* after "material";

(d) by replacing "and ores" in subparagraph *d* of paragraph 1 of QC.15.4 by ", ores or other materials or products";

(e) by inserting "or product" in paragraph 2 of QC.15.4 after "material";

(9) by inserting "QC.1.3.1 or" in paragraphs 5 and 6 of QC.16.3.2 before "QC.1.3.2";

(10) by striking out paragraph 3 of QC.27.5;

(11) in protocol QC.28:

(a) by adding the following at the end of the first paragraph of QC.28.2:

"(13) the number of times the methods for estimating missing data provided for in QC.28.5 were used.";

(b) by replacing "qu'ils fonctionnement" in the French text of paragraph 1 of QC.28.4.4 by "qu'ils fonctionnent";

(12) by replacing the heading of protocol QC.29 by the following:

"**QC.29. Processes and equipment used to transport and distribute natural gas**";

(13) in protocol QC.30:

(a) by replacing subparagraphs 1 and 2 of the second paragraph of QC.30.1 by the following:

"(1) any form of trade or sale by a person or municipality, for consumption in Québec, of fuels other than natural gas that are refined, manufactured, mixed, prepared or distilled in Québec by that person or municipality;

(2) bringing or causing to be brought in Québec, for consumption, trade or sale in Québec, fuels other than natural gas, contained in one or more containers totalling over 200 litres, except the fuel contained in the fuel tank installed as standard equipment to supply a vehicle's engine;

(3) the distribution of natural gas by a natural gas distributor within the meaning of section 2 of the Act respecting the Régie de l'énergie (chapter R-6.01).";

(b) by replacing QC.30.2 by the following:

"**QC.30.2. Greenhouse gas reporting requirements**

The greenhouse gas emissions report referred to in section 6.2 must include the following information:

(1) the annual emissions attributable to the use of fuel distributed for consumption in Québec, in metric tons CO_2 equivalent, excluding:

(a) fuels other than automotive gasolines or diesel for transport purposes, used by an emitter for its establishments referred to in the first paragraph of section 2 of the Regulation respecting a cap-and-trade system for greenhouse gas emission allowances (chapter Q-2, r. 46.1) and that is required to cover its greenhouse gas emissions under section 19 of that Regulation;

(b) fuels distributed to an emitter referred to in subparagraph 2 of the second paragraph of section 2 of the Regulation respecting a cap-and-trade system for greenhouse gas emission allowances and required to cover its greenhouse gas emissions under section 19 of that Regulation;

(2) the total annual quantity of each fuel distributed for consumption in Québec, measured at the primary distribution or trading points or at the receiving point of fuels purchased outside Québec by the emitter for the emitter's own consumption, including firstly and excluding secondly the total annual quantities of the fuels referred to in paragraphs *a* and *b* of subparagraph1;

(3) the name and contact information of the establishments of each emitter referred to in the first paragraph of section 2 of the Regulation respecting a cap-and-trade system for greenhouse gas emission allowances and required to cover its greenhouse gas emissions under section 19 of that Regulation to which the emitter has distributed fuel during the year, along with the total annual quantity distributed to each of those establishments;

(4) the name and contact information of the emitters referred to in subparagraph 2 of the second paragraph of section 2 of the Regulation respecting a cap-and-trade system for greenhouse gas emission allowances and required to cover greenhouse gas emissions attributable to the use of fuels distributed under section 19 of that Regulation to which the emitter has distributed fuel during the year, along with the total annual quantity distributed to each of those emitters;

(5) the number of times the methods for estimating missing data provided for in QC.30.5 were used.

For the purposes of subparagraphs 2 to 4 of the first paragraph, the quantities must be expressed in thousands of cubic metres at standard conditions where the fuel quantity is expressed as a volume of gas and in kilolitres at standard conditions where the fuel quantity is expressed as a volume of liquid.";

(c) by inserting "distributed" before "fuel" in the definition of the factor "Q_i" of equation 30-1 provided for in QC.30.3;

(d) in equation 30-2 provided for in QC.30.3:

(i) by inserting "distributed" in the definition of the factor "Q_i" before "fuel";

(ii) by striking out "or traded" in the definition of factor "Q_i^T";

(iii) by replacing the definition of the factor Q_i^D by the following:

"Q_i^D = Total quantity of fuel *i* distributed to an emitter referred to in subparagraph 2 of the second paragraph of section 2 of the Regulation respecting a cap-and-trade system for greenhouse gas emission allowances and required to cover greenhouse gas emissions attributable to the use of fuels distributed under section 19 of that Regulation, either

— in thousands of cubic metres at standard conditions in the case of fuels whose quantity is expressed as a volume of gas; or

— in kilolitres at standard conditions in the case of fuels whose quantity is expressed as a volume of liquid;";

(iv) by replacing "or traded to an emitter" in the definition of the factor "Q_i^G" by "to an emitter for its establishments";

(e) in Table 30-1 of QC.30.6:

(i) by inserting the following line after the line "Heavy oils (4, 5 and 6)":

"

Propane	1.544

";

(ii) by striking out the line «Propane» before the line «Natural gas»;

(14) in protocol QC.31:

(a) by replacing "carbonaceous material" in subparagraph 4 of the first paragraph of QC.31.2 by "coke";

(b) by inserting the following after subparagraph 6 of the first paragraph of QC.31.2:

"(6.1) the annual quantity of limestone used, in metric tons;

(6.2) the average annual carbon content of the limestone used, in metric tons of carbon per metric ton of limestone;";

(c) by replacing "5 to 7" in the second paragraph of QC.31.2 by "4, 6 and 6.2";

(d) by replacing "subparagraph 3" in subparagraph 1 of the third paragraph of QC.31.2 by "subparagraph 2";

(e) by replacing "subparagraph 2" in subparagraph 2 of the third paragraph of QC.31.2 by "subparagraph 1";

(f) by inserting the following after paragraph 5 of QC.31.4:

"(5.1) calculate the annual quantity of limestone used by weighing the limestone using the same plant instruments used for inventory purposes, such as mass balances, weight hoppers or belt weight feeders;";

(15) in protocol QC.32:

(a) by replacing "ilmenite" in paragraph *b* of subparagraph 5 of the first paragraph of QC.32.2 by "molten cast iron";

(b) by adding "molten" before "cast" in the heading of QC.32.3.3;

(c) by replacing "QC.32.2.3" in the part preceding paragraph 1 of QC.32.4.1 by "QC.32.3.3";

(16) in the first paragraph of QC.33.2:

(a) by adding ", in thousands of cubic metres" at the end of paragraph *d* of subparagraph 6 of the first paragraph;

(b) by replacing "conventionnelles" in the French text of paragraph *h* of subparagraph 6 of the first paragraph by "conventionnels";

(c) by replacing paragraphs i and ii of paragraph *p* of subparagraph 6 of the first paragraph by the following:

"(i) the components of each emission source;

(ii) the emission factors determined in accordance with QC.33.4.16 and QC.33.4.17;

(iii) the total number of leaks detected during annual leak detection surveys;";

(d) by replacing paragraph *q* of subparagraph 6 of the first paragraph by the following:

"*(q)* the annual quantity of oil produced, in kilolitres;";

(e) by adding ", in thousands of cubic metres" at the end of paragraph *r* of subparagraph 6 of the first paragraph;

(17) in protocol QC.34:

(a) by inserting the following definitions after the definition of the factor "C_{Pa}" of equation 34.4 in QC.34.3.5:

"Pp = Annual quantity of steel powder output from the annealing furnaces, in metric tons;

TC_{Pp} = Annual average carbon content of the steel powder output from the annealing furnaces, in metric tons of carbon per metric ton of steel powder;";

(b) by replacing "du fer et de l'acier" in the French text of the part preceding paragraph 1 of QC.34.4 by "des poudres de fer et d'acier".

11. For the 2013 emissions report, an emitter may use the calculation methods as amended by this Regulation.

12. This Regulation comes into force on 1 January 2014.

2925

Draft regulation

Health Insurance Act
(chapter A-29)

Regulation
— Amendment

Notice is hereby given, in accordance with sections 10 and 11 of the Regulations Act (chapter R-18.1), that the Regulation to amend the Regulation respecting the application of the Health Insurance Act, the text of which appears hereafter, may be made by the government on the expiry of the 45-day deadline following this publication.

This draft regulation aims to amend the Regulation respecting the application of the Health Insurance Act to allow for the addition of a new procedure, that is, pulpotomy on permanent tooth under general anaesthesia, to the list of dental services considered insured under the Health Insurance Act. In addition, this draft regulation provides for the addition of two institutions to the list of institutions which operate a hospital centre where a second dental examination during a 12-month period for oncological purposes is considered an insured service.

For further information, please contact:

Julie Simard
Direction des professionnels de la santé et du personnel d'encadrement
Ministère de la Santé et des Services sociaux
1005, chemin Sainte-Foy, 4e étage
Québec (Québec) G1S 4N4
Telephone: 418 266-8419
Fax: 418 266-8444
Email: juliedpspe.simard@msss.gouv.qc.ca

Persons wishing to comment on this draft regulation may write to the undersigned, the Minister of Health and Social Services and Minister responsible for Seniors, before expiration of the deadline at 1075, chemin Sainte-Foy, 15e étage, Québec (Québec) G1S 2M1.

RÉJEAN HÉBERT,
Minister of Health and Social Services and Minister responsible for Seniors

Regulation to amend the Regulation respecting the application of the Health Insurance Act

Health Insurance Act
(chapter A-29, s. 69, 1st par., subpar. *(d)*)

1. The Regulation respecting the application of the Health Insurance Act (chapter A-29, r. 5) is amended, in subparagraph (F) of section 35 and in subparagraph (F) of section 36, by inserting after the words "Pulpotomy on deciduous tooth" the following: "Pulpotomy on permanent tooth under general anaesthesia".

2. Schedule E of that Regulation is amended by adding, at the end, the following:

"**13.** Hôpital de Montréal pour enfants

14. Centre hospitalier universitaire Sainte-Justine.".

3. This Regulation comes into force on the fifteenth day following the date of its publication in the *Gazette officielle du Québec*.

2915

Draft Regulation

Private Security Act
(chapter S-3.5)

Training required to obtain an agent licence to carry on private security activities
— Amendment

Notice is hereby given, in accordance with sections 10 and 11 of the Regulations Act (chapter R-18.1), that the Regulation to amend the Regulation respecting the training required to obtain an agent licence to carry on private security activities, appearing below, may be made by the Government on the expiry of 45 days following this publication.

The draft Regulation prescribes the conditions the fulfilment of which is to be verified by the Bureau de la sécurité privée before it recommends to the Minister that training, a training instructor or a training body be recognized. It also provides, in accordance with the Agreement on Internal Trade, that a person who holds an agent licence issued elsewhere in Canada to carry on a private security activity is not subject to the training requirements provided for in the Regulation.

To date, study of the matter has shown little impact on the public and on enterprises, including small and medium-sized businesses.

Further information on the draft Regulation may be obtained by contacting Sylvain Ayotte, Director, Vérification interne, enquêtes et inspection, Ministère de la Sécurité publique, at 418 646-7777, extension 60023.

Any person wishing to comment on the matter is requested to submit written comments within the 45-day period to Katia Petit, Secretary General, Ministère de la Sécurité publique, tour du Saint-Laurent, 5e étage, 2525, boulevard Laurier, Québec (Québec) G1V 2L2.

STÉPHANE BERGERON,
Minister of Public Security

Regulation to amend the Regulation respecting the training required to obtain an agent licence to carry on private security activities

Private Security Act
(chapter S-3.5, s. 112)

1. The Regulation respecting the training required to obtain an agent licence to carry on private security activities (chapter S-3.5, r. 2) is amended by inserting the following heading before section 1:

"**DIVISION I**
TRAINING REQUIRED".

2. Section 1 is amended by replacing "transcript of marks" in paragraph 1 by "training certificate".

3. The following heading is inserted before section 2:

"**DIVISION II**
TRAINING EQUIVALENCE AND RECOGNITION".

4. Section 2 is replaced by the following:

"**2.** A person meets the training requirements provided for in section 1 if the person has an equivalent level of knowledge and skills.

The Bureau de la sécurité privée assesses the training equivalence by taking into account the following factors, in particular:

(1) the diplomas obtained in relevant or related fields;

(2) the nature and content of the courses taken as well as the results obtained;

(3) training periods and other training activities completed;

(4) the nature and duration of the relevant experience.

2.1. A person also meets the training requirements provided for in section 1 if the person has completed training that is recognized by the Minister in accordance with the first paragraph of section 112.1 of the Private Security Act (chapter S-3.5) and that is offered by a training instructor or training body recognized by the Minister under the second paragraph of that section.

For the purposes of this Regulation, "training instructor" means an enterprise that provides training to its employees only.

2.2. Before recommending to the Minister that training be recognized, the Bureau verifies whether the following conditions are met:

(1) the nature, content and duration of the training are relevant to the private security activity;

(2) successful completion of the training is evaluated;

(3) the instructional setting and the place where the training is given are adequate.

2.3. For the purposes of verifying whether the conditions provided for in section 2.2 have been complied with, the Bureau must obtain from the training instructor or training body the following documents:

(1) a course outline for the training;

(2) the course material used during the training;

(3) the material used to evaluate the successful completion of the training.

In addition, the Bureau may obtain from the training instructor or the training body any information or any other document it needs to make its recommendation.

2.4. Before recommending to the Minister that a training instructor or training body be recognized, the Bureau verifies whether the following conditions are complied with:

(1) the training instructor or body has an establishment in Québec;

(2) at least 1 of the training instructor's or body's training is recognized by the Minister;

(3) the training body undertakes to inform the public of the private security training it gives by making a clear distinction between training recognized by the Minister and training that is not.

2.5. For the purposes of verifying whether the conditions provided for in section 2.4 are complied with, the Bureau must obtain from the training instructor or body the following information:

(1) the name under which the training instructor or body carries on activities and the contact information of its head office and of each establishment in Québec;

(2) the private security training activities carried out in the last year, if any, and the activities that are planned at the time of the application for recognition.

In addition, the Bureau may obtain from the training instructor or body any other information or any document it needs to make its recommendation.

2.6. The Bureau may verify whether compliance with the conditions provided for in sections 2.2 and 2.4 is maintained. If the Bureau ascertains that a condition is no longer complied with, it can recommend to the Minister that recognition be withdrawn.".

5. The following heading is inserted before section 3:

"**DIVISION III**
EXEMPTIONS AND TRANSITIONAL PROVISION".

6. The following is inserted after section 3:

"**3.1.** A person holding an agent licence issued elsewhere in Canada by a regulatory body to carry on a private security activity is not subject to the training requirements provided for in section 1.".

7. This Regulation comes into force on the fifteenth day following the date of its publication in the *Gazette officielle du Québec*.

2916

Draft Regulation

Professional Code
(chapter C-26)

Geologists
— Professional activities which may be engaged in by persons other than geologists

Notice is hereby given, in accordance with sections 10 and 11 of the Regulations Act (chapter R-18.1), that the Regulation respecting the professional activities which may be engaged in by persons other than geologists, made by the board of directors of the Ordre professionnel des géologues du Québec, may be submitted to the Government for approval with or without amendment on the expiry of 45 days following this publication.

The draft Regulation authorizes a person serving a period of professional training required to obtain a geologist permit to engage in the professional activities that may be engaged in by members of the Ordre des géologues du Québec.

The draft Regulation has no impact on enterprises, including small and medium-sized businesses.

Further information may be obtained by contacting Alain Liard, Secretary and Director General, Ordre des géologues du Québec, 500, rue Sherbrooke Ouest, bureau 900, Montréal (Québec) H3A 3C6; telephone: 514 278-6220 or 1 888 377-7708; fax: 514 844-7556; email: dirgen@ogq.qc.ca

Any person wishing to comment on the draft Regulation is requested to submit written comments before the expiry of 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 Order and to interested persons, departments and bodies.

JEAN PAUL DUTRISAC,
Chair of the Office des professions du Québec

Regulation respecting professional activities that may be engaged in by persons other than geologists

Professional Code
(chapter C-26, s. 94, par. *h*)

1. A person serving a period of professional training referred to in paragraph 3 of section 1 of the Règlement sur les conditions et modalités de délivrance des permis

de l'Ordre des géologues du Québec, approved by the Office des professions du Québec on (*enter the date of approval*), may engage in all the professional activities that geologists may perform, provided that the activities are engaged in under the supervision and responsibility of a tutor, in keeping with the regulatory standards that apply to geologists relating to ethics, professional inspection and the keeping of records and offices.

2. This Regulation comes into force on 1 September 2014.

2922

Draft regulation

Act respecting the Régie de l'énergie
(chapter R-6.01)

Annual duty payable to the Green Fund — Amendment

Notice is hereby given, in accordance with sections 10 and 11 of the Regulations Act (chapter R-18.1), that the draft Regulation to amend the Regulation respecting the annual duty payable to the Green Fund, appearing below, may be submitted to the government on the expiry of 45 days following this publication, for approval with or without amendment.

The draft regulation amends the Regulation respecting the annual duty payable to the Green Fund (chapter R-6.01, r. 6) to reflect the amendments made by the Act respecting mainly the implementation of certain provisions of the Budget Speech of 20 November 2012 (2013, chapter 16) to the Act respecting the Régie de l'énergie (chapter R-6.01), with respect to the method used to calculate the annual duty payable to the Green Fund.

The draft regulation excludes from the calculation of the annual duty payable to the Green Fund the quantity of CO_2 emissions generated by the combustion of volumes of natural gas and fuel, other than gasoline or diesel, that a distributor states, pursuant to section 85.36 of the Act respecting the Régie de l'énergie, it distributed to, sold to or traded with an emitter required, under the Environment Quality Act (chapter Q-2), to cover its greenhouse gas emissions using emission allowances, and the quantity of CO_2 emissions generated by the combustion of volumes of fuel, other than gasoline or diesel, that a distributor states, pursuant to the said section, it brought in for its consumption even though it is an emitter.

Taking into account the third and fourth paragraphs of section 85.36 of the Act respecting the Régie de l'énergie the amendments introduced by the draft regulation will apply to the volumes reported for the fiscal years covered by the statements that, in accordance with section 85.37 of the Act respecting the Régie de l'énergie, had to be filed not later than 31 March 2012 and 31 March 2013, and by those that are to be filed not later than 31 March 2014.

Further information may be obtained by contacting M[e] Véronique Dubois, secretary of the Régie de l'énergie, Tour de la bourse, C. P. 001, 800, place Victoria, 2[e] étage, bureau 2.55, Montréal (Québec) H4Z 1A2; telephone: 514 873-2452, fax: 514 873-2070, E-mail: secretariat@regie-energie.qc.ca

Any person wishing to comment on the draft regulation may submit written comments within the 45-day period to the secretary of the Régie de l'énergie. The comments will be analyzed by the Régie and forwarded to the Minister of Natural Resources, responsible for the administration of the Act respecting the Régie de l'énergie.

MARTINE OUELLET,
Minister of Natural Resources

Regulation to amend the Regulation respecting the annual duty payable to the Green Fund

Act respecting the Régie de l'énergie
(chapter R-6.01, ss. 85.36 and 114, 1st par., subpar. 9 and 4th par.)

Act respecting mainly the implementation of certain provisions of the Budget Speech of 20 November 2012
(2013, chapter 16, s. 183)

1. The Regulation respecting the annual duty payable to the Green Fund (chapter R-6.01, r. 6) is amended, in section 1, by inserting "(the Act)" after "(chapter R-6.01)".

2. Section 2 is amended by replacing everything following the word "is" by "the rate published in the *Gazette officielle du Québec* by the Régie de l'énergie pursuant to section 85.36.2 of the Act.".

3. Section 3 is struck out.

4. Section 4 is amended

(1) by inserting "Subject to the second paragraph," at the start of the first paragraph;

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

"The method of calculation provided for in the first paragraph must exclude the quantity of CO2 emissions generated by the combustion of volumes of natural gas and fuel, other than gasoline or diesel, that a distributor states, pursuant to section 85.36 of the Act, it distributed to, sold to or traded with an emitter and the quantity of CO_2 emissions generated by the combustion of volumes of fuel, other than gasoline or diesel, that a distributor states, pursuant to that section, it brought in for its consumption even though it is an emitter referred to in subparagraph *a* of subparagraph 2 of the sixth paragraph of that section.".

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

"If the revision of the notice of payment referred to in the third paragraph of section 85.36 of the Act shows that a distributor has made an overpayment, the sums determined by the Régie will be repaid to the distributor.".

5. Section 6 is amended

(1) by replacing "the annual determination of the applicable rate" by "it has sent the notice of payment referred to in section 85.38 of the Act";

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

"Notwithstanding the preceding paragraph, any variation in the volumes excluded by reason of a statement referred to in the third paragraph of section 85.36 of the Act established by the Régie after it has sent the revised notices of payment referred to in that paragraph will be subject to a notice of payment indicating the amount of the annual duty payable to the Green Fund by the distributor pursuant to section 1. The notice of payment will be sent, at the latest, with the notice of payment for the payment payable on 31 December 2014."

6. This Regulation comes into force on the fifteenth day following the date of its publication in the *Gazette officielle du Québec*.

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Abbreviations: **A**: Abrogated, **N**: New, **M**: Modified