Gazette officielle du Québec

Part 2

No. 15
12 April 2017

Laws and Regulations

Volume 149

Summary

Legal deposit – 1st Quarter 1968
Bibliothèque nationale du Québec

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Contents

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Partie 1 "Avis juridiques":	$500
Partie 2 "Lois et règlements":	$685
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PROVINCE OF QUÉBEC

1ST SESSION

41ST LEGISLATURE

QUÉBEC, 10 DECEMBER 2016

OFFICE OF THE LIEUTENANT-GOVERNOR

Québec, 10 December 2016

This day, at forty-five minutes past five o'clock in the morning, His Excellency the Lieutenant-Governor was pleased to assent to the following bill:

106 An Act to implement the 2030 Energy Policy and to amend various legislative provisions

To this bill the Royal assent was affixed by His Excellency the Lieutenant-Governor.

NATIONAL ASSEMBLY

FIRST SESSION FORTY-FIRST LEGISLATURE

Bill 106
(2016, chapter 35)

An Act to implement the 2030 Energy Policy and to amend various legislative provisions

Introduced 7 June 2016
Passed in principle 6 October 2016
Passed 10 December 2016
Assented to 10 December 2016

Québec Official Publisher
2016

EXPLANATORY NOTES

The main purpose of this Act is to implement the measures announced in the 2030 Energy Policy.

The Act first enacts the Act respecting Transition énergétique Québec. That Act establishes Transition énergétique Québec (TÉQ), a legal person whose mission is to support, stimulate and promote energy transition, innovation and efficiency and to coordinate the implementation of all of the programs and measures necessary to achieve the energy targets defined by the Government. For the purposes of its mission, TÉQ is to develop a master plan that will include summaries of all of the programs and measures to be implemented by TÉQ and the departments, agencies and energy distributors to achieve those energy targets. In developing this plan, TÉQ will be advised by a Stakeholders Panel to be composed of persons having special expertise in the fields of energy transition, innovation and efficiency. The master plan is to be submitted to the Government so that the latter may determine whether the plan is consistent with the targets, policy directions and general objectives it set for TÉQ. If considered to be consistent, the master plan will then be submitted to the Régie de l'énergie. TÉQ will finance its activities out of the contribution it will receive from the energy distributors and the sums from the Energy Transition Fund put at its disposal, among other sources. That Act also contains consequential and transitional provisions, in particular with respect to the transfer of employees from the Ministère de l'Énergie et des Ressources naturelles to TÉQ.

The Act also amends the Act respecting the Régie de l'énergie to introduce new measures concerning the distribution of renewable natural gas by a distribution system as well as the inclusion of excess transmission capacity in a natural gas distributor's supply plan. It also amends that Act to promote the use of mediation as part of the consumer complaint examination procedure and allow the Régie to hold public information and consultation sessions.

The Act proposes measures concerning the financing of the fixed equipment necessary for the electrification of shared transportation services. For that purpose, it amends the Hydro-Québec Act to give Hydro-Québec the power to grant financial assistance to a public

transit authority, to the Caisse de dépôt et placement du Québec or to one of its wholly-owned subsidiaries.

Lastly, the Act also enacts the Petroleum Resources Act, whose purpose is to govern the development of petroleum resources while ensuring the safety of persons and property, environmental protection, and optimal recovery of the resource, in compliance with the greenhouse gas emission reduction targets set by the Government. To that end, the Petroleum Resources Act establishes a licence and authorization system applicable to exploration for and the production and storage of petroleum. Under that Act, the holder of a drilling authorization must produce a permanent well or reservoir closure and site restoration plan and furnish a guarantee covering the anticipated cost of completing the work required under the plan. That Act also requires that petroleum production and storage projects and pipeline construction or use projects receive a favourable decision from the Régie de l'énergie before being authorized by the Minister. The Energy Transition Fund is created, into which petroleum royalties, among other sums, are to be paid. Lastly, consequential amendments are made, to the Mining Act in particular, to withdraw all sections concerning brine and petroleum, and transitional provisions are included.

LEGISLATION AMENDED BY THIS ACT:

– Civil Code of Québec;

– Act respecting the acquisition of farm land by non-residents (chapter A-4.1);

– Financial Administration Act (chapter A-6.001);

– Sustainable Forest Development Act (chapter A-18.1);

– Act respecting land use planning and development (chapter A-19.1);

– Act respecting duties on transfers of immovables (chapter D-15.1);

– Act respecting energy efficiency and innovation (chapter E-1.3);

– Act respecting the governance of state-owned enterprises (chapter G-1.02);

– Hydro-Québec Act (chapter H-5);

– Mining Tax Act (chapter I-0.4);

– Act respecting Investissement Québec (chapter I-16.0.1);

– Act respecting administrative justice (chapter J-3);

– Mining Act (chapter M-13.1);

– Act respecting the Ministère des Ressources naturelles et de la Faune (chapter M-25.2);

– Act respecting the Ministère du Développement durable, de l'Environnement et des Parcs (chapter M-30.001);

– Petroleum Products Act (chapter P-30.01);

– Act respecting the preservation of agricultural land and agricultural activities (chapter P-41.1);

– Environment Quality Act (chapter Q-2);

– Act respecting the Régie de l'énergie (chapter R-6.01);

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

– Act respecting the lands in the domain of the State (chapter T-8.1).

LEGISLATION ENACTED BY THIS ACT:

– Act respecting Transition énergétique Québec (2016, chapter 35, section 1);

– Petroleum Resources Act (2016, chapter 35, section 23).

REGULATIONS AMENDED BY THIS ACT:

– Regulation respecting forest royalties (chapter A-18.1, r. 11);

– Regulation respecting the application of the Environment Quality Act (chapter Q-2, r. 3);

– Regulation respecting the declaration of water withdrawals (chapter Q-2, r. 14);

– Regulation respecting environmental impact assessment and review (chapter Q-2, r. 23);

– Water Withdrawal and Protection Regulation (chapter Q-2, r. 35.2).

Bill 106

AN ACT TO IMPLEMENT THE 2030 ENERGY POLICY AND TO AMEND VARIOUS LEGISLATIVE PROVISIONS

THE PARLIAMENT OF QUÉBEC ENACTS AS FOLLOWS:

CHAPTER I

ENACTMENT OF THE ACT RESPECTING TRANSITION ÉNERGÉTIQUE QUÉBEC

1. The Act respecting Transition énergétique Québec, the text of which appears in this chapter, is enacted.

"ACT RESPECTING TRANSITION ÉNERGÉTIQUE QUÉBEC

"**CHAPTER I**

"CONSTITUTION

"**1.** Transition énergétique Québec (Energy Transition Québec) is constituted.

"**2.** Energy Transition Québec is a legal person and a mandatary of the State.

Its property forms part of the domain of the State, but the performance of its obligations may be levied against its property.

Energy Transition Québec binds none but itself when it acts in its own name.

"**3.** Energy Transition Québec's head office is at the place determined by the Government.

Notice of the location or of any change in the location of the head office is published in the *Gazette officielle du Québec*.

"**CHAPTER II**

"ROLE OF ENERGY TRANSITION QUÉBEC

"**DIVISION I**

"MISSION AND ACTIVITIES

"**4.** Energy Transition Québec's mission is to support, stimulate and promote energy transition, innovation and efficiency and ensure their integrated governance. Energy Transition Québec coordinates and monitors the implementation of all programs and measures necessary to achieve the energy targets defined by the Government.

Within the scope of its mission, it is to prepare the energy transition, innovation and efficiency master plan in keeping with the principle of responsible and sustainable economic development.

"**5.** Within the scope of its mission, Energy Transition Québec may, in particular,

(1) develop and coordinate the implementation of the programs and measures set out in the master plan taking into account such factors as greenhouse gas emissions;

(2) contribute, by providing financial support, to implementing those programs and measures, and educating and informing consumers;

(3) advise and support consumers wishing to take advantage of energy transition, innovation and efficiency programs or measures, and facilitate their access to such programs and measures;

(4) collaborate with Investissement Québec, other investors or financial institutions to offer financial services to enterprises for the implementation of energy transition, innovation and efficiency measures;

(5) administer certification programs in accordance with the standards defined by the Government;

(6) prepare reports on energy in Québec and benchmarking studies on best practices with respect to energy consumption and production;

(7) support research and development in the energy sector;

(8) in collaboration with the main stakeholders in research and industry, establish a list of research subjects to prioritize;

(9) advise the Government on standards and other elements that may influence energy consumption, and propose appropriate changes;

(10) propose new targets to the Government in addition to those defined by the Government;

(11) advise the Government on any question the latter submits to it; and

(12) carry out any other mandate given to it by the Government.

For the purposes of subparagraph 1 of the first paragraph, Energy Transition Québec may, by means of a call for proposals, award a contract for the development and implementation of a program. The Government determines by regulation the terms applicable to calls for proposals.

"**6.** The Minister may request that a department, agency or energy distributor provide, within the time the Minister specifies, any information or document necessary for the exercise of Energy Transition Québec's functions. The Minister then sends the information or document obtained to Energy Transition Québec.

For the purposes of this Act, "agency" means a government agency within the meaning of the Auditor General Act (chapter V-5.01).

"**DIVISION II**

"ENERGY TRANSITION, INNOVATION AND EFFICIENCY MASTER PLAN

"**7.** In this Act, "energy distributor" means

(1) Hydro-Québec when carrying on electric power distribution activities;

(2) a natural gas distributor as defined in section 2 of the Act respecting the Régie de l'énergie (chapter R-6.01);

(3) a fuel distributor, namely,

(*a*) a person who refines, manufactures, mixes, prepares or distils fuel in Québec;

(*b*) a person who brings or causes to be brought into Québec fuel contained in one or more receptacles with a total capacity of over 200 litres, except fuel contained in a fuel tank installed as standard equipment to supply the engine of a vehicle;

(*c*) a person who, in Québec, exchanges fuel with a person described in subparagraph *a*; or

(*d*) a legal person or partnership that brings fuel into Québec for a purpose other than resale; or

(4) a municipal electric power system governed by the Act respecting municipal and private electric power systems (chapter S-41) or the Coopérative régionale d'électricité de Saint-Jean-Baptiste de Rouville governed by the Act respecting the Coopérative régionale d'électricité de Saint-Jean-Baptiste de Rouville and repealing the Act to promote rural electrification by means of electricity cooperatives (1986, chapter 21).

For the purposes of subparagraph 3 of the first paragraph,

"diesel fuel" means a liquid mixture of hydrocarbons obtained from the refining of petroleum and intended to supply diesel engines;

"fuel" means gasoline, diesel fuel, heating oil or propane, but not aviation fuel, marine bunker fuel, hydrocarbons used as raw material by industries that transform hydrocarbon molecules through chemical or petrochemical processes, or renewable fuel content;

"gasoline" means a liquid mixture of hydrocarbons obtained from the refining of petroleum mainly for use as spark ignition engine fuel;

"heating oil" means a liquid mixture of hydrocarbons obtained from the refining of petroleum and used for domestic, commercial, institutional or industrial heating;

"propane" means a liquid mixture of hydrocarbons obtained from the refining of petroleum or the processing of natural gas and used either as spark ignition engine fuel or for such purposes as cooking and domestic, commercial, institutional and industrial heating.

"**8.** Every five years, Energy Transition Québec prepares an energy transition, innovation and efficiency master plan outlining the programs and measures to be established by itself and the departments, agencies and energy distributors to achieve the energy targets set by the Government in accordance with section 9.

The master plan must address all forms of energy and cover a five-year period.

"**9.** For the purpose of carrying out the master plan, the Government sets the policy directions and general objectives Energy Transition Québec must pursue in relation to energy matters and the targets it must achieve.

The Government may also, at any time, request that Energy Transition Québec modify its master plan, in particular to include additional targets.

The policy directions and general objectives are tabled in the National Assembly within 15 days of their adoption or, if the Assembly is not sitting, within 15 days of resumption.

"**10.** The master plan must include, in particular,

(1) the energy targets defined and the policy directions and general objectives set by the Government in relation to energy matters;

(2) a report on the state of energy in Québec and on the progress of Québec's transition as concerns achieving the targets;

(3) the general policy directions and priorities set by Energy Transition Québec for the life of the master plan in relation to energy transition, innovation and efficiency;

(4) a summary of all the programs and measures, including the objectives pursued by them, the clientele targeted, the level and type of contribution by Energy Transition Québec and the impact on greenhouse gas emissions;

(5) the designation of the person responsible for implementing each program and measure;

(6) the departments', agencies' and energy distributors' budgetary estimates and time frames for carrying out the programs and measures;

(7) the energy distributors' financial investment toward carrying out the master plan, by form of energy;

(8) a list of priority research subjects; and

(9) the projects for which Energy Transition Québec intends to issue calls for proposals under the second paragraph of section 5.

The budgetary estimates referred to in subparagraph 6 of the first paragraph must be consistent with the expenditure and investment estimates approved in accordance with section 48 of the Financial Administration Act (chapter A-6.001).

"**11.** For the development of the master plan, the departments, agencies and energy distributors must submit to Energy Transition Québec, within the time it specifies, the programs and measures they intend to put at their clientele's disposal during the life of the master plan to achieve the targets.

The programs and measures submitted must contain a description of the actions to be carried out, the budgetary estimates for carrying out those actions, the method of financing and a time frame for their achievement.

"**12.** In developing the master plan, Energy Transition Québec must consult the Stakeholders Panel established under section 41. To that end, it sends the programs and measures submitted to it by the departments, agencies and energy distributors to the Panel to obtain its opinion.

Once the master plan has been completed, Energy Transition Québec submits it to the Panel so that the latter may produce its report in accordance with sections 45 and 46.

"**13.** On the date set by the Minister, Energy Transition Québec submits to the Minister the master plan and the Stakeholders Panel's report.

The Minister then submits the master plan and the report to the Government so that the latter may determine whether the plan is consistent with the targets, policy directions and general objectives set by it under section 9.

If the plan is considered by the Government to be consistent, Energy Transition Québec submits it, together with the Panel's report, to the Régie de l'énergie for the purposes of section 85.41 of the Act respecting the Régie de l'énergie. The plan comes into force after the Régie de l'énergie has given its approval and advice under that section.

"**14.** Energy Transition Québec must revise the master plan if the Government requests that it modify it, in particular to take additional targets into account.

Energy Transition Québec may also modify the plan if it considers that changes are necessary for it to achieve the targets.

The revised plan is subject to sections 12 and 13, with the necessary modifications.

"**15.** The departments, agencies and energy distributors must carry out the programs and measures for which they are responsible under the master plan.

If an energy distributor is unable to carry out such a program or measure within the time and in the manner specified in the master plan, it must notify Energy Transition Québec. Energy Transition Québec may, at the distributor's expense, implement the program or measure the distributor has failed to carry out after giving the distributor 30 days' written notice to that effect.

"**16.** In order to monitor the programs and measures that must be carried out by a department, agency or energy distributor, Energy Transition Québec may request that the department, agency or distributor submit to it a status report on such matters as the actions undertaken under the master plan and the results obtained.

"**17.** Energy Transition Québec determines the performance indicators to be used to measure achievement of results under the master plan and makes them public.

"**DIVISION III**

"CONTRIBUTION BY ENERGY TRANSITION QUÉBEC

"**18.** A financial contribution by Energy Transition Québec within the scope of a program or measure is made in the form of a subsidy or a loan. In the latter case, Energy Transition Québec gives Investissement Québec the mandate of granting the loan and pays it the necessary sums.

"**19.** A program providing for a contribution by Energy Transition Québec must set out eligibility requirements, the nature of the contribution and the scales, limits and conditions for awarding it.

"**DIVISION IV**

"LIMITATIONS ON ENERGY TRANSITION QUÉBEC'S POWERS

"**20.** Energy Transition Québec may not, without the Government's authorization,

(1) contract a loan that causes the total of its current outstanding loans to exceed the amount determined by the Government;

(2) make a financial commitment in excess of the limits or in contravention of the terms determined by the Government;

(3) acquire, hold or dispose of assets in excess of the limits or in contravention of the terms determined by the Government; or

(4) accept a gift or legacy to which a charge or condition is attached.

This section does not apply to the contracts or other commitments entered into by Energy Transition Québec in carrying out a mandate given to it by the Government.

"**21.** Energy Transition Québec may not, without the Government's authorization, make any financial commitment in excess of the budgetary estimates approved by the Government under section 51.

"**CHAPTER III**

"ORGANIZATION AND OPERATION

"**DIVISION I**

"BOARD OF DIRECTORS

"**22.** Energy Transition Québec is administered by a board of directors composed of 9 to 15 members, including the chair of the board and the president and chief executive officer.

"**23.** The Government appoints the members of the board of directors, other than the chair and the president and chief executive officer, based on the expertise and experience profile approved by the board.

Those members are appointed for a term of up to four years.

"**24.** The Government appoints the chair of the board of directors for a term of not more than five years.

"**25.** At the expiry of their term, the members of the board of directors remain in office until they are replaced or reappointed.

"**26.** A vacancy among the members of the board of directors is filled in accordance with the rules of appointment to those positions.

A member's absence from the number of board meetings determined in Energy Transition Québec's by-laws, in the cases and circumstances specified, constitutes a vacancy.

"**27.** Board members other than the president and chief executive officer receive no remuneration, except in the cases, on the conditions and to the extent the Government may determine. They are, however, entitled to the reimbursement of expenses incurred in the exercise of their functions, on the conditions and to the extent determined by the Government.

"**28.** On the recommendation of the board of directors, the Government appoints the president and chief executive officer based on the expertise and experience profile approved by the board.

The president and chief executive officer is appointed for a term of up to five years.

The office of president and chief executive officer is a full-time position.

"**29.** The Government determines the remuneration, employee benefits and other conditions of employment of the president and chief executive officer.

"**30.** If the board of directors does not recommend a candidate for the position of president and chief executive officer in accordance with section 28 within a reasonable time, the Government may appoint the president and chief executive officer after notifying the board members.

"**31.** If the president and chief executive officer is absent or unable to act, the board of directors may designate a member of Energy Transition Québec's personnel to exercise the functions of that position.

"**32.** The quorum at meetings of the board of directors is the majority of its members, including the president and chief executive officer or the chair of the board.

Decisions of the board are made by a majority vote of the members present. In the case of a tie vote, the chair of the meeting has a casting vote.

"**33.** Energy Transition Québec's board of directors may sit anywhere in Québec.

"**34.** The board members may waive notice of a board meeting. Their attendance constitutes a waiver of notice, unless they are present to contest the legality of the calling of the meeting.

"**35.** Unless otherwise provided in the by-laws, the board members may, if all consent, participate in a meeting of the board by means of equipment enabling all participants to communicate directly with one another. In such a case, they are deemed to be present at the meeting.

"**36.** A written resolution signed by all the board members entitled to vote on that resolution has the same value as if adopted during a meeting of the board of directors.

A copy of the resolution must be kept with the minutes of the proceedings or any other equivalent record book.

"**37.** The minutes of board meetings, approved by the board and certified true by the chair of the board, the president and chief executive officer or any other person so authorized by the by-laws, are authentic, as are the documents and copies emanating from Energy Transition Québec or forming part of its records if signed or certified true by one of those persons.

"**38.** No document binds Energy Transition Québec or may be attributed to it unless it is signed by the chair of the board of directors, the president and chief executive officer or, to the extent determined in Energy Transition Québec's by-laws, another member of Energy Transition Québec's personnel.

The by-laws may provide for subdelegation of the power to sign acts and documents, and determine particulars as to how it is to be exercised.

Unless otherwise provided in the by-laws, a signature may be affixed on a document by any means.

A by-law made under this section is published in the *Gazette officielle du Québec*.

"**39.** Energy Transition Québec may, in its by-laws, determine a framework of operation for the board of directors, establish an executive committee or any other committee, and delegate the exercise of its powers to such a committee.

The by-laws may also provide for the delegation of the powers of the board of directors to a member of its personnel.

"**40.** The members of Energy Transition Québec's personnel are appointed in accordance with the Public Service Act (chapter F-3.1.1).

"**DIVISION II**

"STAKEHOLDERS PANEL

"**41.** The Stakeholders Panel is established.

The role of the Panel is to advise and assist Energy Transition Québec in developing and revising the master plan and give its opinion on any matter the Minister or Energy Transition Québec submits to it in relation to the latter's mission or activities.

The advisory opinions of the Stakeholders Panel are not binding on Energy Transition Québec's board of directors.

"**42.** The Panel is composed of up to 15 persons appointed by Energy Transition Québec's board of directors. Those persons must have special expertise in the fields of energy transition, innovation and efficiency.

The members of the Panel designate a chair from among their number.

A person may not be appointed to the Panel if he or she is employed by an energy distributor, the Government or an agency, except, in the latter case, if the agency is unlikely to be responsible for a program or measure under the master plan.

"**43.** Any vacancy during the term of office of a member of the Panel is filled in the manner prescribed for the appointment of the member to be replaced.

At the expiry of their term, the members of the Panel remain in office until they are replaced or reappointed.

"**44.** The chair of the board of directors and the president and chief executive officer of Energy Transition Québec participate in the meetings of the Panel as observers.

"**45.** The Panel must give its opinion on the master plan submitted by Energy Transition Québec under the second paragraph of section 12 and on any revision of the master plan under section 14.

In analyzing the master plan, the Panel invites the energy distributors to present their comments.

The Panel may call on independent evaluators and experts.

"**46.** Once the analysis of the master plan has been completed, the Panel submits its report to Energy Transition Québec's president and chief executive

officer. The report must set out the work done, the evaluations or expert analyses conducted and the Panel's recommendations. It may also address any other matter the Panel wishes to bring to the attention of Energy Transition Québec, the Government or the Régie de l'énergie.

"**47.** Energy Transition Québec establishes by by-law the other rules governing the appointment and term of office of Panel members and the Panel's operation.

"**CHAPTER IV**

"FINANCIAL PROVISIONS

"**DIVISION I**

"FINANCING OF ENERGY TRANSITION QUÉBEC

"**48.** Energy Transition Québec finances its activities out of

(1) the annual contribution it receives from the energy distributors;

(2) the sums from the Green Fund put at its disposal under an agreement concluded in accordance with section 15.4.3 of the Act respecting the Ministère du Développement durable, de l'Environnement et des Parcs (chapter M-30.001);

(3) the sums from the Energy Transition Fund put at its disposal; and

(4) the other sums it receives.

"**49.** An energy distributor must pay its annual contribution to Energy Transition Québec in accordance with the due dates, rate and calculation method determined by the Régie de l'énergie in accordance with the third paragraph of section 85.41 of the Act respecting the Régie de l'énergie.

The first paragraph applies to Hydro-Québec despite section 16 of the Hydro-Québec Act (chapter H-5).

"**50.** The Government may, on the conditions and in the manner it determines,

(1) guarantee the payment of the principal of and interest on any loan contracted by Energy Transition Québec and the performance of its obligations; and

(2) authorize the Minister of Finance to advance to Energy Transition Québec any amount considered necessary for the pursuit of its mission.

The sums required for the purposes of this section are taken out of the Consolidated Revenue Fund.

"**51.** Each year, Energy Transition Québec submits its budgetary estimates for the following fiscal year to the Minister, according to the form, content and intervals determined by the Minister.

The estimates are submitted for approval to the Government, which makes them public.

"**DIVISION II**

"ACCOUNTS AND REPORTS

"**52.** Energy Transition Québec's fiscal year ends on 31 March each year.

"**53.** Not later than 30 June each year, Energy Transition Québec must file its financial statements and an activity report for the preceding fiscal year with the Minister.

The financial statements and activity report must contain all the information required by the Minister.

The activity report must include

(1) an update on the master plan as concerns, in particular, the status of progress in implementing the plan, the achievement of the targets defined by the Government, the number of programs and measures implemented and the budgets used;

(2) Energy Transition Québec's annual results based on the performance indicators determined in accordance with section 17; and

(3) an update on requests made by the Régie de l'énergie under section 85.43 of the Act respecting the Régie de l'énergie for the evaluation of additional measures.

"**54.** The Minister may request that the Régie de l'énergie provide an advisory opinion on the status of progress in implementing the master plan and the achievement by Energy Transition Québec of the targets set by the Government.

"**55.** The Minister tables Energy Transition Québec's financial statements and activity report in the National Assembly within 15 days of receiving them or, if the Assembly is not sitting, within 15 days of resumption.

"**56.** Energy Transition Québec's books and accounts are audited each year by the Auditor General and whenever ordered by the Government.

The Auditor General's report must be submitted with Energy Transition Québec's financial statements and activity report.

"**57.** Energy Transition Québec must give the Minister any information the Minister requires concerning Energy Transition Québec.

"**58.** Energy Transition Québec is not required to establish the strategic plan prescribed in the Act respecting the governance of state-owned enterprises (chapter G-1.02).

"**CHAPTER V**

"AMENDING PROVISIONS

"FINANCIAL ADMINISTRATION ACT

"**59.** Schedule 2 to the Financial Administration Act (chapter A-6.001) is amended by inserting "Transition énergétique Québec" in alphabetical order.

"ACT RESPECTING ENERGY EFFICIENCY AND INNOVATION

"**60.** The title of the Act respecting energy efficiency and innovation (chapter E-1.3) is replaced by the following title:

"An Act respecting energy efficiency and energy conservation standards for certain electrical or hydrocarbon-fuelled appliances".

"**61.** The heading of Chapter I of the Act is replaced by the following heading:

"ENERGY EFFICIENCY AND ENERGY CONSERVATION STANDARDS FOR CERTAIN APPLIANCES".

"**62.** Divisions I and II of Chapter I of the Act, comprising sections 1 to 19, are repealed.

"**63.** The Act is amended by striking out the following before section 20:

"**DIVISION III**

"ENERGY EFFICIENCY AND ENERGY CONSERVATION STANDARDS FOR CERTAIN APPLIANCES".

"**64.** Section 33 of the Act is amended by striking out "3,".

"**65.** Sections 34, 35, 42 and 57 to 70 of the Act are repealed.

"ACT RESPECTING THE GOVERNANCE OF STATE-OWNED ENTERPRISES

"**66.** Schedule I to the Act respecting the governance of state-owned enterprises (chapter G-1.02) is amended by inserting "Transition énergétique Québec" in alphabetical order.

"HYDRO-QUÉBEC ACT

"**67.** Section 22.1 of the Hydro-Québec Act (chapter H-5) is amended by replacing the second paragraph by the following paragraph:

"The Company must implement the programs and measures for which it is responsible under the energy transition, innovation and efficiency master plan prepared under the Act respecting Transition énergétique Québec (2016, chapter 35, section 1)."

"ACT RESPECTING INVESTISSEMENT QUÉBEC

"**68.** Section 21 of the Act respecting Investissement Québec (chapter I-16.0.1) is amended by adding the following paragraph at the end:

"Any mandate given to the Company by Energy Transition Québec to grant and administer a loan under section 18 of the Act respecting Transition énergétique Québec (2016, chapter 35, section 1) is also considered to be a mandate given to the Company by the Government. Energy Transition Québec pays annually, to the Company, remuneration the Government considers reasonable for the performance of the mandate and the administration of such a loan."

"ACT RESPECTING THE MINISTÈRE DES RESSOURCES NATURELLES ET DE LA FAUNE

"**69.** Section 12 of the Act respecting the Ministère des Ressources naturelles et de la Faune (chapter M-25.2) is amended by striking out paragraphs 14 and 14.1.

"**70.** Section 17.12.12 of the Act is amended by striking out subparagraph 3 of the first paragraph.

"**71.** Section 17.12.16 of the Act is repealed.

"ACT RESPECTING THE MINISTÈRE DU DÉVELOPPEMENT DURABLE, DE L'ENVIRONNEMENT ET DES PARCS

"**72.** Section 15.4.2 of the Act respecting the Ministère du Développement durable, de l'Environnement et des Parcs (chapter M-30.001) is amended

(1) by replacing "A minister who is party to an agreement with the Minister of Sustainable Development, Environment and Parks under section 15.4.3" in the first paragraph by "If a minister or Energy Transition Québec is party to an agreement with the Minister of Sustainable Development, Environment and Parks under section 15.4.3, the minister or Energy Transition Québec";

(2) by inserting "or Energy Transition Québec" after "minister" in the second paragraph.

"**73.** Section 15.4.3 of the Act is amended

(1) by adding the following sentence at the end of the first paragraph: "The Minister of Sustainable Development, Environment and Parks may also, for the same purposes, conclude such an agreement with Energy Transition Québec as regards the programs and measures for which it is responsible under the energy transition, innovation and efficiency master plan prepared under the Act respecting Transition énergétique Québec (2016, chapter 35, section 1).";

(2) by inserting "or Energy Transition Québec" after "concerned" in the last paragraph.

"ACT RESPECTING THE RÉGIE DE L'ÉNERGIE

"**74.** Section 25 of the Act respecting the Régie de l'énergie (chapter R-6.01) is amended by inserting ", if it considers it necessary, call a public hearing when examining the energy transition, innovation and efficiency master plan in accordance with section 85.41. The Régie may also" after "The Régie may" in the second paragraph.

"**75.** Section 32.1 of the Act is amended by striking out the second paragraph.

"**76.** Section 49 of the Act is amended by replacing "energy efficiency and innovation" at the end of the second paragraph by "carrying out the programs and measures for which the distributor is responsible under the energy transition, innovation and efficiency master plan".

"**77.** The Act is amended by inserting the following chapter before Chapter VII:

"**CHAPTER VI.4**

"ENERGY TRANSITION, INNOVATION AND EFFICIENCY MASTER PLAN

"**85.40.** The terms and expressions defined in section 7 of the Act respecting Transition énergétique Québec (2016, chapter 35, section 1) apply to this chapter.

"**85.41.** The master plan prepared under the Act respecting Transition énergétique Québec (2016, chapter 35, section 1) shall be submitted to the Régie so that it may approve the programs and measures under the responsibility of the energy distributors as well as the financial investment necessary, by form of energy, for carrying out the programs and measures. The Régie may approve those elements with or without amendment. The same holds for any revision of the plan.

Furthermore, the master plan shall be submitted to the Régie so it may give its advice on the plan's capacity to achieve the energy targets set by the Government.

The Régie shall determine the annual contribution payable to Energy Transition Québec by an energy distributor in accordance with the regulation made under subparagraph 11 of the first paragraph of section 114.

"**85.42.** In analyzing the master plan, the Régie shall consider the report of the Stakeholders Panel submitted under section 45 of the Act respecting Transition énergétique Québec (2016, chapter 35, section 1).

"**85.43.** The Régie may request that Energy Transition Québec evaluate additional measures.

"**85.44.** Not later than 31 March each year, every energy distributor must file a statement with the Régie specifying, if applicable, for the period covered by its preceding fiscal year

(1) the volume of natural gas or electric power it distributed;

(2) the volume of fuel it brought into Québec for a purpose other than resale; and

(3) the volume of fuel intended for consumption in Québec it sold and refined in Québec or brought into Québec and, where applicable, the volume it exchanged with a person described in subparagraph *a* of subparagraph 3 of the first paragraph of section 7 of the Act respecting Transition énergétique Québec (2016, chapter 35, section 1)."

"**78.** Section 114 of the Act is amended

(1) by adding the following subparagraph at the end of the first paragraph:

"(11) the due dates and rate of and the method for calculating the annual contribution payable to Energy Transition Québec by an energy distributor under section 49 of the Act respecting Transition énergétique Québec (2016, chapter 35, section 1) as well as the terms and conditions of payment, the rate of interest on sums due and the penalties exacted for failure to pay.";

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

"The rate, calculation method and terms and conditions referred to in subparagraph 11 of the first paragraph may vary from one distributor or class of distributors to another. The regulation may also exempt a distributor or class of distributors. A penalty set by the Régie may not exceed 15% of the amount that should have been paid."

"**CHAPTER VI**

"TRANSITIONAL AND FINAL PROVISIONS

"**79.** The Government appoints the members of Energy Transition Québec's first board of directors and the first president and chief executive officer without taking into consideration the requirements of the first paragraphs of sections 23 and 28.

Despite the second paragraph of section 23, the majority of the members of the first board of directors, other than the chair and the president and chief executive officer, are appointed for a term of up to two years. The other members are appointed for a term of up to four years.

"**80.** The employees of the Bureau de l'efficacité et de l'innovation énergétiques of the Ministère des Ressources naturelles et de la Faune and certain other employees of that department identified before 1 April 2018 become, without further formality, employees of Energy Transition Québec.

"**81.** The assets and liabilities of the energy efficiency and innovation component of the Natural Resources Fund established under section 17.12.12 of the Act respecting the Ministère des Ressources naturelles et de la Faune (chapter M-25.2) are transferred to Energy Transition Québec.

"**82.** The assets and liabilities of the Bureau de l'efficacité et de l'innovation énergétiques are transferred to Energy Transition Québec.

"**83.** Civil proceedings to which the Attorney General of Québec is a party are continued by the Attorney General of Québec as regards the records transferred to Energy Transition Québec.

"**84.** The financial assistance programs of the Bureau de l'efficacité et de l'innovation énergétiques in force on 1 April 2017 continue to apply until they are replaced or abolished by Energy Transition Québec.

"**85.** The Regulation respecting the annual share payable to the Minister of Natural Resources and Wildlife (chapter R-6.01, r. 5) continues to apply until a regulation is made under subparagraph 11 of the first paragraph of section 114 of the Act respecting the Régie de l'énergie (chapter R-6.01), enacted by paragraph 1 of section 78 of this Act, with the following modifications:

(1) a reference to the annual share payable to the Minister of Natural Resources and Wildlife is a reference to the annual contribution payable to Energy Transition Québec under section 49 of the Act respecting Transition énergétique Québec (2016, chapter 35, section 1);

(2) a reference to the overall financial investment allocated to each form of energy determined by the Government is a reference to the financial investment necessary, by form of energy, on the energy distributors' part, for carrying out the master plan;

(3) a reference to the Minister of Natural Resources and Wildlife is a reference to the Régie de l'énergie; and

(4) a reference to the fiscal year of the Natural Resources Fund of the Ministère des Ressources naturelles et de la Faune is a reference to Energy Transition Québec's fiscal year.

"**86.** The amount of the annual contribution payable by an energy distributor determined for the fiscal year 2016–2017 remains the same until it is replaced by the Régie de l'énergie.

"**87.** The files, records and other documents of the Bureau de l'efficacité et de l'innovation énergétiques become those of Energy Transition Québec.

"**88.** Unless the context indicates otherwise, in any order, order in council, contract or program, a reference to the Minister of Natural Resources and Wildlife or the Ministère des Ressources naturelles et de la Faune as well as to the Minister of Energy and Natural Resources or the Ministère de l'Énergie et des Ressources naturelles in relation to the activities of the Bureau de l'efficacité et de l'innovation énergétiques is a reference to Energy Transition Québec.

"**89.** Despite section 69, Order in Council 839-2013 (2013, G.O. 2, 3523, French only) continues to apply until it is revoked by the Government.

Any agreement between the Minister of Natural Resources and Wildlife and a municipality on the assumption of responsibility for providing a public battery re-charging service for electric vehicles remains valid and may be renewed. Furthermore, the Minister retains the power to enter into new agreements consistent with that order in council until the latter is revoked.

"**90.** The Government may, by a regulation made before 1 October 2018, enact any other transitional measure required for the carrying out of this Act.

Such a regulation may, if it so provides, apply from a date not prior to 1 April 2017.

"**91.** The Minister of Natural Resources and Wildlife is responsible for the administration of this Act."

CHAPTER II

GOVERNANCE OF THE RÉGIE DE L'ÉNERGIE AND RENEWAL OF ENERGY SUPPLY TO CONSUMERS

ACT RESPECTING THE RÉGIE DE L'ÉNERGIE

2. Section 2 of the Act respecting the Régie de l'énergie (chapter R-6.01) is amended, in the first paragraph,

(1) by replacing ", except biogas and syngas" in the definition of "natural gas" by ", except syngas and biogas other than renewable natural gas";

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

""renewable natural gas" means methane from renewable sources with interchangeability characteristics that allow it to be delivered by a natural gas distribution system;".

3. Section 5 of the Act is amended by replacing the second sentence by the following sentence: "It shall promote the satisfaction of energy needs in a manner consistent with the Government's energy policy objectives and in keeping with the principles of sustainable development and individual and collective equity."

4. Section 7 of the Act is amended by replacing "seven" in the first paragraph by "12".

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

"It may also, before a public hearing is held, provide for public information and consultation sessions to be held."

6. Section 26 of the Act is amended

(1) by adding the following sentence at the end of the first paragraph: "At that time, the Régie shall also make known information relating to any public information and consultation sessions to be held.";

(2) by replacing "publish" in the third paragraph by "publicize".

7. Section 49 of the Act is amended by adding the following subparagraph at the end of the first paragraph:

"(12) consider, as concerns the rates for the transmission of natural gas, the excess transmission capacity referred to in subparagraph *a* of subparagraph 3 of the first paragraph of section 72."

8. The Act is amended by inserting the following section after section 58:

"**58.1.** The Régie may indicate the minimum price at the loading ramp of gasoline and diesel in a periodical it shall issue in any medium it determines."

9. Section 72 of the Act is amended by replacing the first paragraph by the following paragraph:

"With the exception of private electric power systems, a holder of exclusive electric power or natural gas distribution rights shall prepare and submit to the Régie for approval, according to the form, tenor and intervals fixed by regulation of the Régie, a supply plan describing the characteristics of the contracts the holder intends to enter into in order to meet the needs of Québec markets following the implementation of the energy efficiency measures. The supply plan shall be prepared having regard to

(1) the risks inherent in the sources of supply chosen by the holder;

(2) as concerns any particular source of electric power, the energy block established by regulation of the Government under subparagraph 2.1 of the first paragraph of section 112; and

(3) as concerns natural gas supply,

(*a*) the excess transmission capacity the holder considers necessary to facilitate the development of industrial activities, which shall not be greater than 10% of the quantity of natural gas that the holder expects to deliver annually; and

(*b*) the quantity of renewable natural gas determined by regulation of the Government under subparagraph 4 of the first paragraph of section 112."

10. Section 73 of the Act is amended by inserting the following paragraph after the second paragraph:

"The Régie may authorize the project on the conditions it determines."

11. The Act is amended by inserting the following section after section 100:

"**100.0.1.** Subject to section 99, within 15 days after receiving the in-house examination file for the complaint referred to in section 97, the Régie shall call the complainant and the electric power carrier or the distributor to a conference.

The purpose of the conference is to

(1) plan the conduct of the examination of the complaint;

(2) examine any matter that may simplify or accelerate the examination of the complaint; and

(3) formally invite the parties to enter into mediation to resolve the complaint.

Within 15 days after the conference, the complainant and the electric power carrier or the distributor shall inform the Régie in writing of their willingness or unwillingness to enter into mediation and, in the latter case, give the reasons.

The reasons given by the electric power carrier or the distributor to justify its unwillingness to enter into mediation shall be made public by the Régie."

12. Section 100.1 of the Act is replaced by the following section:

"**100.1.** If the complainant and the electric power carrier or the distributor agree to enter into mediation, the Régie shall suspend the examination of the complaint for a period not exceeding 30 days to allow the mediation to be held. The Régie may extend that period, or allow mediation to resume after the expiry of that period, with the parties' consent.

The Régie shall designate a mediator from among its commissioners or the members of its personnel. It may also select any other person as mediator, with the parties' consent. The mediator helps the parties to engage in dialogue, clarify their views, define the complaint, identify their needs and interests, explore solutions and reach, if possible, a mutually satisfactory agreement.

Any agreement shall be evidenced in writing and signed by the mediator, the complainant and the electric power carrier or the distributor. The agreement is binding on the parties."

13. Section 100.2 of the Act is amended by replacing "conciliation" and "the commissioner who suspended the examination of the complaint" by "mediation" and "the Régie", respectively.

14. Section 100.3 of the Act is amended

(1) by replacing "conciliator" and "conciliation" in the first paragraph by "mediator" and "mediation", respectively;

(2) by replacing "conciliation" in the second paragraph by "mediation".

15. Section 112 of the Act is amended by adding the following subparagraph at the end of the first paragraph:

"(4) the quantity of renewable natural gas to be delivered by a natural gas distributor and the terms and conditions according to which it is to be delivered."

16. Section 113 of the Act is amended

(1) by replacing "or to public hearings" by ", mediation, public information and consultation sessions or public hearings";

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

"The Régie may also adopt rules of procedure applicable to claims for costs by persons whose participation in Régie proceedings is considered useful by the Régie in accordance with section 36, in particular as regards

(1) the equitable distribution of available funding among those persons;

(2) the setting of an annual funding limit for all the cases and of a per-case annual funding limit;

(3) the criteria for the examination of claims for costs; and

(4) admissible costs."

HYDRO-QUÉBEC ACT

17. The Hydro-Québec Act (chapter H-5) is amended by inserting the following section after section 48.1:

"**48.2.** Any provision of an Act or regulation prescribing an obligation to file an assessment or certificate of compliance with the municipal by-laws in support of an application for authorization under the Act respecting the preservation of agricultural land and agricultural activities (chapter P-41.1) or the Environment Quality Act (chapter Q-2) does not apply to the Company, provided each municipality concerned is notified within 45 days of the application so that it may submit its comments to the Company."

PETROLEUM PRODUCTS ACT

18. Section 5 of the Petroleum Products Act (chapter P-30.01) is amended

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

"The Government may, by regulation, determine standards and specifications relating to any petroleum product. Such standards and specifications may, in particular, include quality standards and prohibit or require the presence of certain elements in a petroleum product; they may also prescribe the acceptable quantity or proportion of such elements.";

(2) by replacing "regulatory standards" in the second paragraph by "regulatory standards or specifications, except in the cases provided for by regulation";

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

"A regulation setting standards for the integration of renewable fuels into gasoline and diesel may be made by the Government only following a joint recommendation by the minister responsible for the administration of this Act and the minister responsible for the administration of the Environment Quality Act (chapter Q-2)."

ENVIRONMENT QUALITY ACT

19. Section 53 of the Environment Quality Act (chapter Q-2) is amended by striking out "motor-fuel and" in paragraph *f*.

CHAPTER III

FINANCING OF THE ELECTRIC INFRASTRUCTURE FOR A SHARED TRANSPORTATION PROJECT

HYDRO-QUÉBEC ACT

20. The Hydro-Québec Act (chapter H-5) is amended by inserting the following section after section 39:

"**39.0.1.** The Company may grant financial assistance to defray the cost of the fixed equipment necessary for the electrification of shared transportation services to a public transit authority or a public body providing public transport referred to in section 88.1 or 88.7 of the Transport Act (chapter T-12), to the Caisse de dépôt et placement du Québec or to one of its wholly-owned subsidiaries within the meaning of section 88.15 of that Act.

The financial assistance must be authorized by the Government on the conditions and in the manner it determines, on the joint recommendation of the minister responsible for the administration of this Act and the minister responsible for the administration of the Transport Act."

ACT RESPECTING THE RÉGIE DE L'ÉNERGIE

21. Section 52.1 of the Act respecting the Régie de l'énergie (chapter R-6.01) is amended by inserting ", the amount of financial assistance granted and paid under section 39.0.1 of the Hydro-Québec Act (chapter H-5) to the extent that the distributor was not reimbursed for that amount," after "electric power distribution system" in the first paragraph.

22. The Act is amended by inserting the following section after section 52.3:

"**52.4.** The amount of financial assistance referred to in section 52.1 is established on the basis of depreciation determined by the Régie and having

regard to the undepreciated portion of the financial assistance and, as the case may be, the applicable return."

CHAPTER IV

ENACTMENT OF THE PETROLEUM RESOURCES ACT

23. The Petroleum Resources Act, the text of which appears in this chapter, is enacted.

"PETROLEUM RESOURCES ACT

"**CHAPTER I**

"GENERAL PROVISIONS AND DEFINITIONS

"**DIVISION I**

"GENERAL PROVISIONS

"**1.** The purpose of this Act is to govern the development of petroleum resources on land and in bodies of water while ensuring the safety of persons and property, environmental protection and optimal recovery of the resource, in compliance with the law as to ownership of immovables and in compliance with the greenhouse gas emission reduction targets set by the Government.

For the purposes of this Act, land includes wetlands.

"**2.** Petroleum, underground reservoirs and brine form part of the domain of the State.

"**3.** All work performed under this Act must be performed in accordance with generally recognized best practices for ensuring the safety of persons and property, environmental protection and optimal recovery of the resource.

"**4.** This Act is binding on the Government, on government departments and on bodies that are mandataries of the State.

"**5.** This Act must be construed in a manner consistent with the obligation to consult Native communities. The Government consults Native communities separately if the circumstances so warrant.

"**DIVISION II**

"DEFINITIONS

"**6.** In this Act,

"body of water" means a lake, a constant or intermittent watercourse, including a bed created or altered by human intervention, except a ditch as

defined in subparagraph 4 of the first paragraph of section 103 of the Municipal Powers Act (chapter C-47.1), or a marine environment;

"brine" means any natural aqueous solution containing more than 4% by weight of dissolved solids;

"commercial discovery" means a discovery of petroleum that has been demonstrated to contain petroleum reserves that justify the investment of capital and effort to bring the discovery to production;

"fracturing" means any operation that consists in creating fractures in a geological formation by injecting a fluid under pressure through a well;

"gas" means natural gas and includes all substances, other than oil, that are produced in association with natural gas;

"geochemical surveying" means any method of exploration for petroleum or underground reservoirs by indirect measurement to determine and quantify the distribution and migration of chemical elements in rocks, soils, sediments and water;

"geophysical surveying" means any method of exploration for petroleum or underground reservoirs by indirect measurement of the physical properties of the subsoil effected on the surface of the ground or in the air, particularly seismic reflection, seismic refraction, gravimetric, magnetic or resistivity surveying and any other geophysical method used to indirectly determine any characteristic of the subsoil;

"oil" means crude oil, regardless of gravity, produced at a well head in liquid form and any other hydrocarbons, except coal and gas, and, in particular, hydrocarbons that may be extracted or recovered from deposits of oil sand, bitumen, bituminous sand, oil shale or from any other types of deposits on the subsoil;

"petroleum" means oil or gas;

"pipeline" means any pipe or system of pipes, including associated facilities such as pumps, compressors, pumping stations and surface reservoirs, designed or used to gather or transport gas or petroleum, except

(1) lines used to transport and distribute gas, and petroleum equipment installations governed by the Building Act (chapter B-1.1); and

(2) pipes, including associated facilities, situated on the premises of an industrial enterprise and used for refining operation;

"pool" means a natural underground reservoir containing or appearing to contain an accumulation of petroleum that is or appears to be separated from any other such accumulation;

"significant discovery" means a discovery indicated by the first well on a geological feature that demonstrates by testing the existence of petroleum in that feature and, having regard to geological and engineering factors, suggests the existence of an accumulation of petroleum that has potential for sustained production;

"stratigraphic survey" means any opening in the ground, other than a seismic shotpoint, that is made to collect data on a geological formation, using samples and their analysis and technical surveys, conducted as part of preliminary investigations to eventually locate, design and construct a drilling site for exploration for or the production of petroleum or brine, or for exploration for or the operation of an underground reservoir and the well or wells which will be present on the site; and

"underground reservoir" means a subsurface geological environment that contains or may contain petroleum in a natural porosity system or in a source rock;

"well" means any opening in the ground on a drilling site, other than a seismic shotpoint, that is made, is to be made or is in the process of being made for the production of petroleum, for the purpose of exploring for or obtaining petroleum, for the purpose of withdrawing water to inject into an underground formation, for the purpose of injecting gas, air, water or any other substance into an underground formation, or for any other purpose.

"**CHAPTER II**

"DISCOVERY OF EXISTING NATURAL GAS OR WELLS

"**7.** A person who discovers an uninterrupted flow of gas on their land must notify the Minister and the local municipality in which the land is situated in writing and with dispatch.

"**8.** A person who discovers a well on their land must notify the Minister in writing with dispatch.

The Minister enters in the land register a declaration of the well's location. The declaration is registered in the register of real rights of State resource development and, as applicable, in the file relating to the immovable affected by the well, either in the index of immovables or in the register of public service networks and immovables situated in territory without a cadastral survey.

"**CHAPTER III**

"EXPLORATION, PRODUCTION AND STORAGE

"**DIVISION I**

"GENERAL PRINCIPLES

"**9.** No one may explore for petroleum or underground reservoirs, produce or store petroleum or produce brine without holding an exploration licence, a production licence, a storage licence or an authorization to produce brine, as applicable.

"**10.** A licence or an authorization to produce brine is transferable only in the cases and on the conditions the Government determines by regulation.

"**11.** The territory subject to an exploration, production or storage licence or to an authorization to produce brine is limited on the surface by its perimeter, and in depth by the vertical projection of its perimeter.

For a storage licence, the territory is determined by the vertical projection, on the surface, of the perimeter of the underground reservoir and the perimeter of the protected area. The Government determines the size of the protected area by regulation.

The size of an underground reservoir is determined on the basis of the assumption that a reservoir is limited at the top and base by stratigraphic geological units.

"**12.** Any part of a watercourse with a natural force equal to or greater than 225 kilowatts at its ordinary flow during six months together with a strip of land 20 metres in width on each side of such a watercourse is excluded from the territory subject to a licence.

The Minister may add to the excluded portion any area the Minister considers necessary for the development and utilization of the waterpower. If such an addition is made after the awarding of a licence on the land, the Minister pays compensation to the licence holder.

However, the Minister may, subject to certain conditions, authorize a licence holder to explore for, produce or store petroleum or to produce brine on the land so reserved.

"**13.** An outstanding geological site classified under section 305.1 of the Mining Act (chapter M-13.1) may not be subject to a licence, nor may a parcel of land used as a cemetery governed by the Funeral Operations Act (2016, chapter 1) or a Native cemetery.

"**14.** No licence may be awarded for the part of the St. Lawrence River west of longitude 64°31'27" in the NAD83 geodetic reference system or for the islands situated in that part of the river.

"**DIVISION II**

"IMMOVABLE REAL RIGHTS

"**15.** The exploration, production and storage rights conferred by a licence and the right to produce brine conferred by an authorization are immovable real rights.

Ownership of such immovable real rights is separate from ownership of the land to which they pertain.

Use of the land, before or after such a right is awarded, by a third person does not in any case confer a right to compensation on its holder. The same holds for the transfer or awarding of rights in lands in the domain of the State.

"**DIVISION III**

"EXPLORATION LICENCE

"§1. — *Auction process*

"**16.** An exploration licence is awarded by auction.

"**17.** The process for awarding an exploration licence by auction is determined by government regulation.

"**18.** In selecting the territory to be up for auction, the Minister must consider the requests made to the Minister in that regard.

No licence may be awarded in a territory that is subject to an exploration, production or storage licence.

"**19.** The Minister must notify the local municipalities whose territories are to be involved in an auction and the regional county municipality in writing and at least 45 days before the beginning of the auction process.

"**20.** The Minister awards an exploration licence at the time and subject to the conditions the Minister determines, in particular to take the territory's characteristics into account.

The successful bidder must meet the conditions and pay the fee the Government determines by regulation.

"**21.** The Minister is not required to award a licence under the terms of an auction process.

"**22.** If no licence has been awarded on a territory that is up for auction within six months after the auction closing date, the Minister must not award a licence for that territory without holding a new auction.

"**23.** No licence may be awarded to a person if, during the five years prior to the auction publication date, a licence they held under this Act was revoked.

The first paragraph does not apply to a revocation under subparagraph 4 of the fourth paragraph of section 145.

"**24.** Failure to comply with any of the requirements which the Government determines by regulation respecting the form and content of, and time and manner of publishing, an auction does not vitiate any licence awarded by the Minister.

"§2. — *Licence holder's rights and obligations*

"**25.** An exploration licence gives its holder the right to explore for petroleum or an underground reservoir in the territory covered by the licence.

The licence must contain conditions, which are not inconsistent with this Act and the regulations, that are agreed on by the Minister and the holder.

The Minister may subject the licence to conditions designed to avoid conflicts with other uses of the territory.

The Government determines, by regulation, any other conditions for exercising the licence.

"**26.** The exploration licence also gives its holder the right to extract petroleum and dispose of it or use an underground reservoir for a trial period. The Government determines, by regulation, the duration of this trial period and the conditions applicable.

"**27.** The term of an exploration licence is five years.

The Minister renews the licence for the terms and subject to the conditions the Government determines by regulation.

"**28.** An exploration licence holder must establish a monitoring committee to foster the local community's involvement in the exploration project as a whole.

The committee must be established within 30 days after the licence is awarded and must be maintained, as the case may be, throughout the term of the licence or, in the case provided for in the second paragraph of section 97, until all the work required under the permanent well or reservoir closure and site restoration plan has been completed.

The committee members are chosen in accordance with the process determined by the licence holder and approved by the Minister. The licence holder also determines the number of members who are to sit on the committee. However, the committee must include at least one member representing the municipal sector, one member representing the economic sector, one member representing the agriculture sector, one member of the public and, if applicable, one member representing a Native community consulted by the Government with respect to the project. A majority of the committee members must be independent from the licence holder. All must be from the region in which the territory subject to the licence is situated.

The Government determines, by regulation, the particulars relating to the committee with respect to such matters as the independence of committee members, the information and documents a licence holder must provide to the committee, the nature of the costs that are reimbursed to committee members by the licence holder, the minimum number of meetings the committee must hold each year and the production of an annual report by the committee. The Government determines, in the same manner, the cases in which and the conditions on which a licence holder to whom another exploration licence is awarded is not required to establish a new monitoring committee.

The Government may determine, by regulation, other particulars relating to consultations that are applicable to an exploration licence holder.

"**29.** If an exploration licence is awarded on private land or land leased by the State, the exploration licence holder must, within 30 days after registering the licence in the public register of real and immovable petroleum rights established under section 149 and in the manner the Government determines by regulation, notify the owner or lessee, the local municipality and the regional county municipality, in writing, of the licence obtained.

"**30.** The holder of an exploration licence has a right of access to the territory subject to the licence.

If the licence is awarded on private land or land leased by the State, the holder must obtain written authorization from the owner or lessee at least 30 days in advance in order to access the site or may acquire, by agreement, any real right or property necessary to access the territory and perform exploration work. Failing that, the holder may not access the territory.

If the licence is in the territory of a local municipality, the holder must inform the local municipality and the regional county municipality, in writing and at least 45 days before the work begins, of the work to be performed.

"**31.** Subject to sections 32 to 34, the holder of an exploration licence must, each year, perform the minimum work determined by regulation in the territory subject to the licence.

The exploration licence holder must, within six months after the anniversary date of the awarding of the licence, report to the Minister on all the work performed in the year.

In addition to the minimum work, the Government determines, by regulation, the nature of the eligible work, the related expenses, the form and content of any report to be sent to the Minister and the documents that must accompany it. The nature of the work and the minimum amount of work may vary according to the area of the territory and the region it is situated in.

"**32.** The Minister may exempt an exploration licence holder from performing the minimum work prescribed, provided

(1) the holder informs the Minister in writing, before the end of the year for which the work was required, of the reasons why the holder will not perform the work; and

(2) the holder pays to the Minister an amount equal to twice the minimum amount to be spent on the work that should have been performed or, if applicable, an amount equal to twice the difference between that minimum amount and the amount spent on the work performed and reported.

"**33.** Amounts spent in a year in excess of the minimum amount to be spent on the work required to be performed by the holder may be applied to subsequent years.

"**34.** The holder of several exploration licences may, in a report, apply to one or more of them all or part of the amounts spent in a territory subject to a licence that are in excess of the minimum amount to be spent on the work required to be performed there, provided

(1) the holder so informs the Minister in writing; and

(2) the territory in which the work was performed and the territory or territories to which the excess amounts are applied are located at least in part within a radius of 10 kilometres as measured from the perimeter of the territory subject to the licence in which the work was performed.

"**35.** The Minister may refuse all or part of the work reported if the report or the documents accompanying it

(1) are incomplete or not consistent with the regulations;

(2) do not corroborate the stated amounts or the actual amount of the work;

(3) fail to show that the stated amounts were disbursed solely for the performance of work;

(4) have been falsified or contain false information; or

(5) pertain to work previously reported by the exploration licence holder and accepted as part of another report.

"**36.** The holder of an exploration licence must, on each anniversary date of the awarding of the licence, pay to the Minister the annual fee the Government determines by regulation.

"**37.** An exploration licence holder must prepare an annual report in accordance with the form and content the Government determines by regulation, and send it, at their option,

(1) to the Minister not later than the 150th day after the end of their fiscal year or, in the case of a natural person, of the calendar year; or

(2) to the Autorité des marchés financiers at the same time as the statement required under section 6 of the Act respecting transparency measures in the mining, oil and gas industries (chapter M-11.5).

The Autorité des marchés financiers sends the report received under subparagraph 2 of the first paragraph to the Minister without delay.

"**38.** An exploration licence holder who makes a significant discovery of petroleum must so notify the Minister, the local municipalities whose territories are covered by the licence and the regional county municipality in the manner the Government determines by regulation.

"**39.** The holder of an exploration licence who makes a commercial discovery of petroleum must so notify the Minister, the local municipalities whose territories are covered by the licence and the regional county municipality in the manner the Government determines by regulation.

The exploration licence holder must, within eight years after the discovery, submit a petroleum production project to the Régie de l'énergie (the Board) in accordance with section 41 and apply to the Minister for a production licence. Failing that, the Minister may partially or completely revoke the exploration licence, without compensation, and award a production licence for the territory affected by the revocation in accordance with section 49.

In the case of a partial revocation, the minimum amount of the exploration work to be performed in a year on that territory is proportionately reduced.

"**40.** The holder of a licence may, with the Minister's authorization, surrender their exploration right in all or part of the territory subject to the licence. The Government determines, by regulation, the conditions for obtaining an

authorization and the liability to be assumed by the holder following the surrender.

In the case of partial surrender, the residual area must be included within a single perimeter that must not be less than 2 km^2.

Partial surrender reduces the minimum work required to be performed by the holder for the current year of the surrender proportionately to the surrendered area.

"**DIVISION IV**

"PRODUCTION LICENCES AND STORAGE LICENCES

"§1. — *Board's examination of projects*

"**41.** An exploration licence holder who wishes to obtain a production or storage licence must submit their project to and obtain a favourable decision from the Board. The same holds for a production licence holder who wishes to obtain a storage licence.

"**42.** The Board may, at any time, require a licence holder to provide additional information, to study certain matters more thoroughly or to undertake certain research which it considers necessary to complete its analysis of the project.

"**43.** A production or storage project that involves the construction or use of a pipeline is also subject to Chapter V.

"**44.** The Government determines, by regulation, the documents required for the application's examination by the Board as well as the elements the Board must take into account and those it must rule on.

"**45.** The Board sends its decision to the Minister who submits it to the Government so the Government may decide the application for authorization provided for in section 31.5 of the Environment Quality Act (chapter Q-2).

"**46.** Any amendment to the petroleum production or petroleum storage project must be submitted to the Board, which examines the project if it considers that the amendment is substantial. This subdivision applies, with the necessary modifications, to the new examination.

"**47.** In order to perform the functions provided for in this subdivision, the Board may exercise the powers assigned to it under the Act respecting the Régie de l'énergie (chapter R-6.01), to the extent that they are not inconsistent with this Act.

"§2. — *Awarding of production and storage licences*

"**48.** The Minister awards a production licence to an exploration licence holder who has obtained a favourable decision from the Board on their project, the Government's authorization under section 31.5 of the Environment Quality Act as well as, if applicable, the authorization of the Commission de protection du territoire agricole du Québec, and who meets the conditions and pays the fee the Government determines by regulation.

The Minister awards a storage licence to an exploration or production licence holder on the same conditions.

In such a case, the territory subject to the exploration or production licence is reduced by the area of the territory subject to the production or storage licence, as applicable.

"**49.** The Minister may award, by auction, a production or storage licence in a territory that is no longer subject to an exploration, production or storage licence if the Minister considers that the territory presents an economically workable deposit or an economically usable underground reservoir, as applicable.

Sections 17 to 24 apply, with the necessary modifications, to the auction.

"**50.** Only one production or storage licence may be awarded for any one territory.

"§3. — *Licence holder's rights and obligations*

"**51.** A production licence gives its holder the right to produce petroleum.

A storage licence gives its holder the right to use an underground reservoir to store materials the Government determines by regulation.

The production or storage licence must include any conditions, which are not inconsistent with this Act and the regulations, that are agreed on by the Minister and the holder. It may also include conditions proposed by the Board.

The Minister may subject a licence to conditions designed to avoid conflicts with other uses of the territory.

The Government determines, by regulation, any other conditions for exercising the licences.

"**52.** The Minister may modify the conditions on a production or storage licence once the Board, after examining a project amended in accordance with section 46, proposes new production or storage conditions.

"**53.** The territory subject to a production or storage licence must be included within a single perimeter and its area must not be less than 2 km^2.

"**54.** The term of a production or storage licence is 20 years.

The Minister renews the licence for the terms and subject to the conditions the Government determines by regulation.

"**55.** If a monitoring committee has not already been established, the production or storage licence holder must establish one to foster the local community's involvement in the production project as a whole.

Section 28 applies, with the necessary modifications.

"**56.** When awarding or renewing a production or storage licence, the Government may, on reasonable grounds, require that the benefits within Québec of producing or storing petroleum be maximized.

"**57.** If a production or storage licence is awarded on private land or land leased by the State, the licence holder must, within 30 days after registering the licence in the public register of real and immovable petroleum rights and in the manner the Government determines by regulation, notify the owner or lessee, the local municipality and the regional county municipality, in writing, of the licence obtained.

"**58.** The holder of a production or storage licence has a right of access to the territory subject to the licence.

If the licence is awarded on private land or land leased by the State, the holder must obtain written authorization from the owner or lessee at least 30 days in advance in order to access the site or may acquire, by agreement, any real right or property necessary to access the territory and perform their work. If no agreement is reached, the Government may, subject to the conditions it determines, authorize the holder to acquire the real rights or property by expropriation in accordance with the Expropriation Act (chapter E-24) so the holder may access the territory and perform their work.

If the licence is in the territory of a local municipality, the holder must inform the local municipality and the regional county municipality, in writing and at least 45 days before the work begins, of the work to be performed.

"**59.** A production or storage licence holder who intends to acquire a residential immovable, or an immovable used for agricultural purposes that is situated on farm land, must pay to the landowner the costs of the professional services required to negotiate the agreement, up to a maximum amount representing 10% of the value of the immovable as entered on the property assessment roll.

"**60.** If a person is in illegal possession of any land in the domain of the State the territory of which is subject to a production or storage licence and the person refuses to relinquish possession of it, the licence holder may apply to a Superior Court judge for an eviction order.

In such a case, sections 60 to 62 of the Act respecting the lands in the domain of the State (chapter T-8.1) apply, with the necessary modifications.

"**61.** The holder of a licence may, with the Minister's authorization, surrender their production or storage right in all or part of the territory subject to the licence. The Government determines, by regulation, the conditions for obtaining an authorization and the liability to be assumed by the licence holder following the surrender.

In the case of partial surrender of a right conferred by a production licence, the residual area must be included within a single perimeter that, unless otherwise authorized by the Minister, must not be less than 2 km^2.

"§4. — *Special provisions applicable to production licences*

"**62.** A production licence holder must send a monthly report to the Minister detailing the amount of petroleum extracted during the previous month, and pay the royalties payable to the Minister at the same time.

The Government determines, by regulation, the form and content of the report, the documents that must accompany it and the royalties payable. The royalty may vary according to whether or not the petroleum is extracted in an area delimited by order in a body of water.

"**63.** The holder of a production licence must, on each anniversary date of the awarding of the licence, pay the annual fee the Government determines by regulation.

"**64.** A production licence holder must prepare an annual report in accordance with the form and content the Government determines by regulation, and send it, at their option,

(1) to the Minister not later than the 150th day after the end of their fiscal year or, in the case of a natural person, of the calendar year; or

(2) to the Autorité des marchés financiers at the same time as the statement required under the Act respecting transparency measures in the mining, oil and gas industries.

The Autorité des marchés financiers sends a report received under subparagraph 2 of the first paragraph to the Minister without delay.

"§5. — *Special provisions applicable to storage licences*

"**65.** A storage licence holder must send a monthly report to the Minister detailing the nature and quantity of substances injected or withdrawn during the previous month, and at the same time pay duties to the Minister on the substances withdrawn.

The Government determines, by regulation, the form and content of the report, the documents that must accompany it and the duties payable on the substances withdrawn.

"**66.** The holder of a storage licence must, on each anniversary date of the awarding of the licence, pay the annual fee set by the Minister in accordance with the criteria the Government determines by regulation.

"**67.** The holder of a storage licence must send an annual report to the Minister within 30 days after each anniversary date of the awarding of the licence. The Government determines, by regulation, the form and content of the report and the documents that must accompany it.

"**DIVISION V**

"AUTHORIZATION TO PRODUCE BRINE

"**68.** The Minister may authorize a licence holder to produce brine if the holder meets the conditions and pays the fee the Government determines by regulation.

The Government also determines, by regulation, the conditions for exercising the authorization.

"**69.** The term of an authorization to produce brine is five years.

The Minister renews the authorization for the terms and subject to the conditions the Government determines by regulation.

"**70.** The holder of an authorization to produce brine must, on each anniversary date of the authorization, pay the annual fee the Government determines by regulation.

"**71.** The holder of an authorization to produce brine must send a monthly report to the Minister detailing the quantity and value of brine extracted during the previous month, and pay the royalties payable to the Minister at the same time.

The Government determines, by regulation, the form and content of the report, the documents that must accompany it and the royalties payable.

"**DIVISION VI**

"AUTHORIZATION OF CERTAIN WORK OR ACTIVITIES

"§1. — *Geophysical surveying or geochemical surveying*

"**72.** A licence holder who conducts geophysical surveying or geochemical surveying must, for each survey, hold a geophysical surveying or geochemical surveying authorization.

"**73.** The Minister grants a geophysical surveying or geochemical surveying authorization to a licence holder who meets the conditions and pays the fee the Government determines by regulation.

The Government also determines, by regulation, the conditions for exercising the authorization.

The Minister may subject the authorization to conditions designed to avoid conflicts with other uses of the territory.

"**74.** If a certificate of authorization is required under section 22 of the Environment Quality Act, no geophysical surveying authorization may be granted until the certificate has been issued.

"§2. — *Stratigraphic surveying*

"**75.** A licence holder who conducts stratigraphic surveying must, for each survey, hold a stratigraphic surveying authorization.

"**76.** The Minister grants a stratigraphic surveying authorization to a licence holder who meets the conditions and pays the fee the Government determines by regulation.

The Government also determines, by regulation, the conditions for exercising the authorization.

The Minister may subject the authorization to conditions designed to avoid conflicts with other uses of the territory.

"§3. — *Drilling*

"**77.** A licence holder who drills or re-enters a well, including carrying out any work or activities necessary to install the conductor casing, must, for each well, hold a drilling authorization.

"**78.** The Minister grants a drilling authorization to a licence holder who meets the conditions and pays the fee the Government determines by regulation.

The Government also determines, by regulation, the conditions for exercising the authorization.

The Minister may subject the authorization to conditions designed to avoid conflicts with other uses of the territory.

"**79.** If a certificate of authorization is required under section 22, 31.5, 164 or 201 of the Environment Quality Act, no authorization may be granted until the certificate has been issued and the Minister has approved the permanent well or reservoir closure and site restoration plan and the guarantee required under Chapter IV.

"**80.** When granting an authorization, the Minister informs the licence holder of the time within which they must undertake their work. The licence holder must notify the Minister of the date their work begins within the time and in the manner the Government determines by regulation.

"**81.** Within 30 days after work begins, the holder of a drilling authorization must enter in the land register a declaration of the well's location. The declaration is registered in the register of real rights of State resource development and, as applicable, in the file relating to the immovable affected by the well, either in the index of immovables or in the register of public service networks and immovables situated in territory without a cadastral survey.

"**82.** A drilling authorization ends on or before the end date of the licence.

However, an authorization that is set to expire during the drilling of a well continues to be in force while the drilling of that well is being pursued diligently.

"**83.** If drilling work is temporarily or permanently discontinued, the holder of a drilling authorization must close the well in accordance with sections 92 to 99, or complete it.

"§4. — *Completion*

"**84.** A licence holder who completes a well by physical, chemical or other stimulation must hold a completion authorization unless the licence holder does so by fracturing.

The Government determines, by regulation, the conditions for exercising the authorization.

"**85.** The Minister grants a completion authorization to a licence holder who meets the conditions and pays the fee the Government determines by regulation.

"**86.** If a certificate of authorization is required under section 22 of the Environment Quality Act, no completion authorization may be granted until the certificate has been issued.

"§5. — *Fracturing*

"**87.** A licence holder who conducts fracturing operations must hold a fracturing authorization.

"**88.** The Minister grants a fracturing authorization to a licence holder who meets the conditions and pays the fee the Government determines by regulation.

The Government also determines, by regulation, the conditions for exercising the authorization.

"**89.** If a certificate of authorization is required under section 22 of the Environment Quality Act, no fracturing authorization may be granted until the certificate has been issued.

"§6. — *Reconditioning*

"**90.** A licence holder who performs major maintenance work or conducts remedial actions on a well must hold a reconditioning authorization.

The Government determines, by regulation, the conditions for exercising the authorization.

"**91.** The Minister grants a reconditioning authorization to a licence holder who meets the conditions and pays the fee the Government determines by regulation.

"§7. — *Temporary or permanent closure*

"**92.** A licence holder who ceases their work or activity at a well must close it temporarily or permanently.

The licence holder must obtain the Minister's authorization prior to the closure.

The Government determines, by regulation, in what circumstances a temporary closure is to be considered permanent.

"**93.** An authorization is granted to a licence holder who meets the conditions and pays the fee the Government determines by regulation.

The Government also determines, by regulation, the conditions for exercising the authorization.

"**94.** If the circumstances warrant it, the Minister may authorize a person other than a licence holder to close a well.

"**95.** The holder of a permanent closure authorization must perform the work required under the permanent well or reservoir closure and site restoration plan, as well as the work the Government determines by regulation.

"**96.** If a temporary closure is considered permanent under the third paragraph of section 92, the holder of a temporary closure authorization must perform the work required under the permanent well or reservoir closure and site restoration plan, as well as the work the Government determines by regulation.

"**97.** A licence holder must close a well before the expiry date of their licence.

However, site restoration work may continue beyond that date, in accordance with this Act and the regulations.

"**98.** Within 30 days after a permanent well closure, an authorization holder must enter in the land register a declaration of the closure. The declaration is registered in the register of real rights of State resource development and, as applicable, in the file relating to the immovable affected by the well, either in the index of immovables or in the register of public service networks and immovables situated in territory without a cadastral survey.

"**99.** No one may move, disturb or damage a facility erected under this subdivision unless they have written authorization from the Minister and the holder of the permanent well closure authorization or, in the case provided for in section 96, from the holder of a temporary closure authorization.

"§8. — *Report to the Minister*

"**100.** The holder of an authorization governed by this division must send a report to the Minister within 90 days after the end of the work or activities.

The Government determines, by regulation, the form and content of the report and the documents that must accompany it.

"**CHAPTER IV**

"PERMANENT WELL OR RESERVOIR CLOSURE AND SITE RESTORATION PLAN

"**101.** An exploration, production or storage licence holder applying for a drilling authorization must submit a permanent well or reservoir closure and site restoration plan to the Minister for approval.

The plan sets out the work required to be performed on closure of the well or reservoir.

"**102.** The plan must include the information the Government determines by regulation. The Government may also determine, by regulation, the form of the plan and the documents that must accompany it.

"**103.** A guarantee covering the anticipated cost of completing the work required must be furnished to the Minister with the plan.

The Government determines, by regulation, such matters as the duration, form and terms of the guarantee.

"**104.** The Minister may require a licence holder to provide, within the time the Minister specifies, any additional information, research findings or study the Minister considers necessary to approve the plan.

"**105.** The Minister approves the plan after obtaining a favourable opinion from the Minister of Sustainable Development, Environment and Parks.

The Minister may subject the approval of the plan to any condition or obligation the Minister determines, in particular advance payment of all or part of the guarantee required under section 103. In such a case, the plan is amended accordingly.

"**106.** The Minister registers every plan the Minister has approved in the public register of real and immovable petroleum rights.

"**107.** If property or a sum of money serves as guarantee, the property or sum is exempt from seizure.

"**108.** The holder of a drilling authorization must submit a revised plan to the Minister for approval whenever warranted by changes in their work or activities or whenever the Minister so requires.

Sections 103 to 106 apply, with the necessary modifications, to a revised plan.

"**109.** The Minister may require that a licence holder furnish any additional guarantee, within the time the Minister specifies, if the Minister considers that it is no longer sufficient in view of the foreseeable costs of performing the work required under the plan.

The Minister may also require the payment of the total guarantee if, in the Minister's opinion, the licence holder's financial situation or a reduction in the anticipated duration of the licence holder's work or activities may prevent the payment of all or part of the guarantee.

"**110.** The work required under the plan must begin within six months after the permanent cessation of work or activities.

The Minister may require that the work begin within a shorter period, or grant one or more extensions for performance of the work. The first extension may not exceed six months and additional extensions may not exceed one year.

"**111.** If a licence holder fails to perform any obligation relating to the plan, the Minister may order them to perform the obligation within the time the Minister specifies.

If the licence holder fails to comply, the Minister may, in addition to imposing any other civil, administrative or penal sanction, cause the work required under the plan to be performed at the licence holder's expense. The Minister may recover the cost of the work out of the guarantee furnished, among other means.

"**112.** The Minister may also release an exploration, production or storage licence holder from their obligations under sections 101 to 105 and 108 to 110 if the Minister agrees to let a third person assume the obligations. In such a case, the Minister issues a certificate to that effect to the licence holder.

"**113.** As soon as the work required under the plan has been completed, the holder of a drilling authorization must send to the Minister a certificate of an expert whose name appears on the list drawn up under section 31.65 of the Environment Quality Act stating that the work referred to in Division IV.2.1 of Chapter I of that Act was performed in accordance with the plan.

"**114.** The Minister declares the Minister's satisfaction with the permanent well or reservoir closure and site restoration work and returns the guarantee if

(1) in the Minister's opinion, the permanent well or reservoir closure and site restoration work has been completed in accordance with the plan approved by the Minister and if no sum is owing to the Minister with respect to the performance of the work;

(2) in the Minister's opinion, the condition of the territory affected by the work or activities no longer poses a risk for the environment or for human health and safety;

(3) the Minister has obtained a favourable opinion from the Minister of Sustainable Development, Environment and Parks; and

(4) the Minister has received the certificate required under section 113.

"**115.** Nothing in sections 101 to 112 affects or restricts the application of the Environment Quality Act.

"**CHAPTER V**

"PIPELINE CONSTRUCTION OR USE AUTHORIZATION

"**DIVISION I**

"GENERAL PRINCIPLES

"**116.** No one may build or use a pipeline without holding a pipeline construction or use authorization.

"**117.** A pipeline construction or use authorization is transferable only in the cases and on the conditions the Government determines by regulation.

"**DIVISION II**

"BOARD'S DECISION

"**118.** A person who wishes to build or use a pipeline must submit their project to and obtain a favourable decision from the Board.

The application must be accompanied by the information and documents the Government determines by regulation.

"**119.** The Board renders a favourable decision if it considers that the project complies with generally recognized best practices for ensuring the safety of persons and property, environmental protection and optimal recovery of the resource and that it meets the standards the Government determines by regulation.

In its decision, the Board mentions the conditions it considers necessary for the carrying out of the project.

The Board sends its decision to the Minister.

"**120.** Sections 42 and 44 to 47 apply, with the necessary modifications, to this chapter.

"**DIVISION III**

"GRANTING OF PIPELINE CONSTRUCTION OR USE AUTHORIZATION

"**121.** The Minister grants a pipeline construction or use authorization to an applicant who has obtained a favourable decision from the Board on the applicant's pipeline project and who meets the conditions and pays the fee the Government determines by regulation.

No pipeline construction or use authorization may be granted until the certificate of authorization required under the Environment Quality Act has been issued.

"**122.** A pipeline construction or use authorization gives its holder the right to build or use a pipeline.

The authorization must include any conditions, which are not inconsistent with this Act and the regulations, that are agreed on by the Minister and the holder. It may also include conditions proposed by the Board.

The Minister may subject the authorization to conditions designed to avoid conflicts with other uses of the territory.

The Government determines, by regulation, any other conditions for exercising the authorization.

"**123.** The Government determines, by regulation, the term of a pipeline construction or use authorization.

The Minister renews the authorization for the terms and subject to the conditions prescribed by government regulation.

"**124.** If a pipeline construction or use authorization is awarded on private land or land leased by the State, the authorization holder must, within 30 days after registering the authorization in the public register of real and immovable petroleum rights and in the manner the Government determines by regulation, notify the owner or lessee, the local municipality and the regional county municipality, in writing, of the authorization obtained.

"**125.** The Minister may modify the conditions on a pipeline construction or use authorization once the Board, after examining a project amended in accordance with section 46, proposes new conditions for building or using a pipeline.

"**126.** A pipeline construction or use authorization holder must, as soon as their construction work has been completed, restore the land affected by the work to its former condition.

The Government determines, by regulation, the other conditions for carrying out such restoration work.

"**127.** A pipeline construction or use authorization holder must make sure they prevent and monitor any risk of leakage from the pipeline.

"**CHAPTER VI**

"LIABILITY AND PROTECTIVE MEASURES

"**128.** An exploration, production or storage licence holder or a pipeline construction or use authorization holder is required, irrespective of any fault alleged against anyone and up to, for each event, an amount the Government determines by regulation, to make reparation for any injury caused through or in the course of their work or activities, including a loss of non-use value relating to a public resource, in particular due to emanations or migrations of gas or spills of oil or other liquids. Beyond that amount, the holder may be required to make reparation for injury caused through their fault or the fault of any of their employees or subcontractors in the performance of their functions. The holder nevertheless has a right to bring any legal remedy, for the entire injury, against the person who committed the fault.

The holder may not be relieved of liability by proving that the injury resulted from superior force. The cases of apportionment of liability set out in the Civil Code apply to any action brought against the holder for sums in excess of the amount determined under the first paragraph and to any recursory action brought by the holder.

The holder must provide proof, in the form and manner the Government determines by regulation, that they are solvent to an amount determined by the Government.

Only the Government may bring a legal action to recover a loss of non-use value relating to a public resource.

"**129.** Nothing in section 128 suspends or limits any legal action, of any kind, that may be brought against an exploration, production or storage licence holder or a pipeline construction or use authorization holder for a fault they or their employees or subcontractors are alleged to have committed.

"**130.** The Minister may, if a spill of liquid or an emanation or migration of gas from a well or a pipeline poses a risk for human health or safety or the safety of property, order the person in charge of the well or pipeline to do what is necessary to remedy the situation or, if there is no other solution, to seal off the source of the spill, emanation or migration.

If the person in charge fails to comply with the Minister's orders within the prescribed time, the Minister may cause the work required to be done or the source of the spill, emanation or migration to be sealed off at that person's expense.

"**131.** The Government determines, by regulation, the protective and safety measures that must be implemented by a licence holder, a pipeline construction or use authorization holder or any other person in charge of a well or pipeline.

The Minister may order such a holder or person to take any other protective or safety measure the Minister considers necessary.

If the holder or person fails to comply with a protective or safety measure, the Minister may cause the work required to be done at the holder's or person's expense.

"**CHAPTER VII**

"OPTIMAL PETROLEUM RECOVERY AND BRINE

"**132.** An exploration, production or storage licence holder must recover petroleum and brine optimally using generally recognized best practices for ensuring the safety of persons and property, environmental protection and optimal recovery of the resource.

In order to ensure that the licence holder complies with this obligation, the Minister may

(1) require the licence holder to send a report to the Minister justifying the method used;

(2) conduct a study to evaluate the method used; and

(3) order the licence holder to take, within the time the Minister specifies, any measures necessary to remedy any situation that would compromise the optimal recovery of petroleum or brine.

The Minister may, subject to the conditions the Minister determines, give a mandate to a committee composed of three persons, including two specialists in the field who are not part of the public service, to conduct a study under subparagraph 2 of the second paragraph.

The committee must submit a report recommending, if applicable, measures to remedy any situation that compromises the optimal recovery of petroleum and brine.

If the licence holder fails to comply with the Minister's requirements, the Minister may order the suspension of the holder's work or activities for the period the Minister determines.

"**CHAPTER VIII**

"MISCELLANEOUS PROVISIONS

"**133.** A person authorized by the Minister to carry out work related to protective, closure or site restoration measures may enter, at any reasonable time, for the purposes of their work, any place where a work or activity governed by this Act or the regulations is carried on.

"**134.** Within 30 days after the surrender, revocation or expiry of their right, an exploration licence holder must remove all of their property from the territory

that was subject to the right. The same holds for a production or storage licence holder, in the year following the surrender, revocation or expiry of their right.

On written application, the Minister may grant an extension subject to the conditions the Minister determines. The Minister may also grant an extension if site restoration work continues beyond the term of the licence.

Once the time has expired, the property remaining on lands in the domain of the State forms part of that domain of right and may be removed by the Minister at the licence holder's expense.

"**135.** Any sum owed to the State under section 111, 130, 131 or 134 gives rise to a legal hypothec of the State on all of the debtor's property.

"**136.** A licence holder may, in order to construct buildings or perform any other operation required for their work or activities, cut timber forming part of the domain of the State on the parcel of land that is subject to their right, in accordance with the rules prescribed by the Sustainable Forest Development Act (chapter A-18.1) and the regulations.

However, those rules do not apply to a licence holder who carries out line cutting not exceeding one metre in width.

Similarly, except in the case of a strip of woodland established for the protection of lakes, watercourses, riparian areas and wetlands by government regulation under section 38 of the Sustainable Forest Development Act, the rules apply neither to a licence holder cutting trenches or performing other excavations nor to a licence holder conducting geophysical surveying, geochemical surveying or stratigraphic surveying or carrying out drilling work, provided they have obtained prior authorization from the minister responsible for the administration of that Act and comply with the following conditions:

(1) the total area of the trenches or other excavations, added, if applicable, to the total area of excavations already carried out by another licence holder, must not exceed 2% of the wooded area of the parcel of land concerned; and

(2) the area affected by the cutting of timber that is required for geophysical surveying, geochemical surveying or stratigraphic surveying or for drilling work, added, if applicable, to the area affected by cutting already carried out by another licence holder on the same conditions, must not exceed 2% of the wooded area of the parcel of land concerned.

The minister responsible for the administration of the Sustainable Forest Development Act may make the minister's authorization subject to such other conditions and obligations as that minister determines jointly with the minister responsible for the administration of this Act.

Despite the preceding paragraphs, in any area classified as an exceptional forest ecosystem under the Sustainable Forest Development Act, a licence holder must follow the rules prescribed by that Act.

"**137.** A licence holder who obtains an authorization under section 136 must scale the harvested timber in accordance with section 70 of the Sustainable Forest Development Act and pay the same duties as those applicable to the holder of a forestry permit issued under subparagraph 4.1 of the first paragraph of section 73 of that Act.

"**138.** The Minister of Transport, with the Government's authorization, may construct, improve or maintain any road to facilitate the carrying on of any work or activity relating to petroleum exploration, production and storage. The provisions of the Mining Act (chapter M-13.1) relating to mining roads apply, with the necessary modifications, to such a road.

In any Act or regulation, a reference to a mining road is also a reference to a road for which authorization has been obtained under this section.

"**139.** The Minister must, not later than 1 April 2018 and every three years after that, report to the Government on the state of the wells identified that belong to no one or that have been abandoned in the territory of Québec.

The report is tabled within the next 30 days in the National Assembly or, if the Assembly is not sitting, within 30 days of resumption.

"**CHAPTER IX**

"DISCLOSURE OF INFORMATION

"**140.** Subject to the information or documents that are public information or documents under subparagraph 4 of paragraph *s* of section 46 of the Environment Quality Act, the information sent to the Minister by an exploration, production or storage licence holder following geophysical, geochemical or stratigraphic surveys becomes public information five years after completion of the work; the information sent to the Minister by an exploration, production or storage licence holder following the drilling of a well becomes public information two years after the date of permanent closure of the well.

"**CHAPTER X**

"INCOMPATIBLE TERRITORY

"**141.** Any petroleum situated in a territory incompatible with petroleum exploration, production and storage which is delimited in a land use and development plan in accordance with the Act respecting land use planning and development (chapter A-19.1) is withdrawn from any petroleum exploration-, production- or storage-related work or activity from the time the territory is shown on the maps kept at the office of the registrar.

A territory incompatible with petroleum exploration, production and storage is one in which the viability of the work or activities would be compromised by the impacts created by such exploration, production or storage.

The first paragraph does not apply to petroleum in respect of which exploration, production or storage is already authorized by a licence at the time the incompatible territories are shown on the maps kept at the office of the registrar.

"**CHAPTER XI**

"MINISTER'S POWERS

"**DIVISION I**

"SPECIAL POWERS

"**142.** The Minister may, by order, reserve to the State or withdraw from any petroleum exploration-, production- or storage-related work or activity any land containing a pool, brine or an underground reservoir if necessary for any purpose that the Minister considers to be in the public interest, in particular, for the purposes of

(1) mining, industrial, port, airport or communications facilities;

(2) underground conduits;

(3) the development and utilization of waterpower, power transmission lines, storage tanks or underground reservoirs;

(4) the creation of parks or protected areas;

(5) plant-life and wildlife conservation;

(6) the protection of eskers that may be a source of drinking water; and

(7) classification as an exceptional forest ecosystem under the Sustainable Forest Development Act or designation of biological refuges under that Act.

The order comes into force on the date of its publication in the *Gazette officielle du Québec* or on any later date specified in the order.

"**143.** The Minister may delegate to any person the exercise of the powers conferred on the Minister under this Act. The delegation comes into force on the date of its publication in the *Gazette officielle du Québec* or on any later date specified in the delegation.

"**DIVISION II**

"SUSPENSION OF THE TERM OF A LICENCE

"**144.** The Minister may, on the Minister's own initiative or at any interested person's request, subject to the conditions determined by the Minister, suspend the term of a licence

(1) during such time as the validity of the licence is contested;

(2) for the period the Minister determines, if the licence holder is prevented from performing the work authorized by their exploration licence;

(3) until the Minister has rendered a decision on the renewal or surrender of the licence; or

(4) to permit the use of the territory for public utility purposes.

"**DIVISION III**

"SUSPENSION OR REVOCATION OF A LICENCE OR AUTHORIZATION

"**145.** The Minister may suspend or revoke any licence or authorization required under this Act if its holder does not comply with the conditions, obligations or restrictions applicable to the exercise of the licence or authorization.

The Minister may, by order, prohibit any holder from commencing or continuing any work or activity in the territory covered by the holder's licence if there exists

(1) an environmental or social problem of a serious nature; or

(2) dangerous or extreme weather conditions affecting the health or safety of persons or the safety of equipment.

Any requirement in relation to a licence that cannot be complied with while such an order is in force is suspended until the order is revoked by the Minister.

The Minister may also revoke a licence or authorization if

(1) it was obtained or renewed by mistake;

(2) it was obtained or renewed through fraud or misrepresentation, unless it has been registered for not less than one year in the public register of real and immovable petroleum rights in the name of a subsequent purchaser in good faith;

(3) the licence holder has, in the preceding five years, been found guilty of an offence under any of sections 200 to 203; or

(4) after six months, the Minister considers that the suspension ordered to use the territory for public utility purposes under paragraph 4 of section 144 must be maintained. In such a case, the Minister pays to the licence holder compensation equal to the amounts spent for all the work performed, on the filing of the reports on that work.

An exploration licence for work refused under any of paragraphs 1 to 3 and 5 of section 35 must be revoked within seven months after the end of the year in which the work was performed.

"**146.** A licence or authorization holder whose licence or authorization has been revoked must send to the Minister all the documents the holder was required to submit to the Minister.

"**147.** Before suspending or revoking a licence or authorization awarded or granted under this Act, the Minister must notify the prior notice prescribed by section 5 of the Act respecting administrative justice (chapter J-3) to the licence holder in writing and allow the latter at least 15 days to submit observations.

"**148.** The suspension or revocation of a licence or authorization takes effect on the date the decision becomes enforceable.

"**CHAPTER XII**

"PUBLIC REGISTER

"**149.** A public register of real and immovable petroleum rights is established at the Ministère des Ressources naturelles et de la Faune.

"**150.** The Minister appoints a registrar to keep the public register and make in the register an entry of

(1) the immovable real rights referred to in section 15, their renewal, transfer, surrender, suspension, revocation or expiry and any other act relating to those rights;

(2) the authorizations granted and notices sent under sections 38, 39, 73, 76, 78, 80, 85, 88, 91, 92 and 121;

(3) any permanent well or reservoir closure and site restoration plan; and

(4) the Minister's declaration of satisfaction under section 114.

The Government may determine, by regulation, any other act or document that may be registered in the public register.

The registrar keeps in the public register the titles evidencing the rights referred to in subparagraph 1 of the first paragraph, and issues to any interested person a certificate of any entry in the public register.

"**151.** Every transfer of real and immovable rights, and every other act relating to such rights and referred to in subparagraph 1 of the first paragraph of section 150, is registered in the public register on presentation of a copy of the instrument evidencing the transfer or act.

No such transfer or act is enforceable against the State unless it has been registered in the public register.

"**152.** The Government determines, by regulation, the fee payable for searching the public register and the fee payable for consulting the register, registering an act, obtaining copies or extracts from the public register and being issued a certificate of registration.

"**CHAPTER XIII**

"INSPECTION AND INQUIRY

"**DIVISION I**

"INSPECTION

"**153.** Every person authorized by the Minister to act as an inspector may

(1) enter, at any reasonable time, any place where work or an activity governed by this Act or the regulations is carried on and inspect it;

(2) take any images of the premises and the property located there;

(3) examine and make copies of any document relating to that work or activity; and

(4) require any information or document relating to the work or activities governed by this Act and the regulations.

A person having custody, possession or control of the documents referred to in subparagraphs 3 and 4 of the first paragraph must, on request, make them available to the inspector and facilitate their examination.

"**154.** An inspector may, by a request sent by registered mail or personal service, require a person to communicate by registered mail or personal service, within a reasonable time specified by the inspector, any information or document relating to the application of this Act or the regulations.

"**155.** The inspector may order the suspension of any work or activity at a well if there are reasonable grounds to believe that this Act or the regulations have been contravened.

The inspector authorizes resumption of the work or activity when they consider that the situation has been remedied.

"**DIVISION II**

"INQUIRY

"**156.** The Minister or any person the Minister designates as investigator may inquire into any matter relating to the application of this Act or the regulations.

"**157.** When an investigation is conducted to enable the Minister to make a decision affecting a licence or authorization holder's rights, the investigator sends the report containing the inspection findings to the Minister and must, at the same time, send a copy of it to the holder.

"**DIVISION III**

"IDENTIFICATION AND IMMUNITY

"**158.** The inspector or investigator must, on request, produce identification and show the certificate of authority signed by the Minister.

"**159.** In no case may judicial proceedings be taken against an inspector or investigator for acts performed in good faith in the exercise of their functions.

"**CHAPTER XIV**

"REFERRAL, REVIEW AND APPEAL

"**160.** Every decision rendered under the second paragraph of section 27, section 35, 40 or 48, the second paragraph of section 54, section 61 or 68, the second paragraph of section 69, section 73, 76, 78, 85, 88, 91, 93, 105, 108 or 121 or the second paragraph of section 123 must be in writing and include reasons. It must be sent to the interested person.

"**161.** Before rendering a decision under section 160, the Minister must send a copy of the record relating to the case to every interested person who applies for it.

"**162.** The Minister must also send a 30-day notice of the Minister's intention not to renew a right referred to in section 15 or of the Minister's intention to revoke it to creditors who have registered an act referred to in subparagraph 1 of the first paragraph of section 150.

If the right expires during the 30-day period, the notice postpones the expiry of the right by suspending its term for the time that remains to run by virtue of the notice.

"**163.** A decision to refuse to renew or to suspend or revoke a right referred to in section 15 suspends the term of that right until the decision becomes enforceable.

"**164.** Any interested person may, within 30 days after receiving a decision referred to in section 160, make a request in writing to the Minister for a review of the decision.

The request must include reasons and all the relevant facts.

"**165.** The Minister may allow an interested person to act after the expiry of the time specified in section 164 if the interested person was unable, for serious and valid reasons, to act sooner.

"**166.** A review decision must be communicated in writing to the interested person and include reasons. In communicating the review decision, the Minister must inform the interested person that they may contest it before the Court of Québec.

"**167.** Any party to a decision under section 166 may appeal from it to the Court of Québec.

"**168.** An appeal suspends the execution of the decision unless the court decides otherwise.

"**169.** The appeal is brought by an application served on the Minister.

"**170.** The appellant must file the application, within 30 days after receiving the decision, in the office of the Court of Québec of the judicial district of their domicile or principal establishment or of the district where the facts which gave rise to the decision occurred.

"**171.** On service of the application, the Minister sends the record of the decision appealed from to the Court of Québec.

"**172.** The appeal is heard and decided by preference.

The court bases its decision on the record sent to it and on any other evidence submitted by the parties.

"**173.** The Court of Québec may, in the manner prescribed in articles 63 to 65 of the Code of Civil Procedure (chapter C-25.01), adopt the regulations which, in its judgment, are necessary for the application of this chapter.

"**174.** Only the judges of the Court of Québec designated by the chief judge have jurisdiction under this chapter.

"**175.** A decision of the Court of Québec may be appealed from to the Court of Appeal with leave of a judge of the Court of Appeal.

"**176.** The Minister refers to the Court of Québec any dispute concerning a right referred to in section 15 held by the State.

Sections 170 to 175 apply, with the necessary modifications, to any case so referred.

"**CHAPTER XV**

"MONETARY ADMINISTRATIVE PENALTIES

"**177.** Persons designated by the Minister may impose monetary administrative penalties on any person who fails to comply with this Act or the regulations in the cases and on the conditions set out in them.

For the purposes of the first paragraph, the Minister develops and makes public a general framework for applying such administrative penalties in connection with penal proceedings, specifying the following elements:

(1) the purpose of the penalties, such as urging the person to take rapid measures to remedy the failure and deter its repetition;

(2) the categories of functions held by the persons designated to impose penalties;

(3) the criteria that must guide designated persons when a failure to comply has occurred, such as the type of failure, its repetitive nature, the seriousness of the effects or potential effects, and the measures taken by the person to remedy the failure;

(4) the circumstances in which priority will be given to penal proceedings; and

(5) the other procedures connected with such a penalty, such as the fact that it must be preceded by notification of a notice of non-compliance.

The general framework must give the categories of administrative or penal sanctions as defined by the Act or the regulations.

"**178.** No decision to impose a monetary administrative penalty may be notified to a person for a failure to comply with this Act or the regulations if a statement of offence has already been served for a failure to comply with the same provision on the same day, based on the same facts.

"**179.** In the event of a failure to comply with this Act or the regulations, a notice of non-compliance may be notified to the person concerned urging that the necessary measures be taken immediately to remedy the failure. Such a notice must mention that the failure may give rise to a monetary administrative penalty and penal proceedings.

"**180.** When a person designated by the Minister imposes a monetary administrative penalty on a person, the designated person must notify the decision by a notice of claim that complies with section 192.

No accumulation of monetary administrative penalties may be imposed on the same person for failure to comply with the same provision if the failure occurs on the same day and is based on the same facts. In cases where more than one penalty would be applicable, the person imposing the penalty decides which one is most appropriate in light of the circumstances and the purpose of the penalties.

"**181.** The person may apply in writing for a review of the decision within 30 days after notification of the notice of claim.

"**182.** The Minister designates persons to be responsible for reviewing decisions on monetary administrative penalties. Those persons must not come under the same administrative authority as the persons who impose such penalties.

"**183.** After giving the applicant an opportunity to submit observations and produce any documents to complete the record, the person responsible for reviewing the decision renders a decision on the basis of the record, unless they deem it necessary to proceed in some other manner. The person may confirm, quash or vary the decision under review.

"**184.** The application for review must be dealt with promptly. The review decision must be written in clear, concise terms, must include reasons, must be notified to the applicant and must state the applicant's right to contest the decision before the Administrative Tribunal of Québec and the time limit for bringing such a proceeding.

If the review decision is not rendered within 30 days after receipt of the application or, as applicable, after the expiry of the time required by the applicant to submit observations or produce documents, the interest provided for in the fourth paragraph of section 192 on the amount owing ceases to accrue until the decision is rendered.

"**185.** The imposition of a monetary administrative penalty for failure to comply with the Act or the regulations is prescribed two years after the date of the failure to comply.

However, if false representations have been made to the Minister, the monetary administrative penalty may be imposed within two years after the date on which the inspection or inquiry that led to the discovery of the failure to comply was begun.

In the absence of evidence to the contrary, the certificate of the Minister, inspector or investigator constitutes conclusive proof of the date on which the inspection or inquiry was begun.

"**186.** If a failure to comply for which a monetary administrative penalty may be imposed continues for more than one day, it constitutes a new failure for each day it continues.

"**187.** A monetary administrative penalty of $250 in the case of a natural person and $1,000 in any other case may be imposed on any person who

(1) refuses or neglects, in contravention of this Act, to provide any information or documents or fails to file them in the prescribed time, in cases where no other monetary administrative penalties are provided for by this Act or the regulations; or

(2) contravenes section 7 or 29, the third paragraph of section 30, the second paragraph of section 31, section 57, the third paragraph of section 58 or section 80, 81, 98, 100 or 146.

"**188.** A monetary administrative penalty of $500 in the case of a natural person and $2,500 in any other case may be imposed on any person who contravenes section 28, the first paragraph of section 37, section 46, 55 or 62, the first paragraph of section 64 or section 65, 67, 71, 72, 75, 77, 84, 87, 90 or 92.

The same holds for any person who does not comply with a requirement of the Minister imposed under subparagraph 1 of the second paragraph of section 132.

"**189.** A monetary administrative penalty of $1,000 in the case of a natural person and $5,000 in any other case may be imposed on any person who contravenes section 9, 99, 108, 116, 127 or 134.

"**190.** A monetary administrative penalty of $2,000 in the case of a natural person and $10,000 in any other case may be imposed on any person who

(1) contravenes any of sections 95 to 97, the first paragraph of section 110 and section 126;

(2) does not comply with a requirement of the Minister imposed under the second paragraph of section 110; or

(3) refuses or fails to comply with an order imposed under this Act.

"**191.** The Government may, in a regulation made under this Act, specify that a failure to comply with the regulation may give rise to a monetary administrative penalty. The regulation may define the conditions for applying the penalty and set forth the amounts or the methods for determining them. The amounts may vary according to the degree to which the standards have been infringed, without exceeding the amounts set out in section 190, according to the party in breach.

"**192.** The person designated by the Minister under section 180 may, by notification of a notice of claim, claim from a person the payment of the amount of any monetary administrative penalty imposed under this chapter.

In addition to stating the person's right to obtain a review of the decision under section 181 and the time limit specified in that section, the notice of claim must include

(1) the amount of the claim;

(2) the reasons for it;

(3) the time from which it bears interest; and

(4) the right to contest the review decision before the Administrative Tribunal of Québec and the time limit for doing so.

The notice of claim must also include information on the procedure for recovery of the amount claimed, in particular with regard to the issue of a recovery certificate under section 195 and its effects. The person concerned must also be advised that the facts on which the claim is founded may result in penal proceedings.

Unless otherwise provided, the amount owing bears interest at the rate determined under the first paragraph of section 28 of the Tax Administration Act (chapter A-6.002), from the 31st day after notification of the notice.

"**193.** A review decision that confirms the imposition of a monetary administrative penalty may be contested before the Administrative Tribunal of Québec by the person concerned, within 30 days after notification of the decision.

When rendering its decision, the Administrative Tribunal of Québec may make a ruling with respect to interest accrued on the penalty while the matter was pending.

"**194.** The directors and officers of a legal person that has defaulted on payment of an amount owed under this chapter are solidarily liable, with the legal person, for the payment of the amount, unless they establish that they exercised due care and diligence to prevent the failure which led to the claim.

"**195.** If the amount owing is not paid in its entirety, the Minister may issue a recovery certificate on the expiry of the time for applying for a review of the decision, on the expiry of the time for contesting the review decision before the Administrative Tribunal of Québec or on the expiry of 30 days after the final decision of the Tribunal confirming all or part of the Minister's decision or the review decision, as applicable.

However, a recovery certificate may be issued before the expiry of the time referred to in the first paragraph if the Minister is of the opinion that the debtor is attempting to evade payment.

A recovery certificate must state the debtor's name and address and the amount of the debt.

"**196.** Once a recovery certificate has been issued, the Minister of Revenue applies, in accordance with section 31 of the Tax Administration Act, a refund due to a person under a fiscal law to the payment of an amount owed by them under this Act.

That application interrupts the prescription provided for in the Civil Code with regard to the recovery of an amount owed.

"**197.** On the filing of the recovery certificate at the office of the competent court, together with a copy of the final decision establishing the amount of the debt, the decision becomes enforceable as if it were a final judgment of that court and has all the effects of such a judgment.

"**198.** The debtor is required to pay a recovery charge in the cases, under the conditions and in the amount that the Government determines by regulation.

"**CHAPTER XVI**

"PENAL PROVISIONS

"**199.** Anyone who

(1) contravenes section 7 or 29, the third paragraph of section 30, the second paragraph of section 31, section 57, the third paragraph of section 58 or section 80, 81, 98, 100 or 146, or

(2) contravenes a provision of a regulation whose violation constitutes an offence under paragraph 5 of section 207,

is guilty of an offence and is liable to a fine of $1,000 to $100,000 in the case of a natural person and $3,000 to $600,000 in any other case.

"**200.** Anyone who contravenes section 28, the first paragraph of section 37, section 38, 39, 46, 55 or 62, the first paragraph of section 64 or section 65, 67, 71, 72, 75, 77, 84, 87, 90 or 92 is guilty of an offence and is liable to a fine of

$2,500 to $250,000 in the case of a natural person and $7,500 to $1,500,000 in any other case.

The same holds for any person who does not comply with a requirement of the Minister imposed under subparagraph 1 of the second paragraph of section 132.

"**201.** Anyone who in any way hinders an inspector or investigator in the exercise of inspection or investigation functions, misleads an inspector or investigator through concealment or false declarations, refuses to provide any information or document the inspector is entitled to require or examine under sections 153 and 154, or conceals or destroys any document or property relevant to an inspection or investigation is guilty of an offence and is liable to a fine of $5,000 to $500,000 in the case of a natural person and $15,000 to $3,000,000 in any other case.

Anyone who in any way hinders the work of a person referred to in section 133 is guilty of an offence and is liable to the same fine.

"**202.** Anyone who contravenes section 3, 9, 99, 108, 116 or 127, the first paragraph of section 132 or section 134 is guilty of an offence and is liable to a fine of $5,000 to $500,000 in the case of a natural person and $15,000 to $3,000,000 in any other case.

"**203.** Anyone who

(1) contravenes any of sections 95 to 97, the first paragraph of section 110 and section 126,

(2) does not comply with a requirement of the Minister imposed under the second paragraph of section 110; or

(3) refuses or fails to comply with an order imposed under this Act,

is guilty of an offence and is liable to a fine of $10,000 to $1,000,000 in the case of a natural person and $30,000 to $6,000,000 in any other case.

"**204.** Anyone who does not comply with a requirement of the Minister imposed under section 109 or contravenes a standard prescribed by regulation for the guarantee required under this Act is guilty of an offence and is liable to a fine corresponding to 10% of the total amount of the guarantee.

"**205.** The minimum and maximum fines prescribed by this Act are doubled for a second offence and tripled for a subsequent offence.

"**206.** Penal proceedings for offences under this Act or the regulations are prescribed one year from the date on which the prosecutor became aware of the commission of the offence. However, no proceedings may be instituted if more than five years have elapsed from the date of the commission of the offence.

"**CHAPTER XVII**

"REGULATORY POWERS

"**207.** In addition to the other regulatory powers conferred on it by this Act, the Government may, by regulation,

(1) determine the form and manner in which all the documents required for the purposes of this Act and the regulations are to be sent;

(2) determine the fee payable for the assessment of a permanent well or reservoir closure and site restoration plan with a view to its approval or revision;

(3) determine the fee payable for the assessment and inspections conducted for the purpose of issuing a certificate of release under section 112;

(4) determine the fee payable by a person to whom an inspector has given a written notice of non-compliance with this Act or the regulations;

(5) determine the provisions of a regulation whose violation constitutes an offence; and

(6) prescribe, in relation to a petroleum right in a body of water, additional conditions or obligations or conditions or obligations that are different from those prescribed by this Act and the regulations; such conditions or obligations may vary according to the type of body of water concerned.

"**CHAPTER XVIII**

"AMENDING PROVISIONS

"CIVIL CODE OF QUÉBEC

"**208.** Article 951 of the Civil Code of Québec is amended by inserting "petroleum," after "mines," in the second paragraph.

"ACT RESPECTING THE ACQUISITION OF FARM LAND BY NON-RESIDENTS

"**209.** Section 1 of the Act respecting the acquisition of farm land by non-residents (chapter A-4.1) is amended by inserting "or section 15 of the Petroleum Resources Act (2016, chapter 35, section 23)" at the end of paragraph 3 of the definition of "acquisition".

"SUSTAINABLE FOREST DEVELOPMENT ACT

"**210.** Section 35 of the Sustainable Forest Development Act (chapter A-18.1) is replaced by the following section:

"**35.** If the Minister is of the opinion that the exercise of a right referred to in section 8 of the Mining Act (chapter M-13.1) or section 15 of the Petroleum Resources Act (2016, chapter 35, section 23) within the boundaries of an exceptional forest ecosystem may have an adverse effect on the conservation of biological diversity, the Minister may order that all work cease and either enter with the holder of the right into an agreement providing for the abandonment or surrender of the right according to the procedure set out in those Acts, or expropriate the right in accordance with the Expropriation Act (chapter E-24)."

"**211.** Section 73 of the Act is amended by inserting the following subparagraph after subparagraph 4 of the first paragraph:

"(4.1) work or activities carried out by the holder of a right referred to in section 15 of the Petroleum Resources Act (2016, chapter 35, section 23) in exercising that right;".

"ACT RESPECTING LAND USE PLANNING AND DEVELOPMENT

"**212.** Section 1 of the Act respecting land use planning and development (chapter A-19.1) is amended by inserting "or section 15 of the Petroleum Resources Act (2016, chapter 35, section 23)" after "(chapter M-13.1)" in the portion of paragraph 1 before subparagraph *a*.

"**213.** Section 6 of the Act is amended by inserting "or any territory incompatible with petroleum exploration, production and storage of petroleum within the meaning of section 141 of the Petroleum Resources Act (2016, chapter 35, section 23)" at the end of subparagraph 7 of the first paragraph.

"**214.** Section 53.7 of the Act is amended by inserting "or a territory incompatible with petroleum exploration, production and storage within the meaning of section 141 of the Petroleum Resources Act (2016, chapter 35, section 23)" after "(chapter M-13.1)" in the first paragraph.

"**215.** Section 246 of the Act is amended by replacing "or underground reservoirs, carried on in accordance with the Mining Act (chapter M-13.1)" at the end of the first paragraph by "carried on in accordance with the Mining Act (chapter M-13.1), or petroleum exploration, production and storage carried on in accordance with the Petroleum Resources Act (2016, chapter 35, section 23)".

"ACT RESPECTING DUTIES ON TRANSFERS OF IMMOVABLES

"**216.** Section 17 of the Act respecting duties on transfers of immovables (chapter D-15.1) is amended by inserting "or section 15 of the Petroleum Resources Act (2016, chapter 35, section 23)" after "(chapter M-13.1)" in paragraph *e*.

"MINING TAX ACT

"**217.** Section 1 of the Mining Tax Act (chapter I-0.4) is amended by replacing the definition of "mineral substance" in the first paragraph by the following definition:

""mineral substance" means any natural mineral substance in solid form, including mine tailings;".

"ACT RESPECTING INVESTISSEMENT QUÉBEC

"**218.** Section 12.1 of the Act respecting Investissement Québec (chapter I-16.0.1) is amended by inserting "or petroleum resources" after "mineral substances".

"**219.** Section 35.1 of the Act is amended, in the second paragraph,

(1) by replacing "forming part of the domain of the State or that process such substances" by "or produce petroleum forming part of the domain of the State or that process such substances or petroleum";

(2) by inserting "or the petroleum so processed was first produced" after "first mined".

"**220.** Section 35.2 of the Act is amended by replacing paragraph 2 by the following paragraph:

"(2) the mining of a mineral substance or the production of petroleum includes conducting work to prove the existence of economically workable mineral substances or petroleum with a view to beginning mining or production operations;".

"**221.** Section 35.5 of the Act is amended by replacing "found" by "or produce petroleum found".

"**222.** Section 35.13 of the Act is amended by inserting "or produces petroleum" after "mineral substances" in the first paragraph.

"ACT RESPECTING ADMINISTRATIVE JUSTICE

"**223.** Schedule III to the Act respecting administrative justice (chapter J-3) is amended by inserting the following paragraph after paragraph 1.4:

"(1.5) proceedings under section 193 of the Petroleum Resources Act (2016, chapter 35, section 23);".

"MINING ACT

"**224.** Section 1 of the Mining Act (chapter M-13.1) is amended

(1) by striking out the definitions of "brine", "natural gas", "petroleum" and "well head value";

(2) by striking out ", except in the case of a licence to explore for petroleum, natural gas and underground reservoirs, an authorization to produce brine or a lease to produce petroleum or natural gas or to operate an underground reservoir" in the definition of "to prospect";

(3) by replacing "natural mineral substances in solid, gaseous or liquid form, except water, and fossilized organic matter" in the definition of "mineral substances" by "natural mineral substances in solid form".

"**225.** The heading of Chapter II of the Act is amended by striking out "AND UNDERGROUND RESERVOIRS".

"**226.** Section 3 of the Act is amended by striking out the last sentence.

"**227.** Section 8 of the Act is amended by striking out "— licences to explore for petroleum, natural gas and underground reservoirs;", "— leases to produce petroleum and natural gas;", "— authorizations to produce brine;" and "— leases to operate an underground reservoir.".

"**228.** Section 13 of the Act is amended by striking out "— leases to produce petroleum and natural gas;", "— leases to operate an underground reservoir;" and "— authorizations to produce brine;" in paragraph 3.

"**229.** Section 18 of the Act is replaced by the following section:

"**18.** This chapter applies to mineral substances which are situated in lands in the domain of the State and in lands in the private domain where the mineral substances form part of the domain of the State."

"**230.** Section 64 of the Act is amended by striking out paragraph 1.

"**231.** Section 100 of the Act is amended by striking out "petroleum, natural gas and brine,".

"**232.** Divisions IX to XIII of Chapter III of the Act, comprising sections 157 to 206, are repealed.

"**233.** Section 217 of the Act is amended by striking out "and underground reservoirs".

"**234.** Section 218 of the Act is amended

(1) by striking out "or underground reservoir" in the definition of "operator";

(2) by striking out "or operating an underground reservoir, including a well used to maintain water pressure, to dispose of or inject water or to create a water supply source" in the definition of "mine".

"**235.** Sections 227, 230 and 254 of the Act are repealed.

"**236.** Section 267 of the Act is amended by striking out ", an exploration licence for petroleum, natural gas and underground reservoirs or a lease to produce petroleum and natural gas" in the first paragraph.

"**237.** Sections 273 to 277 and 279 of the Act are repealed.

"**238.** Section 281 of the Act is amended by striking out paragraph 2.

"**239.** Section 291 of the Act is amended by striking out ", 169, 169.2, 179, 188, 194, 199, 230", "254," and "279,".

"**240.** Section 304 of the Act is amended by striking out subparagraph 3 of the first paragraph.

"**241.** Section 306 of the Act is amended by striking out paragraphs 2.1 and 4, by striking out "or under the second paragraph of section 204" in paragraph 14 and by striking out paragraphs 15 to 21.

"**242.** Section 306.1 of the Act is amended by striking out "in the case of mining rights pertaining to mineral substances other than petroleum, natural gas and brine".

"**243.** Section 310 of the Act is replaced by the following section:

"**310.** The amount of the royalty referred to in paragraph 14 of section 306 may vary according to production volume."

"**244.** Sections 313 and 313.1 of the Act are repealed.

"**245.** Section 314 of the Act is amended by striking out "157, 165, 176," and ", 227" in paragraph 1.

"**246.** Section 316 of the Act is amended by striking out "185, 193,".

"**247.** Sections 366 to 371 and 376 of the Act are repealed.

"ACT RESPECTING THE MINISTÈRE DES RESSOURCES NATURELLES ET DE LA FAUNE

"**248.** Section 17.12.12 of the Act respecting the Ministère des Ressources naturelles et de la Faune (chapter M-25.2) is amended by replacing "hydrocarbon management component, whose purpose is to finance activities necessary for the purposes of Divisions IX to XIII of Chapter III of the Mining Act (chapter M-13.1)" in subparagraph 5 of the first paragraph by "fossil energy management component, whose purpose is to finance work and activities necessary for the purposes of the Petroleum Resources Act (2016, chapter 35, section 23)".

"**249.** Section 17.12.19 of the Act is amended

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

"(1) the sums collected under the Petroleum Resources Act (2016, chapter 35, section 23) or the regulations, except fees collected for an exploration, production or storage licence or an authorization to produce brine, the royalties paid for petroleum and brine production, and the fees paid for petroleum storage;

"(1.1) the amounts from the imposition of monetary administrative penalties under Chapter XV of the Petroleum Resources Act;";

(2) by replacing "Mining Act or the regulations with respect to natural gas, petroleum, underground reservoirs and brine" in subparagraph 2 of the first paragraph by "Petroleum Resources Act or the regulations";

(3) by replacing all occurrences of "hydrocarbon" by "fossil energy".

"**250.** The Act is amended by inserting the following subdivision after section 17.12.20:

"§4. — *Energy Transition Fund*

"**17.12.21.** The Energy Transition Fund is established.

The Fund is dedicated to financing the administration and activities of Transition énergétique Québec.

"**17.12.22.** The following sums are credited to the Fund:

(1) the fees collected for an exploration, production or storage licence or an authorization to produce brine under the Petroleum Resources Act (2016, chapter 35, section 23);

(2) the royalties paid for petroleum and brine production that are determined by the Government and the fees paid for petroleum storage under the Petroleum Resources Act;

(3) the fines paid by offenders against the Act respecting energy efficiency and innovation (chapter E-1.3);

(4) the sums transferred to it by the Minister out of the appropriations allocated for that purpose by Parliament;

(5) the sums transferred to it by the Minister of Finance under sections 53 and 54 of the Financial Administration Act (chapter A-6.001);

(6) the gifts, legacies and other contributions paid into the Fund to further the achievement of its objects; and

(7) the revenue generated by the sums credited to the Fund.

"**17.12.23.** The Minister may debit from the Fund the sums the Minister pays to Transition énergétique Québec.

The Minister determines the intervals and other terms of payment. The Minister may also subject the payments to any conditions the Minister considers appropriate."

"ACT RESPECTING THE PRESERVATION OF AGRICULTURAL LAND AND AGRICULTURAL ACTIVITIES

"**251.** Section 1 of the Act respecting the preservation of agricultural land and agricultural activities (chapter P-41.1) is amended by inserting ", transfer of a right referred to in section 15 of the Petroleum Resources Act (2016, chapter 35, section 23)" after "(chapter M-13.1)" in the portion of subparagraph 3 of the first paragraph before subparagraph *a*.

"ENVIRONMENT QUALITY ACT

"**252.** Section 31.5 of the Environment Quality Act (chapter Q-2) is amended by inserting the following paragraph after the first paragraph:

"Where the environmental impact assessment statement concerns work related to petroleum production or storage, the Government, before rendering its decision, must take cognizance of the decision of the Régie de l'énergie

submitted by the Minister of Natural Resources and Wildlife under section 45 of the Petroleum Resources Act (2016, chapter 35, section 23).”

“**253.** Section 31.65 of the Act is amended by inserting “, section 113 of the Petroleum Resources Act (2016, chapter 35, section 23)” after “under this division” in the first paragraph.

“ACT RESPECTING THE LAND REGIME IN THE JAMES BAY AND NEW QUÉBEC TERRITORIES

“**254.** Section 64 of the Act respecting the land regime in the James Bay and New Québec territories (chapter R-13.1) is amended by inserting “or petroleum rights” after “mining rights” in paragraph *c*.

“**255.** Section 89 of the Act is replaced by the following section:

“**89.** The right to exploit soapstone, which the Cree beneficiaries may acquire, is subordinate to the rights relating to other mineral substances and to petroleum, so that it will not prevent possible mining development on Category II lands or possible exploration for and production of petroleum on such lands; consequently, any permit issued pursuant to section 83 on a lot of land may be cancelled by the Minister of Natural Resources and Wildlife after the registration of claims and other titles to mining rights or petroleum rights, other than for soapstone, granted pursuant to the Mining Act (chapter M-13.1) or, as the case may be, the Petroleum Resources Act (2016, chapter 35, section 23) on the said land, and after a 30-day notice to the holder of the permit.”

“**256.** Section 149 of the Act is amended by replacing “mineral” in paragraph *d* by “mining rights, petroleum rights”.

“**257.** Section 173 of the Act is replaced by the following section:

“**173.** The right to exploit soapstone, which the Inuit beneficiaries may acquire, is subordinate to the rights relating to other mineral substances and to petroleum, so that it will not prevent possible mining development on Category II lands or possible exploration for and production of petroleum on such lands; consequently, any permit issued pursuant to section 167 on a lot of land may be cancelled by the Minister of Natural Resources and Wildlife after the registration of claims and other titles to mining rights or petroleum rights, other than for soapstone, granted pursuant to the Mining Act (chapter M-13.1) or, as the case may be, the Petroleum Resources Act (2016, chapter 35, section 23) on the said land, and after a 30-day notice to the holder of the permit.”

“**258.** Section 191.46 of the Act is amended by inserting “or petroleum rights” after “mining rights” in paragraph *c*.

"**259.** Section 191.68 of the Act is replaced by the following section:

"**191.68.** The right to exploit soapstone, which the Naskapi beneficiaries may acquire, is subordinate to the rights relating to other mineral substances and to petroleum, so that it will not prevent possible mining development on Category II-N lands or possible exploration for and production of petroleum on such lands; consequently, any permit issued pursuant to section 191.62 on a lot of land may be cancelled by the Minister of Natural Resources and Wildlife after the registration of claims and other titles to mining rights or petroleum rights, other than for soapstone, granted pursuant to the Mining Act (chapter M-13.1) or, as the case may be, the Petroleum Resources Act (2016, chapter 35, section 23) on the said land, and after a 30-day notice to the holder of the permit."

"ACT RESPECTING THE LANDS IN THE DOMAIN OF THE STATE

"**260.** Section 52 of the Act respecting the lands in the domain of the State (chapter T-8.1) is amended by inserting "and petroleum rights" after "Mining rights" in the third paragraph.

"REGULATION RESPECTING FOREST ROYALTIES

"**261.** Section 10 of the Regulation respecting forest royalties (chapter A-18.1, r. 11) is amended by replacing "or the holder of a mining right who obtains an authorization under section 213 of the Mining Act (chapter M-13.1)" in the first paragraph by ", the holder of a mining right who obtains an authorization under section 213 of the Mining Act (chapter M-13.1) or the holder of a petroleum right who obtains an authorization under section 136 of the Petroleum Resources Act (2016, chapter 35, section 23)".

"REGULATION RESPECTING THE APPLICATION OF THE ENVIRONMENT QUALITY ACT

"**262.** Section 1 of the Regulation respecting the application of the Environment Quality Act (chapter Q-2, r. 3) is amended by inserting "and the geophysical surveys and geochemical surveys authorized under the Petroleum Resources Act (2016, chapter 35, section 23), except seismic surveys in a body of water" after "(chapter M-13.1)" in paragraph 2.

"**263.** Section 2 of the Regulation is amended by inserting "or the Petroleum Resources Act (2016, chapter 35, section 23)" after "Mining Act (chapter M-13.1)" in the portion of paragraph 6 before subparagraph *a*.

"**264.** Section 8 of the Regulation is amended by replacing the third paragraph by the following paragraph:

"The first paragraph does not apply to a person who, under the Mining Act (chapter M-13.1) or the Petroleum Resources Act (2016, chapter 35, section 23), is authorized to perform work to explore for, develop, mine, produce or operate

mineral substances, petroleum or underground reservoirs, except work to extract sand, gravel or building stone on private land for which, under section 5 of the Mining Act, rights in or over such mineral substances have been surrendered to the owner of the soil."

"REGULATION RESPECTING THE DECLARATION OF WATER WITHDRAWALS

"**265.** Section 3 of the Regulation respecting the declaration of water withdrawals (chapter Q-2, r. 14) is amended by striking out ", other than those made for petroleum or gas prospection" in subparagraph 11 of the second paragraph.

"REGULATION RESPECTING ENVIRONMENTAL IMPACT ASSESSMENT AND REVIEW

"**266.** Section 2 of the Regulation respecting environmental impact assessment and review (chapter Q-2, r. 23) is amended, in the first paragraph,

(1) by striking out "Excluded are works subject to the Regulation respecting petroleum, natural gas, brine and underground reservoirs (O.C. 1539-88, 88-10-12), and not otherwise referred to in this Regulation." in subparagraph *p*;

(2) by inserting the following subparagraphs after subparagraph *p*:

"(*p*.1) work to which the Petroleum Resources Act (2016, chapter 35, section 23) applies that is related to petroleum production and storage;

"(*p*.2) any oil or gas drilling in a body of water;".

"WATER WITHDRAWAL AND PROTECTION REGULATION

"**267.** Section 7 of the Water Withdrawal and Protection Regulation (chapter Q-2, r. 35.2) is amended by replacing the second paragraph by the following paragraph:

"Subparagraph 11 of the first paragraph does not apply to a person who, under the Mining Act (chapter M-13.1) or the Petroleum Resources Act (2016, chapter 35, section 23), is authorized to perform work to explore for, develop, mine, produce or operate mineral substances, petroleum or underground reservoirs, except work to extract sand, gravel or building stone on private land for which, under section 5 of the Mining Act, rights in or over such mineral substances have been surrendered to the owner of the soil."

"**268.** Section 43 of the Regulation is amended by replacing "the licences issued under the Mining Act (chapter M-13.1)" in subparagraph *b* of subparagraph 1 of the first paragraph by "the drilling authorization issued under the Petroleum Resources Act (2016, chapter 35, section 23)".

"**CHAPTER XIX**

"TRANSITIONAL AND FINAL PROVISIONS

"**DIVISION I**

"TRANSITIONAL PROVISIONS

"**269.** A licence to explore for petroleum, natural gas and underground reservoirs issued under the Mining Act (chapter M-13.1) and in force on (*insert the date of coming into force of this section*) is deemed to be, for the unexpired term of the licence, an exploration licence issued under this Act. The holder of such an exploration licence must inform the landowner, the local municipality and the regional county municipality whose land or territory is covered, in whole or in part, by the licence, in writing and within 60 days after (*insert the date of coming into force of this section*).

In the event of non-compliance with the first paragraph, sections 187 and 199 apply.

For the purposes of section 31, the work performed by the holder of a licence to explore for petroleum, natural gas and underground reservoirs under section 177 of the Mining Act for the current year as at (*insert the date of coming into force of this section*) is considered to have been performed in accordance with section 31.

For the purposes of section 33, excess amounts spent as at (*insert the date of coming into force of this section*) by the holder of a licence to explore for petroleum, natural gas and underground reservoirs may be applied to years subsequent to that in which the work was performed.

"**270.** A lease to produce petroleum and natural gas issued under the Mining Act and in force on (*insert the date of coming into force of this section*) is deemed to be, for the unexpired term of the lease, a production licence issued under this Act.

"**271.** A lease to operate an underground reservoir issued under the Mining Act and in force on (*insert the date of coming into force of this section*) is deemed to be, for the unexpired term of the lease, a storage licence issued under this Act.

"**272.** An authorization to produce brine issued under the Mining Act and in force on (*insert the date of coming into force of this section*) is deemed to be an authorization to produce brine issued under this Act. However, its holder is not required to hold a licence under this Act.

The holder of an authorization to produce brine who, on (*insert the date of coming into force of this section*), has not begun to produce brine must obtain the authorizations required under this Act.

For the purposes of section 69, the two-year period is calculated from (*insert the date of coming into force of this section*).

"**273.** A licence for geophysical surveying issued under the Mining Act and in force on (*insert the date of coming into force of this section*) is deemed to be a geophysical surveying or geochemical surveying authorization issued under this Act.

"**274.** A well drilling licence issued under the Mining Act and in force on (*insert the date of coming into force of this section*) is deemed to be a drilling authorization issued under this Act.

"**275.** The holder of a mining right granted under the Mining Act whose well or reservoir is not permanently closed by (*insert the date of coming into force of this section*) must, within 90 days after that date, submit a permanent well or reservoir closure and site restoration plan to the Minister as well as the guarantee required under Chapter IV.

"**276.** A well completion licence issued under the Mining Act is deemed to be a completion authorization issued under this Act.

"**277.** A well conversion licence issued under the Mining Act is deemed to be a reconditioning authorization issued under this Act.

"**278.** The lease to use natural gas bearing number 1997BU701 continues in force in accordance with the conditions of the lease until its expiry.

"**279.** The holder of an exploration, production or storage licence referred to in any of sections 269 to 271 must, within 90 days after (*insert the date of coming into force of this section*), establish the monitoring committee required under section 28.

The Government determines, by regulation, the conditions that apply to the establishment of the monitoring committee if the holder holds two or more licences.

In the event of non-compliance with the first paragraph, sections 188 and 200 apply.

"**280.** As of (*insert the date of coming into force of this section*), applications for licences to explore for petroleum, natural gas and underground reservoirs, leases to produce petroleum and natural gas, leases to operate an underground reservoir, authorizations to produce brine, licences for geophysical surveying, well drilling licences, well completion licences and well conversion licences as well as applications for authorization to temporarily or permanently close a well that are pending are continued and decided in accordance with this Act.

"**281.** Entries, in the public register of real and immovable mining rights, of petroleum rights granted under the Mining Act are deemed to have been registered in the public register of real and immovable petroleum rights established under section 149.

"**282.** The Regulation respecting the delegation of the exercise of powers relating to petroleum, natural gas, brine and underground reservoirs vested in the Minister of Natural Resources and Wildlife under the Mining Act (chapter M-13.1, r. 0.2) continues to apply until an order is made under section 143, with the following modifications:

(1) a reference to the Mining Act (chapter M-13.1) is a reference to the Petroleum Resources Act (2016, chapter 35, section 23); and

(2) a reference to petroleum or natural gas is a reference to petroleum.

"**283.** Unless the context indicates otherwise, a petroleum-related order made under section 304 of the Mining Act is deemed to also have been made under section 142 of this Act.

"**284.** Section 124 of chapter 32 of the statutes of 2013 continues to apply to petroleum resources for 18 months following the adoption of the government policy directions on land development that concern petroleum resources, with the necessary modifications.

"**285.** An exploration licence holder is exempted from performing the work required under section 31 until the date determined by the Government. In that case, the term of the licence is deemed to be suspended in accordance with section 145. At the end of the exemption period, the expiry date of the licence is deferred to the end of the period for performing the work that remains to run after the lifting of the suspension.

The time limit for filing the report that an exploration licence holder who performs work during the exemption period provided for in the first paragraph must submit under the second paragraph of section 31 is deferred to six months after the new expiry date of the licence determined under the first paragraph.

"**286.** Until the coming into force of section 43 of chapter 1 of the statutes of 2016, section 13 is to be read as follows:

"**13.** An outstanding geological site classified under section 305.1 of the Mining Act (chapter M-13.1), a parcel of land used as a cemetery within the meaning of the Act respecting Roman Catholic cemetery companies (chapter C-40.1), a parcel of land on which a cemetery is established in accordance with the Non-Catholic Cemeteries Act (chapter C-17) or a Native cemetery may not be subject to a licence."

"**287.** The Government may, by a regulation made before (*insert the date that is 18 months after the date of coming into force of section 1 of this Act*), enact any other transitional measure required for the carrying out of this Act.

Such a regulation may, if it so provides, apply from a date not prior to (*insert the date of coming into force of section 1 of this Act*).

"**DIVISION II**

"FINAL PROVISIONS

"**288.** This Act applies subject to the Act respecting the land regime in the James Bay and New Québec territories (chapter R-13.1), the Act approving the Agreement concerning James Bay and Northern Québec (chapter C-67) and the Act approving the Northeastern Québec Agreement (chapter C-67.1).

"**289.** The Minister of Natural Resources and Wildlife is responsible for the administration of this Act."

CHAPTER V

FINAL PROVISION

24. This Act comes into force on 10 December 2016, except

(1) Chapter I, which comes into force on 1 April 2017, except sections 1, 2, 6, 22 to 24, 27 to 29, 32 to 38, 40 to 42, 44, 47, 48 and 79 of the Act respecting Transition énergétique Québec (2016, chapter 35, section 1) enacted by it, which come into force on 9 January 2017;

(2) sections 11 to 14, which come into force on the date of coming into force of the rules of procedure applicable to mediation adopted by the Régie de l'énergie under section 113 of the Act respecting the Régie de l'énergie (chapter R-6.01), as amended by section 16; and

(3) the provisions of Chapter IV, which come into force on the date or dates to be set by the Government.

Gouvernement du Québec

O.C. 306-2017, 29 March 2017

Environment Quality Act
(chapter Q-2)

Waste water disposal systems for isolated dwellings — Amendment

Regulation to amend the Regulation respecting waste water disposal systems for isolated dwellings

WHEREAS, under subparagraphs *c*, *e* and *m* of the first paragraph of section 31 of the Environment Quality Act (chapter Q-2), the Government may make regulations to prohibit, limit and control sources of contamination, define standards for the protection and quality of the environment, and determine the terms and conditions relating to every application provided for in the Act;

WHEREAS, under paragraphs *d*, *g* and *l* of section 46 of the Act, the Government may make regulations to determine the standards of operation for any waterworks, sewer or water treatment service, the mode of discharging and treatment of waste water, and construction standards for waterworks, sewer and water treatment systems;

WHEREAS, under paragraphs *c* and *d* of section 87 of the Act, the Government may make regulations to regulate, as regards all or any part of the territory of Québec, construction, use of materials, location, relocation and maintenance in respect of septic facilities and private or public toilets, private sewers, drains and cesspools and other installations intended to receive or eliminate waste water, to prohibit equipment that does not comply, and to prescribe for each class of immovables or installations contemplated in paragraphs *a* and *c*, the issuance of a permit by the Minister or by any municipality or class of municipalities;

WHEREAS, under the first paragraph of section 115.34 of the Act, the Government may determine the regulatory provisions made under the Act whose contravention constitutes an offence and renders the offender liable to a fine the minimum and maximum amounts of which are set by the Government;

WHEREAS the Government made the Regulation respecting waste water disposal systems for isolated dwellings (chapter Q-2, r. 22);

WHEREAS it is expedient to amend the Regulation;

WHEREAS, in accordance with sections 10 and 11 of the Regulations Act (chapter R-18.1) and section 124 of the Environment Quality Act, a draft Regulation to amend the Regulation respecting waste water disposal systems for isolated dwellings was published in Part 2 of the *Gazette officielle du Québec* of 20 April 2016 with a notice that it could be made by the Government on the expiry of 60 days following that publication;

WHEREAS it is expedient to make the Regulation to amend the Regulation respecting waste water disposal systems for isolated dwellings with amendments;

IT IS ORDERED, therefore, on the recommendation of the Minister of Sustainable Development, the Environment and the Fight Against Climate Change:

THAT the Regulation to amend the Regulation respecting waste water disposal systems for isolated dwellings, attached to this Order in Council, be made.

JUAN ROBERTO IGLESIAS,
Clerk of the Conseil exécutif

Regulation to amend the Regulation respecting waste water disposal systems for isolated dwellings

Environment Quality Act
(chapter Q-2, s. 31, 1st par., subpars. *c*, *e* and *m*, s. 46, pars. *d*, *g* and *l*, s. 87, pars. *c* and *d*, and s. 115.34)

1. The Regulation respecting waste water disposal systems for isolated dwellings (chapter Q-2, r. 22) is amended in section 1

(1) by striking out "which is not connected to a sewer system authorized under section 32 of the Act; any other building discharging waste water only and whose total daily flow is no more than 3,240 litres is considered to be an isolated dwelling" in paragraph *u*;

(2) by striking out paragraph *y*.

2. Section 1.2 is amended

(1) by replacing "**or BNQ**" in the first paragraph by ", **BNQ or NSF/ANSI**";

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

"In addition, a product complies with NSF/ANSI Standard 41 if the manufacturer holds a certificate issued by a recognized certifying body establishing the compliance of the product with NSF/ANSI Standard 41 and if the product bears the appropriate compliance label of the body.";

(3) by replacing "to the Bureau" in the second paragraph by "to the certifying body".

3. Section 1.3 is replaced by the following:

"**1.3. Hydraulic capacity:** For the purposes of sections 11.1, 16.2 and 87.8, the hydraulic capacity of an individual waste water disposal system complying with NQ Standard 3680-910 must be equal to or greater than,

(*a*) in the case of an isolated dwelling, the following hydraulic capacities established according to the number of bedrooms of the dwelling concerned:

Number of bedrooms	Hydraulic capacity (litres)
1	540
2	1,080
3	1,260
4	1,440
5	1,800
6	2,160

(*b*) in other cases, the total daily flow of discharged waste water.

The same applies for the purposes of section 87.14, except in respect of the hydraulic capacity of an individual waste water disposal system serving a group of 2 isolated dwellings referred to in subparagraph i of subparagraph *b* of the first paragraph of section 3.01, which must be equal to or greater than the following hydraulic capacities, established according to the number of bedrooms in the group concerned:

Number of bedrooms in the group	Hydraulic capacity (litres)
2	1,080
3	1,800
4	2,160
5 and 6	3,240

".

4. The following is inserted after section 1.3:

"**1.4. Total daily flow:** The total daily flow of waste water from a building or site other than an isolated dwelling referred to in section 2 corresponds to the sum of the flows produced by each service offered. The flows for each service are calculated by multiplying the unit flow provided for in Schedule 1.1, which varies according to the type of services offered, by the corresponding number of units, which is set by considering the maximum operating or utilization capacity of the building or site concerned.

In the case of a service not included in Schedule 1.1, the total daily flow must be established on the basis of the unit flow of a comparable service.

For the purposes of sections 1.3, 2, 15, 18, 22, 28, 33, 38, 44, 87.23 and 87.25, the total daily flow of waste water from a building or site other than an isolated dwelling referred to in section 2 takes into account the toilet effluents that could be discharged by the building or site even if the building or site is equipped with a privy or a compost toilet.".

5. Section 2 is replaced by the following:

"**2. Application:** This Regulation applies to the disposal of waste water, grey water and toilet effluents from the following buildings and site if they are not connected to a sewer system authorized by the Minister under the Act or if the watertight treatment system of the buildings or site is connected to municipal waste water treatment works referred to in section 1 of the Regulation respecting municipal wastewater treatment works (chapter Q-2, r. 34.1):

(*a*) an isolated dwelling;

(*b*) a building other than the building referred to in subparagraph *a* that discharges only waste water, grey water or toilet effluents whose total daily flow is not more than 3,240 litres;

(*c*) camping and caravanning grounds where waste water, grey water or toilet effluents are discharged and whose total daily flow is not more than 3,240 litres.

It also applies to the development and use of a privy and a compost toilet, and to the management of the compost from the compost toilet where such a toilet serves a building or site referred to in the first paragraph or serves a building or site that is not supplied with water, to the extent that the building or site would discharge a total daily flow of waste water of not more than 3,240 litres per day if it were supplied with water.

More specifically, it applies to the systems for the discharge, collection or disposal of waste water, grey water and toilet effluents from the buildings or the site referred to in the first paragraph for the purposes of their installation, during their installation, as part of their operation, their abandonment and in the cases referred to in the second paragraph of section 4.

The standards relating to the installation of a system serving a building or site referred to in the first paragraph already built or developed do not apply where the waste water, grey water and toilet effluents do not constitute a nuisance, a source of contamination of well or spring water used for drinking water supply or a source of contamination of surface water, except in the cases referred to in the second paragraph of section 4.

2.1. Exemptions: Except for section 52.1, this Regulation does not apply to a seasonal camp referred to in subparagraph *b* of the first paragraph of section 18 of the Act respecting hunting and fishing rights in the James Bay and New Québec territories (chapter D-13.1).

It also does not apply to a temporary industrial camp covered by the Regulation respecting the application of section 32 of the Environment Quality Act (chapter Q-2, r. 2).".

6. Section 3 is replaced by the following:

"**3. Prohibitions:** No person may discharge into the environment waste water, grey water or toilet effluents from a building or site referred to in section 2, unless the water or effluents are treated or discharged according to any of Divisions III to XV.5 or section 90.1, or treated by a treatment system authorized under the Act.

No person may install, to serve a building or site referred to in section 2, a privy, a compost toilet or a system for the discharge, collection or disposal of waste water, grey water or toilet effluents that does not comply with the standards prescribed by this Regulation, unless the privy, toilet or system has been authorized by the Minister under the Act.

No person may build a building or develop a site referred to in section 2, build an additional bedroom in an isolated dwelling already built, change the use or increase the operating or utilization capacity of a building or site already built or developed if the dwelling, building or site concerned is not equipped with a system for the discharge, collection or disposal of waste water, grey water or toilet effluents complying with this Regulation.

During the reconstruction of a building referred to in section 2 or the redevelopment of a site referred to in that section after a fire or other disaster, the building or site may be connected to the system for the discharge, collection or disposal of waste water, grey water or toilet effluents that served the damaged building or site if the following conditions are met:

(*a*) the rebuilt isolated dwelling may not contain more bedrooms than the number of bedrooms included in the damaged dwelling;

(*b*) the operating or utilization capacity of the rebuilt building or redeveloped site may not be greater than the capacity of the damaged building or site;

(*c*) the municipal by-laws allow such reconstruction or redevelopment;

(*d*) the system already installed was not prohibited by an Act or regulation in force at the time of its installation.".

7. The following is inserted after section 3:

"**3.01. Group of buildings:** A system for the discharge, collection or disposal of waste water, grey water or toilet effluents referred to in this Regulation must serve only 1 building or only 1 site referred to in section 2, except in the following cases:

(*a*) the system serves a group of buildings situated on the same immovable, consisting of an isolated dwelling and its accessory building, to the extent that the total daily flow from the group is not more than 3,240 litres;

(*b*) the system serves any of the following groups of buildings:

i. 2 isolated dwellings already built, to the extent that the number of bedrooms for the group is equal to or fewer than 6;

ii. 1 isolated dwelling and 1 building other than an isolated dwelling already built, to the extent that the total daily flow for the group is not more than 3,240 litres, considering, for the purposes of the calculation, a daily unit flow of 540 litres per bedroom;

iii. 2 buildings other than an isolated dwelling already built, to the extent that the total daily flow for the group is not more than 3,240 litres.

A group referred to in subparagraph *b* of the first paragraph is possible only where the conditions of the sites and natural land require the installation of a tertiary treatment system with phosphorous removal or a tertiary treatment system with phosphorous removal and disinfection.

3.02. Grouping of an isolated dwelling with its accessory building: Where a group of buildings referred to in subparagraph *a* of the first paragraph of section 3.01 is allowed under this Regulation, the accessory building must

(*a*) only be used for domestic purposes;

(*b*) discharge only waste water, grey water or toilet effluents; and

(*c*) not include dwellings or bedrooms.

3.03. Group of 2 buildings served by a tertiary treatment system: Where a group referred to in subparagraph *b* of the first paragraph of section 3.01 involves different owners for each building concerned, an agreement establishing the undivided co-ownership of the system and the terms for its installation, use, maintenance, repair, replacement and follow-up measures to be implemented must be entered into by the owners concerned. The agreement must produce its effects for the whole period during which the system will serve the 2 buildings and be registered in the land register before filing a permit application with the municipality. Any amendment made to the agreement must be sent to the municipality and registered in the land register within 30 days after the amendment.

Where the group referred to in subparagraph *b* of the first paragraph of section 3.01 involves at first only 1 owner, the agreement referred to in the first paragraph must be entered into with the various owners, produce its effects and be sent to the municipality within 30 days after the sale of one or more buildings.

In addition, each building of a group referred to in the first paragraph must be equipped with a septic tank complying with Division V if the tertiary treatment system concerned treats the effluents from a septic tank.

For the purposes of paragraph *d* of section 7.1, the common line of both buildings of such a group is not considered when establishing the limit of the property.

3.04. Application of the Regulation to groups of buildings: A group of buildings consisting of 2 isolated dwellings must be considered to be an isolated dwelling for the purposes of this Regulation.

Any other group of buildings must be considered to be a building or site other than an isolated dwelling for the purposes of this Regulation. A group referred to in subparagraph *a* of the first paragraph of section 3.01 is not covered by the third paragraph of section 4.1.".

8. Section 4 is amended

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

"**4. Permit:** Every person intending to build a building referred to in section 2 or to develop a site referred to in that section must, before starting the work required for that purpose, obtain a permit from the local municipality having jurisdiction over the territory concerned by such a construction or development.

Such a permit is also required prior to

(*a*) the construction of an additional bedroom in an isolated dwelling or the change of its use;

(*b*) the increase of the operating or utilization capacity of a building or site other than an isolated dwelling referred to in section 2 or the change of its use;

(*c*) the construction, renovation, modification, reconstruction, moving or enlargement of a system for the discharge, collection or disposal of waste water, grey water or toilet effluents serving a building or site referred to in section 2;

(*d*) the construction of a privy serving a building or site referred to in section 2; and

(*e*) the installation of a compost toilet serving a building or site referred to in section 2.

Such a permit is not required for the reconstruction of a building referred to in section 2 or the redevelopment of a site referred to in that section after a fire or other disaster, to the extent provided for in the fourth paragraph of section 3.";

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

"Where the municipality processes a permit application for the construction of an additional bedroom in an isolated dwelling, the change of use of a building or the increase of the operating or utilization capacity of another building or site referred to in section 2, the municipality re-evaluates the standards applicable to the system for the discharge, collection or disposal of waste water, grey water and toilet effluents under this Regulation or, as the case may be, informs the applicant that his or her project is subject to section 32 of the Act.";

(3) by replacing "the isolated dwelling concerned to be equipped" in the fourth paragraph by "the building or site referred to in section 2 to be equipped";

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

"The permit must also be issued to the extent that the applicant demonstrates that the parts of the system not covered by the reconstruction, renovation, modification or moving comply with the following conditions:

(*a*) they are designed to receive waste water, grey water or toilet effluents of the building or site based, as the case may be, on the number of bedrooms or the maximum operating or utilization capacity;

(*b*) they show no sign of alteration likely to compromise its expected watertightness or performance;

(*c*) they do not constitute a nuisance, a source of contamination of well water or spring water used for drinking water supply or a source of contamination of surface water.";

(5) by replacing "an isolated dwelling" in the fifth paragraph by "a building or site referred to in section 2".

9. Section 4.1 is amended

(1) by replacing "an isolated dwelling" in the portion before subparagraph 1 of the first paragraph by "a building or site referred to in section 2";

(2) by replacing "in the case of another building, the total daily flow" in subparagraph 3 of the first paragraph by "in other cases, the total daily flow of discharged water";

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

"(6) a copy of the agreement provided for in the first paragraph of section 3.03 where the application pertains to a system serving a group of buildings that involve different owners;

(7) proof of the registration of the agreement referred to in subparagraph 6 in the land register.";

(4) by replacing "building other than an isolated dwelling" in the third paragraph by "building or site other than an isolated dwelling or a hunting or fishing camp";

(5) by striking out "prepared and" in the third paragraph;

(6) by adding ", or to a watertight disposal system referred to in this Regulation connected to municipal waste water treatment works" at the end of the fourth paragraph.

10. Section 7 is amended

(1) by inserting "or municipal waste water treatment works" after "XV.3" in subparagraph 2 of the first paragraph;

(2) by adding "; where the secondary treatment system is watertight, it may also be carried towards municipal waste water works" at the end of subparagraph 3 of the first paragraph;

(3) by adding "; in the case of the advanced secondary treatment system, it may also, where the system is watertight, be carried towards municipal waste water works" at the end of subparagraph 4 of the first paragraph.

11. Section 7.2 is amended by replacing the first line in the table in subparagraph *d* of the first paragraph by the following:

"

Category 3 groundwater withdrawal facility referred to in section 51 of the Water Withdrawal and Protection Regulation (chapter Q-2, r. 35.2) and uncategorized groundwater withdrawal facility sealed in accordance with subparagraphs 1 to 3 of the first paragraph of section 19 of that Regulation where sealing took place between 15 June 2003 and 2 March 2015 or sealed in accordance with section 19 of that Regulation in other cases.	15*

".

12. Section 10 is amended

(1) by replacing "Mpa" in paragraphs *a* and *b* by "MPa";

(2) by inserting "watertight" before "lids" in paragraph *l*;

(3) by striking out "equipped with watertight lids" in paragraph *m*;

(4) by inserting the following after paragraph *m*:

"(*m*.1) the ducts giving access to the manholes must

i. be firmly attached to the tank using watertight joints; and

ii. be equipped with watertight, safe lids the installation and lay out of which allow to deflect run-off water and prevent water infiltration inside;".

13. Section 11 is amended by replacing "paragraphs *m* and *o*" by "paragraphs *l*, *m*, *m*.1 and *o*".

14. Section 14 is amended by replacing "of the isolated dwelling served" by "of the building served".

15. Section 15 is amended by replacing the portion before the table in the second paragraph by the following:

"In other cases, the minimum total capacity of a septic tank referred to in section 10 or 11 must comply with the standards in the following table, according to the total daily flow of waste water, grey water or toilet effluents discharged:".

16. Section 18 is amended

(1) by replacing "The available area of the disposal site of the soil absorption field that serves another building" in the portion before the table in the second paragraph by "In other cases, the available area of the disposal site of the soil absorption field";

(2) by replacing in the French text the heading of the first column of the table in the second paragraph by the following:

"**Débit total quotidien (en litres)**".

17. Section 21 is amended by replacing subparagraph *i* of the first paragraph by the following:

"(*i*) absorption trenches must comply with the following characteristics:

i. they must be level;

ii. they must be completely buried in the soil of the disposal site or, if the ground is sloped, they must be completely buried in the soil of the disposal site at its highest point and not exceed the surface of the ground at its lowest point by more than 15 cm;

iii. in all cases, the bottom of the absorption trenches must be at least 90 cm above bedrock, impermeable soil or low permeability soil or underground water if the effluent is from a primary treatment system, and at least 60 cm if the effluent is from a secondary treatment system.".

18. Section 22 is amended by replacing "The total length of the absorption trenches of a soil absorption field that serves another building" in the portion before the table in the second paragraph by "In other cases, the total length of the absorption trenches of a soil absorption field".

19. Section 27 is amended by replacing subparagraph *b* of the first paragraph by the following:

"(*b*) the seepage bed must comply with the following characteristics:

i. it must be level;

ii. it must be completely buried in the soil of the disposal site or, if the ground is sloped, it must be completely buried in the soil of the disposal site at its highest point and not exceed the surface of the ground at its lowest point by more than 15 cm;

iii. in all cases, the bottom of the seepage bed must be at least 90 cm above bedrock, impermeable soil or low permeability soil or underground water if the effluent is from a primary treatment system, and at least 60 cm above bedrock, impermeable soil or low permeability soil or underground water if the effluent is from a secondary treatment system.".

20. Section 28 is amended by replacing "The available area of the disposal site of a seepage bed that serves another building" in the portion before the table in the second paragraph by "In other cases, the available area of the disposal site of a seepage bed".

21. Section 33 is amended by replacing "The total absorption area of seepage pits that serve another building" in the portion before the table in the second paragraph by "In other cases, the total absorption area of seepage pits".

22. Section 37 is amended by replacing ", impermeable soil or low permeability soil" in subparagraph *i* of the first paragraph by "or the layer of impermeable soil".

23. Section 38 is amended by replacing "The area of the sand-filter bed of an above-ground soil absorption system for another building" in the portion before the table in the second paragraph by "In other cases, the area of the sand-filter bed of an above-ground sand-filter bed".

24. Section 44 is amended by replacing "The minimum area of the sand-filter bed of a standard sand-filter bed for another building" in the portion before the table in the second paragraph by "In other cases, the minimum area of the sand-filter bed of a standard sand-filter bed".

25. The heading of Division XI is amended by adding "AND SOIL ABSORPTION FIELD SMALL IN SIZE COMBINED WITH A SEEPAGE PIT" at the end.

26. Section 51 is amended

(1) by replacing "**Isolated dwelling with a pressurized water system:**" in the first paragraph by "**Building or site supplied by a pressurized water pipe:**";

(2) by inserting "or site referred to in section 2" after "building" in the portion before the table in the second paragraph.

27. Section 52 is amended by replacing in the portion before paragraph *a*

(1) "**Isolated dwelling without a pressurized water system:**" by "**Building or site supplied by a non-pressurized water pipe:**";

(2) "an isolated dwelling which is not supplied by a pressurized water pipe and which is inhabited" by "a building or site which is not supplied by a pressurized water pipe and which is used".

28. The following is inserted after section 52:

"**52.1.** A building that is part of a seasonal camp referred to in subparagraph *b* of the first paragraph of section 18 of the Act respecting hunting and fishing rights in the James Bay and New Québec territories (chapter D-13.1) must be equipped with a privy placed at least 10 m from the building and from any watercourse or body of water, in a place that is not higher than the building.

The privy must comply with the standards prescribed by sections 47 to 49 or sections 73 and 74.

DIVISION XI.1
COMPOST TOILETS

52.2. Installation conditions: Construction of a compost toilet is permitted provided the following conditions are met:

(*a*) the model of toilet to be installed complies with NSF/ANSI Standard 41, which takes into account the type of building or site, its purpose and the rate of daily use of the toilet;

(*b*) the toilet is vented independently from the vent pipe of the building served;

(*c*) the toilet and the tank in which fecal matter is transformed into compost are installed inside the building served;

(*d*) the toilet, the tank and the other associated components are installed, used and maintained in accordance with the manufacturer's manuals;

(*e*) the toilet works without water or effluent;

(*f*) the building served is intended to be heated in the winter if it is used during that season.

52.3. Waste water, grey water and toilet effluents management: Where such a toilet is installed, the waste water, grey water and toilet effluents discharged by a building or site referred to in section 2 must be carried towards a system for the discharge, collection or disposal of waste water in accordance with section 7.

The buildings and sites served by such a toilet that are not supplied in water and that do not produce waste water, grey water or toilet effluents are not required to be equipped with such system.

52.4. Compost management: Section 6 applies to the compost from a compost toilet.".

29. Section 53 is replaced by the following:

"**53. Installation conditions:** A hauled sewage system may be built only to serve a hunting or fishing camp, a building referred to in section 2 already built or rebuilt after a disaster, or a site referred to in section 2 developed or redeveloped after a disaster, in any of the following cases:

(*a*) a soil absorption system complying with any of Divisions VI to IX or a system complying with Divisions X and XV.2 to XV.5 may not be built;

(*b*) only the installation of a tertiary treatment system with phosphorous removal or a tertiary treatment system with phosphorous removal and disinfection referred to in Division XV.3 is possible because of the conditions of the site and natural land.

For the purposes of subparagraph *b* of the first paragraph, only a total haulage holding tank may be built. Its construction is possible only where it is carried out in a territory covered by a 3-year program for the inspection of tanks applied by the municipality to verify watertightness.".

30. The following is inserted after section 53:

"**53.1. Modification of a building or site:** The construction of an additional bedroom, the increase of the operating or utilization capacity of a building or site, or the change of use of a building do not prevent the construction or maintenance of a hauled sewage system provided that the standards of this Regulation are met.".

31. The following is inserted after section 54:

"**54.1. Construction standards:** A hauled sewage system may only be built if the toilets of a building, site or hunting or fishing camp referred to in section 53 are chemical or low-flush toilets.".

32. Section 56 is amended

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

"(*b*) the manhole must comply with paragraphs *l* and *m* of section 10 and the duct of the manhole must comply with paragraph *m*.1 of the same section;";

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

"(*c*) the holding tank must be equipped with a water level detection device connected to a sound alarm and a visual indicator allowing the verification of the fill level of the tank;

(*d*) the water level detection device must comply with the following characteristics:

i. the device must comply with the requirements of CSA Standard C22.2 No. 205, Signal equipment, or ANSI/UL Standard 508, Standard for Industrial Control Equipment;

ii. the device must be capable of activating the sound alarm and the visual indicator where the quantity of water accumulated in the holding tank reaches between 70% and 80% of its effective capacity;

iii. the device must be installed so as not to compromise the integrity and watertightness of the tank and the duct, to be easily cleaned, adjusted or replaced from ground level and to have a clearance of at least 175 mm to prevent damage to the detection device when emptying the holding tank;

(*e*) the sound alarm must comply with the following characteristics:

i. it must be equipped with a test button and a reset button;

ii. it must be capable of being deactivated independently from the visual indicator;

iii. it must be audible from the inside of the dwelling or main building or, in the case of camping or caravanning grounds, from a traffic site;

(*f*) the visual indicator must be visible to the user when it is activated and must remain so until the tank is emptied;

(*g*) the water level detection device, the sound alarm and the visual indicator must be connected and maintained in good working order at all times, except during their maintenance;

(*h*) the water level detection device, the sound alarm and the visual indicator must be installed, used and maintained in accordance with the manufacturer's manuals;

(*i*) the requirements of subparagraphs *c* to *h* do not apply to buildings and sites that cannot be connected to an electric network.";

(3) by adding "and with subparagraphs *b*, *c*, *e* to *g* and *i* of the first paragraph, paragraphs *a*, *b* and *c* of section 7.1 and paragraph *o* of section 10. The water level detection device, the alarm and the visual indicator must be used and maintained in accordance with the manufacturer's manuals. The alarm and the visual indicator must be installed in accordance with the manufacturer's manuals" at the end of the second paragraph;

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

"Where the alarm emits a sound signal, the signal may be deactivated until the holding tank has been emptied.".

33. Section 57 is amended by replacing "The minimum capacity of a holding tank for another building" in the portion before the table in the second paragraph by "In other cases, the minimum capacity of a holding tank".

34. Section 59 is amended

(1) by inserting "waste water, grey water or" before "toilet effluents";

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

"The owner must keep, for a 5-year period, proof relating to each emptying and must provide it to the municipality at its request, unless the emptying is carried out by the municipality under section 25.1 of the Municipal Powers Act (chapter C-47.1).".

35. Section 60 is amended by replacing "its siting must comply with the minimum standards set out in the first paragraph of section 63, with the necessary modifications" by "it must be placed at least 1.5 metres from any property line, a dwelling and a drinking water pipe".

36. Section 61 is amended by replacing "subparagraph *a* of the first paragraph of section 27 and subparagraphs *b* and *c* of the first paragraph of section 37" in the portion before subparagraph *a* of the first paragraph by "subparagraphs *a* and *c* of the first paragraph of section 27 and subparagraph *b* of the first paragraph of section 37".

37. Section 62 is amended by replacing "The available area of the disposal site of the absorption field for another building" in the portion before the table in the second paragraph by "In other cases, the available area of the disposal site of the absorption field".

38. Section 66 is amended

(1) by striking out "because of the standards of sections 55 and 62";

(2) by replacing "sections 54 and 60 to 64" by "section 54".

39. Section 67 is replaced by the following:

"**67. Installation conditions:** A biological system may be built to serve

(*a*) a hunting or fishing camp;

(*b*) a building referred to in section 2 already built or rebuilt after a disaster or a site referred to in section 2 already developed or redeveloped after a disaster in either of the following cases:

i. a soil absorption system complying with any of Divisions VI to IX or a system complying with Divisions X and XV.2 to XV.5 may not be built;

ii. only the installation of a tertiary treatment system with phosphorous removal or a tertiary treatment system with phosphorous removal and disinfection referred to in Division XV.3 is possible because of the conditions of the site and natural land.

For the purposes of subparagraph ii of subparagraph *b* of the first paragraph, only a compost toilet and the holding tank intended to receive grey water from the system may be built. Their construction is possible only if it is carried out in a territory covered by a 3-year program for the inspection of tanks applied by the municipality to verify watertightness.".

40. The following is inserted after section 67:

"**67.1. Modification of a building or site:** The construction of an additional bedroom, the increase of the operating or utilization capacity of a building or site, or the change of use of a building do not prevent the construction or maintenance of a biological system provided that the standards of this Regulation are met.".

41. Section 69 is replaced by the following:

"**69. Other standards:** Sections 52.2 and 52.4 relating to a compost toilet apply, with the necessary modifications, to a biological system.

The same applies to sections 60 to 65 relating to a septic tank and an absorption field.".

42. Section 70 is amended

(1) by striking out "because of sections 55 and 62";

(2) by replacing "sections 68 and 69" by "section 68".

43. Sections 71 and 72 are revoked.

44. The heading of Division XIV is amended by replacing "AND SEEPAGE PIT" by "COMBINED WITH A SEEPAGE PIT".

45. Section 73 is amended

(1) by replacing "an existing isolated dwelling" in paragraph *b* by "a building or site referred to in section 2 already built or developed";

(2) by replacing "the isolated dwelling served is not supplied" in subparagraph ii of paragraph *b* by "the building or site served is not supplied".

46. The following is inserted after section 73:

"**73.1. Modification of a building or site:** The construction of an additional bedroom, the increase of the operating or utilization capacity of a building or site, or the change of use of a building do not prevent the construction or maintenance of a privy or a compost toilet paired with a seepage pit provided that the standards of this Regulation are met.".

47. Section 74 is amended by replacing "71 and 72" in the second paragraph by "52.2 and 52.4".

48. Section 87.22 is amended by replacing "in section 25" in subparagraphs *a* and *b* of the first paragraph by "in sections 24 and 25".

49. Section 87.23 is amended by replacing "The minimum total length of absorption trenches for another building" in the portion before the table in the second paragraph by "In other cases, the minimum total length of absorption trenches".

50. Section 87.24 is amended by replacing "section 25" in subparagraphs *a* and *b* of the first paragraph by "sections 24 and 25".

51. Section 87.25 is amended by replacing "The total seepage area of a leaching field consisting of a seepage bed for another building" in the portion before the table in the second paragraph by "In other cases, the total seepage area of a leaching field consisting of a seepage bed".

52. Section 89 is amended

(1) by inserting "3.03," after "1.3," in the first paragraph;

(2) by inserting "52.1, 52.2," after "52," in the first paragraph;

(3) by replacing "53, or 55, the first paragraph of section 56, section" in the first paragraph by "53, 54.1, 55,";

(4) by inserting "62," before "63" in the first paragraph;

(5) by striking out "71," in the first paragraph;

(6) by replacing "paragraphs *m* and *o*" in the second paragraph by "paragraphs *l*, *m*, *m*.1 and *o*".

53. Section 89.1 is amended by inserting "52.3," before "65".

54. Section 89.2 is amended by replacing "or second paragraph of section 4" by ", second or third paragraph of section 4".

55. Section 89.3 is amended by replacing "the second paragraph of section 56" in the first paragraph by "section 56".

56. Section 89.4 is amended by replacing "the first paragraph of section 3, section 11.4" in paragraph 1 by "section 3, 3.01, 3.02, 11.4".

57. Section 90 is amended by replacing "or other building mentioned in sections 2, 3 and 4" by ", a building or site referred to in section 2".

58. Section 90.1 is amended

(1) by inserting ", a building or site other than an isolated dwelling referred to in section 2" after "isolated dwelling" in the second paragraph;

(2) by replacing "and dwellings" in subparagraph 2 of the third paragraph by ", and dwellings, buildings and sites already built or developed";

(3) by replacing "residence" in subparagraph 6 of the third paragraph by "dwelling, building or site";

(4) by replacing "residence" in subparagraph 7 of the third paragraph by "dwelling, building or site".

59. The following is inserted after section 90.1:

"**90.2. Special provisions applicable to the territories of the municipalities of Îles-de-la-Madeleine and Grosse-Île:** This section applies in the territories of the municipalities of Îles-de-la-Madeleine and Grosse-Île where the conditions of the sites and natural land impose the implementation of a tertiary treatment system with disinfection.

Despite the second paragraph of section 3.01, two buildings already built referred to in subparagraphs *a* and *b* of the first paragraph of section 2 may be the subject of a grouping if one of the conditions listed in subparagraph *b* of the first paragraph of section 3.01 is met, to which apply sections 3.03 and 3.04, with the necessary modifications.

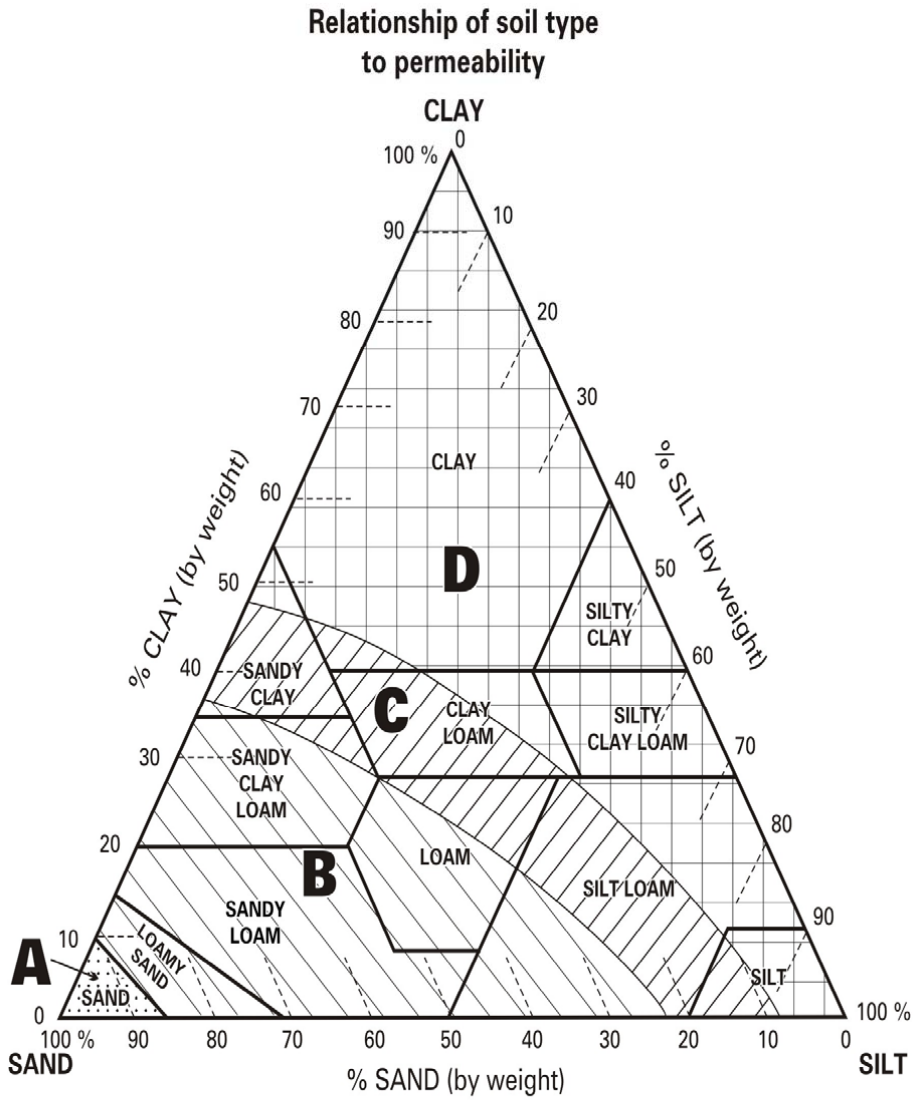
Despite section 53, a building already built or a site already developed referred to in section 2 may also be served by a total haulage holding tank where the building or site is situated in a territory covered by a 3-year program for the inspection of tanks applied by the municipality to verify watertightness.

Despite section 67, a building already built or a site already developed referred to in section 2 may also be served by a biological system with a hauled sewage holding tank for grey water where the building is situated in a territory covered by a 3-year program for the inspection of tanks applied by the municipality to verify watertightness.”.

60. Section 95 is amended by replacing “or other building” in the first paragraph by “, a building or site”.

61. Schedule 1 is replaced by the following:

"**SCHEDULE 1**
(s. 1, pars. *u*.1 to *u*.4)



A : High permeability zone

B : Permeable zone

C : Low permeability zone

D : Impermeable zone

SAND : A soil separate consisting of particles between 0.05 mm and 2 mm in diameter

SILT : A soil separate consisting of particles between 0.05 mm and 0.002 mm in diameter

CLAY : A soil separate consisting of particles smaller than 0.002 mm in diameter

".

62. The following is inserted after Schedule 1:

"**SCHEDULE 1.1**
(s. 1.4)

Waste water unit flow according to the types of services offered in buildings or on sites other than isolated dwellings

Services offered in a building or on a site other than an isolated dwelling	Unit of measurement	Flow in litres per day[1]
Airport		
- **passengers**	**passenger**	**15**
and		
- **employees per 8-hour shift**	**employee**	**40**
Arena	**seat**	**15**
Bar		
- **autonomous establishment with a minimum of food**	**seat**	**125**
or		
- **part of a hotel or motel**	**seat**	**75**
or		
- **based on the clientele**	**client**	**10**
and		
- **based on the number of employees**	**employee**	**50**
Public house or "pub"	**seat**	**130**
Laundry facility		
- **public washing machine**	**load** **or machine**	**190** **2000**
or		
- **washing machine in an apartment building**	**machine** **or client**	**1200** **190**
Sugar bush[2]		
- **with meals**	**seat**	**130**
- **without meals**	**person**	**60**

[1] Per unit of measure
[2] The building must not include process water for the manufacturing of maple products.

Various camps		
- **construction camp with flush toilets (including showers)[3]**	**person**	**200**
- **youth camp**	**person**	**200**
- **day camp without meals**	**person**	**50**
- **day and overnight camp**	**person**	**150**
- **summer camp with showers, toilets, sinks and kitchen**	**person**	**150**
- **seasonal employees camp – central service centre**	**person**	**225**
- **primitive camp**	**person**	**40**
- **resort area, climate station, winter resort, based on the clientele**	**person**	**400**
and		
- **based on the number of non-resident employees**	**employee**	**50**
Camping		
- **without sewer system**	**site**	**190**
- **with sewer system**	**site**	**340**
Visitors reception centre	**visitor**	**20**
Shopping mall		
- **retail store with toilets only**	**square metre of store surface**	**5**
or		
- **retail store based on the number of parking spaces**	**parking space**	**6**
and		
- **based on the number of employees**	**employee**	**40**
Cinema		
- **indoor cinema**	**seat**	**15**
- **auditorium or theatre without food**	**seat**	**20**
- **outdoor cinema without food**	**parking space**	**20**
- **outdoor cinema with food**	**parking space**	**40**
School		
- **day school without showers or cafeteria, per student**	**student**	**30**
○ **with showers**	**student**	**60**
○ **with showers and cafeteria**	**student**	**90**
and		
○ **non-teaching staff**	**person**	**50**
- **school with boarders**		
○ **resident**	**resident**	**300**
and		
○ **non-resident employee**	**person**	**50**

[3] The building must produce only waste water within the meaning of this Regulation.

Church	**seat**	**10**
Health institution		
- **convalescent and rest homes**	**bed**	**450**
- **other institution**	**person**	**400**
Day care		
- **including employees and children**	**person**	**75**
Hotel and motel		
residential part:		
- **with all the commodities, including the kitchen**	**person**	**225**
or		
- **with private bathroom**	**person**	**180**
or		
- **with central bathroom**	**person**	**150**
non-residential part:		
- **see category of establishment concerned (restaurant, bar, etc.)**		
Places of employment[4]		
- **employees in a factory or manufacture, per day or per shift, including showers, excluding industrial use**	**person**	**125**
- **employees in a factory or manufacture, per day or per shift, without showers, excluding industrial use**	**person**	**75**
- **various buildings or places of employment, store and office staff on the basis of facilities**	**person**	**50-75**
Park for picnicking, beach, public pool		
- **park, park for picknicking with service centre, showers and flush toilets**	**person**	**50**
- **park, park for picknicking with flush toilets only**	**person**	**20**
- **public pool and beach with toilets and showers**	**person**	**40**
Residential part of a building other than a single or multi-family dwelling	**bedroom**	**540**[5]
Restaurant and dining room		
- **regular restaurant (not 24 hours)**	**seat**	**125**
- **restaurant open 24 hours**	**seat**	**200**
- **highway restaurant open 24 hours**	**seat**	**375**
- **highway restaurant open 24 hours with showers**	**seat**	**400**

[4] Service building intended for employees and producing only waste water within the meaning of this Regulation.

[5] The minimum hydraulic capacities of section 1.3 may be used by replacing the unit flow specified in the table to establish the design flow of the treatment systems governed by sections 11.1, 16.2, 87.8 and 87.14.

- if presence of mechanical dishwasher or garbage grinder, add		
○ regular restaurant	seat	12
○ restaurant open 24 hours	seat	24
- cafeteria, based on the clientele	client	10
and		
based on the number of employees	employee	40
- café, based on the clientele	client	20
and		
based on the number of employees	employee	40
- banquet hall (each banquet)	seat	30
- restaurant with car service	seat	125
- restaurant with car service – disposable items	parking	60
- restaurant with car service – disposable items	indoor seat	60
- tavern, bar, lounge with a minimum of food	seat	125
- bar restaurant with show	seat	175
Meeting hall	seat or person	20 15
Dance and meeting hall		
- with toilets only	person or square metre	8 15
- with restaurant	seat	125
- with bar	seat	20
- with restaurant and bar	client	150
Bowling alley		
- without bar or restaurant	lane	400
- with bar or restaurant	lane	800
Gas station[6]		
- gas pump	pair of pumps	1900
or		
- based on the number of vehicles served	vehicle	40
and		
- based on the number of employees	employee	50

".

[6] The gas station must not include an automobile repair shop. It must produce waste water as defined by this Regulation.

Transitional and final

63. Despite section 52.2, the standards relating to a compost toilet applicable to a biological system under section 69 do not apply before the expiry of 2 years after their coming into force. The standards referred to in section 71, revoked by section 43 of this Regulation, remain applicable during that period.

64. Despite the second paragraph of section 56, subparagraphs *c*, *e* to *g* and *i* of the first paragraph of section 56 and the standards relating to the use, maintenance and installation of a water level detection device do not apply to a prefabricated holding tank installed within 2 years following their coming into force.

65. This Regulation comes into force on the fifteenth day following the date of its publication in the *Gazette officielle du Québec*.

102907

Gouvernement du Québec

O.C. 320-2017, 29 March 2017

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

Québec sales tax
— Amendment

Regulation to amend the Regulation respecting the Québec sales tax

WHEREAS the Act respecting the Québec sales tax (chapter T-0.1) was amended by chapter 28 of the statutes of 2012 and by chapter 21 of the statutes of 2015 to give effect to a measure announced in Information Bulletin 2012-4 published by the Ministère des Finances on 31 May 2012 concerning the exemption of financial services pursuant to the undertakings to harmonize the Québec sales tax system (QST) with the goods and services tax and harmonized sales tax (GST/HST) system;

WHEREAS, under subparagraph 2.2 of the first paragraph of section 677 of the Act respecting the Québec sales tax, the Government may, by regulation, determine which person is a prescribed person for the purposes of the definition of "investment plan" in section 1 of the Act;

WHEREAS, under subparagraphs 12 and 13 of the first paragraph of section 677 of the Act, the Government may, by regulation, determine which purposes and provisions are prescribed purposes and provisions for the purposes of sections 76 and 77 of the Act;

WHEREAS, under subparagraph 33.1.1 of the first paragraph of section 677 of the Act, the Government may, by regulation, determine which person is a prescribed person for the purposes of section 350.0.2 of the Act;

WHEREAS, under subparagraph 41.2 of the first paragraph of section 677 of the Act, the Government may, by regulation, determine the prescribed manner and the prescribed conditions for the purposes of section 402.23 of the Act;

WHEREAS, under subparagraph 44.2 of the first paragraph of section 677 of the Act, the Government may, by regulation, determine which amounts are prescribed amounts of tax and which amounts are prescribed amounts for the purposes of sections 433.16 and 433.16.2 of the Act;

WHEREAS, under subparagraph 44.3 of the first paragraph of section 677 of the Act, the Government may, by regulation, determine the classes which are prescribed classes for the purposes of section 433.16 of the Act;

WHEREAS, under subparagraph 44.4 of the first paragraph of section 677 of the Act, the Government may, by regulation, determine which information is prescribed information for the purposes of section 433.27 of the Act;

WHEREAS, under subparagraph 44.5 of the first paragraph of section 677 of the Act, the Government may, by regulation, determine which person is a prescribed person and which information is prescribed information for the purposes of section 433.30 of the Act;

WHEREAS it is expedient to amend the Regulation respecting the Québec sales tax (chapter T-0.1, r. 2) to complete the legislation to give effect to the measure concerning the exemption of financial services in connection with harmonization of the QST system with the GST/HST system;

WHEREAS, under section 12 of the Regulations Act (chapter R-18.1), a proposed regulation may be made without having been published as provided for in section 8 of the Act, if the authority making it is of the opinion that the fiscal nature of the norms established, amended or revoked in the regulation warrants it;

WHEREAS, under section 18 of the Act, a regulation may come into force on the date of its publication in the *Gazette officielle du Québec* where the authority that has made it is of the opinion that the fiscal nature of the norms established, amended or revoked in the regulation warrants it;

WHEREAS the Government is of the opinion that the fiscal nature of the norms established by the regulation attached to this Order in Council warrants the absence of prior publication and such coming into force;

WHEREAS section 27 of the Act provides that the Act does not prevent a regulation from taking effect before the date of its publication in the *Gazette officielle du Québec* where the Act under which it is made expressly provides therefor;

WHEREAS, under the second paragraph of section 677 of the Act respecting the Québec sales tax, a regulation made under the Act comes into force on the date of its publication in the *Gazette officielle du Québec*, unless the regulation fixes another date which may in no case be prior to 1 July 1992;

IT IS ORDERED, therefore, on the recommendation of the Minister of Finance:

THAT the Regulation to amend the Regulation respecting the Québec sales tax, attached to this Order in Council, be made.

JUAN ROBERTO IGLESIAS,
Clerk of the Conseil exécutif

Regulation to amend the Regulation respecting the Québec sales tax

Act respecting the Québec sales tax
(chapter T-0.1, s. 677)

1. (1) The Regulation respecting the Québec sales tax (chapter T-0.1, r. 2) is amended by inserting the following after section 0R1:

"INVESTMENT PLAN

"**1R0.1.** For the purposes of paragraph 5 of the definition of "investment plan" in section 1 of the Act, an employee life and health trust within the meaning of section 1 of the Taxation Act (chapter I-3) is a prescribed person.".

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

2. (1) The Regulation is amended by inserting the following after section 346.1R1:

"REPORTING INSTITUTION

"**350.0.2R1.** For the purposes of section 350.0.2 of the Act, a selected listed financial institution that is an investment plan within the meaning of section 433.15.1 of the Act is a prescribed person.".

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

3. (1) The Regulation is amended by inserting the following after section 402.12R1:

"REBATE TO AN INVESTMENT PLAN OR A SEGREGATED FUND OF AN INSURER

"**402.23R1.** For the purposes of section 402.23 of the Act, the rebate to which a listed financial institution is entitled is equal to,

(1) if the listed financial institution is a stratified investment plan with one or more provincial series, the aggregate of all amounts each of which is an amount determined for a provincial series of the investment plan by the formula

(A – B) × C;

(2) if the listed financial institution is a provincial investment plan, the amount determined by the formula

A – D; and

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

E × F.

For the purposes of the formulas in the first paragraph,

(1) A is the amount of tax under section 16 of the Act in respect of a supply of property or a service, or under section 17 or 18 of the Act in respect of a supply of corporeal movable property;

(2) B is,

(i) in the case of a provincial series as regards Québec, the amount of tax referred to in subparagraph 1; and

(ii) in any other case, zero;

(3) C is the extent, expressed as a percentage, to which the property or service was acquired, or brought into Québec, for consumption, use or supply in the course of the activities relating to the provincial series, as determined in accordance with section 51 of the Selected Listed Financial Institutions Attribution Method (GST/HST) Regulations made under the Excise Tax Act (Revised Statutes of Canada, 1985, chapter E-15);

(4) D is,

(i) in the case of a provincial investment plan as regards Québec, the amount of tax referred to in subparagraph 1; and

(ii) in any other case, zero;

(5) E is the amount of tax under any of sections 16, 17, 18 and 18.01 of the Act in respect of the supply of property or a service; and

(6) F is the extent, expressed as a percentage, to which the listed financial institution may reasonably be regarded as holding or investing funds for the benefit of persons that are not resident in Québec.".

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

4. (1) The Regulation is amended by inserting the following after section 425.1R5:

"SPECIAL ATTRIBUTION METHOD — SELECTED LISTED FINANCIAL INSTITUTION

"Prescribed amount of tax

"**433.16R1.** For the purposes of subparagraph 6 of the second paragraph of section 433.16 of the Act, any amount of tax that became payable by an insurer, or that was paid by the insurer without having become payable, in respect of property or a service acquired, or brought into Québec, exclusively and directly for consumption, use or supply in the course of investigating, settling or defending a claim arising under an insurance policy that is not in the nature of sickness or accident insurance or life insurance is a prescribed amount of tax.

"G in the special attribution method formula

"**433.16R2.** For the purposes of this section and sections 433.16R3 to 433.16R19,

"employer resource" has the meaning assigned by the first paragraph of section 289.2 of the Act;

"excluded property or service" means property or a service that is

(1) electricity or a service described in paragraph 6 or 7 of the definition of "specified property or service" that is acquired by the organizer or sponsor of a convention as a related convention supply;

(2) a 1-800 or 1-888 telephone service or a telephone service whose area code is an extension of such a telephone service and another telecommunication service that is related to the 1-800 or 1-888 telephone service or to the telephone service whose area code is an extension of such a telephone service;

(3) an Internet access service;

(4) a web-hosting service;

(5) a taxi, the operation and custody of which is entrusted to a person by the holder of a taxi permit;

(6) property or a service that is acquired or imported into Canada exclusively for the purpose of,

(*a*) in the case of movable property or a service, again making a supply of it;

(*b*) in the case of immovable property, again making a supply of it by sale;

(*c*) in the case of corporeal movable property, becoming a component of other corporeal movable property that is to be supplied by a person; or

(*d*) in the case of a service described in paragraph 6 or 7 of the definition of "specified property or service", acquired by a person operating a telecommunication service, being used directly and solely in the making of a taxable supply of another telecommunication service by the person; or

(7) electricity, gas, fuel or steam used by a person to produce movable property, other than property intended to be incorporated by the person into an immovable and meals intended for sale, or to be used in the design or production of production equipment or conditioning materials used for the production of such movable property, either as an agent of production or to operate production equipment, except electricity, gas, fuel or steam used to power equipment for the air-conditioning, lighting, heating or ventilation of a production site;

"large business" has the meaning assigned by sections 551 to 551.4 of the Act to amend the Taxation Act, the Act respecting the Québec sales tax and other legislative provisions (1995, chapter 63), as amended from time to time;

"qualifying food, beverages and entertainment" means food, beverages or entertainment that is a specified property or service;

"qualifying fuel" means fuel that is a specified property or service;

"qualifying road vehicle" means a selected road vehicle that is a specified property or service, and property, other than fuel, or a service, in respect of a selected road vehicle, that is a specified property or service;

"qualifying telecommunication service" means property or a service described in paragraph 6 or 7 of the definition of "specified property or service";

"recapture rate" applicable at a particular time means the rate that is,

(1) if that time is before 1 January 2018, 100%;

(2) if that time is after 31 December 2017 but before 1 January 2019, 75%;

(3) if that time is after 31 December 2018 but before 1 January 2020, 50%;

(4) if that time is after 31 December 2019 but before 1 January 2021, 25%; and

(5) if that time is after 31 December 2020, 0%;

"selected road vehicle" means a road vehicle weighing less than 3,000 kilograms required to be registered under the Highway Safety Code (chapter C-24.2) or under a law of another jurisdiction, but does not include

(1) a farm tractor or farm machinery acquired, or brought into a province, for use exclusively in the operation of a farm by a farmer or a maple forest by a maple products producer; or

(2) a vehicle acquired, or brought into a province, to be used only elsewhere than on public highways within the meaning of the Highway Safety Code or a similar law of another province, that is registered as a vehicle to be used for exclusive use on private land or roads and not intended for public highways, or its registration certificate provides for such use;

"specified energy" means electricity, gas or fuel, other than fuel acquired, or imported into Canada, for use in a propulsion engine, or steam;

"specified extent" of property or a service in respect of a specified class of specified property or service for a reporting period of a person means the percentage that is equal to,

(1) if the property or service is a specified property or service of the specified class, 100%; and

(2) in any other case, 0%;

"specified property or service" means property or a service, other than excluded property or service, that is

(1) a selected road vehicle;

(2) motive fuel, other than fuel oil including diesel fuel, that is acquired or imported into Canada to power the engine of a selected road vehicle;

(3) property, other than property for maintenance or repair, that is acquired or imported into Canada by a person for consumption or use in respect of a selected road vehicle acquired or imported into Canada by the person, if the acquisition or importation of the property occurs within 12 months of the acquisition or importation of the selected road vehicle;

(4) a service, other than a service for maintenance or repair, that is acquired by a person for consumption or use in respect of a selected road vehicle acquired or imported into Canada by the person, if the supply of the service occurs within 12 months of the acquisition or importation of the selected road vehicle;

(5) specified energy;

(6) a telephone service;

(7) a telecommunication service or any telecommunication in respect of which tax under the Telecommunications Tax Act (chapter T-4) would apply but for section 14 of that Act and the definition of "user" in section 1 of that Act, and the second paragraph of section 4 of that Act were read with the reference to "Québec" replaced by a reference to "Canada"; or

(8) food, beverages or entertainment in respect of which section 421.1 or 421.1.1 of the Taxation Act (chapter I-3) applies, or would apply if the person were a taxpayer under that Act, during a taxation year of the person;

"specified resource" has the meaning assigned by section 289.5 of the Act;

"total B amounts" for a reporting period of a selected listed financial institution means,

(1) if the financial institution is a non-stratified investment plan and an election under section 49 or 61 of the Selected Listed Financial Institutions Attribution Method (GST/HST) Regulations made under the Excise Tax Act (Revised Statutes of Canada, 1985, chapter E-15), or under section 433.19.1 or 433.19.10 of the Act, in respect of the financial institution is in effect throughout the reporting period, the aggregate of all amounts each of which is the total for A_2 in the description of A in the formula in subsection 2 of section 48 of those Regulations, or the total A_2 would be if the financial institution were a selected listed financial institution for the purposes of Part IX of the Excise Tax Act, for a particular day in the reporting period;

(2) if the financial institution is a stratified investment plan, the aggregate of

(*a*) all amounts each of which is the total for A_2 in the formula in paragraph *a* of the description of A in the formula in subsection 1 of section 48 of the Selected Listed Financial Institutions Attribution Method (GST/HST) Regulations, or the total A_2 would be if the financial institution were a selected listed financial institution for the purposes of Part IX of the Excise Tax Act, for a series of the financial institution for a particular day in the reporting period; and

(*b*) all amounts each of which is the total for A_5 in the formula in paragraph *b* of the description of A in the formula in subsection 1 of section 48 of those Regulations, or the total A_5 would be if the financial institution were a selected listed financial institution for the purposes of Part IX of the Excise Tax Act, for a series of the financial institution for a particular day in the reporting period; and

(3) in any other case, the total for B in the formula in subsection 2 of section 225.2 of the Excise Tax Act, or the total B would be if the financial institution were a selected listed financial institution for the purposes of Part IX of that Act, for the reporting period;

"total F amounts" for a reporting period of a selected listed financial institution means,

(1) if the financial institution is a non-stratified investment plan and an election under section 49 or 61 of the Selected Listed Financial Institutions Attribution Method (GST/HST) Regulations, or under section 433.19.1 or 433.19.10 of the Act, in respect of the financial institution is in effect throughout the reporting period, or if the financial institution is a stratified investment plan, the total for D in the formula in the first paragraph of section 433.16.2 of the Act for the reporting period; and

(2) in any other case, the total for F in the formula in the first paragraph of section 433.16 of the Act for the reporting period.

"**433.16R3.** For the purposes of sections 433.16R2, 433.16R4 and 433.16R11, the property and services in the following definitions in section 433.16R2 are specified classes of specified property or service:

(1) "qualifying fuel";

(2) "specified energy";

(3) "qualifying food, beverages and entertainment";

(4) "qualifying telecommunication service"; and

(5) "qualifying road vehicle".

"**433.16R4.** For the purposes of subparagraph 2 of the third paragraph of section 433.16R11, the tax recovery rate of a financial institution for a specified class of specified property or service for a particular reporting period of the financial institution means,

(1) if the specified class is qualifying fuel, the tax recovery rate of the financial institution for qualifying road vehicles for the particular reporting period, as determined under paragraph 2; and

(2) for any specified class other than the specified class referred to in paragraph 1,

(*a*) if an election under section 43 of the Selected Listed Financial Institutions Attribution Method (GST/HST) Regulations made under the Excise Tax Act (Revised Statutes of Canada, 1985, chapter E-15), or under section 433.16R5, is in effect throughout the particular reporting period, the percentage determined under subparagraph i of paragraph *b* of subsection 4 of section 42 of those Regulations for the particular reporting period or the percentage that would be so determined for that reporting period if the financial institution were a selected listed financial institution for the purposes of Part IX of that Act; and

(*b*) in any other case, the percentage that would be determined under subparagraph ii of paragraph *b* of subsection 4 of section 42 of the Selected Listed Financial Institutions Attribution Method (GST/HST) Regulations for the particular reporting period if the financial institution were a selected listed financial institution for the purposes of Part IX of the Excise Tax Act and if

(i) a specified property or service under that subparagraph ii were a specified property or service; and

(ii) a specified class under that subparagraph ii were a specified class.

"**433.16R5.** Subject to the third paragraph, a financial institution may make an election for the purposes of paragraph 2 of section 433.16R4 that is effective from the first day of the first reporting period of the financial institution throughout which the following criteria are met:

(1) the financial institution is not a selected listed financial institution for the purposes of Part IX of the Excise Tax Act (Revised Statutes of Canada, 1985, chapter E-15); and

(2) the financial institution is a large business.

An election under the first paragraph is to

(1) be made in prescribed form containing prescribed information; and

(2) be filed with the Minister in the manner determined by the Minister on or before the first day of the first reporting period referred to in the first paragraph or any later day that the Minister may determine.

No election under the first paragraph may be made by a financial institution if the financial institution has made a previous election under that paragraph and has revoked that election in accordance with the second paragraph of section 433.16R6.

"**433.16R6.** An election under section 433.16R5 ceases to be effective on the earlier of

(1) the first day of the fiscal year of the person in which the person becomes a selected listed financial institution for the purposes of Part IX of the Excise Tax Act (Revised Statutes of Canada, 1985, chapter E-15); and

(2) the day on which a revocation of the election becomes effective.

A financial institution that has made an election under section 433.16R5 may revoke the election by filing with the Minister, in the manner determined by the Minister, a notice of revocation in prescribed form containing prescribed information not later than the day on which the revocation is to become effective or any later day that the Minister may determine.

"**433.16R7.** For the purposes of applying sections 433.16R9 to 433.16R19 to determine prescribed amounts for a particular reporting period in a fiscal year that ends in a particular taxation year of a selected listed financial institution, the specified percentage of the financial institution as regards Québec for the particular reporting period is,

(1) if the financial institution is a non-stratified investment plan and an election under section 49 or 61 of the Selected Listed Financial Institutions Attribution Method (GST/HST) Regulations made under the Excise Tax Act (Revised Statutes of Canada, 1985, chapter E-15), or under section 433.19.1 or 433.19.10 of the Act, in respect of the financial institution is in effect throughout the fiscal year, the financial institution's percentage as regards Québec as of the earliest day in the particular reporting period for which that percentage is required to be determined for the purposes of section 433.16.2 of the Act or, if no such day exists, as of the last day before the particular reporting period for which that percentage is required to be determined for the purposes of that section;

(2) if the financial institution is a stratified investment plan, the aggregate of all amounts each of which is an amount determined for a series of the financial institution by the formula

A × (B / C);

(3) if the financial institution is an investment plan and neither subparagraph 1 nor subparagraph 2 applies,

(*a*) if an election under section 50 of the Selected Listed Financial Institutions Attribution Method (GST/HST) Regulations, or under section 433.19.4 of the Act, is in effect throughout the fiscal year, other than for determining the interim net tax of the financial institution for the particular reporting period under the fourth paragraph of section 437.1 of the Act, the percentage under subparagraph *b* of subparagraph 3 of the second paragraph of section 433.16 of the Act; and

(*b*) in any other case, the percentage under subparagraph *a* of subparagraph 3 of the second paragraph of section 433.16 of the Act; and

(4) in any other case,

(*a*) if the amounts are determined for the purpose of calculating the interim net tax of the financial institution for the particular reporting period under section 437.1 of the Act,

(i) if the financial institution is a selected listed financial institution to which the fifth paragraph of section 437.1 of the Act applies, the percentage under subparagraph 3 of the second paragraph of section 433.16 of the Act enacted by that fifth paragraph; and

(ii) in any other case, the percentage under subparagraph 3 of the second paragraph of section 433.16 of the Act enacted by the first paragraph of section 437.1 of the Act; and

(*b*) in any other case, the percentage under subparagraph *b* of subparagraph 3 of the second paragraph of section 433.16 of the Act.

For the purposes of the formula in the first paragraph,

(1) A is,

(*a*) if an election under section 49 or 64 of the Selected Listed Financial Institutions Attribution Method (GST/HST) Regulations, or under section 433.19.1 or 433.19.11 of the Act, in respect of the series, is in effect throughout the fiscal year, the financial institution's percentage for the series and as regards Québec as of the earliest day in the particular reporting period for which that percentage is required to be determined for the purposes of section 433.16.2 of the Act or, if no such day exists, as of the last day before the particular reporting period for which that percentage is required to be determined for the purposes of that section;

(*b*) if an election under section 50 of the Selected Listed Financial Institutions Attribution Method (GST/HST) Regulations, or under section 433.19.4 of the Act, is in effect throughout the fiscal year, other than for determining the interim net tax of the financial institution for the particular reporting period under the third paragraph of section 437.1 of the Act, the financial institution's percentage for the series and as regards Québec for the particular taxation year that is required to be determined for the purposes of section 433.16.2 of the Act; and

(*c*) in any other case, the financial institution's percentage for the series and as regards Québec for the taxation year preceding the particular taxation year that is required to be determined for the purposes of section 433.16.2 of the Act;

(2) B is the total value of the units in the series as of the first business day in the particular reporting period; and

(3) C is the total value of the units of the financial institution as of the first business day in the particular reporting period.

"**433.16R8.** For the purposes of subparagraph 7 of the second paragraph of section 433.16 of the Act, the amounts determined under sections 433.16R9 to 433.16R19 are prescribed amounts for a particular reporting period in a fiscal year that ends in a taxation year of a selected listed financial institution.

"**433.16R9.** The positive or negative amount determined by the following formula is a prescribed amount for a particular reporting period in a fiscal year that ends in a taxation year of a selected listed financial institution:

$G_1 - [(G_2 - G_3) \times G_4 \times (G_5 / G_6)]$.

For the purposes of the formula in the first paragraph,

(1) G_1 is the aggregate of

(*a*) all amounts each of which is an amount that was paid or that became payable by the financial institution as or on account of tax under section 16 of the Act and that was adjusted, refunded or credited pursuant to any of sections 447 to 450 of the Act in the particular reporting period, to the extent that the amount was included in the total F amounts for any reporting period, including the particular reporting period, of the financial institution;

(*b*) if, under any of sections 357.2 to 357.5.3 of the Act, a person during the particular reporting period pays to, or credits in favour of, the financial institution an amount as or on account of a rebate, all amounts each of which is an amount so paid or credited to the financial institution, to the extent that the amount is in respect of tax under section 16 of the Act or, in respect of corporeal property brought into Québec by the financial institution and that comes from outside Canada, under section 17 of the Act, and was included in the total F amounts for any reporting period, including the particular reporting period, of the financial institution;

(*c*) all amounts each of which is an amount that, during the particular reporting period, was rebated, refunded or remitted to the financial institution under a law of Québec but otherwise than pursuant to the Act, to the extent that the amount is in respect of tax under section 16 of the Act or, in respect of corporeal property brought into Québec by the financial institution and that comes from outside Canada, under section 17 of the Act, and was included in the total F amounts for any reporting period, including the particular reporting period, of the financial institution;

(*d*) all amounts each of which is determined, for each rebate in respect of which section 350.6 of the Act applies that is received during the particular reporting period by the financial institution, by the formula

A × B;

(*e*) all amounts each of which is an amount, in respect of a supply made at any time during the particular reporting period of property or a service to which an election made by the financial institution and another person under section 433.17 of the Act or under subsection 4 of section 225.2 of the Excise Tax Act (Revised Statutes of Canada, 1985, chapter E-15) applies, equal to tax payable by the financial institution under any of sections 16, 17, 18 and 18.0.1 of the Act that is included in the cost to the financial institution of supplying the property or service to the other person; and

(*f*) all amounts each of which is

(i) the amount of tax specified in a tax adjustment note issued under section 450.0.2 of the Act to the financial institution during the particular reporting period in respect of a specified resource if an amount in respect of a supply of the specified resource or part of it was included, under subparagraph *b* of subparagraph 6 of the second paragraph of section 433.16R10, in the description of G_6 in the formula in the first paragraph of that section 433.16R10, for the particular reporting period or an earlier reporting period of the financial institution; or

(ii) the amount of tax specified in a tax adjustment note issued under section 450.0.5 of the Act to the financial institution during the particular reporting period in respect of employer resources if an amount in respect of supplies of the employer resources was included, under subparagraph *c* of subparagraph 6 of the second paragraph of section 433.16R10, in the description of G_6 in the formula in the first paragraph of that section 433.16R10, for the particular reporting period or an earlier reporting period of the financial institution;

(2) G_2 is the aggregate of

(*a*) all amounts included under any of subparagraphs i to v of the description of G_2 in the formula in paragraph *a* of section 46 of the Selected Listed Financial Institutions Attribution Method (GST/HST) Regulations made under the Excise Tax Act, determined for the particular reporting period, or all amounts that would be so determined for the particular reporting period if the financial institution were a selected listed financial institution for the purposes of Part IX of that Act; and

(*b*) the amount that is,

(i) if the financial institution is not a selected listed financial institution for the purposes of Part IX of the Excise Tax Act, the total of all amounts that would be included under subparagraph vi of the description of G_2 in the formula in paragraph *a* of section 46 of the Selected Listed Financial Institutions Attribution Method (GST/HST) Regulations, determined for the particular reporting period if the financial institution were a selected listed financial institution for the purposes of that Part IX and the reference to "the supply is made at any time during the particular reporting period to another person that is a selected listed financial institution at that time and an election made by the financial institution and the other person under subsection 225.2(4) of the Act applies to the supply," in that paragraph vi were read as "the supply is made at any time during the particular reporting period to another person that is, at that time, a selected listed financial institution, or a selected listed financial institution for the purposes of the Act respecting the Québec sales tax, R.S.Q., ch. T-0.1, and an election made by the financial institution and the other person under subsection 225.2(4) of the Act, or under section 433.17 of the Act respecting the Québec sales tax, applies to the supply,"; and

(ii) in any other case, the total of all amounts included under subparagraph vi of the description of G_2 in the formula in paragraph *a* of section 46 of the Selected Listed Financial Institutions Attribution Method (GST/HST) Regulations, determined for the particular reporting period;

(3) G_3 is the total for G_3 in the formula in paragraph *a* of section 46 of the Selected Listed Financial Institutions Attribution Method (GST/HST) Regulations, determined for the particular reporting period or the total that G_3 would be for that reporting period if the financial institution were a selected listed financial institution for the purposes of Part IX of the Excise Tax Act;

(4) G_4 is the specified percentage of the financial institution as regards Québec for the particular reporting period;

(5) G_5 is the tax rate specified in the first paragraph of section 16 of the Act; and

(6) G_6 is the tax rate specified in subsection 1 of section 165 of the Excise Tax Act.

For the purposes of the formula in subparagraph *d* of subparagraph 1 of the second paragraph,

(1) A is the tax fraction in respect of the rebate, within the meaning of section 350.6 of the Act, in respect of the supply made to the financial institution of the property or service for which the rebate is paid, and

(2) B is the amount of the rebate.

"**433.16R10.** The positive or negative amount determined by the following formula is a prescribed amount for a particular reporting period in a fiscal year that ends in a taxation year of a selected listed financial institution:

$[(G_1 - G_2) \times G_3 \times (G_4 / G_5)] - G_6$.

For the purposes of the formula in the first paragraph,

(1) G_1 is the aggregate of

(*a*) the amount determined for G_7 in the formula in paragraph *b* of section 46 of the Selected Listed Financial Institutions Attribution Method (GST/HST) Regulations made under the Excise Tax Act (Revised Statutes of Canada, 1985, chapter E-15), determined for the particular reporting period, or the amount that would be determined for G_7 for the reporting period if the financial institution were a selected listed financial institution for the purposes of Part IX of that Act; and

(*b*) if the financial institution is not a selected listed financial institution for the purposes of Part IX of the Excise Tax Act and has made an election under section 150 of that Act in respect of a supply that another person at a particular time made in favour of the financial institution, and the other person is a selected listed financial institution for the purposes of that Part IX, the amount included in the value determined for B in the formula in the first paragraph of section 433.16 of the Act, or taken into account in determining the value of A in the formula in the first paragraph of section 433.16.2 of the Act, for the particular reporting period, that would be an input tax credit if tax under subsection 1 of section 165 of the Excise Tax Act had become payable in respect of the supply during the particular reporting period;

(2) G_2 is the aggregate of

(*a*) all amounts included under subparagraph i of the description of G_8 in the formula in paragraph *b* of section 46 of the Selected Listed Financial Institutions Attribution Method (GST/HST) Regulations, determined for the particular reporting period or all amounts that would be so determined for the reporting period if the financial institution were a selected listed financial institution for the purposes of Part IX of the Excise Tax Act; and

(*b*) if the financial institution made an election under section 150 of the Excise Tax Act in respect of a supply made by the financial institution in favour of another person, the total of all amounts each of which is,

(i) if the other person is a selected listed financial institution for the purposes of Part IX of the Excise Tax Act, an amount included under subparagraph ii of the description of G_8 in the formula in paragraph *b* of section 46 of the Selected Listed Financial Institutions Attribution Method (GST/HST) Regulations for the particular reporting period or would be so included for that reporting period if the financial institution were a selected listed financial institution for the purposes of that Part IX; and

(ii) in any other case and if the financial institution is not a selected listed financial institution for the purposes of Part IX of the Excise Tax Act, an amount that would be included under subparagraph ii of the description of G_8 in the formula in paragraph *b* of section 46 of the Selected Listed Financial Institutions Attribution Method (GST/HST) Regulations for the particular reporting period if the financial institution were a selected listed financial institution for the purposes of that Part IX and that paragraph were read as follows:

"(ii) all amounts each of which would be, in the absence of an election under section 150 of the Act, an input tax credit of the financial institution for the particular reporting period in respect of a supply made at any time by the financial institution to another person that is a selected listed financial institution for the purposes of the Act respecting the Québec sales tax, R.S.Q., ch. T-0.1, at that time, if tax under subsection 165(1) of the Act would have been payable in the absence of an election and no election made by the financial institution and the other person under section 433.17 of the Act respecting the Québec sales tax applies in respect of the supply,"; and

(*c*) if the financial institution is not a selected listed financial institution for the purposes of Part IX of the Excise Tax Act and has made an election under section 150 of that Act in respect of a supply that another person at a particular time made in favour of the financial institution and the other person is a selected listed financial institution for the purposes of that Part IX, the amount included in the value determined for A in the formula in the first paragraph of section 433.16 of the Act, or taken into account in determining the value of A in the formula in the first paragraph of section 433.16.2 of the Act, for the particular reporting period, that would be tax under subsection 1 of section 165 of the Excise Tax Act that would have become payable in respect of that supply in the particular reporting period in the absence of that election;

(3) G_3 is the specified percentage of the financial institution as regards Québec for the particular reporting period;

(4) G_4 is the tax rate specified in the first paragraph of section 16 of the Act;

(5) G_5 is the tax rate specified in subsection 1 of section 165 of the Excise Tax Act; and

(6) G_6 is the aggregate of

(*a*) all amounts each of which is an amount of tax deemed to have been paid by the financial institution under subparagraph 1 of the first paragraph of section 327.7 of the Act during the particular reporting period to the extent that the amount is in respect of tax paid by another person under section 16 of the Act or, in respect of corporeal property from outside Canada that the person brings into Québec, under section 17 of the Act, and has not been included in the total F amounts for any reporting period, including the particular reporting period, of the financial institution;

(*b*) all amounts each of which is an amount of tax determined under subparagraph 3 of the first paragraph of section 289.5 of the Act in respect of a supply that the financial institution was deemed to have received during the particular reporting period under subparagraph *a* of subparagraph 4 of the first paragraph of that section;

(*c*) all amounts each of which is an amount of tax determined under subparagraph 3 of the first paragraph of section 289.6 of the Act in respect of a supply that the financial institution was deemed to have received during the particular reporting period under subparagraph *a* of subparagraph 4 of the first paragraph of that section; and

(*d*) all amounts each of which is an amount of tax determined under subparagraph 3 of the first paragraph of section 289.7 of the Act in respect of a supply in respect of which the financial institution was deemed to have paid tax during the particular reporting period under subparagraph 4 of the first paragraph of that section.

"**433.16R11.** The positive or negative amount determined by the following formula is a prescribed amount for a particular reporting period in a fiscal year that ends in a taxation year of a selected listed financial institution:

$[G_1 \times G_2 \times (G_3 / G_4) \times G_5] - G_6 + G_7$.

For the purposes of the formula in the first paragraph,

(1) G_1 is,

(*a*) if the financial institution is a large business at any time in the particular reporting period, the aggregate of all amounts each of which is an amount determined for a specified class of specified property or service by the formula

$A \times B \times C$; and

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

(2) G_2 is the specified percentage of the financial institution as regards Québec for the particular reporting period;

(3) G_3 is the tax rate specified in the first paragraph of section 16 of the Act;

(4) G_4 is the tax rate specified in subsection 1 of section 165 of the Excise Tax Act (Revised Statutes of Canada, 1985, chapter E-15);

(5) G_5 is the rate that is the proportion that the total of all amounts each of which is the recapture rate applicable on a particular day in the particular reporting period is of the number of days in the particular reporting period;

(6) G_6 is the aggregate of all amounts each of which is, in respect of a selected road vehicle that the financial institution, in the particular reporting period, either supplies by way of sale to a person that is not related to the financial institution or removes from Canada and registers in a foreign country, and in respect of the last acquisition or importation into Canada of the road vehicle, at any time in another reporting period of the financial institution that is after 31 December 2017, the financial institution included an amount under subparagraph 1 for the other reporting period, an amount determined by the formula

D × E × (F / G) × H × (I / J); and

(7) G_7 is the aggregate of all amounts each of which is, in respect of a selected road vehicle supplied by way of sale in any reporting period by the financial institution,

(*a*) if the time of the last acquisition or importation into Canada of the selected road vehicle was before 1 January 2018 and at that time the financial institution was a large business, the amount determined by the formula

K × L × (M / N); and

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

For the purposes of the formulas in the second paragraph,

(1) A is the aggregate of

(*a*) all amounts each of which is an amount of tax, other than an amount of tax that is a prescribed amount of tax for the purposes of paragraph *a* of the description of A in the formula in subsection 2 of section 225.2 of the Excise Tax Act or an amount under subparagraph *b* of subparagraph 2 of the second paragraph of section 433.16R9, that became payable under subsection 1 of section 165 of that Act or under any of sections 212, 218 and 218.01 of that Act by the financial institution during the particular reporting period in respect of a supply or importation into Canada of property or a service, multiplied by the specified extent of the property or service in respect of the specified class for the particular reporting period;

(*b*) all amounts each of which is an amount of tax under subsection 1 of section 165 of the Excise Tax Act in respect of a supply of property or a service, other than a supply to which subparagraph *c* applies, made by a person to the financial institution that would, in the absence of an election under section 150 of that Act, have become payable by the financial institution during the particular reporting period, multiplied by the specified extent of the property or service in respect of the specified class for the particular reporting period;

(*c*) all amounts each of which is an amount, in respect of a supply made during the particular reporting period of property or a service to which an election made by the financial institution and another person under subsection 4 of section 225.2 of the Excise Tax Act or under section 433.17 of the Act applies, equal to tax under subsection 1 of section 165 of the Excise Tax Act calculated on the cost to the other person of supplying the property or service to the financial institution, excluding any remuneration to employees of the other person, the cost of financial services and tax under Part IX of the Excise Tax Act, multiplied by the specified extent of the property or service in respect of the specified class for the particular reporting period;

(*d*) all amounts each of which is an amount of tax, other than an amount of tax that is a prescribed amount of tax for the purposes of paragraph *a* of the description of A in the formula in subsection 2 of section 225.2 of the Excise Tax Act, that would have been payable under subsection 1 of section 165 of that Act or under any of sections 212, 218 and 218.01 of that Act by the financial institution during the particular reporting period in respect of a supply or importation into Canada of property or a service, multiplied by the specified extent of the property or service in respect of the specified class for the particular reporting period if,

(i) in the case where the property or a service is acquired or imported into Canada by the financial institution for consumption, use or supply exclusively in the course of commercial activities and, as a result of that consumption, use or supply, no tax under section 212 or 218 of the Excise Tax Act is payable in respect of the acquisition or importation, tax had been payable in respect of the acquisition or importation of the property or service;

(ii) in the case of a supply of property or a service that is deemed under Part IX of the Excise Tax Act to have been made for nil consideration, the supply had not been deemed to have been made for nil consideration if the supplier was not required to pay tax under Title I of the Act or would not have been required to pay tax if that Title I had applied to the supplier, as the case may be, or the supplier claimed or was entitled to claim a refund of the tax under that Title I or would have been entitled to claim such a refund if that Title I had applied to the supplier, as the case may be; and

(iii) in the case of a supply of property or a service that is deemed under paragraph *c* of subsection 1 of section 273 of the Excise Tax Act not to be a supply, the supply had not been deemed not to be a supply; and

(*e*) if the specified class is qualifying road vehicles and the financial institution is engaged in the business of supplying such road vehicles by way of sale, all amounts each of which is, for a selected road vehicle described in subparagraph *a* of paragraph 6 of the definition of "excluded property or service" in section 433.16R2 that was acquired or imported into Canada by the financial institution and is used by the financial institution, at any time in the particular reporting period, otherwise than exclusively for the purpose referred to in that subparagraph *a*, an amount determined by the formula

O × P × 2.5%;

(2) B is the tax recovery rate of the financial institution for the specified class for the particular reporting period;

(3) C is,

(*a*) in the case where the specified class is described in paragraph 3 of section 433.16R3, 50%; and

(*b*) in any other case, 100%;

(4) D is the amount determined under subparagraph 1 of the second paragraph in the other reporting period in respect of the last acquisition or importation of the road vehicle into Canada;

(5) E is the specified percentage of the financial institution as regards Québec for the other reporting period;

(6) F is the tax rate specified in the first paragraph of section 16 of the Act as of the last day of the other reporting period;

(7) G the tax rate specified in subsection 1 of section 165 of the Excise Tax Act;

(8) H is the amount determined for G_5 in the formula in the first paragraph, determined for the financial institution for the other reporting period;

(9) I is,

(*a*) if the financial institution supplies the selected road vehicle and the recipient of the supply is not dealing at arm's length with the financial institution or if the financial institution removes the road vehicle from Canada, the fair market value of the road vehicle at the time of the supply or removal; and

(*b*) in any other case, the consideration for the supply by way of sale of the selected road vehicle;

(10) J is the consideration in respect of the last acquisition of the selected road vehicle by the financial institution, or the value in respect of the last importation of the selected road vehicle into Canada by the financial institution, in respect of which the amount determined under subparagraph 4 is attributable;

(11) K is the amount of the input tax credit in respect of the selected road vehicle under subsection 1 of section 203 of the Excise Tax Act that was claimed by the financial institution in the return under Division V of Part IX of that Act filed by the financial institution for the particular reporting period that is included in the total B amounts for the particular reporting period;

(12) L is the percentage referred to in subparagraph 2 of the second paragraph;

(13) M is the rate referred to in subparagraph 3 of the second paragraph; and

(14) N is the rate referred to in subparagraph 4 of the second paragraph.

For the purposes of the formula in subparagraph *e* of subparagraph 1 of the third paragraph,

(1) O is an amount of tax, other than an amount of tax that is a prescribed amount of tax for the purposes of paragraph *a* of the description of A in the formula in subsection 2 of section 225.2 of the Excise Tax Act, that became payable by the financial institution under subsection 1 of section 165 of that Act or under any of sections 212, 218 and 218.01 of that Act in respect of the supply or importation into Canada of the road vehicle; and

(2) P is the number of fiscal months in the particular reporting period during which the road vehicle was used otherwise than exclusively for the purpose referred to in subparagraph *a* of paragraph 6 of the definition of "excluded property or service" in section 433.16R2.

"**433.16R12.** The positive amount determined by the following formula is a prescribed amount for a particular reporting period in a fiscal year that ends in a taxation year of a selected listed financial institution:

$G_1 \times G_2 \times (G_3 / G_4)$.

For the purposes of the formula in the first paragraph,

(1) G_1 is the total of all amounts each of which is an amount of tax that was paid or that became payable by the financial institution under subsection 1 of section 165 of the Excise Tax Act (Revised Statutes of Canada, 1985, chapter E-15) or under any of sections 212, 218 and 218.01 of that Act during a reporting period for the purposes of Part IX of that Act that ends before 1 January 2013 and in respect of which the financial institution has claimed an input tax credit in the return under Division V of Part IX of that Act filed by the financial institution for the particular reporting period, to the extent that the amount was included in the total B amounts for the particular reporting period;

(2) G_2 is the specified percentage of the financial institution as regards Québec for the particular reporting period;

(3) G_3 is the tax rate specified in the first paragraph of section 16 of the Act; and

(4) G_4 is the tax rate specified in subsection 1 of section 165 of the Excise Tax Act.

"**433.16R13.** The negative amount determined by the following formula is a prescribed amount for a particular reporting period that begins before 1 April 2013 and ends after 31 March 2013 and that is in a fiscal year that ends in a taxation year of a selected listed financial institution:

$-1 \times G_1 \times G_2 \times (G_3 / G_4)$.

For the purposes of the formula in the first paragraph,

(1) G_1 is the value of G_{40} in the formula in paragraph *h* of section 46 of the Selected Listed Financial Institutions Attribution Method (GST/HST) Regulations made under the Excise Tax Act (Revised Statutes of Canada, 1985, chapter E-15), determined for the particular reporting period or the value that G_{40} would have for that particular reporting period if the financial institution were a selected listed financial institution for the purposes of Part IX of that Act;

(2) G_2 is the specified percentage of the financial institution as regards Québec for the particular reporting period;

(3) G_3 is the tax rate specified in the first paragraph of section 16 of the Act; and

(4) G_4 is the tax rate specified in subsection 1 of section 165 of the Excise Tax Act.

"**433.16R14.** If a selected listed financial institution that is an investment plan and the manager of the investment plan have made an election under the first or second paragraph of section 433.22 of the Act that is in effect at any time in a particular reporting period of the manager, and an election under the first or second paragraph of section 470.2 of the Act is in effect at any time in the particular reporting period of the investment plan in which the manager's particular reporting period ends, the positive or negative amount determined by the following formula is a prescribed amount for the particular reporting period of the investment plan:

$-1 \times A$.

For the purposes of the formula in the first paragraph, A is,

(1) if the manager is a selected listed financial institution throughout the manager's particular reporting period, the amount determined under section 433.16R15 in respect of the reporting period; and

(2) in any other case, the amount determined in respect of the manager's particular reporting period under subparagraph 3 of the third paragraph of section 433.22 of the Act or under the second paragraph of section 406.2 of the Act.

"**433.16R15.** If a manager has made, with one or more investment plans that are selected listed financial institutions, each of which is referred to in this section as a "qualifying investment plan", a joint election under the first or second paragraph of section 433.22 of the Act that is in effect at any time in a particular reporting period of the manager, and the manager is a selected listed financial institution throughout that particular reporting period, the particular positive or negative amount that is the aggregate of all amounts each of which is the positive amount that a qualifying investment plan would be required to add in determining its net tax under section 433.16 or 433.16.2 of the Act, or the negative amount that a qualifying investment plan would be able to deduct in determining its net tax under either of those sections, for a particular reporting period of the qualifying investment plan, is a prescribed amount for the manager's particular reporting period, if the positive or negative amount were determined having regard to the following assumptions:

(1) the beginning of the particular reporting period of the qualifying investment plan coincided with the later of the beginning of the manager’s particular reporting period and the day, if any, in the manager’s particular reporting period on which an election under the first or second paragraph of section 433.22 of the Act, as the case may be, between the qualifying investment plan and the manager becomes effective;

(2) the end of the particular reporting period of the qualifying investment plan coincided with the earlier of the end of the manager’s particular reporting period and the day, if any, in the manager’s particular reporting period on which an election under the first or second paragraph of section 433.22 of the Act, as the case may be, between the qualifying investment plan and the manager ceases to have effect;

(3) subparagraphs 1 and 2 of the third paragraph of section 433.22 of the Act and section 433.16R14 did not apply in respect of the particular reporting period of the qualifying investment plan; and

(4) if, at any time in the particular reporting period of the qualifying investment plan, no election under the first or second paragraph of section 470.2 of the Act, as the case may be, is in effect between the qualifying investment plan and the manager, an amount of tax that became payable by the qualifying investment plan, or that was paid by the qualifying investment plan without having become payable, at that time is included in determining the positive or negative amount only if the amount of tax is attributable to a supply made by the manager to the qualifying investment plan.

For the purposes of the first paragraph, a negative amount in respect of a qualifying investment plan is taken into account only if the manager has paid or credited the amount to the qualifying investment plan.

"**433.16R16.** If a selected listed financial institution is a non-stratified investment plan, if units of the investment plan are issued, distributed or offered for sale in a particular fiscal year of the investment plan that ends in a particular taxation year of the investment plan, if immediately before the issuance, distribution or offering for sale no units of the investment plan are issued and outstanding and if no election is in effect under any of sections 49, 60 and 61 of the Selected Listed Financial Institutions Attribution Method (GST/HST) Regulations made under the Excise Tax Act (Revised Statutes of Canada, 1985, chapter E-15), under the third paragraph of section 433.16 of the Act or under section 433.19.1 or 433.19.10 of the Act, in respect of the investment plan and the particular fiscal year, and if the reconciliation day, within the meaning of subparagraph ii of paragraph *a* of section 59 of those Regulations, is not included in the particular fiscal year, the positive or negative amount determined by the following formula is a prescribed amount for the particular reporting period of the investment plan that includes the reconciliation day:

A − B.

For the purposes of the formula in the first paragraph,

(1) A is the aggregate of all amounts each of which is an amount that would be the net tax for a reporting period of the investment plan that is included in the particular fiscal year if that net tax were determined,

(*a*) if no election under section 50 of the Selected Listed Financial Institutions Attribution Method (GST/HST) Regulations, or under section 433.19.4 of the Act, is in effect throughout the particular fiscal year, as if the investment plan's percentage as regards Québec for the taxation year preceding the particular taxation year were determined in accordance with the rules set out in section 60.1 of those Regulations and Québec were a participating province within the meaning of subsection 1 of section 123 of the Excise Tax Act; and

(*b*) if an election under section 50 of the Selected Listed Financial Institutions Attribution Method (GST/HST) Regulations, or under section 433.19.4 of the Act, is in effect throughout the particular fiscal year, as if the investment plan's percentage as regards Québec for the particular taxation year in which the particular fiscal year ends were determined in accordance with the rules set out in section 60.1 of those Regulations and Québec were a participating province within the meaning of subsection 1 of section 123 of the Excise Tax Act; and

(2) B is the aggregate of all amounts each of which is the net tax for a reporting period of the investment plan that is included in the particular fiscal year.

"**433.16R17.** If a selected listed financial institution is a non-stratified investment plan that has made an election under the third paragraph of section 433.16 of the Act, or under section 60 of the Selected Listed Financial Institutions Attribution Method (GST/HST) Regulations made under the Excise Tax Act (Revised Statutes of Canada, 1985, chapter E-15), in respect of a particular fiscal year that ends in a particular taxation year, for each particular reporting period in the particular fiscal year that ends after the attribution point in respect of the investment plan for the taxation year preceding the particular taxation year and for each particular reporting period in the fiscal year that follows the particular fiscal year, the amount determined by the following formula is a prescribed amount:

[(A − B) / C] × D × (E / F).

For the purposes of the formula in the first paragraph,

(1) A is the aggregate of all amounts each of which is a prescribed amount of tax under paragraph *a* of section 60 of the Selected Listed Financial Institutions Attribution Method (GST/HST) Regulations or that would be so prescribed if the investment plan were a selected listed financial institution for the purposes of Part IX of the Excise Tax Act;

(2) B is the aggregate of all amounts each of which is an input tax credit of the investment plan under Part IX of the Excise Tax Act in respect of an amount of tax referred to in subparagraph 1;

(3) C is the total of the number of particular reporting periods in the particular fiscal year that end after the attribution point and the number of particular reporting periods in the fiscal year of the investment plan that immediately follows the particular fiscal year;

(4) D is,

(*a*) if no election under section 50 of the Selected Listed Financial Institutions Attribution Method (GST/HST) Regulations, or under section 433.19.4 of the Act, is in effect throughout the particular fiscal year, the percentage that would be the investment plan's percentage as regards Québec for the taxation year preceding the particular taxation year for the purposes of subsection 2 of section 225.2 of the Excise Tax Act if Québec were a participating province within the meaning of subsection 1 of section 123 of that Act; and

(*b*) if an election under section 50 of the Selected Listed Financial Institutions Attribution Method (GST/HST) Regulations, or under section 433.19.4 of the Act, is in effect throughout the particular fiscal year, the percentage that would be the investment plan's percentage as regards Québec for the particular taxation year for the purposes of subsection 2 of section 225.2 of the Excise Tax Act if Québec were a participating province within the meaning of subsection 1 of section 123 of that Act;

(5) E is the tax rate specified in the first paragraph of section 16 of the Act; and

(6) F is the tax rate specified in subsection 1 of section 165 of the Excise Tax Act.

For the purposes of this section and subject to the second paragraph of section 433.19.18 of the Act, "attribution point" has the meaning assigned by paragraph *a* of subsection 1 of section 58 of the Selected Listed Financial Institutions Attribution Method (GST/HST) Regulations.

"**433.16R18.** In the circumstances set out in the second paragraph, the positive amount determined by the following formula is a prescribed amount for a particular reporting period in a particular fiscal year, in respect of a taxation year, of a selected listed financial institution:

$50\% \times [(G_1 - G_2) / G_3 \times G_4] \times G_5 \times G_6 \times (G_7 / G_8)$.

The circumstances to which the first paragraph refers are as follows:

(1) an amount, other than an amount paid in a remote location, is an expense incurred by the financial institution to earn income from a business or property in a taxation year — in this section referred to as the "composite amount" — and that, as the case may be,

(*a*) becomes due from the financial institution or is an amount paid by the financial institution without having become due in respect of the supply of property or a service made to the financial institution; or

(*b*) is paid by the financial institution as an allowance or reimbursement in respect of which the financial institution is deemed under section 174 or 175 of the Excise Tax Act (Revised Statutes of Canada, 1985, chapter E-15) to have received a supply of property or a service;

(2) section 421.1 of the Taxation Act (chapter I-3) applies, or would apply if the financial institution were a taxpayer under that Act, to all of the composite amount or that part of it that is, for the purposes of that Act, an amount paid or payable in respect of the human consumption of food or beverages or the enjoyment of entertainment and section 421.1 of that Act deems the composite amount or that part to be 50% of a particular amount;

(3) the particular amount exceeds twice that of the amount determined under section 175.6.1 of the Taxation Act that is deductible in computing the financial institution's income for the taxation year from the business or property, or that would be so deductible if the financial institution were a taxpayer under that Act; and

(4) an amount of tax included in the composite amount and having become payable under Part IX of the Excise Tax Act or deemed under section 174 or 175 of that Act to have been paid by the financial institution is included in determining the input tax credit tax claimed by the financial institution in the return under Division V of Part IX of that Act filed by the financial institution for the particular reporting period.

For the purposes of the formula in the first paragraph,

(1) G_1 is the particular amount referred to in subparagraph 2 of the second paragraph;

(2) G_2 is twice the amount determined under section 175.6.1 of the Taxation Act that is deductible in computing the financial institution's income for the taxation year from the business or property, or that would be so deductible if the financial institution were a taxpayer under that Act;

(3) G_3 is the composite amount;

(4) G_4 is the amount referred to in subparagraph 2 of the second paragraph of section 433.16 of the Act for the particular reporting period in respect of the composite amount;

(5) G_5 is,

(*a*) where the particular fiscal year begins before 1 January 2020 and the financial institution is a large business,

(i) if the particular fiscal year ends before 1 January 2018, zero; and

(ii) in any other case, the quotient obtained when the aggregate of all amounts, each of which is the rate referred to in the fourth paragraph applicable on a particular day in the particular reporting period, is divided by the number of days in the particular reporting period; and

(*b*) in any other case, 1;

(6) G_6 is the specified percentage of the financial institution as regards Québec for the particular reporting period;

(7) G_7 is the tax rate specified in the first paragraph of section 16 of the Act; and

(6) G_8 is the tax rate specified in subsection 1 of section 165 of the Excise Tax Act.

The rate referred to in subparagraph ii of subparagraph *a* of subparagraph 5 of the third paragraph applicable on a particular day is,

(1) if the particular day is before 1 January 2018, 0%;

(2) if the particular day is after 31 December 2017 but before 1 January 2019, 25%;

(3) if the particular day is after 31 December 2018 but before 1 January 2020, 50%;

(4) if the particular day is after 31 December 2019 but before 1 January 2021, 75%; and

(5) if the particular day is after 31 December 2020, 100%.

In this section, "amount paid in a remote location", "business", "property" and "taxation year" have the meaning assigned by section 457.1.3 of the Act.

This section does not apply for the purposes of subdivision 8 of Division III of Chapter VIII of Title I of the Act or paragraph 1 of section 470.1 of the Act.

"**433.16R19.** If a selected listed financial institution is an individual, the positive amount determined by the following formula is a prescribed amount for a reporting period in a particular fiscal year that ends in a taxation year of the financial institution:

$50\% \times G_1 \times G_2 \times (G_3 / G_4)$.

For the purposes of the formula in the first paragraph,

(1) G_1 is the portion of the amount referred to in subparagraph 2 of the second paragraph of section 433.16 of the Act for the particular reporting period in respect of property or a service acquired or imported into Canada for consumption or use in relation to the maintenance of a self-contained domestic establishment that includes a work space described in subparagraph i or ii of paragraph *a*.1 of subsection 1 of section 170 of the Excise Tax Act (Revised Statutes of Canada, 1985, chapter E-15), other than property or a service acquired or imported into Canada for exclusive consumption or use in relation to that work space;

(2) G_2 is the specified percentage of the financial institution as regards Québec for the particular reporting period;

(3) G_3 is the tax rate specified in the first paragraph of section 16 of the Act; and

(4) G_4 is the tax rate specified in subsection 1 of section 165 of the Excise Tax Act.

For the purposes of this section, property or a service acquired or imported into Canada for consumption or use in relation to the maintenance of a self-contained domestic establishment includes property or a service relating to the maintenance, repair or improvement of the establishment but does not include the electricity, gas, fuel or steam used in lighting or heating the establishment.

"Prescribed class

"**433.16R20.** For the purposes of section 433.16 of the Act, a prescribed class means a class prescribed for the purposes of subsection 2 of section 225.2 of the Excise Tax Act (Revised Statutes of Canada, 1985, chapter E-15).

"ADAPTED SPECIAL ATTRIBUTION METHOD — SELECTED LISTED FINANCIAL INSTITUTION

"Prescribed amount of tax

"**433.16.2R1.** For the purposes of subparagraph 4 of the second paragraph of section 433.16.2 of the Act, the following amounts are prescribed amounts of tax:

(1) any amount of tax that became payable by an insurer, or that was paid by the insurer without having become payable, in respect of property or a service acquired, or brought into Québec, exclusively and directly for consumption, use or supply in the course of investigating, settling or defending a claim arising under an insurance policy that is not in the nature of sickness or accident insurance or life insurance; and

(2) any amount of tax that became payable by a stratified investment plan, or that was paid by the investment plan without having become payable, in respect of property or a service to the extent that the property or service was acquired, or brought into Québec, for consumption, use or supply in the course of activities relating to a provincial series of the investment plan.

"E in the adapted special attribution method formula

"**433.16.2R2.** For the purposes of subparagraph 5 of the second paragraph of section 433.16.2 of the Act, any amount under any of sections 433.16R9 to 433.16R15 and 433.16.2R3 to 433.16.2R5 is a prescribed amount.

"**433.16.2R3.** If a selected listed financial institution is a stratified investment plan, if units of a series of the investment plan are issued, distributed or offered for sale in a particular fiscal year of the investment plan that ends in a particular taxation year of the investment plan, if immediately before the issuance, distribution or offering for sale no units in the series are issued and outstanding, if no election is in effect under any of sections 49, 63 and 64 of the Selected Listed Financial Institutions Attribution Method (GST/HST) Regulations made under the Excise Tax Act (Revised Statutes of Canada, 1985, chapter E-15), under the third paragraph of section 433.16.2 of the Act or under section 433.19.1 or 433.19.11 of the Act, in respect of the series and the particular fiscal year and if the reconciliation day, within the meaning of subparagraph ii of paragraph *a* of section 62 of those Regulations, is not included in the particular fiscal year, the positive or negative amount determined by the following formula is a prescribed amount for the particular reporting period of the investment plan that includes the reconciliation day:

A − B.

For the purposes of the formula in the first paragraph,

(1) A is the aggregate of all amounts each of which is an amount that would be the net tax for a reporting period of the investment plan that is included in the particular fiscal year if that net tax were determined,

(*a*) if no election under section 50 of the Selected Listed Financial Institutions Attribution Method (GST/HST) Regulations, or under section 433.19.4 of the Act, is in effect throughout the particular fiscal year, as if the investment plan's percentage for the series and as regards Québec for the taxation year preceding the particular taxation year were determined in accordance with the rules set out in section 63.1 of those Regulations and Québec were a participating province within the meaning of subsection 1 of section 123 of the Excise Tax Act; and

(*b*) if an election under section 50 of the Selected Listed Financial Institutions Attribution Method (GST/HST) Regulations, or under section 433.19.4 of the Act, is in effect throughout the particular fiscal year, as if the investment plan's percentage for the series and as regards Québec for the taxation year in which the particular fiscal year ends were determined in accordance with the rules set out in section 63.1 of those Regulations and Québec were a participating province within the meaning of subsection 1 of section 123 of the Excise Tax Act; and

(2) B is the aggregate of all amounts each of which is the net tax for a reporting period of the investment plan that is included in the particular fiscal year.

"**433.16.2R4.** If a selected listed financial institution is a stratified investment plan that, in respect of a series and a particular fiscal year that ends in a particular taxation year, has made an election under the third paragraph of section 433.16.2 of the Act, or under section 63 of the Selected Listed Financial Institutions Attribution Method (GST/HST) Regulations made under the Excise Tax Act (Revised Statutes of Canada, 1985, chapter E-15), for each particular reporting period in the particular fiscal year that ends after the attribution point in respect of the series for the taxation year preceding the particular taxation year and for each particular reporting period in the fiscal year that follows the particular fiscal year, the amount determined by the following formula is a prescribed amount:

$[(A - B) / C)] \times D \times (E / F)$.

For the purposes of the formula in the first paragraph,

(1) A is the aggregate of all amounts each of which is a prescribed amount of tax under paragraph *a* of section 63 of the Selected Listed Financial Institutions Attribution Method (GST/HST) Regulations or that would be so prescribed if the investment plan were a selected listed financial institution for the purposes of Part IX of the Excise Tax Act;

(2) B is the aggregate of all amounts each of which is an input tax credit of the investment plan under Part IX of the Excise Tax Act that is in respect of an amount of tax referred to in subparagraph 1;

(3) C is the total of the number of particular reporting periods in the particular fiscal year that end after the attribution point and the number of reporting periods in the fiscal year of the investment plan that immediately follows the particular fiscal year;

(4) D is,

(*a*) if no election under section 50 of the Selected Listed Financial Institutions Attribution Method (GST/HST) Regulations, or under section 433.19.4 of the Act, is in effect throughout the particular fiscal year, the investment plan's percentage that would be applicable for the series and as regards Québec for the taxation year preceding the particular taxation year for the purposes of subsection 2 of section 225.2 of the Excise Tax Act if Québec were a participating province within the meaning of subsection 1 of section 123 of that Act; and

(*b*) if an election under section 50 of the Selected Listed Financial Institutions Attribution Method (GST/HST) Regulations, or under section 433.19.4 of the Act, is in effect throughout the particular fiscal year, the investment plan's percentage that would be applicable for the series and as regards Québec for the particular taxation year for the purposes of subsection 2 of section 225.2 of the Excise Tax Act if Québec were a participating province within the meaning of subsection 1 of section 123 of that Act;

(5) E is the tax rate specified in the first paragraph of section 16 of the Act; and

(6) F is the tax rate specified in subsection 1 of section 165 of the Excise Tax Act.

For the purposes of this section and subject to the first paragraph of section 433.19.18 of the Act, "attribution point" has the meaning assigned by paragraph *a* of subsection 2 of section 58 of the Selected Listed Financial Institutions Attribution Method (GST/HST) Regulations.

"**433.16.2R5.** In the circumstances set out in the second paragraph, the positive amount determined by the following formula is a prescribed amount for a reporting period in a particular fiscal year, in respect of a taxation year, of a selected listed financial institution in respect of a particular series in the case of a stratified investment plan, or in respect of the investment plan in any other case:

$50\% \times [(G_1 - G_2) / G_3 \times G_4] \times G_5 \times G_6 \times (G_7 / G_8)$.

The circumstances to which the first paragraph refers are as follows:

(1) an amount, other than an amount paid in a remote location, is an expense incurred by the financial institution to earn income from a business or property in a taxation year — in this section referred to as the "composite amount" — and that, as the case may be,

(*a*) becomes due from the financial institution or is an amount paid by the financial institution without having become due in respect of the supply of property or a service made to the financial institution; or

(*b*) is paid by the financial institution as an allowance or reimbursement in respect of which the financial institution is deemed under section 174 or 175 of the Excise Tax Act (Revised Statutes of Canada, 1985, chapter E-15) to have received a supply of property or a service;

(2) section 421.1 of the Taxation Act (chapter I-3) applies, or would apply if the financial institution were a taxpayer under that Act, to all of the composite amount or that part of it that is, for the purposes of that Act, an amount paid or payable in respect of the human consumption of food or beverages or the enjoyment of entertainment and section 421.1 of that Act deems the composite amount or that part to be 50% of a particular amount;

(3) the particular amount exceeds twice that of the amount determined under section 175.6.1 of the Taxation Act that is deductible in computing the financial institution's income for the taxation year from the business or property, or that would be so deductible if the financial institution were a taxpayer under that Act; and

(4) an amount of tax included in the composite amount and having become payable under Part IX of the Excise Tax Act or deemed under section 174 or 175 of that Act to have been paid by the financial institution is included in determining the input tax credit tax claimed by the financial institution in the return under Division V of Part IX of that Act filed by the financial institution for the particular reporting period.

For the purposes of the formula in the first paragraph,

(1) G_1 is the particular amount referred to in subparagraph 2 of the second paragraph;

(2) G_2 is twice the amount determined under section 175.6.1 of the Taxation Act that is deductible in computing the financial institution's income for the taxation year from the business or property, or that would be so deductible if the financial institution were a taxpayer under that Act;

(3) G_3 is the composite amount;

(4) G_4 is the aggregate of all amounts each of which is an amount in respect of an input tax credit taken into account in determining the amount under subparagraph 1 of the second paragraph of section 433.16.2 of the Act in respect of the particular series or the investment plan, as the case may be, for the particular reporting period, in respect of the composite amount;

(5) G_5 is,

(*a*) where the particular fiscal year begins before 1 January 2020 and the financial institution is a large business,

(i) if the particular fiscal year ends before 1 January 2018, zero; and

(ii) in any other case, the quotient obtained when the aggregate of all amounts, each of which is the rate referred to in the fourth paragraph applicable on a particular day in the particular reporting period, is divided by the number of days in the particular reporting period; and

(*b*) in any other case, 1;

(6) G_6 is the specified percentage of the financial institution as regards Québec for the particular reporting period within the meaning of section 433.16R7;

(7) G_7 is the tax rate specified in the first paragraph of section 16 of the Act; and

(8) G_8 is the tax rate specified in subsection 1 of section 165 of the Excise Tax Act.

The rate referred to in subparagraph ii of subparagraph *a* of subparagraph 5 of the third paragraph applicable on a particular day is,

(1) if the particular day is before 1 January 2018, 0%;

(2) if the particular day is after 31 December 2017 but before 1 January 2019, 25%;

(3) if the particular day is after 31 December 2018 but before 1 January 2020, 50%;

(4) if the particular day is after 31 December 2019 but before 1 January 2021, 75%; and

(5) if the particular day is after 31 December 2020, 100%.

In this section, "amount paid in a remote location", "business", "property" and "taxation year" have the meaning assigned by section 457.1.3 of the Act.

This section does not apply for the purposes of subdivision 8 of Division III of Chapter VIII of Title I of the Act or paragraph 1 of section 470.1 of the Act.

"INFORMATION — SELECTED LISTED FINANCIAL INSTITUTION

"**433.27R1.** For the purposes of the first paragraph of section 433.27 of the Act, the following is prescribed information in relation to a selected investor in a selected non-stratified investment plan for a calendar year:

(1) the investor's address that determines, in accordance with the second paragraph of section 433.15.3 of the Act, the province in which the investor is resident on 30 September of the calendar year; and

(2) the number of units held on 30 September of the calendar year by the investor in the investment plan.

"**433.27R2.** For the purposes of the second paragraph of section 433.27 of the Act, the following is prescribed information in relation to a selected investor in a selected stratified investment plan for a calendar year:

(1) the investor's address that determines, in accordance with the second paragraph of section 433.15.3 of the Act, the province in which the investor is resident on 30 September of the calendar year; and

(2) the number of units in each series, other than an exchange-traded series, of the investment plan held on 30 September of the calendar year by the investor.

"**433.30R1.** For the purposes of section 433.30 of the Act,

(1) every person that, on a date determined by an investment plan pursuant to section 433.19.18 of the Act, holds units in an investment plan that is a non-stratified investment plan, or units in a series, other than an exchange-traded series, of an investment plan that is a stratified investment plan, and that is neither an individual nor a specified investor in the investment plan within the meaning of the first paragraph of section 433.25 of the Act, is a prescribed person; and

(2) the address of the person referred to in paragraph 1 that determines, in accordance with the second paragraph of section 433.15.3 of the Act, the province in which the person is resident on the date referred to in paragraph 1, and the number of units held on that date by the person in the non-stratified investment plan, or in each series other than an exchange-traded series of the stratified investment plan, as the case may be, is prescribed information.".

(2) Subsection 1 has effect from 1 January 2013, except that if the particular reporting period follows the reporting period that is deemed under the second paragraph of section 458.8 of the Act respecting the Québec sales tax (chapter T-0.1) to end on 31 December 2012, the following rules apply:

(1) the definition of "total B amounts" in section 433.16R2 of the Regulation is to be read as if paragraph 3 were replaced by the following:

"(3) in any other case, the total for B in the formula in subsection 2 of section 225.2 of the Excise Tax Act, or the total B would be if the financial institution were a selected listed financial institution for the purposes of Part IX of that Act, for the reporting period for the purposes of that Part IX that includes 1 January 2013;";

(2) section 433.16R4 of the Regulation is to be read

(*a*) as if subparagraph *a* of paragraph 2 were replaced by the following:

"(*a*) if an election under section 43 of the Selected Listed Financial Institutions Attribution Method (GST/HST) Regulations made under the Excise Tax Act (Revised Statutes of Canada, 1985, chapter E-15), or under section 433.16R5, is in effect throughout the particular reporting period, the percentage determined under subparagraph i of paragraph *b* of subsection 4 of section 42 of those Regulations for the reporting period for the purposes of Part IX of that Act that includes 1 January 2013, or the percentage that would be so determined for that reporting period if the financial institution were a selected listed financial institution for the purposes of Part IX of that Act; and";

(*b*) as if the portion of subparagraph *b* of paragraph 2 before subparagraph i were replaced by the following:

"(*b*) in any other case, the percentage that would be determined under subparagraph ii of paragraph *b* of subsection 4 of section 42 of the Selected Listed Financial Institutions Attribution Method (GST/HST) Regulations for the reporting period for the purposes of Part IX of the Excise Tax Act that includes 1 January 2013 if the financial institution were a selected listed financial institution for the purposes of Part IX of that Act and if";

(3) section 433.16R9 of the Regulation is to be read

(*a*) as if subparagraph *a* of subparagraph 2 of the second paragraph were replaced by the following:

"(*a*) the product obtained when the proportion that the number of days in the particular reporting period is of the number of days in the financial institution's reporting period for the purposes of Part IX of the Excise Tax Act that includes 1 January 2013 is multiplied by the total of all amounts included under any of subparagraphs i to v of the description of G_2 in the formula in paragraph *a* of section 46 of the Selected Listed Financial Institutions Attribution Method (GST/HST) Regulations made under that Act, determined for the reporting period of the financial institution for the purposes of Part IX of that Act that includes 1 January 2013 or the total of all amounts that would be so determined for that reporting period if the financial institution were a selected listed financial institution for the purposes of Part IX of that Act; and";

(*b*) as if subparagraphs i and ii of subparagraph *b* of subparagraph 2 of the second paragraph were replaced by the following:

"(i) if the financial institution is not a selected listed financial institution for the purposes of Part IX of the Excise Tax Act, the product obtained when the proportion that the number of days in the particular reporting period is of the number of days in the financial institution's reporting period for the purposes of Part IX of that Act that includes 1 January 2013 is multiplied by the total of all amounts that would be included under subparagraph vi of the description of G_2 in the formula in paragraph *a* of section 46 of the Selected Listed Financial Institutions Attribution Method (GST/HST) Regulations, determined for the reporting period of the financial institution for the purposes of Part IX of that Act that includes 1 January 2013 if the financial institution were a selected listed

financial institution for the purposes of that Part IX and the reference to "the supply is made at any time during the particular reporting period to another person that is a selected listed financial institution at that time and an election made by the financial institution and the other person under subsection 225.2(4) of the Act applies to the supply," in that subparagraph vi were read as "the supply is made at any time during the particular reporting period to another person that is, at that time, a selected listed financial institution, or a selected listed financial institution for the purposes of the Act respecting the Québec sales tax, R.S.Q., ch. T-0.1, and an election made by the financial institution and the other person under subsection 225.2(4) of the Act, or under section 433.17 of the Act respecting the Québec sales tax, applies to the supply,"; and

"(ii) in any other case, the product obtained when the proportion that the number of days in the particular reporting period is of the number of days in the financial institution's reporting period for the purposes of Part IX of the Excise Tax Act that includes 1 January 2013 is multiplied by the total of all amounts included under subparagraph vi of the description of G_2 in the formula in paragraph *a* of section 46 of the Selected Listed Financial Institutions Attribution Method (GST/HST) Regulations, determined for the reporting period of the financial institution for the purposes of Part IX of that Act that includes 1 January 2013;";

(*c*) as if subparagraph 3 of the second paragraph were replaced by the following:

"(3) G_3 is the product obtained when the proportion that the number of days in the particular reporting period is of the number of days in the financial institution's reporting period for the purposes of Part IX of the Excise Tax Act that includes 1 January 2013 is multiplied by the total for G_3 in the formula in paragraph *a* of section 46 of the Selected Listed Financial Institutions Attribution Method (GST/HST) Regulations, determined for the reporting period of the financial institution for the purposes of Part IX of that Act that includes 1 January 2013 or the total that G_3 would be for that reporting period if the financial institution were a selected listed financial institution for the purposes of Part IX of that Act;";

(4) section 433.16R10 of the Regulation is to be read

(*a*) as if subparagraphs *a* and *b* of subparagraph 1 of the second paragraph were replaced by the following:

"(*a*) the product obtained when the proportion that the number of days in the particular reporting period is of the number of days in the financial institution's reporting period for the purposes of Part IX of the Excise Tax Act (Revised Statutes of Canada, 1985, chapter E-15) that includes 1 January 2013 is multiplied by the amount determined for G_7 in the formula in paragraph *b* of section 46 of the Selected Listed Financial Institutions Attribution Method (GST/HST) Regulations made under that Act, determined for the reporting period of the financial institution for the purposes of Part IX of that Act that includes 1 January 2013, or the amount that would be determined for G_7 for that reporting period if the financial institution were a selected listed financial institution for the purposes of Part IX of that Act; and

"(*b*) if the financial institution is not a selected listed financial institution for the purposes of Part IX of the Excise Tax Act and has made an election under section 150 of that Act in respect of a supply that another person at a particular time made in favour of the financial institution and the other person is a selected listed financial institution for the purposes of that Part IX,

(i) if section 433.16 of the Act applies, the product obtained when the proportion that the number of days in the particular reporting period is of the number of days in the financial institution's reporting period for the purposes of Part IX of the Excise Tax Act that includes 1 January 2013 is multiplied by the amount that would be included in the value of B in the formula in subsection 2 of section 225.2 of that Act, for the reporting period of the financial institution for the purposes of Part IX of that Act that includes 1 January 2013, that would be an input tax credit if tax under subsection 1 of section 165 of that Act had become payable in respect of the supply in the reporting period, if the financial institution were a selected listed financial institution for the purposes of Part IX of that Act; or

(ii) if section 433.16.2 of the Act applies, the amount taken into account in determining the value of A in the formula in the first paragraph of that section 433.16.2, for the particular reporting period, that would be an input tax credit if tax under subsection 1 of section 165 of the Excise Tax Act had become payable in respect of the supply in the particular reporting period;";

(*b*) as if subparagraph *a* of subparagraph 2 of the second paragraph were replaced by the following:

"(*a*) the product obtained when the proportion that the number of days in the particular reporting period is of the number of days in the financial institution's reporting period for the purposes of Part IX of the Excise Tax Act that includes 1 January 2013 is multiplied by the amounts included under subparagraph i of the description of G_8 in the formula in paragraph *b* of section 46 of the Selected Listed Financial Institutions Attribution Method (GST/HST) Regulations, determined for the reporting period of the financial institution for the purposes of Part IX of that Act that includes 1 January 2013, or the amounts that would be so included for that reporting period if the financial institution were a selected listed financial institution for the purposes of Part IX of that Act; and";

(*c*) as if subparagraph i of subparagraph *b* of subparagraph 2 of the second paragraph were replaced by the following:

"(i) if the other person is a selected listed financial institution for the purposes of Part IX of the Excise Tax Act, the product obtained when the proportion that the number of days in the particular reporting period is of the number of days in the financial institution's reporting period for the purposes of Part IX of that Act that includes 1 January 2013 is multiplied by an amount included under subparagraph ii of the description of G_8 in the formula in paragraph *b* of section 46 of the Selected Listed Financial Institutions Attribution Method (GST/HST) Regulations for the reporting period of the financial institution for the purposes of Part IX of that Act that includes 1 January 2013 or that would be so included for that reporting period if the financial institution were a selected listed financial institution for the purposes of that Part IX; and";

(*d*) as if the portion of subparagraph ii of subparagraph *b* of subparagraph 2 of the second paragraph before subparagraph ii of the description of G_8 in the formula in paragraph *b* of section 46 of the Selected Listed Financial Institutions Attribution Method (GST/HST) Regulations made under the Excise Tax Act (Revised Statutes of Canada, 1985, chapter E-15), enacted by that subparagraph ii, were replaced by the following:

"(ii) in any other case and if the financial institution is not a selected listed financial institution for the purposes of Part IX of the Excise Tax Act, the product obtained when the proportion that the number of days in the particular reporting period is of the number of days in the financial institution's reporting period for the purposes of Part IX of that Act that includes 1 January 2013 is multiplied by an amount that would be included under subparagraph ii of the description of G_8 in the formula in paragraph *b* of section 46 of the Selected Listed Financial Institutions Attribution Method (GST/HST) Regulations for the reporting period of the financial institution for the purposes of Part IX of that Act that includes 1 January 2013 if the financial institution were a selected listed financial institution for the purposes of that Part IX and that subparagraph were read as follows:";

(*e*) as if subparagraph *c* of subparagraph 2 of the second paragraph were replaced by the following:

"(*c*) if the financial institution is not a selected listed financial institution for the purposes of Part IX of the Excise Tax Act and has made an election under section 150 of that Act in respect of a supply that another person at a particular time made in favour of the financial institution and the other person is a selected listed financial institution for the purposes of that Part IX,

(i) if section 433.16 of the Act applies, the product obtained when the proportion that the number of days in the particular reporting period is of the number of days in the financial institution's reporting period for the purposes of Part IX of the Excise Tax Act that includes 1 January 2013 is multiplied by the amount that would be included in the value determined for A in the formula in subsection 2 of section 225.2 of that Act, for the financial institution's reporting period for the purposes of Part IX of that Act that includes 1 January 2013, that would be tax under subsection 1 of section 165 of that Act that would have become payable in respect of that supply in that reporting period in the absence of that election if the financial institution were a selected listed financial institution for the purposes of Part IX of that Act; or

(ii) if section 433.16.2 of the Act applies, the amount taken into account in determining the value for A in the formula in the first paragraph of that section 433.16.2, for the particular reporting period, that would be tax under subsection 1 of section 165 of the Excise Tax Act that would have become payable in respect of that supply in the particular reporting period in the absence of that election;";

(5) section 433.16R11 of the Regulation is to be read

(*a*) as if the portion of subparagraph *a* of subparagraph 1 of the second paragraph before the formula were replaced by the following:

"(*a*) if the financial institution is a large business at any time in the particular reporting period, the product obtained when the proportion that the number of days in the particular reporting period is of the number of days in the financial institution's reporting period for the purposes of Part IX of the Excise Tax Act (Revised Statutes of Canada, 1985, chapter E-15) that includes 1 January 2013 is multiplied by the aggregate of all amounts each of which is, in respect of a specified class of specified property or service, an amount determined by the formula";

(*b*) as if subparagraphs *a* to *c* of subparagraph 1 of the third paragraph were replaced by the following:

"(*a*) all amounts each of which is the product obtained when an amount of tax, other than an amount of tax that is a prescribed amount of tax for the purposes of paragraph *a* of the description of A in the formula in subsection 2 of section 225.2 of the Excise Tax Act or an amount under subparagraph *b* of subparagraph 2 of the second paragraph of section 433.16R9, that became payable under subsection 1 of section 165 of that Act or under any of sections 212, 218 and 218.01 of that Act by the financial institution during the reporting period for the purposes of Part IX of that Act that includes 1 January 2013 in respect of a supply or importation into Canada of property or a service, is multiplied by the specified extent of the property or service in respect of the specified class for the reporting period;

"(*b*) all amounts each of which is the product obtained when an amount of tax under subsection 1 of section 165 of the Excise Tax Act in respect of a supply of property or a service, other than a supply to which subparagraph *c* applies, made by a person to the financial institution that would, in the absence of an election under section 150 of that Act, have become payable by the financial institution during the reporting period for the purposes of Part IX of that Act that includes 1 January 2013, is multiplied by the specified extent of the property or service in respect of the specified class for the reporting period;

"(*c*) all amounts each of which is the product obtained when an amount, in respect of a supply of property or a service, made during the reporting period for the purposes of Part IX of the Excise Tax Act that includes 1 January 2013, to which an election made by the financial institution and another person under subsection 4 of section 225.2 of the Excise Tax Act or under section 433.17 of the Act applies, equal to tax under subsection 1 of section 165 of the Excise Tax Act calculated on the cost to the other person of supplying the property or service to the financial institution, excluding any remuneration to employees of the other person, the cost of financial services and tax under Part IX of the Excise Tax Act, is multiplied by the specified extent of the property or service in respect of the specified class for the reporting period;";

(*c*) as if the portion of subparagraph *d* of subparagraph 1 of the third paragraph before subparagraph i were replaced by the following:

"(*d*) all amounts each of which is the product obtained when an amount of tax, other than an amount of tax that is a prescribed amount of tax for the purposes of paragraph *a* of the description of A in the formula in subsection 2 of section 225.2 of the Excise Tax Act, that would have been payable under subsection 1 of section 165 of that Act or under any of sections 212, 218 and 218.01 of that Act by the financial institution during the reporting period for the purposes of Part IX of that Act that includes 1 January 2013 in respect of a supply or importation into Canada of property or a service, is multiplied by the specified extent of the property or service in respect of the specified class for the reporting period if,";

(*d*) as if the portion of subparagraph *e* of subparagraph 1 of the third paragraph before the formula were replaced by the following:

"(*e*) if the specified class is qualifying road vehicles and the financial institution is engaged in the business of supplying such road vehicles by way of sale, all amounts each of which is, for a selected road vehicle described in subparagraph *a* of paragraph 6 of the definition of "excluded property or service" in section 433.16R2 that was acquired or imported into Canada by the financial institution and is used by the financial institution, at any time in the reporting period for the purposes of Part IX of the Excise Tax Act that includes 1 January 2013, otherwise than exclusively for the purpose referred to in that subparagraph *a*, an amount determined by the formula";

(*e*) by replacing subparagraph 11 of the third paragraph by the following:

"(11) K is the product obtained when the proportion that the number of days in the particular reporting period is of the number of days in the financial institution's reporting period for the purposes of Part IX of the Excise Tax Act that includes 1 January 2013 is multiplied by the amount of the input tax credit in respect of the selected road vehicle under subsection 1 of section 203 of that Act that was claimed by the financial institution in the return under Division V of Part IX of that Act filed by the financial institution for the reporting period for the purposes of Part IX of that Act that is included in the total B amounts for the particular reporting period;";

(*f*) as if subparagraph 2 of the fourth paragraph were replaced by the following:

"(2) P is the number of fiscal months in the reporting period for the purposes of Part IX of the Excise Tax Act that includes 1 January 2013 during which the road vehicle was used otherwise than exclusively for the purpose referred to in subparagraph *a* of paragraph 6 of the definition of "excluded property or service" in section 433.16R2.";

(6) section 433.16R12 of the Regulation is to be read as if subparagraph 1 of the second paragraph were replaced by the following:

"(1) G_1 is the product obtained when the proportion that the number of days in the particular reporting period is of the number of days in the financial institution's reporting period for the purposes of Part IX of the Excise Tax Act (Revised Statutes of Canada, 1985, chapter E-15) that includes 1 January 2013 is multiplied by the total of all amounts each of which is an amount of tax that was paid or that became payable by the financial institution under subsection 1 of section 165 of that Act or under any of sections 212, 218 and 218.01 of that Act during a reporting period for the purposes of Part IX of that Act that ends before 1 January 2013 and in respect of which the financial institution has claimed an input tax credit in the return under Division V of Part IX of that Act filed by the financial institution for the reporting period for the purposes of that Part IX that includes 1 January 2013, to the extent that the amount is included in the total B amounts for the particular reporting period;";

(7) section 433.16R13 of the Regulation is to be read as if subparagraph 1 of the second paragraph were replaced by the following:

"(1) G_1 is the product obtained when the proportion that the number of days in the particular reporting period is of the number of days in the financial institution's reporting period for the purposes of Part IX of the Excise Tax Act (Revised Statutes of Canada, 1985, chapter E-15) that includes 1 January 2013 is multiplied by the value of G_{40} in the formula in paragraph *h* of section 46 of the Selected Listed Financial Institutions Attribution Method (GST/HST) Regulations made under that Act, determined for the reporting period for the purposes of Part IX of that Act that includes 1 January 2013 or the value that G_{40} would have for that reporting period if the financial institution were a selected listed financial institution for the purposes of Part IX of that Act;".

(3) Despite the foregoing, for the purposes of section 433.16R9 of the Regulation, the following rules apply:

(1) if an amount would be included in the total under subparagraph *a* of subparagraph 2 of the second paragraph of that section 433.16R9 because of subparagraph iii of the description of G_2 in the formula in paragraph *a* of section 46 of the Selected Listed Financial Institutions Attribution Method (GST/HST) Regulations, the amount is deemed to be the amount that would have been determined under subsection 2 of section 261.01 of the Excise Tax Act if the rate of 33% under paragraphs *a* to *c* of the description of A in the formula in the definition of "pension rebate amount" in subsection 1 of that section 261.01 were replaced by one of the rates in subsection 4, if the amount is in relation to

(*a*) an amount of tax that became payable before 1 January 2013 or an amount deemed to have been paid before that date under subparagraph ii of paragraph *d* of subsection 5 of section 172.1 of the Excise Tax Act, subparagraph ii of paragraph *d* of subsection 6 of that section 172.1 or paragraph *d* of subsection 7 of that section 172.1; or

(*b*) an amount of tax deemed to have been paid after 31 December 2012 under subparagraph ii of paragraph *d* of subsection 5 of section 172.1 of the Excise Tax Act or subparagraph ii of paragraph *d* of subsection 6 of that section 172.1, to the extent that the deemed amount of tax is in respect of a taxable supply for which an amount of tax became payable under Part IX of that Act before 1 January 2013, otherwise than under that section 172.1; and

(2) if an amount in respect of a tax adjustment note would be included in the total under subparagraph 3 of the second paragraph of that section 433.16R9 because of clause C or D of subparagraph iii of the description of G_3 in the formula in paragraph *a* of section 46 of the Selected Listed Financial Institutions Attribution Method (GST/HST) Regulations, the amount in respect of that tax adjustment note under clause C or D is deemed to be the amount that would apply if the rate of 33% set out in B in the formula in paragraph *c* of subsection 5 of section 232.01 of the Excise Tax Act and in B of the formula in paragraph *c* of subsection 4 of section 232.02 of that Act were replaced by a rate set out in subsection 4, if the tax adjustment note relates to

(*a*) an amount under paragraph *c* of subsection 3 of section 232.01 of that Act that became payable, or was paid without having become payable, before 1 January 2013 as well as to an amount under paragraph *b* of that subsection 3; or

(*b*) an amount under paragraph *c* of subsection 2 of section 232.02 of that Act that became payable, or was paid without having become payable, before 1 January 2013 as well as to an amount under paragraph *b* of that subsection 2.

(4) The rates to which subsection 3 refers are as follows:

(1) 77% if a pension entity is governed by a pension plan to which more than 50% of the contributions are made by one or more public service bodies not entitled to a rebate under subsection 3 of section 259 of the Excise Tax Act;

(2) 88% if a pension entity is governed by a pension plan to which more than 50% of the contributions are made by one or more public service bodies entitled to a rebate under subsection 3 of section 259 of the Excise Tax Act; and

(3) 100% in any other case.

(5) Despite the foregoing, if section 433.16R17 of the Regulation applies in respect of a reporting period in a fiscal year that ends in the calendar year 2013 and that is the fiscal year that follows the particular fiscal year in respect of which an election under section 60 of the Selected Listed Financial Institutions Attribution Method (GST/HST) Regulations was made, section 433.16R17 of the Regulation is to be read as if subparagraph 1 of the second paragraph were replaced by the following:

"(1) A is the aggregate of all amounts each of which is a prescribed amount of tax under paragraph *a* of section 60 of the Selected Listed Financial Institutions Attribution Method (GST/HST) Regulations, to the extent that the amount of tax became payable after 31 December 2012;".

(6) Despite the foregoing, if section 433.16.2R4 of the Regulation applies in respect of a reporting period in a fiscal year that ends in the calendar year 2013 and that is the fiscal year that follows the particular fiscal year in respect of which an election under section 63 of the Selected Listed Financial Institutions Attribution Method (GST/HST) Regulations was made, section 433.16.2R4 of the Regulation is to be read as if subparagraph 1 of the second paragraph were replaced by the following:

"(1) A is the aggregate of all amounts each of which is a prescribed amount of tax under paragraph *a* of section 63 of the Selected Listed Financial Institutions Attribution Method (GST/HST) Regulations, to the extent that the amount of tax became payable after 31 December 2012;".

5. (1) Schedule II to the Regulation is amended by inserting "Sections 433.15.1 to 433.32 of the Act" after "Sections 426 to 432 of the Act".

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

6. This Regulation comes into force on the date of its publication in the *Gazette officielle du Québec*.

102909

Gouvernement du Québec

O.C. 321-2017, 29 March 2017

Tax Administration Act
(chapter A-6.002)

Tobacco Tax Act
(chapter I-2)

Taxation Act
(chapter I-3)

An Act respecting the Québec Pension Plan
(chapter R-9)

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

Fuel Tax Act
(chapter T-1)

Various regulations of a fiscal nature —Amendment

Regulations to amend various regulations of a fiscal nature

WHEREAS, under subparagraph 4 of the first paragraph of section 9.0.6 of the Tax Administration Act (chapter A-6.002), for the purposes of the International Fuel Tax Agreement, the Government may make regulations to take any measures necessary to implement the agreement and its amendments;

WHEREAS, under the first paragraph of section 96 of the Act, the Government may make regulations, in particular to prescribe the measures required to carry out the Act;

WHEREAS, under section 19 of the Tobacco Tax Act (chapter I-2), for the purpose of carrying into effect the provisions of the Act according to their true intent or of supplying any deficiency therein, the Government may make such regulations, not inconsistent with the Act, as are considered necessary;

WHEREAS, under subparagraphs *e*, *e*.2 and *f* of the first paragraph of section 1086 of the Taxation Act (chapter I-3), the Government may make regulations to establish classes of property for the purposes of section 130 of the Act, to require any person included in one of the classes of persons it determines to file any return it may prescribe relating to any information necessary for the establishment of an assessment provided for in the Act and to send, where applicable, a copy of the return or of a part thereof to any person to whom the return or part thereof relates and to whom it indicates in the regulation and to generally prescribe the measures required for the application of the Act;

WHEREAS, under paragraphs *a* and *j* of section 81 of the Act respecting the Québec Pension Plan (chapter R-9), the Government may make regulations prescribing anything that is to be prescribed under Title III of the Act and enacting any measure necessary or useful to carry out that Title;

WHEREAS, under the first paragraph of section 677 of the Act respecting the Québec sales tax (chapter T-0.1), the Government may, by regulation, prescribe the measures required for the purposes of the Act;

WHEREAS, under subparagraph *q* of the first paragraph of section 1 of the Fuel Tax Act (chapter T-1), "regulation" means any regulation made by the Government under the Act;

WHEREAS, under paragraph 4 of section 50.0.12 of the Act, the Government may make regulations determining, for the purposes of section 50.0.7 of the Act, the prescribed fee to be paid to obtain a licence or decals pursuant to the International Fuel Tax Agreement;

WHEREAS it is expedient to amend the Regulation respecting fiscal administration (chapter A-6.002, r. 1) to make amendments consequential to the amendments to the International Fuel Tax Agreement and to provide for the types of information returns that may be sent in an electronic format;

WHEREAS it is expedient to amend the Regulation respecting the Taxation Act (chapter I-3, r. 1) and the Regulation respecting the Québec sales tax (chapter T-0.1, r. 2) primarily to give effect to the fiscal measures announced in the Budget Speeches delivered on 4 June 2014 and 26 March 2015 and in the Information Bulletins published on the website of the Ministère des Finances, in particular on 21 December 2012, 13 September 2013, 5 December 2013, 7 February 2014, 5 November 2014, 18 June 2015 and 25 January 2016, as well as to the various legislative amendments introduced into the Taxation Act and the Act respecting the Québec sales tax by chapters 21, 24 and 36 of the statutes of 2015;

WHEREAS it is expedient to amend the Regulation respecting contributions to the Québec Pension Plan (chapter R-9, r. 2) to reflect the increase in the plan contribution rate for 2016 and to make amendments of a technical nature for the purpose of coordinating calculation of contributions to the plan with contributions to the Canada Pension Plan;

WHEREAS it is expedient to amend the Regulation respecting the application of the Fuel Tax Act (chapter T-1, r. 1) to provide terms and conditions for fuel tax refunds for gasoline used in commercial vessels, to delete granite and slate from the list of mineral resources giving entitlement to a fuel tax refund, and to provide for indexing of the fee a carrier is required to pay to obtain a licence or decals;

WHEREAS it is expedient, with a view to more efficient application of the Tobacco Tax Act, the Taxation Act and the Act respecting the Québec sales tax, to amend the Regulation respecting the application of the Tobacco Tax Act (chapter I-2, r. 1), the Regulation respecting the Taxation Act and the Regulation respecting the Québec sales tax to make technical and consequential amendments;

WHEREAS, under section 12 of the Regulations Act (chapter R-18.1), a proposed regulation may be made without having been published as provided for in section 8 of the Act, if the authority making it is of the opinion that the fiscal nature of the norms established, amended or revoked in the regulation warrants it;

WHEREAS, under section 18 of the Act, a regulation may come into force on the date of its publication in the *Gazette officielle du Québec* where the authority that has made it is of the opinion that the fiscal nature of the norms established, amended or revoked in the regulation warrants it;

WHEREAS the Government is of the opinion that the fiscal nature of the norms established by the regulations attached to this Order in Council warrants the absence of prior publication and such coming into force;

WHEREAS section 27 of the Act provides that the Act does not prevent a regulation from taking effect before the date of its publication in the *Gazette officielle du Québec* where the Act under which it is made expressly provides therefor;

WHEREAS, under section 97 of the Tax Administration Act, every regulation made under the Act comes into force on the date of its publication in the *Gazette officielle du Québec* or on any later date fixed therein and may also, if it so provides, apply to a period prior to its publication;

WHEREAS, under section 20 of the Tobacco Tax Act, every regulation made under the Act comes into force on the date of its publication in the *Gazette officielle du Québec* or on any later date fixed therein; such a regulation may also, once published and where it so provides, take effect on a date prior to its publication but not prior to the date on which the legislative provision under which it is made takes effect;

WHEREAS, under the second paragraph of section 1086 of the Taxation Act, the regulations made under the Act come into force on the date of their publication in the *Gazette officielle du Québec* or on any later date fixed therein and they may also, once published and if they so provide, apply to a period prior to their publication, but not prior to the taxation year 1972;

WHEREAS, under section 82.1 of the Act respecting the Québec Pension Plan, every regulation made under Title III of the Act comes into force on the date of its publication in the *Gazette officielle du Québec* or on any later date fixed therein and may, once published and where it so provides, take effect from a date prior to its publication, but not prior to the date from which the legislation under which it is made takes effect;

WHEREAS, under the second paragraph of section 677 of the Act respecting the Québec sales tax, a regulation made under the Act comes into force on the date of its publication in the *Gazette officielle du Québec*, unless the regulation fixes another date which may in no case be prior to 1 July 1992;

WHEREAS, under section 56 of the Fuel Tax Act, every regulation made under the Act comes into force on the date of its publication in the *Gazette officielle du Québec* or on any later date fixed therein and may, once published and where it so provides, take effect on a date prior to its publication but not prior to the date on which the legislative provision under which it is made takes effect;

IT IS ORDERED, therefore, on the recommendation of the Minister of Finance:

THAT the regulations attached to this Order in Council be made:

— Regulation to amend the Regulation respecting fiscal administration;

— Regulation to amend the Regulation respecting the application of the Tobacco Tax Act;

— Regulation to amend the Regulation respecting the Taxation Act;

— Regulation to amend the Regulation respecting contributions to the Québec Pension Plan;

— Regulation to amend the Regulation respecting the Québec sales tax;

— Regulation to amend the Regulation respecting the application of the Fuel Tax Act.

JUAN ROBERTO IGLESIAS,
Clerk of the Conseil exécutif

Regulation to amend the Regulation respecting fiscal administration

Tax Administration Act
(chapter A-6.002, s. 9.0.6, s. 96, 1st par. and s. 97)

1. (1) Section 9.0.6R9 of the Regulation respecting fiscal administration (chapter A-6.002, r. 1) is replaced by the following:

"**9.0.6R9.** The Minister may revoke a licence in accordance with section R660.300 of the Agreement.".

(2) Subsection 1 applies from 1 January 2017.

2. (1) Section 9.0.6R15 of the Regulation is replaced by the following:

"**9.0.6R15.** The first paragraph of section P510 of the IFTA Procedures Manual relative to the retention period for registers and data which must be retained pursuant to section 9.0.6R14 does not apply to a licensee.".

(2) Subsection 1 applies from 1 January 2017.

3. (1) The Regulation is amended by inserting the following before section 37.1.2R1:

"**37.1.1R1.** For the purposes of section 37.1.1 of the Act, a prescribed type of information return is any of the following types:

(*a*) RL-1 slip: Employment and other income;

(*b*) RL-2 slip: Retirement and annuity income;

(*c*) RL-3 slip: Investment income;

(*d*) RL-5 slip: Benefits and indemnities;

(*e*) RL-6 slip: Québec parental insurance plan;

(*f*) RL-7 slip: Investments in an investment plan;

(*g*) RL-8 slip: Amount for post-secondary studies;

(*h*) RL-10 slip: Tax credit for a labour-sponsored fund;

(*i*) RL-11 slip: Flow-through shares;

(*j*) RL-14 slip: Information about a tax shelter;

(*k*) RL-15 slip: Amounts allocated to the members of a partnership;

(*l*) RL-16 slip: Trust income;

(*m*) RL-17 slip: Remuneration for employment outside Canada;

(*n*) RL-18 slip: Securities transactions;

(*o*) RL-21 slip: Farm support payments;

(*p*) RL-22 slip: Employment income related to multi-employer insurance plans;

(*q*) RL-24 slip: Childcare expenses;

(*r*) RL-25 slip: Income from a profit-sharing plan;

(*s*) RL-26 slip: Capital régional et coopératif Desjardins;

(*t*) RL-27 slip: Government payments;

(*u*) RL-29 slip: Remuneration of a family-type resource or an intermediate resource;

(*v*) RL-30 slip: Subsidized educational childcare;

(*w*) RL-31 slip: Information about a leased dwelling.".

(2) Subsection 1 applies in respect of information returns filed after 31 December 2016.

4. (1) The Regulation is amended by inserting the following after section 58.1R4:

"**DIVISION VI.0.0.1**

"TYPES OF INFORMATION RETURNS

"**59.0.0.4R1.** For the purposes of section 59.0.0.4 of the Act, a prescribed type of information return means any of the types listed in section 37.1.1R1.".

(2) Subsection 1 applies in respect of information returns filed after 31 December 2016.

5. This Regulation comes into force on the date of its publication in the *Gazette officielle du Québec*.

Regulation to amend the Regulation respecting the application of the Tobacco Tax Act

Tobacco Tax Act
(chapter I-2, ss. 19 and 20)

1. (1) Section 1.5.1 of the Regulation respecting the application of the Tobacco Tax Act (chapter I-2, r. 1) is amended by replacing "section 415" in paragraph *b* by "section 415 or 415.0.6".

(2) Subsection 1 has effect from 19 June 2014.

2. (1) Section 11.6 of the Regulation is amended by replacing "section 458.1" by "section 1".

(2) Subsection 1 has effect from 21 October 2015.

3. This Regulation comes into force on the date of its publication in the *Gazette officielle du Québec*.

Regulation to amend the Regulation respecting the Taxation Act

Taxation Act
(chapter I-3, s. 1086, 1st par., subpars. *e*, *e*.2 and *f* and 2nd par.)

1. (1) Section 41.1.1R1 of the Regulation respecting the Taxation Act (chapter I-3, r. 1) is amended by replacing paragraphs *a* and *b* by the following:

"(*a*) 26 cents, except where paragraph *b* applies; and

"(*b*) 23 cents if the individual referred to in that section 41.1.1 is engaged principally in selling or leasing automobiles and an automobile is made available in the year to the individual or a person related to the individual by the individual's employer or a person related to the employer.".

(2) Subsection 1 applies from the taxation year 2016.

2. (1) Section 92.11R16 of the Regulation is amended by replacing paragraph *a* by the following:

"(*a*) an annuity contract purchased pursuant to a tax-free savings account, a registered pension plan, a pooled registered pension plan, a registered retirement savings plan, a registered retirement income fund or a deferred profit sharing plan;".

(2) Subsection 1 has effect from 14 December 2012.

3. (1) Section 92.19R7 of the Regulation is amended by replacing "sections 841R1 to 841R5" in paragraph *e* by "sections 92.19R9 to 92.19R13".

(2) Subsection 1 applies to taxation years that begin after 31 October 2011.

4. (1) The Regulation is amended by inserting the following after section 92.19R8:

"**92.19R9.** For the purposes of paragraph *e* of section 92.19R7, the income of an insurer derived from the operation of its participating life insurance business carried on in Canada for a taxation year is computed in accordance with the provisions of the Act concerning the computation of the income derived from a source, subject to sections 92.19R10 to 92.19R13.

"**92.19R10.** In the computation under section 92.19R9, the insurer must include the aggregate of

(*a*) the amount determined by the formula

A × B / C;

(*b*) the insurer's maximum tax actuarial reserve for the immediately preceding taxation year in respect of participating life insurance policies in Canada; and

(*c*) the maximum amount deductible by the insurer under paragraph *a*.1 of section 840 of the Act in computing its income for the immediately preceding taxation year in respect of participating life insurance policies in Canada.

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

(*a*) A is the insurer's gross Canadian life investment income, within the meaning of section 818R53, for the year;

(*b*) B is the aggregate of

i. the insurer's mean maximum tax actuarial reserve, within the meaning of section 818R53, for the year in respect of participating life insurance policies in Canada, and

ii. one-half of the aggregate of

(1) all amounts on deposit with the insurer as at the end of the year in respect of policies described in subparagraph i; and

(2) all amounts on deposit with the insurer as at the end of the immediately preceding taxation year in respect of policies described in subparagraph i; and

(*c*) C is the aggregate of all amounts each of which is

i. the insurer's mean maximum tax actuarial reserve for the year in respect of a class of life insurance policies in Canada, or

ii. one-half of the aggregate of

(1) all amounts on deposit with the insurer as at the end of the year in respect of a class of policies described in subparagraph i; and

(2) all amounts on deposit with the insurer as at the end of the immediately preceding taxation year in respect of a class of policies described in subparagraph i.

"**92.19R11.** In the computation under section 92.19R9, the insurer must deduct the aggregate of

(*a*) the insurer's maximum tax actuarial reserve for the year in respect of participating life insurance policies in Canada; and

(*c*) the maximum amount deductible by the insurer under paragraph *a*.1 of section 840 of the Act in computing its income for the year in respect of participating life insurance policies in Canada.

"**92.19R12.** In the computation under section 92.19R9, the insurer may not include

(*a*) any amount in respect of the insurer's participating life insurance policies in Canada that was deducted under paragraphs *a* and *a*.1 of section 840 of the Act in computing its income for the immediately preceding taxation year; or

(*b*) subject to subparagraph *a* of the first paragraph of section 92.19R10,

i. any amount as a reserve that was deducted under section 140 of the Act in computing the insurer's income for the immediately preceding taxation year; or

ii. any amount that was included in determining the insurer's gross Canadian life investment income for the year.

"**92.19R13.** In the computation under section 92.19R9, the insurer may not deduct,

(*a*) subject to subparagraph *a* of the first paragraph of section 92.19R10, any amount taken into account in determining the insurer's gross Canadian life investment income for the year;

(*b*) subject to subparagraph *a* of the first paragraph of section 92.19R10, any amount deductible under section 140 of the Act in computing the insurer's income for the year;

(*c*) any amount deductible under paragraph *a* of section 841 of the Act in computing the insurer's income for the year; or

(*d*) subject to section 92.19R11, any amount deductible as a reserve under paragraph *a* or *a*.1 of section 840 of the Act in computing the insurer's income for the year.".

(2) Subsection 1 applies to taxation years that begin after 31 October 2011, except that if an amount under paragraph *d* of section 840 of the Taxation Act (chapter I-3) has been deducted in computing the taxpayer's income for the last taxation year that begins before 1 November 2011, section 92.19R10 of the Regulation is to be read, for the first taxation year that begins after 31 October 2011, as if the following were added after subparagraph *c* of the first paragraph:

"(*d*) any amount deducted by the insurer under paragraph *d* of section 840 of the Act, as it read before being repealed, in computing its income for the immediately preceding taxation year.".

5. (1) Chapter V of Title XI of the Regulation, comprising sections 92.21R1 to 92.21R5, is revoked.

(2) Subsection 1 applies to taxation years that begin after 31 October 2011.

6. (1) Section 130R3 of the Regulation is amended in the first paragraph

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

""eligible liquefaction building" of a taxpayer, in respect of an eligible liquefaction facility of the taxpayer, means property, other than property that has been used or acquired for use for any purpose before it was acquired by the taxpayer or a residential building, acquired by the taxpayer after 19 February 2015 and before 1 January 2025 that is included in Class 1 in Schedule B because of paragraph *q* of that class and that is used as part of the eligible liquefaction facility;";

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

""eligible liquefaction facility" of a taxpayer means a self-contained system located in Canada, including buildings, structures and equipment, that is used or intended to be used by the taxpayer for the purpose of liquefying natural gas;";

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

""eligible liquefaction equipment" in respect of an eligible liquefaction facility of a taxpayer, means property of the taxpayer that is used in connection with the liquefaction of natural gas and that

(*a*) is acquired by the taxpayer after 19 February 2015 and before 1 January 2025;

(*b*) is included in Class 47 in Schedule B because of paragraph *b* of that class;

(*c*) has not been used or acquired for use for any purpose before it was acquired by the taxpayer;

(*d*) is not excluded equipment; and

(*e*) is used as part of the eligible liquefaction facility;";

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

""excluded equipment" means

(*a*) pipelines, other than pipelines used to move natural gas, or its components that are extracted, within an eligible liquefaction facility during the liquefaction process or used to move liquefied natural gas;

(*b*) equipment used exclusively to regasify liquefied natural gas; and

(*c*) electrical generation equipment;".

(2) Subsection 1 has effect from 19 February 2015.

7. (1) The Regulation is amended by inserting the following after section 130R18:

"**130R18.1.** For the purposes of sections 130R23.3 and 130R70.1, a taxpayer's income for a taxation year from eligible liquefaction activities in respect of an eligible liquefaction facility of the taxpayer is determined as if

(*a*) the taxpayer carried on a separate business

i. the only income of which is any combination of,

(1) in the case of natural gas that is owned by the taxpayer at the time it enters the taxpayer's eligible liquefaction facility, income from the sale by the taxpayer of the natural gas that has been liquefied, whether sold as liquefied natural gas or regasified natural gas; and

(2) in any other case, income reasonably attributable to the liquefaction of natural gas at the taxpayer's eligible liquefaction facility, and

ii. in respect of which the only permitted deductions in computing the separate business income are those deductions that are attributable to income described in subparagraph i and, in the case of income described in subparagraph 1 of subparagraph i, that are reasonably attributable to income derived after the natural gas enters the eligible liquefaction facility; and

(*b*) in the case of income described in subparagraph 1 of subparagraph i of paragraph *a*, the taxpayer acquired the natural gas that has been liquefied at a cost equal to the fair market value of the natural gas at the time it entered the eligible liquefaction facility.".

(2) Subsection 1 has effect from 19 February 2015.

8. (1) Section 130R22 of the Regulation is amended by adding the following after paragraph *z*.16:

"(*z*.17) Class 53: 50%.".

(2) Subsection 1 has effect from 23 June 2015.

9. (1) Section 130R23.1 of the Regulation is amended by inserting "and Division I" after "computed before any deduction under this section".

(2) Subsection 1 applies in respect of property acquired after 18 March 2007.

10. (1) Section 130R23.2 of the Regulation is amended by inserting "and Division I" after "computed before any deduction under this section".

(2) Subsection 1 applies in respect of property acquired after 18 March 2007.

11. (1) The Regulation is amended by inserting the following after section 130R23.2:

"**130R23.3.** A taxpayer may deduct as additional allowance in respect of property that is used as part of an eligible liquefaction facility for which a separate class is prescribed by section 130R163.1.1, an amount not exceeding the lesser of

(*a*) the income for the taxation year from the taxpayer's eligible liquefaction activities in respect of the eligible liquefaction facility, computed taking into consideration any deduction under section 130R70.1 and before any deduction under this section, and

(*b*) 6% of the undepreciated capital cost to the taxpayer of property of that separate class as of the end of the year, computed before any deduction under this section and Division I for the year.".

(2) Subsection 1 has effect from 19 February 2015.

12. (1) The Regulation is amended by inserting the following after section 130R70:

"**DIVISION XIV.1**

"CLASS 47 PROPERTY

"**130R70.1.** A taxpayer may deduct as additional allowance in respect of property that is used as part of an eligible liquefaction facility for which a separate class is prescribed by section 130R172.3, an amount not exceeding the lesser of

(*a*) the income for the taxation year from the taxpayer's eligible liquefaction activities in respect of the eligible liquefaction facility, computed taking into consideration any deduction under section 130R23.3 and before any deduction under this section; and

(*b*) 22% of the undepreciated capital cost to the taxpayer of property of that separate class as of the end of the year, computed before any deduction under this section and Division I for the year.".

(2) Subsection 1 has effect from 19 February 2015.

13. (1) Division V of Chapter IV of Title XII of the Regulation, comprising section 130R147, is revoked.

(2) Subsection 1 applies in respect of expenditure incurred in taxation years that begin after 21 December 2012.

14. (1) Section 130R163.1 of the Regulation is replaced by the following:

"**130R163.1.** For the purposes of this Title, a separate class is hereby prescribed for each eligible non-residential building, other than an eligible liquefaction building, of a taxpayer in respect of which the taxpayer has, by letter attached to the fiscal return of the taxpayer filed pursuant to sections 1000 to 1003 of the Act for the taxation year in which the building was acquired, elected that this section apply.".

(2) Subsection 1 has effect from 19 February 2015.

15. (1) The Regulation is amended by inserting the following after section 130R163.1:

"**130R163.1.1.** A separate class is hereby prescribed for eligible liquefaction buildings acquired by a taxpayer to be used as part of an eligible liquefaction facility of the taxpayer to earn or produce income from that facility.".

(2) Subsection 1 has effect from 19 February 2015.

16. (1) The Regulation is amended by inserting the following after section 130R172.2:

"**130R172.3.** A separate class is hereby prescribed for eligible liquefaction equipment acquired by a taxpayer to be used as part of an eligible liquefaction facility of the taxpayer to earn or produce income from that facility.".

(2) Subsection 1 has effect from 19 February 2015.

17. (1) Section 133.2.1R1 of the Regulation is amended by replacing paragraphs *a* and *b* by the following:

"(*a*) the product obtained by multiplying $0.54 by the number of those kilometres, up to and including 5,000;

"(*b*) the product obtained by multiplying $0.48 by the number of those kilometres in excess of 5,000; and".

(2) Subsection 1 applies in respect of kilometres travelled after 31 December 2015.

18. (1) The Regulation is amended by inserting the following after section 156.7.1R1:

"**CHAPTER VI.2**

"ADDITIONAL DEDUCTION FOR VESSELS

"**156.7.3R1.** Prescribed depreciable property of a taxpayer referred to in section 156.7.3 of the Act means property that is included in a separate class prescribed for the taxpayer under section 130R165.".

(2) Subsection 1 has effect from 5 June 2014.

19. (1) Chapter VIII of Title XVI of the Regulation, comprising section 157.12R1, is revoked.

(2) Subsection 1 applies to taxation years that begin after 31 October 2011.

20. (1) Section 221R1 of the Regulation is revoked.

(2) Subsection 1 applies in respect of expenditure incurred in taxation years that begin after 21 December 2012.

21. (1) Section 230.0.0.2R1 of the Regulation is revoked.

(2) Subsection 1 has effect from 1 January 2014.

22. (1) Section 230.0.0.2R2 of the Regulation is amended by replacing "subparagraph *d* of the first paragraph" by "paragraph *a*".

(2) Subsection 1 has effect from 1 January 2014.

23. (1) The Regulation is amended by inserting the following after section 399.7R2:

"**399.7R3.** For the purposes of section 399.7 of the Act, prescribed energy conservation property means property described in Class 43.1 or 43.2 in Schedule B.".

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

24. (1) Section 488R1 of the Regulation is amended by replacing paragraph *h* by the following:

"(*h*) an amount received under the Allowance for Special Needs Program, established under paragraph 1 of section 5 of the Act respecting the Ministère de l'Enseignement supérieur, de la Recherche, de la Science et de la Technologie (chapter M-15.1.0.1);".

(2) Subsection 1 has effect from 5 January 2014.

25. (1) Sections 503.1R1 and 503.2R1 of the Regulation are revoked.

(2) Subsection 1 has effect from 21 October 2015.

26. (1) Section 578.2R1 of the Regulation is amended by adding the following after paragraph *f*:

"(*g*) the distribution of common shares of Pentair Ltd. of Switzerland on 28 September 2012 by Tyco International Ltd. of Switzerland to its common shareholders;

"(*h*) the distribution of common shares of OSRAM Licht AG on 5 July 2013 by Siemens AG to its common shareholders;

"(*i*) the distribution of common shares of Recall Holdings Limited on 18 December 2013 by Brambles Limited to its common shareholders.".

(2) Subsection 1, where it enacts

(1) paragraph *g* of section 578.2R1 of the Regulation, has effect from 28 September 2012;

(2) paragraph *h* of section 578.2R1 of the Regulation, has effect from 5 July 2013; and

(3) paragraph *i* of section 578.2R1 of the Regulation, has effect from 18 December 2013.

27. (1) Chapter III of Title XXIII of the Regulation, comprising section 594R1, is revoked.

(2) Subsection 1 applies to taxation years that end after 31 December 2006.

28. (1) Section 712R1 of the Regulation is amended by replacing "*g* to *i*" in the definition of "particular person" by "*g* to *j*".

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

29. (1) Section 712R3 of the Regulation is amended by replacing the portion before paragraph *a* by the following:

"**712R3.** For the purposes of section 712 of the Act, where a corporation makes a gift of a work of art to a particular person, other than such a person who acquires the work of art in connection with its primary mission or is a donee referred to in subparagraph *c* of the second paragraph of section 716.0.1.2 of the Act if that paragraph applies to the work of art the donee acquired, the receipt issued by the particular person in respect of that gift must contain the statement referred to in section 712R2 and the information required by paragraphs *a* to *g* and *i* of that section and the following information:".

(2) Subsection 1 applies in respect of gifts made after 3 July 2013.

30. (1) The Regulation is amended by inserting the following after section 716R1:

"**716.0.1.4R1.** For the purposes of section 716.0.1.4 of the Act, the following charities are prescribed:

(a) Accueil Blanche Goulet de Gaspé inc.;

(*b*) Centre communautaire Pro-Santé inc.;

(*c*) Centre d'action bénévole Ascension Escuminac;

(*d*) Centre d'action bénévole « La Grande Corvée »;

(*e*) Centre de bénévolat de Port-Cartier inc.;

(*f*) Centre de bénévolat et Moisson Laval;

(*g*) Collectif Aliment-Terre;

(*h*) Comptoir alimentaire de Sept-Îles;

(*i*) Comptoir alimentaire, L'Escale;

(*j*) Les Banques alimentaires du Québec;

(*k*) Moisson Beauce inc.;

(*l*) Moisson Estrie;

(*m*) Moisson Kamouraska;

(*n*) Moisson Lanaudière;

(*o*) Moisson Laurentides;

(*p*) Moisson Mauricie / Centre-du-Québec;

(*q*) Moisson Montréal inc.;

(*r*) Moisson Outaouais;

(*s*) Moisson Québec inc.;

(*t*) Moisson Rimouski-Neigette inc.;

(*u*) Moisson Rive-Sud;

(*v*) Moisson Saguenay–Lac-St-Jean inc.;

(*w*) Moisson Sud-Ouest;

(*x*) Moisson Vallée Matapédia;

(*y*) Ressourcerie Bernard-Hamel (Centre Bernard-Hamel / Centre familial);

(*z*) Service alimentaire et d'aide budgétaire de Charlevoix-Est;

(*z*.1) S.O.S. Dépannage Granby et région inc.;

(*z*.2) Source alimentaire Bonavignon;

(*z*.3) Unité Domrémy de Mont-Joli inc. (Moisson Mitis).".

(2) Subsection 1 has effect from 27 March 2015, except where it enacts paragraphs *a* to *e*, *g* to *i*, *z* and *z*.2 of section 716.0.1.4R1 of the Regulation, in which case it applies from 18 March 2016.

31. (1) Section 746R1 of the Regulation is replaced by the following:

"**746R1.** For the purposes of section 746 of the Act, the portion of the dividend prescribed to be paid out of the exempt surplus, the prescribed foreign tax, the portion of the dividend prescribed to be paid out of the hybrid surplus, the portion of the dividend prescribed to be paid out of the taxable surplus or the portion of the dividend prescribed to be paid out of the pre-acquisition surplus, as the case may be, is an amount equal to the amount computed as such, at the same time and for the same purposes, under the Income Tax Act (Revised Statutes of Canada, 1985, chapter 1 (5th Supplement)) and the Income Tax Regulations made thereunder.".

(2) Subsection 1 applies in respect of dividends received after 19 August 2011.

32. (1) Section 747R1 of the Regulation is amended by replacing paragraphs *a* and *b* by the following:

"(*a*) the expression "tax factor" has the meaning assigned by subparagraph *b* of the first paragraph of section 583R1;

"(*b*) the expressions "exempt surplus", "hybrid surplus", "pre-acquisition surplus" and "taxable surplus" of a foreign affiliate, at a particular time, mean an amount equal to the amount so determined for the affiliate at the same time and for the same purposes under the Income Tax Act (Revised Statutes of Canada, 1985, chapter 1 (5th Supplement)) and the Income Tax Regulations made thereunder.".

(2) Subsection 1, where it replaces paragraph *a* of section 747R1 of the Regulation, applies from the taxation year 2002.

(3) Subsection 1, where it replaces paragraph *b* of section 747R1 of the Regulation, applies in respect of dividends received after 19 August 2011.

33. (1) Section 752.0.10.3R1 of the Regulation is amended by replacing "*g* to *i*" in the definition of "particular person" by "*g* to *j*".

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

34. (1) Section 752.0.10.3R4 of the Regulation is amended by replacing the portion before subparagraph *a* of the first paragraph by the following:

"**752.0.10.3R4.** For the purposes of section 752.0.10.3 of the Act, where an individual makes a gift of a work of art to a particular person, other than such a person who acquires the work of art in connection with its primary mission or is a donee referred to in subparagraph *c* of the second paragraph of section 752.0.10.15.2 of the Act if that paragraph applies to the work of art the donee acquired, the receipt issued by the particular person in respect of that gift must contain the statement referred to in section 712R2 and the information required by paragraphs *a* to *g* and *i* of that section and the following information:".

(2) Subsection 1 applies in respect of gifts made after 3 July 2013.

35. (1) The Regulation is amended by inserting the following after section 752.0.10.12R1:

"**752.0.10.15.6R1.** For the purposes of section 752.0.10.15.6 of the Act, the charities listed in section 716.0.1.4R1 are prescribed.".

(2) Subsection 1 has effect from 27 March 2015.

36. (1) Chapters I to VIII of Title XXXII of the Regulation, comprising sections 818R1 to 818R52, are revoked.

(2) Subsection 1 applies to taxation years that begin after 31 October 2011.

37. (1) Section 818R53 of the Regulation is amended by striking out ", XVI" in the portion before the definition of "attributed surplus".

(2) Subsection 1 applies to taxation years that begin after 31 October 2011.

38. (1) Section 818R75 of the Regulation is amended by striking out ", XVI" in the portion before paragraph *a*.

(2) Subsection 1 applies to taxation years that begin after 31 October 2011.

39. (1) Section 818R80 of the Regulation is amended by striking out ", XVI".

(2) Subsection 1 applies to taxation years that begin after 31 October 2011.

40. (1) Chapters XVI and XVII of Title XXXII of the Regulation, comprising sections 841R1 to 841.1R2, are revoked.

(2) Subsection 1 applies to taxation years that begin after 31 October 2011.

41. (1) Chapter XIX of Title XXXII of the Regulation, comprising section 844.1R1, is revoked.

(2) Subsection 1 applies to taxation years that begin after 31 October 2011.

42. (1) Chapter IV of Title XXXIII of the Regulation, comprising sections 851.22.17R1 to 851.22.20R1, is revoked.

(2) Subsection 1 applies to taxation years that begin after 31 October 2011.

43. (1) Section 985.5R1 of the Regulation is amended by replacing subparagraph *b* of the first paragraph by the following:

"(*b*) it possesses a valid registration as such under the Income Tax Act.".

(2) Subsection 1 has effect from 1 January 2016. In addition, a gift made before 1 January 2016 to a charity that at the time of the gift was a registered charity for the purposes of the Income Tax Act (Revised Statutes of Canada, 1985, chapter 1 (5th Supplement)) is, for the purposes of Title V of Book IV of Part I of the Taxation Act and Chapter I.0.2.1 of Title I of Book V of Part I of that Act, deemed to have been made to a registered charity if, at that time, the Minister of Revenue refused to register it as a charitable organization, private foundation or public foundation or cancelled or revoked its registration.

44. (1) Section 998R1 of the Regulation is amended by inserting the following after paragraph *c*:

"(*c*.1) a pooled registered pension plan;".

(2) Subsection 1 has effect from 14 December 2012.

45. (1) Section 998R3 of the Regulation is amended by replacing paragraph *e* by the following:

"(*e*) each of its beneficiaries is a trust governed by a registered pension plan, a pooled registered pension plan or a deferred profit sharing plan.".

(2) Subsection 1 has effect from 14 December 2012.

46. (1) Section 1015R1 of the Regulation is amended in the definition of "remuneration"

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

"(*c*) pension benefits, including an annuity payment under a pension plan, except a distribution that

i. is from a pooled registered pension plan and is not required to be included in computing a taxpayer's income under section 313.13 of the Act, or

ii. is deemed to have been made under section 965.0.30 of the Act;";

(2) by inserting the following after paragraph *h*:

"(*h*.1) an amount paid under the program referred to in paragraph *k*.0.2 of section 311 of the Act;

"(*h*.2) an amount paid under the program referred to in section 313.14 of the Act;";

(3) by adding the following after paragraph *s*:

"(*t*) a disability assistance payment made from a registered disability savings plan.".

(2) Paragraph 1 of subsection 1 has effect from 14 December 2012.

(3) Paragraph 2 of subsection 1, where it enacts paragraph *h*.1 of the definition of "remuneration" in section 1015R1 of the Regulation, has effect from 1 January 2013.

(4) Paragraph 2 of subsection 1, where it enacts paragraph *h*.2 of the definition of "remuneration" in section 1015R1 of the Regulation, has effect from 19 June 2014.

(5) Paragraph 3 of subsection 1 has effect from 1 October 2015.

47. (1) Section 1015R6 of the Regulation is amended by replacing subparagraph *b* of the first paragraph by the following:

"(*b*) the employee’s eligible contribution to a registered pension plan, a pooled registered pension plan or a specified pension plan;".

(2) Subsection 1 has effect from 14 December 2012.

48. (1) Section 1015R13 of the Regulation is replaced by the following:

"**1015R13.** Despite section 1015R10, an employer may not make any deduction in respect of

(*a*) an amount determined under paragraph *d* or *d*.1 of section 725 of the Act; or

(*b*) the remuneration of an employee from the employee's office or employment if the remuneration is exempt from tax under a regulation made pursuant to any of subparagraphs *a* to *c* and *f* of the first paragraph of section 96 of the Tax Administration Act (chapter A-6.002).".

(2) Subsection 1 applies in respect of amounts paid after 11 July 2013.

49. (1) The Regulation is amended by inserting the following after section 1015R23:

"**1015R23.1.** Every person making a payment described in paragraph *h*.2 of the definition of "remuneration" in section 1015R1 to a person resident in Québec must deduct 20% from the amount.

"**1015R23.2.** Every person making, in a year, a payment described in paragraph *t* of the definition of "remuneration" in section 1015R1 to an individual resident in Canada must deduct from the payment the amount determined by the following formula:

16% (A – B).

In the formula in the first paragraph,

(*a*) A is the portion of the payment made that must be included in computing the individual's taxable income for the year under section 694.0.0.3 of the Act; and

(*b*) B is,

i. where the beneficiary of the registered disability savings plan is deceased, zero, and

ii. in any other case, the amount by which the total of the following amounts exceeds the aggregate of all amounts each of which is the portion of a payment that has already been made in the year to the individual and that is required to be included in computing the individual's taxable income for the year under section 694.0.0.3 of the Act:

(1) the amount, expressed in dollars, referred to in section 752.0.0.1 of the Act that, having regard to section 750.2 of the Act, is applicable for the year; and

(2) the amount, expressed in dollars, referred to in section 752.0.14 of the Act that, having regard to section 750.2 of the Act, is applicable for the year.".

(2) Subsection 1, where it enacts section 1015R23.1 of the Regulation, has effect from 19 June 2014.

(3) Subsection 1, where it enacts section 1015R23.2 of the Regulation, has effect from 1 October 2015.

50. (1) Section 1015R36 of the Regulation is replaced by the following:

"**1015R36.** For the purposes of this division, the average monthly withholding of an employer for a particular calendar year is equal to the quotient obtained by dividing the aggregate of the amounts that are required to be paid to the Minister by the employer and, where the employer is a corporation, the aggregate of the amounts that are required to be so paid by any other corporation that is associated with the employer in a taxation year of that employer ending during the second calendar year following the particular calendar year, under section 1015 of the Act, section 62 of the Act respecting parental insurance (chapter A-29.011), sections 34 and 37.21 of the Act respecting the Régie de l'assurance maladie du Québec (chapter R-5) and section 63 of the Act respecting the Québec Pension Plan (chapter R-9), in respect of the remuneration that the employer and, where applicable, each other corporation pay during the particular calendar year, by the number of months in that year, not exceeding 12, for which those amounts are required to be paid to the Minister.".

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

51. Section 1025R1 of the Regulation is replaced by the following:

"**1025R1.** An individual's basic provisional account, for a year, is equal to the individual's tax payable under Part I of the Act for the same year computed

(a) without taking into account

i. sections 776.6 to 776.20 of the Act,

ii. an amount excluded from the income for the year under sections 294 to 298 of the Act in respect of an option exercised in a subsequent taxation year,

iii. an amount deducted for the year in respect of a subsequent taxation year and to which section 1012.1 of the Act refers,

iv. the specified tax consequences for the year, or

v. section 313.11 of the Act and Chapter II.1 of Title VI of Book III of Part I of the Act; and

(*b*) taking into account the amount that could be deducted from the individual's taxable income otherwise to be paid for the year under section 776.41.5 of the Act if an amount was not required to be included in computing the income of the individual's eligible spouse for the year under section 313.11 of the Act.".

52. (1) Sections 1029.8.21.17R3 and 1029.8.21.17R5 of the Regulation are revoked.

(2) Subsection 1 applies in respect of expenses incurred pursuant to a contract entered into after 3 June 2014.

53. (1) The Regulation is amended by inserting the following after section 1029.8.61.19R6:

"**1029.8.66.9R1.** For the purposes of section 1029.8.66.9 of the Act, a receipt issued by a person or partnership offering a recognized program of activities must contain

(*a*) the name and address of the person or partnership;

(*b*) the name of the program or activity;

(*c*) the total amount of the payment received, the date of receipt and the amount of the eligible expense;

(*d*) the name of the payee;

(*e*) the name and date of birth of the child; and

(*f*) the signature of the individual authorized by the person or partnership except if the receipt is sent to the payee in an electronic format.

For the purposes of the first paragraph, "eligible expense" and "recognized program of activities" have the meaning assigned by section 1029.8.66.6 of the Act.

"**1029.8.66.14R1.** For the purposes of section 1029.8.66.14 of the Act, a receipt issued by a person or partnership offering a recognized program of activities must contain

(*a*) the name and address of the person or partnership;

(*b*) the name of the program or activity;

(*c*) the total amount of the payment received, the date of receipt and the amount of the eligible expense;

(*d*) the name of the payee;

(*e*) the name of the participant in the activity; and

(*f*) the signature of the individual authorized by the person or partnership except if the receipt is sent to the payee in an electronic format.

For the purposes of the first paragraph, "eligible expense" and "recognized program of activities" have the meaning assigned by section 1029.8.66.11 of the Act.".

(2) Subsection 1, where it enacts section 1029.8.66.9R1 of the Regulation, applies from the taxation year 2013.

(3) Subsection 1, where it enacts section 1029.8.66.14R1 of the Regulation, applies from the taxation year 2014.

54. (1) Section 1056.4R1 of the Regulation is amended by striking out "656.4," in paragraph *a*.

(2) Subsection 1 applies to taxation years that begin after 31 October 2011.

55. (1) The Regulation is amended by inserting the following after section 1086R2:

"**1086R2.1.** An administrator of a pooled registered pension plan must file an information return in prescribed form for each calendar year in respect of the pooled registered pension plan on or before the day on which the information return required by section 213 of the Income Tax Regulations made under the Income Tax Act (Revised Statutes of Canada, 1985, chapter 1 (5th Supplement)) is to be filed.

In the first paragraph, "administrator" has the meaning assigned by section 965.0.19 of the Act.".

(2) Subsection 1 has effect from 14 December 2012.

56. (1) Section 1086R57 of the Regulation is amended by replacing the third paragraph by the following:

"The first paragraph does not require a trust to file an information return for a taxation year at the end of which it is a registered charity or a cemetery care trust, or is governed by an eligible funeral arrangement, a profit sharing plan, a deferred profit sharing plan, a registered education savings plan, a plan referred to in subsection 15 of section 147 of the Income Tax Act (Revised Statutes of Canada, 1985, chapter 1 (5th Supplement)) as a revoked plan, a tax-free savings account, an arrangement that is deemed to be such an account because of subparagraph *a* of the first paragraph of section 935.26.1 of the Act or a registered disability savings plan except if any of sections 905.0.10 to 905.0.12 of the Act apply in its respect.".

(2) Subsection 1 has effect from 1 July 2015.

57. Section 1086R70 of the Regulation is amended by replacing the second paragraph by the following:

"The copy of the part of the information return may, if the person has received the express consent of the person in respect of which it is filed, be sent in an electronic format on or before the date on which the return is to be filed with the Minister.".

58. (1) The Regulation is amended by inserting the following after section 1086R97.1:

"**1086R97.2.** Every owner of an immovable containing an eligible dwelling within the meaning of section 1029.8.116.12 of the Act must, in prescribed form, file an information return in respect of the dwelling for the year 2015 or any subsequent year, in respect of each person who is a lessee or sub-lessee at the end of the year.".

(2) Subparagraph 1 has effect from 1 January 2016.

59. (1) Class 43 in Schedule B to the Regulation is amended by replacing subparagraph i of paragraph *a* by the following:

"i. it is not included in Class 29 or 53 but would otherwise be included in Class 29 if that class were read without reference to its subparagraphs iii and v of subparagraph *b* of the first paragraph and subparagraph *c* of that first paragraph,".

(2) Subsection 1 has effect from 23 June 2015.

60. (1) Schedule B to the Regulation is amended by adding the following after Class 52:

"**CLASS 53 (50%)**
(*s. 130R22*)

"Property acquired after 31 December 2015 and before 1 January 2026 that is not included in Class 29, but would otherwise be included in that class if

(*a*) subparagraph *a* of the first paragraph of that class were read without reference to "in Canadian field processing carried on by the lessee or"; and

(*b*) that class were read without reference to subparagraph iv to vi of subparagraph *b* of the first paragraph and subparagraph *c* of that paragraph.".

(2) Subsection 1 has effect from 23 June 2015.

61. This Regulation comes into force on the date of its publication in the *Gazette officielle du Québec*.

Regulation to amend the Regulation respecting contributions to the Québec Pension Plan

Act respecting the Québec Pension Plan
(chapter R-9, s. 81, pars. *a* and *j* and s. 82.1)

1. (1) Section 1 of the Regulation respecting contributions to the Québec Pension Plan (chapter R-9, r. 2) is amended by inserting the following before paragraph *e*:

"(*d*.1) "similar plan" means a similar plan within the meaning assigned to that expression by paragraph *u* of section 1 of the Act;".

(2) Subsection 1 has effect from 1 January 2014.

2. (1) Section 6 of the Regulation is amended by adding the following after subparagraph xxi of subparagraph *a* of the first paragraph:

"xxii. 5.325% for the year 2016; or".

(2) Subsection 1 has effect from 1 January 2016.

3. (1) Section 8 of the Regulation is amended

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

"**8.** The contribution deducted under section 6 for a pay period shall not exceed the amount obtained by subtracting total contributions deducted from the employee's remuneration by the employer since the beginning of the year, or that should have been deducted, under this Regulation and, where applicable, from the amount determined under the second paragraph, from the amount obtained by multiplying the employee's maximum contributory earnings for the year within the meaning of section 44 of the Act by one of the following rates:";

(2) by adding the following after subparagraph *u* of the first paragraph:

"(*v*) 5.325% for the year 2016.";

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

"The amount to which the first paragraph refers is the amount obtained by multiplying total contributions deducted from the employee's remuneration by the employer since the beginning of the year, or that should have been deducted, under a similar plan by the proportion that the rate set out in the first paragraph for the year is of the rate of contribution for employees for the year under the similar plan.";

(4) by replacing the portion of the second paragraph before subparagraph *a* by the following:

"Despite the foregoing, where, during a year that is subsequent to the year 2003, an employer immediately succeeds another employer as a consequence of the formation or dissolution of a legal person or of the acquisition of a major portion of the property of an undertaking or of a separate part of an undertaking, without there being an interruption of the services furnished by an employee, the aggregate of all the contributions that the new employer is required to deduct for the year under section 6 in respect of the employee must not be greater than the amount obtained by subtracting total contributions that the preceding employer paid for the year in respect of the employee under this Regulation and, where applicable, of the amount determined under the fourth paragraph, to the extent that the employer was not reimbursed and is not entitled to be so reimbursed, from the amount obtained by multiplying the employee's maximum contributory earnings for the year within the meaning of section 44 of the Act by one of the following rates:";

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

"(*f*) 5.325% for the year 2016.";

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

"The amount to which the third paragraph refers is the amount obtained by multiplying total contributions that the preceding employer paid for the year in respect of the employee under a similar plan by the proportion that the rate set out in the third paragraph for the year is of the rate of contribution for employees for the year under the similar plan.".

(2) Paragraphs 1, 3, 4 and 6 of subsection 1 have effect from 2014.

(3) Paragraphs 2 and 5 of subsection 1 have effect from 1 January 2016.

4. (1) Section 9 of the Regulation is amended by replacing "equivalent plan" by "similar plan".

(2) Subsection 1 has effect from 1 January 2014.

5. This Regulation comes into force on the date of its publication in the *Gazette officielle du Québec*.

Regulation to amend the Regulation respecting the Québec sales tax

Act respecting the Québec sales tax
(chapter T-0.1, s. 677)

1. (1) Section 81R2 of the Regulation respecting the Québec sales tax (chapter T-0.1, r. 2) is amended by adding the following after paragraph 12:

"(13) goods brought into Québec from outside Canada and that are referred to in paragraph *n* of section 3 of the Non-Taxable Imported Goods (GST/HST) Regulations.".

(2) Subsection 1 has effect from 1 July 1992.

2. (1) Section 178R14 of the Regulation is amended by replacing "section 415" in subparagraph 1 of the first paragraph by "section 415 or 415.0.6".

(2) Subsection 1 has effect from 19 June 2014.

3. (1) Section 201R4 of the Regulation is amended by replacing "section 415" in paragraph 1 by "any of sections 415, 415.0.2 and 415.0.6".

(2) Subsection 1 has effect from 1 January 2013, except that where section 201R4 of the Regulation applies before 19 June 2014, the reference to "any of sections 415, 415.0.2 and 415.0.6" in paragraph 1 is to be read as a reference to "section 415 or 415.0.2".

4. Section 201R5 of the Regulation is amended by replacing paragraph 2 by the following:

"(2) the recipient's name or the name under which the recipient does business, or the name of the recipient's mandatary or authorized representative;".

5. (1) Section 267R1 of the Regulation is revoked.

(2) Subsection 1 has effect from 29 January 1999. In addition, where section 267R1 of the Regulation applies before that date, it is to be read as follows:

"**267R1.** For the purposes of section 267 of the Act, the mandataries of the Government, except the entities listed in Schedule III and government departments, are prescribed mandataries.".

6. (1) The Regulation is amended by inserting the following after section 267R1:

"**267.1R1.** For the purposes of section 267.1 of the Act, the mandataries of the Gouvernement du Québec, except the entities listed in Schedule III and government departments, are prescribed mandataries.".

(2) Subsection 1 has effect from 29 January 1999.

7. (1) Section 279R25 of the Regulation is amended by striking out the second paragraph.

(2) Subsection 1 has effect from 21 October 2015.

8. (1) The Regulation is amended by inserting the following after section 332R2:

"**332R3.** For the purposes of section 332 of the Act, another corporation is a prescribed corporation in relation to a particular corporation that is a credit union, if the other corporation is a registrant resident in Canada and is

(1) CDSL Canada Limited; or

(2) CUE Datawest Ltd.".

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

9. (1) Section 350.51R5 of the Regulation is amended by replacing "section 415" in subparagraph 6 of the first paragraph by "section 415 or 415.0.6".

(2) Subsection 1 has effect from 19 June 2014.

10. (1) Section 350.51R7.2 of the Regulation is amended in the first paragraph

(1) by replacing "subsection 241(1)" in subparagraph 7 by "subsection 1 or 1.5 of section 241";

(2) by replacing "section 415" in subparagraph 8 by "section 415 or 415.0.6".

(2) Subsection 1 has effect from 1 February 2016 or from the date, if earlier, on which an operator or a person described in section 350.52.1 of the Act respecting the Québec sales tax (chapter T-0.1) activates in an establishment, after 1 September 2015, a device referred to in section 350.52 of that Act.

11. (1) Section 350.51.1R2 of the Regulation is amended in the first paragraph

(1) by replacing "subsection 241(1)" in subparagraph 3 by "subsection 1 or 1.5 of section 241";

(2) by replacing "section 415" in subparagraph 4 by "section 415 or 415.0.6".

(2) Subsection 1 has effect from 1 February 2016 or from the date, if earlier, on which an operator or a person described in section 350.52.1 of the Act respecting the Québec sales tax (chapter T-0.1) activates in an establishment, after 1 September 2015, a device referred to in section 350.52 of that Act.

12. (1) Section 352R1 of the Regulation is revoked.

(2) Subsection 1 has effect from 1 July 2010 except in respect of rebate applications filed before 4 December 2014.

13. (1) Section 352R2 of the Regulation is replaced by the following:

"**352R2.** For the purposes of the first paragraph of section 352 of the Act, the prescribed conditions are the following:

(1) the property is acquired by the person for consumption, use or supply exclusively outside Québec;

(2) if the person is a consumer of the property and the property is not a road vehicle, the person is resident in a province or territory mentioned in the first paragraph of section 352 of the Act into which the property was brought or shipped; and

(3) the person pays all duties, fees and taxes, if any, imposed by the other province or territory to which paragraph 2 refers that are payable by the person in respect of the property.".

(2) Subsection 1 has effect from 1 July 2010 except in respect of rebate applications filed before 4 December 2014.

14. (1) Section 352R3 of the Regulation is replaced by the following:

"**352R3.** For the purposes of subparagraph 4 of the third paragraph of section 352 of the Act, the following are prescribed circumstances:

(1) the rebate is substantiated by a receipt that includes tax of at least $5 and the person is otherwise eligible for a rebate of the tax under section 352 of the Act; and

(2) the total of all amounts, each of which is an amount of a rebate to which the person is otherwise entitled under section 352 of the Act and in respect of which the rebate application is made, is at least $25.".

(2) Subsection 1 has effect from 1 July 2010 except in respect of rebate applications filed before 4 December 2014.

15. (1) Section 383R1 of the Regulation is amended

(1) by striking out the definition of "fiscal year";

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

""municipality" has the meaning assigned by section 383 of the Act.".

(2) Paragraph 1 of subsection 1 has effect from 21 October 2015.

(3) Paragraph 2 of subsection 1 has effect from 1 January 2014.

16. Section 386R1 of the Regulation is amended by replacing "386R9" by "386R9.1".

17. (1) Section 386R9.1 of the Regulation is amended by replacing "sections 383 to 397.2" by "subdivision 5 of Division I of Chapter VII of Title I".

(2) Subsection 1 has effect from 1 January 2014.

18. Section 386R9.2 of the Regulation is revoked.

19. (1) The Regulation is amended by inserting the following article before the heading "COMPENSATION TO MUNICIPALITIES":

"**386.1.1R1.** For the purposes of section 386.1.1 of the Act, property and services listed in sections 386R2 to 386R9.1 are prescribed property and services for determining the rebate payable to a person referred to as "the person" in those sections.".

(2) Subsection 1 applies in respect of tax that becomes payable after 31 December 2013 and that is not paid before 1 January 2014.

20. (1) Section 388.2R1 of the Regulation is amended by replacing paragraphs 1 to 3 by the following:

"(1) for Ville de Laval, $2,000,000 in respect of the year 2001, $4,000,000 in respect of the year 2002, $6,500,000 in respect of the year 2003 and $4,227,979.95 in respect of the year 2015;

"(2) for Ville de Montréal, $31,900,000 in respect of the year 2001 and $23,007,038.61 in respect of the year 2015; and

"(3) for Ville de Québec, $6,700,000 in respect of the year 2001 and $4,832,199.33 in respect of the year 2015.".

(2) Subsection 1 has effect from 1 January 2015.

21. The Regulation is amended by inserting the following after section 389R1:

"**389R1.1.** For the purposes of sections 389R2 to 389R11,

"charity" has the meaning assigned by section 383 of the Act; and

"consideration" has the meaning assigned by section 383R1.".

22. (1) Section 389R10 of the Regulation is amended by replacing "sections 383 to 397.2" in the portion before the formula in the first paragraph and in subparagraph 2 of the third paragraph by "subdivision 5 of Division I of Chapter VII of Title I".

(2) Subsection 1 has effect from 1 January 2014.

23. (1) Section 389R11 of the Regulation is amended by replacing "sections 383 to 397.2" by "subdivision 5 of Division I of Chapter VII of Title I".

(2) Subsection 1 has effect from 1 January 2014.

24. (1) Section 434R0.2 of the Regulation is amended by striking out the definition of "fiscal year".

(2) Subsection 1 has effect from 21 October 2015.

25. (1) Section 434R0.5 of the Regulation is amended by striking out "a municipality" in paragraph 2 of the definition of "specified registrant".

(2) Subsection 1 has effect from 1 January 2014.

26. (1) Section 434R2 of the Regulation is amended by replacing paragraph 1 by the following:

"(1) the registrant is, on the first day of the reporting period, a specified facility operator, a qualifying non-profit organization, a charity that is designated under sections 350.17.1 to 350.17.4 of the Act or a selected public service body;".

(2) Subsection 1 has effect from 1 January 2014.

27. (1) Section 434R5.1 of the Regulation is replaced by the following:

"**434R5.1.** Subject to sections 434R1 to 434R8, the rate applicable to a registrant for the purposes of those sections for a reporting period in a particular fiscal period of the registrant, in respect of a particular supply made by the registrant, is 7.3%.".

(2) Subsection 1 applies in respect of any reporting period that begins after 30 June 2016.

28. (1) Section 449R1 of the Regulation is amended

(1) by replacing "section 415" in paragraph 2 by "any of sections 415, 415.0.2 and 415.0.6";

(2) by replacing paragraph 3 by the following:

"(3) the recipient's name or the name under which the recipient does business, or the name of the recipient's mandatary or authorized representative;".

(2) Paragraph 1 of subsection 1 has effect from 1 January 2013, except that where section 449R1 of the Regulation applies before 19 June 2014, the reference to "any of sections 415, 415.0.2 and 415.0.6" in paragraph 2 is to be read as a reference to "section 415 or 415.0.2".

29. (1) Section 489.1R3 of the Regulation is replaced by the following:

"**489.1R3.** For the purposes of the first paragraph of section 489.1 of the Act, where a specific tax is payable pursuant to section 488.1 of the Act, a millilitre is considered for the purposes of section 489.1R2 only at the time that tax is payable.".

(2) Subsection 1 has effect from 21 October 2015.

30. (1) Section 489.1R5 of the Regulation is amended

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

"**489.1R5.** For the purposes of the second paragraph of section 489.1 of the Act, the prescribed percentage is";

(2) by replacing paragraph 2 by the following:

"(2) 85%, from the 150,000,001st to the 1,500,000,000th millilitre of wine, cider or any other alcoholic beverage, other than beer, in respect of which a specific tax is payable in a particular calendar year.".

(2) Subsection 1 has effect from 3:00 a.m. on 21 November 2012.

31. (1) Section 489.1R6 of the Regulation is replaced by the following:

"**489.1R6.** For the purposes of the second paragraph of section 489.1 of the Act, where a specific tax is payable pursuant to section 488.1 of the Act, a millilitre is considered for the purposes of section 489.1R5 only at the time that tax is payable.".

(2) Subsection 1 has effect from 21 October 2015.

32. (1) Section 505.1R3 of the Regulation is amended by replacing "section 458.1" by "section 1".

(2) Subsection 1 has effect from 21 October 2015.

33. (1) Section 541.24R1 of the Regulation is amended by striking out paragraph 4.

(2) Subsection 1 has effect from 15 April 2016.

34. (1) Section 677R10 of the Regulation is amended by replacing "section 415" in the portion of paragraph 1 before subparagraph *a* by "section 415 or 415.0.6".

(2) Subsection 1 has effect from 19 June 2014.

35. This Regulation comes into force on the date of its publication in the *Gazette officielle du Québec*.

Regulation to amend the Regulation respecting the application of the Fuel Tax Act

Fuel Tax Act
(chapter T-1, s. 1, 1st par., subpar. *q*, s. 50.0.12, par. 4 and s. 56)

1. (1) Section 10R1 of the Regulation respecting the application of the Fuel Tax Act (chapter T-1, r. 1) is amended

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

"An application for a refund must cover purchases of fuel for a maximum period of 12 months which begins on the date of the first purchase of fuel covered by the application. If the application is made pursuant to subparagraph x of paragraph *a* or subparagraph v of paragraph *b* of that section 10, the application must cover a minimum period of 3 months or the purchase of at least 3,000 litres of gasoline or biodiesel fuel, as the case may be.";

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

"In the case of an initial application in respect of a commercial vessel made pursuant to subparagraph x of paragraph *a* of section 10 of the Act, the person must furnish the following with the application:

(*a*) a photocopy of the purchase or lease document for the vessel;

(*b*) proof of civil liability insurance;

(*c*) engine specifications;

(*d*) tank capacity specifications; and

(*e*) a photocopy of the vessel's certificate of registry issued under the Canada Shipping Act, 2001 (Statutes of Canada, 2001, chapter 26), unless no certificate of registry has been issued for the vessel because the vessel is not required to be registered.".

(2) Subsection 1 applies in respect of gasoline acquired after 11 July 2013.

2. (1) Section 10R2 of the Regulation is amended by replacing the first paragraph by the following:

"**10R2.** The person referred to in section 10R1, except a person applying for a refund under subparagraph x of paragraph *a* of section 10 of the Act, must keep and retain an inventory containing a description of the machinery and engines in which the fuel is used, a record of the fuel used, and a register showing the volumes put on each occasion into the fuel tank of each engine or machine.".

(2) Subsection 1 has effect from 12 July 2013.

3. (1) The Regulation is amended by inserting the following after section 10R2:

"**10R2.1.** The person referred to in section 10R1 applying for a refund under subparagraph x of paragraph *a* of section 10 of the Act must keep and retain a registry showing the volumes of gasoline put into the fuel tank of the engine for which the application is made.

The person must also keep and retain,

(*a*) in the case of an engine equipped with an hour-meter, a register of the accumulated hours indicating the reading at the beginning and at the end of each month; and

(*b*) in the case of an engine not equipped with an hour-meter, a daily register of the operating hours of the engine.".

(2) Subsection 1 applies in respect of gasoline acquired after 11 July 2013.

4. (1) Section 10R5 of the Regulation is amended by striking out subparagraphs iv and v of paragraph *e*.

(2) Subsection 1 applies in respect of

(1) tax paid after 13 November 2015; and

(2) tax paid before 14 November 2015 by an operator of a quarry, other than an operator of a granite or slate quarry who obtained a refund of the tax before that date in respect of the mining operations of the quarry, if the application for the refund

(*a*) is filed with the Minister after 13 November 2015; or

(*b*) was filed with the Minister before 14 November 2015 and, before that date, was refused by the Minister or no notice of assessment was issued for it.

5. (1) The Regulation is amended by inserting the following after section 10R5:

"**10R6.** For the purposes of subparagraph x of paragraph *a* of section 10 of the Act, every vessel used principally for purposes other than pleasure is a commercial vessel.".

(2) Subsection 1 has effect from 12 July 2013.

6. (1) Section 10.8R3 of the Regulation is replaced by the following:

"**10.8R3.** For the purposes of sections 10.8R1 and 10.8R2, the fiscal year of a person is that person's fiscal year within the meaning of section 1 of the Act respecting the Québec sales tax (chapter T-0.1).".

(2) Subsection 1 has effect from 21 October 2015. In addition, where section 10.8R3 of the Regulation applies before that date, the reference to "10.8R2 and 10.8R3" is to be read as a reference to "10.8R1 and 10.8R2".

7. (1) The Regulation is amended by inserting the following after section 50.0.7R1:

"**50.0.7R1.1.** The fees prescribed under section 50.0.7R1 are adjusted by operation of law on 1 January of each year based on the rate of variation between the average of the 12 All-items Consumer Price Indexes for Québec, excluding alcoholic beverages and tobacco products, for the period ending 30 June of the year preceding the indexation and the average of those 12 indexes for the period ending on 30 June of the second year preceding the indexation.

Where the result of the indexation is less than $25, it is adjusted to the closest $0.10 multiple; if it is greater than $25, it is adjusted to the closest $0.25 multiple. A result that is equidistant from two multiples is rounded up to the greater multiple.

The Minister is to inform the public of the result of the indexation by means of a notice published in the *Gazette officielle du Québec* or by such other means as the Minister considers appropriate.".

(2) Subsection 1 applies from 1 July 2017.

8. This Regulation comes into force on the date of its publication in the *Gazette officielle du Québec*.

102910

Gouvernement du Québec

O.C. 383-2017, 5 April 2017

An Act respecting labour standards
(chapter N-1.1)

Clothing industry
— labour standards specific to certain sectors
— Amendment

Regulation to amend the Regulation respecting labour standards specific to certain sectors of the clothing industry

WHEREAS, under section 92.1 of the Act respecting labour standards (chapter N-1.1), after consulting with the most representative employees' and employers' associations in the clothing industry, the Government may, by regulation, in respect of all employers and employees in certain sectors of the clothing industry, fix labour standards respecting in particular the minimum wage;

WHEREAS the Government made the Regulation respecting labour standards specific to certain sectors of the clothing industry (chapter N-1.1, r. 4);

WHEREAS it is expedient to amend the Regulation;

WHEREAS the consultations required by the Act have been made;

WHEREAS, in accordance with sections 10 and 11 of the Regulations Act (chapter R-18.1), the draft Regulation to amend the Regulation respecting labour standards specific to certain sectors of the clothing industry was published in Part 2 of the *Gazette officielle du Québec* of 25 January 2017 with a notice that it could be made by the Government on the expiry of 45 days following that publication;

WHEREAS that period has expired and it is expedient to make the Regulation without amendment;

IT IS ORDERED, therefore, on the recommendation of the Minister responsible for Labour:

THAT the Regulation to amend the Regulation respecting labour standards specific to certain sectors of the clothing industry, attached to this Order in Council, be made.

JUAN ROBERTO IGLESIAS,
Clerk of the Conseil exécutif

Regulation to amend the Regulation respecting labour standards specific to certain sectors of the clothing industry

An Act respecting labour standards
(chapter N-1.1, s. 92.1, 1st par., subpar. 1)

1. The Regulation respecting labour standards specific to certain sectors of the clothing industry (chapter N-1.1, r. 4) is amended in section 3 by replacing "$10.75" by "$11.25".

2. This Regulation comes into force on 1 May 2017.

102915

Gouvernement du Québec

O.C. 384-2017, 5 April 2017

An Act respecting labour standards
(chapter N-1.1)

Labour standards
— Amendment

Regulation to amend the Regulation respecting labour standards

WHEREAS, under the first paragraph of section 40, paragraph 1 of section 89 and the first paragraph of section 91 of the Act respecting labour standards (chapter N-1.1), the Government, by Regulation, may fix labour standards respecting the minimum wage;

WHEREAS the Government made the Regulation respecting labour standards (chapter N-1.1, r. 3);

WHEREAS it is expedient to amend the Regulation;

WHEREAS, in accordance with sections 10 and 11 of the Regulations Act (chapter R-18.1), the draft Regulation to amend the Regulation respecting labour standards was published in Part 2 of the *Gazette officielle du Québec* of 25 January 2017 with a notice that it could be made by the Government on the expiry of 45 days following that publication;

WHEREAS that period has expired and it is expedient to make the Regulation without amendment;

IT IS ORDERED, therefore, on the recommendation of the Minister responsible for Labour:

THAT the Regulation to amend the Regulation respecting labour standards, attached to this Order in Council, be made.

JUAN ROBERTO IGLESIAS,
Clerk of the Conseil exécutif

Regulation to amend the Regulation respecting labour standards

An Act respecting labour standards
(chapter N-1.1, s. 40, 1st par., s. 89, par. 1, and s. 91, 1st par.)

1. The Regulation respecting labour standards (chapter N-1.1, r. 3) is amended in section 3 by replacing "$10.75" by "$11.25".

2. Section 4 is amended by replacing "$9.20" by "$9.45".

3. Section 4.1 is amended

(1) by replacing "$3.18" in subparagraph 1 of the first paragraph by "$3.33";

(2) by replacing "$0.85" in subparagraph 2 of the first paragraph by "$0.89".

4. This Regulation comes into force on 1 May 2017.

102916

M.O., 2017

Order number 2017 004 of the Minister of Health and Social Services dated 29 March 2017

An Act respecting health services and social services (chapter S-4.2)

Regulation to amend the Regulation respecting certain terms of employment applicable to officers of agencies and health and social services institutions

THE MINISTER OF HEALTH AND SOCIAL SERVICES,

CONSIDERING the first paragraph of section 487.2 of the Act respecting health services and social services (chapter S-4.2), which provides that the Minister may, by regulation, determine the standards and scales which must be used by agencies, public institutions and private institutions under agreement for the selection, appointment and engagement of and the remuneration and other terms of employment applicable to senior and middle management personnel;

CONSIDERING that the Minister made the Regulation respecting certain terms of employment applicable to officers of agencies and health and social services institutions (chapter S-4.2, r. 5.1);

CONSIDERING that it is expedient to amend the Regulation;

CONSIDERING the authorization obtained from the Conseil du trésor in accordance with the third paragraph of section 487.2 of the Act;

CONSIDERING that it is expedient to make the Regulation to amend the Regulation respecting certain terms of employment applicable to officers of agencies and health and social services institutions;

ORDERS AS FOLLOWS:

The Regulation to amend the Regulation respecting certain terms of employment applicable to officers of agencies and health and social services institutions is hereby made.

GAÉTAN BARRETTE,
Minister of Health and Social Services

Regulation to amend the Regulation respecting certain terms of employment applicable to officers of agencies and health and social services institutions

An Act respecting health services and social services (chapter S-4.2, s. 487.2)

1. The Regulation respecting certain terms of employment applicable to officers of agencies and health and social services institutions (chapter S-4.2, r. 5.1) is amended in section 5 by striking out paragraph 11.

2. Section 12 is replaced by the following:

"**12.** The evaluation classes determined in accordance with subdivisions 2, 3 and 4 of Division 2 of this Chapter correspond to the salary classes adjusted as follows:

(1) for the period from 1 April 2016 to 31 March 2017: 1.5%;

(2) for the period from 1 April 2017 to 31 March 2018: 1.75%;

(3) for the period from 1 April 2018 to 31 March 2019: 2.0%.

Those adjusted salary classes are listed in Schedule 1.

For part-time officers, the salary determined in the first paragraph is reduced proportionally to the hours of the position.".

3. Sections 12.0.1 to 12.0.3 are replaced by the following:

"**12.0.1**. For the period from 1 April 2015 to 31 March 2016, an officer receives a lump sum corresponding to 1.0% of the salary received

12.0.2. For the period from 1 April 2019 to 31 march 2020, an officer receives a lump sum corresponding to 0.5% of the salary received.

12.0.3. For the purposes of sections 12.0.1 and 12.0.2, the salary includes benefits for maternity, paternity or adoption leave, benefits for parental leaves, salary insurance benefits including those paid by the Commission des normes, de l'équité, de la santé et de la sécurité du travail, by the Société de l'assurance automobile du Québec and those paid under the Crime Victims Compensation Act (chapter I-6) and those paid by the employer in the case of a work accident, if applicable.".

4. Sections 12.0.4 to 12.0.7 are revoked.

5. Section 12.1 is replaced by the following:

"**12.1.** For officers referred to in section 8.1, a salary rate corresponding to the evaluation classes determined under section 11.5 is adjusted according to the terms and conditions provided for in section 12, with the necessary modifications.

Those salary rates are listed in Schedule 2.

An officer referred to in section 8.1 receives the lump sums provided for in sections 12.0.1 and 12.0.2.

The salary rate of an officer contemplated in section 8.1 is reduced, when the officer holds a part-time position, proportionally to the time for which his services are engaged by the employer, without such services being less than 20% of full time.".

6. Section 13 is amended

(1) by replacing "12.0.4" in the first paragraph by "12.0.2";

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

"The adjustment on 1 April of each year applies to the salary classes or the salary rates, as the case may be, in force on the previous 31 March.".

7. Division 6.1 of Chapter 3 is revoked.

8. Section 29.0.1 is amended by replacing the first and second paragraphs by the following:

"An officer receives an allowance for critical care of 14% of the officer's salary if the officer directly supervises a coronary unit and the following activity centres:

(1) emergency room;

(2) intensive care;

(3) neonatal unit;

(4) burn unit.

As of 10 July 2016, an officer who directly supervises an activity centre, medical emergency intervention service of Québec, also receives an allowance for critical care of 14% of the officer's salary.".

9. The following is inserted after section 29.0.1:

"**29.0.1.1.** An officer who directly supervises the activity centres operating room, obstetrical block and haemodynamics receives, as of 10 July 2016, an allowance for critical care of 7% of the officer's salary.

That allowance is paid to the officer in the form of a lump sum in proportion to the time worked and according to the procedures of the employer's pay system. A statutory holiday, a flexible leave, an annual leave and a personal leave are considered to be time worked.".

29.0.1.2. The allowances in sections 29.0.1 and 29.0.1.1 may not be accumulated. An officer who directly supervises at least 2 units or activity centres referred to in sections 29.0.1 and 29.0.1.1 receives the allowance provided for in section 29.0.1.".

10. Section 29.0.3 is amended

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

"**29.0.3.** An officer working in a locality in the Far North region determined by the Minister receives, for the period from 1 April 2015 to 30 March 2020, an attraction and retention allowance.";

(2) by striking out ", the period of payment" in the third paragraph.

11. Section 29.0.4 is amended

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

"**29.0.4.** An officer of the psychologist profession, on the roll of the Ordre des psychologues, directly supervising a unit offering services in psychology receives an allowance of

(1) 9.6% for the period from 1 April 2015 to 19 March 2016;

(2) 9.5% for the period from 20 March 2016 to 1 April 2019;

(3) 6.9% for the period from 2 April 2019 to 30 March 2020.";

(2) by striking out the third paragraph.

12. The Regulation is amended by replacing the expression "Human Resources and Skills Development Canada (HRSDC)" wherever it appears in Chapter 4.1 by "Employment and Social Development Canada (ESDC)".

13. Section 76.1 is amended

(1) by replacing the definition of "weekly salary" by the following:

""weekly salary" means the annual salary of an officer divided by 52.18, including the lump sums paid pursuant to sections 17, 20, 21 and sections 104.1 to 104.3, without any additional remuneration.";

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

""service" means, for the purposes of this Chapter, the service recognized under subparagraph 3 of the first paragraph of section 76.18.".

14. Section 76.6 is replaced by the following:

"**76.6.** The weekly salary, the weekly salary paid under the deferred salary leave plan and the severance payment may not be increased or decreased by the amounts received under the Québec Parental Insurance Plan or the Employment Insurance Supplemental Unemployment Benefit Plan.".

15. Section 76.14 is amended

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

"**76.14.** An officer who has accumulated 20 weeks of service and who is eligible for benefits under the Québec Parental Insurance Plan receives, during the 21 weeks of her maternity leave, an allowance calculated using the following formula:

(1) by adding

(a) the amount representing 100% of the officer's weekly salary up to $225; and

(b) the amount representing 88% of the difference between the officer's weekly salary and the amount established in subparagraph *a*; and

(2) by subtracting from that sum the amount of maternity or parental benefits she receives under the Québec Parental Insurance Plan or would receive after submitting an application for benefits.";

(2) by replacing "93% of the weekly salary paid by the employer" in the fourth paragraph by "the amount established in subparagraph 1 of the first paragraph".

16. Section 76.15 is amended by replacing the fourth paragraph by the following:

"The total amounts that an officer receives during her maternity leave in benefits under the Québec Parental Insurance Plan, allowance and salary may not exceed the gross amount established in subparagraph 1 of the first paragraph of section 76.14. The formula must be applied to the sum of the weekly salaries received from her employer under section 76.14 or, as the case may be, from her employers.".

17. Section 76.16 is amended

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

"**76.16.** An officer who has accumulated 20 weeks of service and who is eligible for the Employment Insurance Plan but who is not eligible for the Québec Parental Insurance Plan is entitled to receive, during the 20 weeks of her maternity leave, an allowance calculated as follows:

(1) for each week of the waiting period prescribed under the Employment Insurance Plan, an allowance calculated by adding

(a) the amount representing 100% of the officer's weekly salary of the officer up to $225; and

(b) the amount representing 88% of the difference between the officer's weekly salary and the amount established in subparagraph *a*;

(2) for each week following the weeks mentioned in subparagraph 1, an allowance calculated using the following formula:

(a) by adding

i. the amount representing 100% of the officer's weekly salary up to $225; and

ii. the amount representing 88% of the difference between the officer's weekly salary and the amount established in subparagraph *i*; and

(b) by subtracting from that sum the amount of maternity or parental benefits she receives under the Employment Insurance Plan or would receive after submitting an application for benefits.";

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

"An officer who works for more than one employer shall receive an allowance from each of her employers. In such a case, the allowance is equal to the difference between the amount in subparagraph *a* of subparagraph 2 of paragraph B of the first paragraph and the amount of the Employment Insurance Plan that represents the weekly salary that it pays proportionate to the weekly salaries paid by all the employers. For that purpose, the officer shall submit to each of her employers a statement of the weekly salary paid by each employer, together with the amount of the benefits payable to her under the Employment Insurance Act (S.C. 1996, c. 23).";

(3) by replacing "this paragraph" in the fifth paragraph by "subparagraph 2 of the first paragraph".

18. Section 76.17 is amended

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

"However, an officer who has accumulated 20 weeks of service, as defined in subparagraph 3 of the first paragraph of section 76.18, is entitled to an allowance calculated using the following formula, for 12 weeks, if she does not receive benefits under a parental rights plan established by another province or a territory:

by adding

i. the amount representing 100% of the officer's weekly salary up to $225; and

ii. the amount representing 88% of the difference between the officer's weekly salary and the amount established in subparagraph 1.";

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

"The fourth paragraph of section 76.15 applies with the necessary modifications.".

19. Section 76.18 is amended by replacing "Ministry of Employment and Social Solidarity" in subparagraph 2 of the first paragraph by "Ministère du Travail, de l'Emploi et de la Solidarité sociale".

20. Section 76.26 is amended

(1) by replacing "Commission de la santé et de la sécurité du travail" and "Commission" in the sixth paragraph by "Commission des normes, de l'équité, de la santé et de la sécurité du travail (CNESST)" and "CNESST", respectively;

(2) by adding the following paragraph after the sixth paragraph;

"However, should the officer exercise her right to apply for review of the decision of the CNESST or to contest that decision before the Administrative Labour Tribunal, repayment may not be demanded before the administrative review of the decision of the CNESST or, as the case may be, before the decision of the Administrative Labour Tribunal is rendered.".

21. Section 76.31 is amended

(1) in the first paragraph:

(a) by inserting ", who has completed 20 weeks of service," after "officer";

(b) by striking out "basic";

(2) by replacing "subparagraphs of paragraph 2" in the second paragraph by "paragraphs".

22. Section 76.32 is amended by striking out "basic".

23. Section 76.33 is replaced by the following:

"**76.33.** Section 76.18 applies to an officer who receives the allowances provided for in sections 76.31 and 76.32, with the necessary modifications.".

24. Section 76.38 is amended by adding the following paragraph after the second paragraph:

"At the end of the paternity leave, the officer shall resume his position with his employer, subject to the provisions respecting employment stability provided for in Chapter 5. The terms of employment, including the salary, shall be the same as those to which the officer would have been entitled had he remained at work.".

25. Section 76.46 is amended

(1) by inserting ", who has completed 20 weeks of service," in the first paragraph after "officer";

(2) by striking out "of paragraph 2" in the second paragraph.

26. Section 76.47 is amended by adding ", if the officer has completed 20 weeks of service" after "weekly salary".

27. Section 76.49 is amended by adding the following paragraph after the second paragraph:

"At the end of the adoption leave, the officer shall resume his or her position with the employer, subject to the provisions respecting employment stability provided for in Chapter 5. The terms of employment, including the salary, shall be the same as those to which the officer would have been entitled had the officer remained at work.".

28. Section 76.56 is amended by replacing "applique" in the French text of the seventh paragraph by "appliquent".

29. Section 76.61 is amended by adding ", or by reason of the state of health of the officer's spouse, father, mother, a brother, a sister or one of the officer's grandparents" at the end of the first paragraph.

30. The following is added after section 136:

"**137.** An officer who benefits from the provisions in Chapter 4.1 before (*insert the date of coming into force of the regulation introducing this section*) continues to benefit from the provisions in Chapter 4.1 in force on (*insert the date preceding the date of coming into force of the regulation introducing this section*).".

31. This Regulation comes into force on the date on which it is made by the Minister.

102917

M.O., 2017

Order number 2017 005 of the Minister of Health and Social Services dated 29 March 2017

An Act respecting health services and social services (chapter S-4.2)

Regulation to amend the Regulation respecting certain terms of employment applicable to senior administrators of agencies and of public health and social services institutions

THE MINISTER OF HEALTH AND SOCIAL SERVICES,

CONSIDERING the first paragraph of section 487.2 of the Act respecting health services and social services (chapter S-4.2), which provides in particular that the Minister may, by regulation, determine the standards and scales which must be used by agencies, public institutions and institutions under agreement for the selection, appointment and engagement of and the remuneration and other terms of employment applicable to senior administrators;

CONSIDERING that the Minister made the Regulation respecting certain terms of employment applicable to senior administrators of agencies and of public health and social services institutions (chapter S-4.2, r. 5.2);

CONSIDERING that it is expedient to amend the Regulation;

CONSIDERING the authorization obtained from the Conseil du trésor in accordance with the third paragraph of section 487.2 of the Act;

CONSIDERING that it is expedient to make the Regulation to amend the Regulation respecting certain terms of employment applicable to senior administrators of agencies and of public health and social services institutions;

ORDERS AS FOLLOWS:

The Regulation to amend the Regulation respecting certain terms of employment applicable to senior administrators of agencies and of public health and social services institutions is hereby made.

GAÉTAN BARRETTE,
Minister of Health and Social Services

Regulation to amend the Regulation respecting certain terms of employment applicable to senior administrators of agencies and of public health and social services institutions

An Act respecting health services and social services (chapter S-4.2, s. 487.2)

1. The Regulation respecting certain terms of employment applicable to senior administrators of agencies and of public health and social services institutions (chapter S-4.2, r. 5.2) is amended by replacing section 28 by the following:

"**28.** The evaluation classes determined in accordance with subdivision 1 of Division 2 of this Chapter correspond to the salary classes adjusted as follows:

(1) for the period from 1 April 2016 to 31 March 2017: 1.5%;

(2) for the period from 1 April 2017 to 31 March 2018: 1.75%;

(3) for the period from 1 April 2018 to 31 March 2019: 2.0%.

Those adjusted salary classes are listed in Schedule 1.

For part-time senior administrators, the salary determined in the first paragraph is reduced proportionally to the hours of the position.".

2. The following is added after section 28:

"**28.1.** For the period from 1 April 2015 to 31 March 2016, the senior administrator receives a lump sum corresponding to 1.0% of the salary received.

28.2. For the period from 1 April 2019 to 31 March 2020, the senior administrator receives a lump sum corresponding to 0.5% of the salary received.

28.3. For the purposes of sections 28.1 and 28.2, the salary includes the benefits for maternity, paternity or adoption leave, benefits for parental leaves, salary insurance benefits including those paid by the Commission des normes, de l'équité, de la santé et de la sécurité du travail, by the Société de l'assurance automobile du Québec and those paid under the Crime Victims Compensation Act (chapter I-6) and those paid by the employer in the case of a work accident, if applicable.".

3. Section 29 is amended by adding the following paragraph at the end:

"The adjustment of 1 April of each year applies to the salary classes in force on the previous 31 March.".

4. Division 6.1 of Chapter 3 is revoked.

5. The Regulation is amended by replacing the expression "Human Resources and Skills Development Canada (HRSDC)" wherever it appears in Chapter 4.1 by "Employment and Social Development Canada (ESDC)".

6. Section 87.1 is amended

(1) by replacing the definition of "weekly salary" by the following:

""weekly salary" means the annual salary of a senior administrator divided by 52.18, including the lump sums paid pursuant to sections 33, 36, 37 and the last paragraph of section 106.1, without any additional remuneration.".

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

""service" means, for the purposes of this Chapter, the service of a senior administrator recognized under subparagraph 3 of the first paragraph of section 87.18.".

7. Section 87.6 is replaced by the following:

"**87.6.** The weekly salary, the weekly salary paid under the deferred salary leave plan and the severance payment may not be increased or decreased by the amounts received under the Québec Parental Insurance Plan or the Employment Insurance Supplemental Unemployment Benefit Plan.".

8. Section 87.14 is amended

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

"**87.14.** A senior administrator who has accumulated 20 weeks of service and who is eligible for benefits under the Québec Parental Insurance Plan receives, during the 21 weeks of her maternity leave, an allowance calculated using the following formula:

(1) by adding

(a) the amount representing 100% of the senior administrator's weekly salary up to $225; and

(b) the amount representing 88% of the difference between the senior administrator's weekly salary and the amount established in subparagraph *a*; and

(2) by subtracting from that sum the amount of maternity or parental benefits she receives from the Québec Parental Insurance Plan, or would receive after submitting an application for benefits.";

(2) by replacing "93% of the weekly salary paid by the employer" in the fourth paragraph by "the amount established in subparagraph 1 of the first paragraph".

9. Section 87.15 is amended by replacing the fourth paragraph by the following:

"The total amounts that a senior administrator receives during her maternity leave in benefits under the Québec Parental Insurance Plan, allowance and salary may not exceed the gross amount established in subparagraph 1 of the first paragraph of section 87.14. The formula must be applied to the sum of the weekly salaries received from her employer under section 87.14 or, as the case may be, from her employers.".

10. Section 87.16 is amended

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

"**87.16.** A senior administrator who has accumulated 20 weeks of service and who is eligible for the Employment Insurance Plan but who is not eligible for the Québec Parental Insurance Plan is entitled to receive, during the 20 weeks of her maternity leave, an allowance calculated as follows:

(1) for each week of the waiting period prescribed under the Employment Insurance Plan, an allowance calculated by adding

(a) the amount representing 100% of the senior administrator's weekly salary up to $225; and

(b) the amount representing 88% of the difference between the senior administrator's weekly salary and the amount established in subparagraph *a*;

(2) for each week following the weeks mentioned in subparagraph 1, an allowance calculated using the following formula:

(a) by adding

i. the amount representing 100% of the senior administrator's weekly salary up to $225; and

ii. the amount representing 88% of the difference between the senior administrator's weekly salary and the amount established in subparagraph *i*; and

(b) by subtracting from that sum the amount of maternity or parental benefits she receives under the Employment Insurance Plan or would receive after submitting an application for benefits.";

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

"A senior administrator who works for more than one employer shall receive an allowance from each of her employers. In such a case, the allowance is equal to the difference between the amount in subparagraph *a* of subparagraph 2 of the first paragraph and the amount of the Employment Insurance Plan that represents the weekly salary that it pays proportionate to the weekly salaries paid by all the employers. For that purpose, the senior administrator shall submit to each of her employers a statement of the weekly salary paid by each employer, together with the amount of the benefits payable to her under the Employment Insurance Act (S.C. 1996, c. 23).";

(3) by replacing "this paragraph" in the fifth paragraph by "subparagraph 2 of the first paragraph".

11. Section 87.17 is amended

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

"However, a senior administrator who has accumulated 20 weeks of service, as defined in subparagraph 3 of the first paragraph of section 87.18, is entitled to an allowance calculated using the following formula, for 12 weeks, if she does not receive benefits under a parental rights plan established by another province or a territory:

by adding

(1) the amount representing 100% of the senior administrator's weekly salary up to $225; and

(2) the amount representing 88% of the difference between the senior administrator's weekly salary and the amount established in subparagraph 1.";

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

"The fourth paragraph of section 87.15 applies with the necessary modifications.".

12. Section 87.18 is amended by replacing "Ministry of Employment and Social Solidarity" in subparagraph 2 of the first paragraph by "Ministère du Travail, de l'Emploi et de la Solidarité sociale".

13. Section 87.26 is amended

(1) by replacing "Commission de la santé et de la sécurité du travail (CSST)" and "Commission" in the sixth paragraph by "Commission des normes, de l'équité, de la santé et de la sécurité du travail (CNESST)" and "CNESST", respectively;

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

"However, should the senior administrator exercise her right to apply for review of the decision of the CNESST or to contest that decision before the Administrative Labour Tribunal, repayment may not be demanded before the administrative review of the decision of the CNESST or, as the case may be, before the decision of the Administrative Labour Tribunal is rendered.".

14. Section 87.31 is amended

(1) in the first paragraph

(a) by inserting ", who has completed 20 weeks of service," after "senior administrator";

(b) by striking out "basic";

(2) by replacing "subparagraphs of paragraph 2" in the second paragraph by "paragraphs".

15. Section 87.32 is amended by striking out "basic".

16. Section 87.33 is replaced by the following:

"**87.33.** Section 87.18 applies to a senior administrator who receives the allowances provided for in sections 87.31 and 87.32, with the necessary modifications.".

17. Section 87.38 is amended

(1) by replacing "cadre" in the second paragraph of the French text by "hors-cadre";

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

"At the end of the paternity leave, the senior administrator shall resume his position with his employer, subject to the provisions respecting employment stability provided for in Chapter 5. The terms of employment, including the salary, shall be the same as those to which the senior administrator would have been entitled had he remained at work.".

18. Section 87.46 is amended

(1) by inserting ", who has completed 20 weeks of service," after "senior administrator" in the first paragraph;

(2) by replacing "subparagraphs of paragraph 2" in the second paragraph by "paragraphs".

19. Section 87.47 is amended by adding ", if the senior administrator has completed 20 weeks of service" after "weekly salary".

20. Section 87.48 is replaced by the following:

"**87.48.** Section 87.18 applies to a senior administrator receiving allowances under sections 87.46 and 87.47, with the necessary modifications.".

21. Section 87.49 is amended by adding the following paragraph after the second paragraph:

"At the end of the adoption leave, the senior administrator shall resume his or her position with the employer, subject to the provisions respecting employment stability provided for in Chapter 5. The terms of employment, including the salary, shall be the same as those to which the senior administrator would have been entitled had the senior administrator remained at work.".

22. Section 87.56 is amended by replacing "applique" in the seventh paragraph of the French text by "appliquent".

23. Section 87.61 is amended by adding ", or by reason of the state of health of the senior administrator's spouse, father, mother, a brother, a sister or one of the senior administrator's grandparents" at the end of the first paragraph.

24. The following is added after section 164:

"**165.** A senior administrator who benefits from the provisions provided for in Chapter 4.1 before (*insert the date of coming into force of the regulation introducing this section*) continues to benefit from the provisions of Chapter 4.1 in force on (*insert the date preceding the date of coming into force of the regulation introducing this section*).".

25. The table in Schedule 1 is replaced by the following:

CLASS	31 MARCH 2015 (1%)		1 APRIL 2016 (1.5%)		1 APRIL 2017 (1.75%)		1 APRIL 2018 (2%)	
	Minimum	Maximum	Minimum	Maximum	Minimum	Maximum	Minimum	Maximum
HC-01	$67,082	$92,311	$68,088	$93,696	$69,280	$95,336	$70,666	$97,243
HC-02	$75,169	$103,440	$76,297	$104,992	$77,632	$106,829	$79,185	$108,966
HC-03	$84,230	$115,911	$85,493	$117,650	$86,989	$119,709	$88,729	$122,103
HC-04	$92,356	$127,095	$93,741	$129,001	$95,381	$131,259	$97,289	$133,884
HC-05	$103,488	$142,418	$105,040	$144,554	$106,878	$147,084	$109,016	$150,026
HC-06	$115,966	$159,585	$117,705	$161,979	$119,765	$164,814	$122,160	$168,110
HC-07	$128,354	$176,627	$130,279	$179,276	$132,559	$182,413	$135,210	$186,061
HC-08	$139,290	$191,644	$141,379	$194,519	$143,853	$197,923	$146,730	$201,881
HC-09	$147,678	$203,203	$149,893	$206,251	$152,516	$209,860	$155,566	$214,057
HC-10	$156,598	$215,480	$158,947	$218,712	$161,729	$222,539	$164,964	$226,990

26. The table in Schedule 3 is replaced by the following:

CLASS	31 MARCH 2015 (1%)		1 APRIL 2016 (1.5%)		1 APRIL 2017 (1.75%)		1 APRIL 2018 (2%)	
	Minimum	Maximum	Minimum	Maximum	Minimum	Maximum	Minimum	Maximum
DGA-1	$158,462	$206,000	$160,839	$209,090	$163,654	$212,749	$166,927	$217,004
DGA-2	$146,724	$190,741	$148,925	$193,602	$151,531	$196,990	$154,562	$200,930
DGA-3	$135,855	$176,612	$137,893	$179,261	$140,306	$182,398	$143,112	$186,046
DGA-4	$125,792	$163,529	$127,679	$165,982	$129,913	$168,887	$132,511	$172,265
DGA-5	$116,474	$151,416	$118,221	$153,687	$120,290	$156,377	$122,696	$159,505

27. This Regulation comes into force on the date on which it is made by the Minister.

102918

M.O., 2017

Order number 2017 006 of the Minister of Health and Social Services dated 29 March 2017

An Act to modify the organization and governance of the health and social services network, in particular by abolishing the regional agencies
(chapter O-7.2)

Regulation to amend the Regulation respecting certain terms of employment applicable to assistant president and executive directors of integrated health and social services centres and unamalgamated institutions

THE MINISTER OF HEALTH AND SOCIAL SERVICES,

CONSIDERING the second paragraph of section 34 of the Act to modify the organization and governance of the health and social services network, in particular by abolishing the regional agencies (chapter O-7.2), which provides that the Minister determines, by regulation, the standards and scales governing the selection, appointment, hiring, remuneration, employee benefits and other conditions of employment of the assistant president and executive director of an integrated health and social services centre or an unamalgamated institution;

CONSIDERING that the Minister made the Regulation respecting certain terms of employment applicable to assistant president and executive directors of integrated health and social services centres and unamalgamated institutions (chapter O-7.2, r. 0.1)

CONSIDERING that it is expedient to amend the Regulation;

CONSIDERING the authorization obtained from the Conseil du trésor in accordance with the third paragraph of section 34 of the Act;

CONSIDERING that it is expedient to make the Regulation to amend the Regulation respecting certain terms of employment applicable to assistant president and executive directors of integrated health and social services centres and unamalgamated institutions;

ORDERS AS FOLLOWS:

The Regulation to amend the Regulation respecting certain terms of employment applicable to assistant president and executive directors of integrated health and social services centres and unamalgamated institutions is hereby made.

GAÉTAN BARRETTE,
Minister of Health and Social Services

Regulation to amend the Regulation respecting certain terms of employment applicable to assistant president and executive directors of integrated health and social services centres and unamalgamated institutions

An Act to modify the organization and governance of the health and social services network, in particular by abolishing the regional agencies
(chapter O-7.2, s. 34)

1. The Regulation respecting certain terms of employment applicable to assistant president and executive directors of integrated health and social services centres and unamalgamated institutions (chapter O-7.2, r. 0.1) is amended in section 22 by replacing the second paragraph by the following:

"The salary classes are adjusted as follows:

(1) for the period from 1 April 2016 to 31 March 2017: 1.5%;

(2) for the period from 1 April 2017 to 31 March 2018: 1.75%;

(3) for the period from 1 April 2018 to 31 March 2019: 2.0%.".

2. The following is inserted after section 22:

"**22.1.** For the period from 1 April 2015 to 31 March 2016, the assistant president and executive director receives a lump sum corresponding to 1.0% of the salary received.

22.2. For the period from 1 April 2019 to 31 March 2020, the assistant president and executive director receives a lump sum corresponding to 0.5% of the salary received.

22.3. For the purposes of sections 22.1 and 22.2, the salary includes the benefits for maternity, paternity or adoption leave, benefits for parental leaves, salary insurance benefits including those paid by the Commission des normes, de l'équité, de la santé et de la sécurité du travail, by the Société de l'assurance automobile du Québec and those paid under the Crime Victims Compensation Act (chapter I-6) and those paid by the employer in the case of a work accident, if applicable.".

3. Division VII of Chapter III is revoked.

4. The table in Schedule 1 is replaced by the following:

CLASS	31 MARCH 2015 (1%)		1 APRIL 2016 (1.5%)		1 APRIL 2017 (1.75%)		1 APRIL 2018 (2%)	
	Minimum	Maximum	Minimum	Maximum	Minimum	Maximum	Minimum	Maximum
PDGA-1	$181,538	$236,000	$184,261	$239,540	$187,486	$243,732	$191,236	$248,607
PDGA-2	$168,091	$218,519	$170,612	$221,797	$173,598	$225,678	$177,070	$230,192
PDGA-3	$155,640	$202,332	$157,975	$205,367	$160,740	$208,961	$163,955	$213,140
PDGA-4	$144,111	$187,344	$146,273	$190 154	$148,833	$193,482	$151,810	$197,352
PDGA-5	$133,436	$173,467	$135,438	$176,069	$137,808	$179,150	$140,564	$182,733

5. This Regulation comes into force on the date on which it is made by the Minister.

102919

M.O., 2017-03

Order number V-1.1-2017-03 of the Minister of Finance dated 30 March 2017

Securities Act
(chapter V-1.1)

CONCERNING the Regulation to amend Regulation 81-102 respecting investment funds and the Regulation to amend Regulation 81-101 respecting mutual fund prospectus disclosure

WHEREAS subparagraphs 1, 8 and 14 of section 331.1 of the Securities Act (chapter V-1.1) stipulate that the *Autorité des marchés financiers* may make regulations concerning the matters referred to in those paragraphs;

WHEREAS the third and fourth paragraphs of section 331.2 of the said Act stipulate that a draft regulation shall be published in the Bulletin of the Authority, 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 stipulate that every regulation made under section 331.1 must be approved, with or without amendment, by the Minister of Finance and comes into force on the date of its publication in the *Gazette officielle du Québec* or any later date specified in the regulation;

WHEREAS the Regulation 81-102 respecting investment funds was made by decision no. 2001-C-0209 dated May 22, 2001 (*Bulletin hebdomadaire,* vol. 32, no 22, dated June 1, 2001);

WHEREAS the Regulation 81-101 respecting mutual fund prospectus disclosure was made by decision no. 2001-C-0283 dated June 12, 2001 (*Bulletin hebdomadaire,* vol. 32, no 26, dated June 29, 2001);

WHEREAS there is cause to amend those regulations;

WHEREAS the draft Regulation to amend Regulation 81-102 respecting investment funds and the draft Regulation to amend Regulation 81-101 respecting mutual fund prospectus disclosure were published in the *Bulletin de l'Autorité des marchés financiers*, vol. 12, no. 49 of December 10, 2015;

WHEREAS the Authority made, on March 29, 2017, by the decision no. 2017-PDG-0041, Regulation to amend Regulation 81-102 respecting investment funds and by the decision no. 2017-PDG-0042, Regulation to amend Regulation 81-101 respecting mutual fund prospectus disclosure;

WHEREAS there is cause to approve those regulations without amendment;

CONSEQUENTLY, the Minister of Finance approves without amendment the Regulation to amend Regulation 81-102 respecting investment funds and the Regulation to amend Regulation 81-101 respecting mutual fund prospectus disclosure appended hereto.

March 30, 2017

CARLOS LEITÃO,
Minister of Finance

REGULATION TO AMEND REGULATION 81-102 RESPECTING INVESTMENT FUNDS

Securities Act
(chapter V-1.1, s. 331.1, par. (1), (8) and (14))

1. Section 1.1 of Regulation 81-102 respecting Investment Funds (chapter V-1.1, r. 39) is amended by replacing, in the definition of the expression "guaranteed mortgage", the words "an insurer" with the words "a corporation approved by the Office of the Superintendent of Financial Institutions".

2. Section 15.5 of the Regulation is amended by replacing, in the French text of paragraph 1, the words "le porteur doit payer certains frais" with the words " le porteur doit payer des frais à la charge de l'investisseur".

3. The Regulation is amended by inserting, after section 15.14, the following:

"**PART 15.1 INVESTMENT RISK CLASSIFICATION METHODOLOGY**

"**15.1.1. Use of Investment Risk Classification Methodology**

A mutual fund must

(a) determine its investment risk level, at least annually, in accordance with Appendix F; and

(b) disclose its investment risk level in the fund facts document in accordance with Part I, Item 4 of Form 81-101F3, or the ETF facts document in accordance with Part I, Item 4 of Form 41-101F4, as applicable.".

4. The Regulation is amended by adding, after Appendix E, the following:

"**APPENDIX F**
INVESTMENT RISK CLASSIFICATION METHODOLOGY

Commentary

This Appendix contains rules and accompanying commentary on those rules. Each member jurisdiction of the CSA has made these rules under authority granted to it under the securities legislation of its jurisdiction.

The commentary explains the implications of a rule, offers examples or indicates different ways to comply with a rule. It may expand on a particular subject without being exhaustive. The commentary is not legally binding, but it does reflect the views of the CSA. Commentary always appears in italics and is titled "Commentary."

Item 1 Investment risk level

(1) Subject to subsection (2), to determine the "investment risk level" of a mutual fund,

(a) determine the mutual fund's standard deviation in accordance with Item 2 and, as applicable, Item 3, 4 or 5,

(b) in the table below, locate the range of standard deviation within which the mutual fund's standard deviation falls, and

(c) identify the investment risk level set opposite the applicable range.

Standard Deviation Range	**Investment Risk Level**
0 to less than 6	Low
6 to less than 11	Low to medium
11 to less than 16	Medium
16 to less than 20	Medium to High
20 or greater	High

(2) Despite subsection (1), the investment risk level of a mutual fund may be increased if doing so is reasonable in the circumstances.

(3) A mutual fund must keep and maintain records that document:

(a) how the investment risk level of a mutual fund was determined, and

(b) if the investment risk level of a mutual fund was increased, why it was reasonable to do so in the circumstances.

Commentary:

(1) The investment risk level may be determined more frequently than annually. Generally, the investment risk level must be determined again whenever it is no longer reasonable in the circumstances.

(2) Generally, a change to the mutual fund's investment risk level disclosed on the most recently filed fund facts document or ETF facts document, as applicable, would be a material change under securities legislation in accordance with Part 11 of Regulation 81-106 respecting Investment Fund Continuous Disclosure (chapter V-1.1, r. 42).

Item 2 Standard deviation

(1) A mutual fund must calculate its standard deviation for the most recent 10 years as follows:

Standard Deviation	$\sqrt{12} \times \sqrt{\frac{1}{n-1}\sum_{i=1}^{n}(R_i - \overline{R})^2}$
where	n = 120 months R_i = return on investment in month i $\overline{R}$ = average monthly return on investment

(2) For the purposes of subsection (1), a mutual fund must make the calculation with respect to the series or class of securities of the mutual fund that first became available to the public and calculate the "return on investment" for each month using:

(a) the net asset value of the mutual fund, assuming the reinvestment of all income and capital gain distributions in additional securities of the mutual fund, and

(b) the same currency in which the series or class is offered.

Commentary:

For the purposes of Item 2, except for seed capital, the date on which the series or class of securities "first became available to the public" corresponds or approximately corresponds to the date on which the securities of the series or class were first issued to investors.

Item 3 Difference in classes or series of securities of a mutual fund

Despite Item 2(2), if a series or class of securities of the mutual fund has an attribute that results in a different investment risk level for the series or class than the investment risk level of the mutual fund, the "return on investment" for that series or class of securities must be used to calculate the standard deviation of that particular series or class of securities.

Commentary:

Generally, all series or classes of securities of a mutual fund will have the same investment risk level as determined by Items 1 and 2. However, a particular series or class of securities of a mutual fund may have a different investment risk level than the other series or classes of securities of the same mutual fund if that series or class of securities has an attribute that differs from the other. For example, a series or class of securities that employs currency hedging or that is offered in the currency of the United States of America (if the mutual fund is otherwise offered in the currency of Canada) has an attribute that could result in a different investment risk level than that of the mutual fund.

Item 4 Mutual funds with less than 10 years of history

(1) For the purposes of Item 2, if it has been less than 10 years since securities of the mutual fund were first available to the public, and if the mutual fund is a clone fund and the underlying fund has 10 years of performance history, or if there is another mutual fund with 10 years of performance history which is subject to this Regulation, and has the same fund manager, portfolio manager, investment objectives and investment strategies as the mutual fund, then in either case the mutual fund must calculate the standard deviation of the mutual fund in accordance with Item 2 by

(a) using the available return history of the mutual fund, and

(b) imputing the return history of the underlying fund or the other mutual fund, respectively, for the remainder of the 10 year period.

(2) For the purposes of Item 2, if it has been less than 10 years since securities of the mutual fund were first available to the public, and paragraph (1) above does not apply, then the mutual fund must select a reference index in accordance with Item 5, and calculate the standard deviation of the mutual fund in accordance with Item 2 by

(a) using the return history of the mutual fund, and

(b) imputing the return history of the reference index for the remainder of the 10 year period.

Commentary:

Generally, if a mutual fund that is structured as a mutual fund trust does not have 10 years of performance history, the past performance of a corporate class version of that mutual fund should be used to fill in the missing past performance information required to calculate standard deviation. Likewise, if a mutual fund that is structured as a corporate class fund does not have 10 years of performance history, the past performance of a mutual fund trust version of that mutual fund should be used to fill in the missing past performance information required to calculate standard deviation.

Item 5 Reference index

(1) For the purposes of Item 4(2), the mutual fund must select a reference index that reasonably approximates, or for a newly established mutual fund, is expected to reasonably approximate, the standard deviation of the mutual fund.

(2) When using a reference index, a mutual fund must:

(a) monitor the reasonableness of the reference index on an annual basis or more frequently if necessary,

(b) disclose in the mutual fund's prospectus in Part B, Item 9.1 of Form 81-101F1 or Part B, Item 12.2 of Form 41-101F2, as applicable:

(i) a brief description of the reference index, and

(ii) if the reference index has changed since the last disclosure under this section, details of when and why the change was made.

Instructions:

(1) A reference index must be made up of one permitted index or, where necessary, to more reasonably approximate the standard deviation of a mutual fund, a composite of several permitted indices.

(2) In selecting and monitoring the reasonableness of a reference index, a mutual fund must consider a number of factors, including whether the reference index

(a) contains a high proportion of the securities represented, or expected to be represented, in the mutual fund's portfolio,

(b) has returns, or is expected to have returns, highly correlated to the returns of the mutual fund,

(c) has risk and return characteristics that are, or expected to be, similar to the mutual fund,

(d) has its returns computed (total return, net of withholding taxes, etc.) on the same basis as the mutual fund's returns,

(e) is consistent with the investment objectives and investment strategies in which the mutual fund is investing,

(f) has investable constituents and has security allocations that represent investable position sizes, for the mutual fund, and

(g) is denominated in, or converted into, the same currency as the mutual fund's reported net asset value.

(3) In addition to the factors listed in (2), the mutual fund may consider other factors if relevant to the specific characteristics of the mutual fund.

Commentary:

A mutual fund must consider each of the factors in (2), and may consider other factors, as appropriate, in selecting and monitoring the reasonableness of a reference index. However, a reference index that reasonably approximates, or is expected to reasonably approximate, the standard deviation of a mutual fund may not necessarily meet all of the factors in (2).

Item 6 Fundamental changes

(1) For the purposes of Item 2, if there has been a reorganization or transfer of assets of the mutual fund pursuant to paragraphs 5.1(1)(f) or (g) or subparagraph 5.1(1)(h)(i) of the Regulation, the standard deviation must be calculated using the monthly "return on investment" of the continuing mutual fund, as the case may be.

(2) Despite subsection (1), if there has been a change to the fundamental investment objectives of the mutual fund pursuant to paragraph 5.1(1)(c) of the Regulation, for the purposes of Item 2, the standard deviation must be calculated using the monthly "return on investment" of the mutual fund starting from the date of that change.".

5. Any exemption from or waiver of a provision of Form 81-101F3 *Contents of Fund Facts Document* in relation to the disclosure under the heading "How risky is it?" expires on September 1, 2017.

6. This Regulation comes into force on the date of its publication in the *Gazette officielle du Québec*.

7. Despite section 6, section 4 comes into force on September 1, 2017.

REGULATION TO AMEND REGULATION 81-101 RESPECTING MUTUAL FUND PROSPECTUS DISCLOSURE

Securities Act
(chapter V-1.1, s. 331.1, par. (1), (8) and (14))

1. Section 3.2.02 of Regulation 81-101 respecting Mutual Fund Prospectus Disclosure (chapter V-1.1, r. 38) is amended by replacing, in the French text of clause B of clause (iii) of subparagraph (c) of paragraph 1, the word "degré" with the word "niveau".

2. Form 81-101F1 of the Regulation is amended by replacing item 9.1 of Part B with the following:

"**Item 9.1 Investment Risk Classification Methodology**

For a mutual fund,

(a) state in words substantially similar to the following:

"The investment risk level of this mutual fund is required to be determined in accordance with a standardized risk classification methodology that is based on the mutual fund's historical volatility as measured by the 10-year standard deviation of the returns of the mutual fund.";

(b) if the mutual fund has less than 10 years of performance history and complies with Item 4 of Appendix F to Regulation 81-102 respecting Investment Funds, provide a brief description of the other mutual fund or reference index, as applicable; if the other mutual fund or reference index has been changed since the most recently filed prospectus, provide details of when and why the change was made; and

(c) disclose that the standardized risk classification methodology used to identify the investment risk level of the mutual fund is available on request, at no cost, by calling [toll free/collect call telephone number] or by writing to [address].".

3. Form 81-101F3 of the Regulation is amended, in item 4 of Part I:

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

"(a) using the investment risk classification methodology prescribed by Appendix F Investment Risk Classification Methodology to Regulation 81-102 respecting Investment Funds, identify the investment risk level on the following risk scale:

Low	Low to medium	Medium	Medium to high	High

";

(2) by replacing, in the Instructions, the words "*adopted by the manager of the mutual fund*" with "*prescribed by Appendix F to Regulation 81-102 respecting Investment Funds, as at the end of the period that ends within 60 days before the date of the fund facts document*".

4. The Regulation is amended by replacing, wherever they appear in the French text, the word "épargnant" with the word "investisseur" and the word "épargnants" with the word "investisseurs", with the necessary changes.

5. This Regulation comes into force on the date of its publication in the *Gazette officielle du Québec*.

6. Despite section 5, section 3 comes into force on September 1, 2017.

102914

M.O., 2017-04

Order number V-1.1-2017-04 of the Minister of Finance dated 30 March 2017

Securities Act
(chapter V-1.1)

CONCERNING the Regulation to amend Regulation 41-101 respecting General Prospectus Requirements and the Regulation to amend Regulation 81-106 respecting Investment Fund Continuous Disclosure

WHEREAS subparagraphs 1, 3, 4.1, 6, 6.1, 8, 11, 14 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 41-101 respecting General Prospectus Requirements approved by ministerial order no. 2008-05 dated March 4, 2008 (2008, *G.O.* 2, 810A);

WHEREAS the Regulation 81-106 respecting Investment Fund Continuous Disclosure approved by ministerial order no. 2005-05 dated May 19, 2005 (2005, *G.O.* 2, 1601A);

WHEREAS there is cause to amend those regulations;

WHEREAS the draft Regulation to amend Regulation 41-101 respecting General Prospectus Requirements and the draft Regulation to amend Regulation 81-106 respecting Investment Fund Continuous Disclosure were published in the *Bulletin de l'Autorité des marchés financiers*, vol. 12, no. 24 of June 18, 2015;

WHEREAS the *Autorité des marchés financiers* made, on March 29, 2017, by the decision no. 2017-PDG-0037, Regulation to amend Regulation 41-101 respecting General Prospectus Requirements and by the decision no. 2017-PDG-0038, Regulation to amend Regulation 81-106 respecting Investment Fund Continuous Disclosure;

WHEREAS there is cause to approve those regulations without amendment;

CONSEQUENTLY, the Minister of Finance approves without amendment the Regulation to amend Regulation 41-101 respecting General Prospectus Requirements and the Regulation to amend Regulation 81-106 respecting Investment Fund Continuous Disclosure, appended hereto.

March 30, 2017

CARLOS LEITÃO,
Minister of Finance

REGULATION TO AMEND REGULATION 41-101 RESPECTING GENERAL PROSPECTUS REQUIREMENTS

Securities Act
(chapter V-1.1, s. 331.1, par. (1), (3), (4.1), (6), (6.1), (8), (11), (14) and (34))

1. Section 1.1 of Regulation 41-101 respecting General Prospectus Requirements (chapter V-1.1, r. 14) is amended:

(1) by inserting, after the definition of the expression "equity security", the following:

""ETF" means an exchange-traded mutual fund;

""ETF facts document" means a completed Form 41-101F4;

""exchange-traded mutual fund" means a mutual fund in continuous distribution, the securities of which are

(a) listed on an exchange, and

(b) trading on an exchange or an alternative trading system;".

2. Section 1.2 of the Regulation is amended by replacing, in paragraph (6), "and Form 41-101F3" with ", Form 41-101F3 and Form 41-101F4".

3. Section 2.1 of the Regulation is amended by replacing paragraph (1) with the following:

"(1) Subject to subsection (2), this Regulation applies to a prospectus filed under securities legislation, a distribution of securities subject to the prospectus requirement and a purchase of securities of an ETF.".

4. The Regulation is amended:

(1) by inserting, after Part 3A, the following:

"**PART 3B ETF FACTS DOCUMENT REQUIREMENTS**

"**3B.1. Application**

This Part applies only to an ETF.

"**3B.2. Plain language and presentation**

(1) An ETF facts document must be prepared using plain language and be in a format that assists in readability and comprehension.

(2) An ETF facts document must

(a) be prepared for each class and each series of securities of an ETF in accordance with Form 41-101F4,

(b) present the items listed in the Part I section of Form 41-101F4 and the items listed in the Part II section of Form 41-101F4 in the order stipulated in those parts,

(c) use the headings and sub-headings stipulated in Form 41-101F4,

(d) contain only the information that is specifically required or permitted to be in Form 41-101F4,

(e) not incorporate any information by reference, and

(f) not exceed 4 pages in length.

"**3B.3. Preparation in the required form**

Despite provisions in securities legislation relating to the presentation of the content of a prospectus, an ETF facts document for an ETF must be prepared in accordance with this Regulation.

"**3B.4. Websites**

(1) If an ETF or the ETF's family has a website, the ETF must post to at least one of those websites an ETF facts document filed under this Part as soon as practicable and, in any event, within 10 days after the date that the document is filed.

(2) An ETF facts document posted to the website referred to in subsection (1) must

(a) be displayed in a manner that would be considered prominent to a reasonable person; and

(b) not be combined with another ETF facts document.

(3) Subsection (1) does not apply if the ETF facts document is posted to a website of the manager of the ETF in the manner required under subsection (2).";

(2) by inserting, after Part 3A, the following:

"**PART 3C DELIVERY OF ETF FACTS DOCUMENTS FOR INVESTMENT FUNDS**

"**3C.1. Application**

This Part applies only to an ETF.

"**3C.2. Obligation to deliver ETF facts documents**

(1) The obligation to deliver or send a prospectus under securities legislation does not apply in respect of an ETF.

(2) A dealer acting as agent for a purchaser who receives an order for the purchase of a security of an ETF must, unless the dealer has previously done so, deliver or send to the purchaser the most recently filed ETF facts document for the applicable class or series of securities of the ETF not later than midnight on the second business day after entering into the purchase of the security.

(3) In Nova Scotia, an ETF facts document is a prescribed disclosure document for the purposes of subsection 76(1A) of the Securities Act (R.S.N.S. 1989, c. 418).

(4) In Nova Scotia, a security of an ETF is a prescribed investment fund security for the purposes of subsections 76(1B) and (1C) of the Securities Act.

(5) In Ontario, an ETF facts document is a disclosure document prescribed under subsection 71(1.1) of the Securities Act (R.S.O. 1990, c. S.5).

(6) In Ontario, a security of an ETF is an investment fund security prescribed for the purposes of subsections 71(1.2) and (1.3) of the Securities Act.

"**3C.3. Combinations of ETF facts documents for delivery purposes**

(1) An ETF facts document delivered or sent under section 3C.2 must not be combined with any other materials or documents including, for greater certainty, another ETF facts document, except one or more of the following:

(a) a general front cover pertaining to the package of combined materials and documents;

(b) a trade confirmation which discloses the purchase of securities of the ETF;

(c) an ETF facts document of another ETF if that ETF facts document is also being delivered or sent under section 3C.2;

(d) the prospectus of the ETF;

(e) any material or document incorporated by reference into the prospectus;

(f) an account application document;

(g) a registered tax plan application or related document.

(2) If a trade confirmation referred to in subsection (1)(b) is combined with an ETF facts document, any other disclosure documents required to be delivered or sent to satisfy a regulatory requirement for purchases listed in the trade confirmation may be combined with the ETF facts document.

(3) If an ETF facts document is combined with any of the materials or documents referred to in subsection (1), a table of contents specifying all documents must be combined with the ETF facts document, unless the only other documents combined with the ETF facts document are the general front cover permitted under paragraph (1)(a) or the trade confirmation permitted under paragraph (1)(b).

(4) If one or more ETF facts documents are combined with any of the materials or documents referred to in subsection (1), only the general front cover permitted under paragraph (1)(a), the table of contents required under subsection (3) and the trade confirmation permitted under paragraph (1)(b) may be placed in front of those ETF facts documents.

"**3C.4. Combinations of ETF facts documents for filing purposes**

For the purposes of sections 6.2, 9.1 and 9.2, an ETF facts document may be combined with another ETF facts document in a prospectus.

"**3C.5. Time of receipt**

(1) For the purpose of this Part, where the latest ETF facts document referred to in subsection 3C.2(2) is sent by prepaid mail, it shall be deemed conclusively to have been received in the ordinary course of mail by the person to whom it was addressed.

(2) Subsection (1) does not apply in Ontario.

(3) Subsection (1) does not apply in Québec.

"**3C.6. Dealer as agent**

(1) For the purpose of this Part, a dealer acts as agent of the purchaser if the dealer is acting solely as agent of the purchaser with respect to the purchase and sale in question and has not received and has no agreement to receive compensation from or on behalf of the vendor with respect to the purchase and sale.

(2) Subsection (1) does not apply in Ontario.

(3) Subsection (1) does not apply in Québec.

"**3C.7. Purchaser's right of action for failure to deliver or send**

(1) A purchaser has a right of action if an ETF facts document is not delivered or sent as required by subsection 3C.2(2), as the purchaser would otherwise have when a prospectus is not delivered or sent as required under securities legislation and, for that purpose, an ETF facts document is a prescribed document under the statutory right of action.

(2) In Alberta, instead of subsection (1), section 206 of the Securities Act (R.S.A. 2000. c. S-4) applies.

(3) In Manitoba, instead of subsection (1), section 141.2 of the Securities Act (C.C.S.M. c. S50) applies and the ETF facts document is a prescribed document for the purposes of section 141.2.

(4) In Nova Scotia, instead of subsection (1), section 141 of the Securities Act (R.S.N.S. 1989, c. 418) applies.

(5) In Ontario, instead of subsection (1), section 133 of the Securities Act (R.S.O. 1990, c. S.5) applies.

(6) In Québec, instead of subsection (1), section 214.1 of the Securities Act (chapter V-1.1) applies.".

5. Section 6.1 of the Regulation is amended by adding, after paragraph (3), the following:

"(4) An amendment to an ETF facts document must be prepared in accordance with Form 41-101F4 without any further identification, and dated as of the date the ETF facts document is being amended.".

6. Section 6.2 of the Regulation is amended by adding, after paragraph (d), the following, and making the necessary changes:

"(e) in the case of an ETF, if the amendment relates to information in the ETF facts document,

(i) file an amendment to the ETF facts document, and

(ii) deliver to the regulator or, in Québec, the securities regulatory authority a copy of the ETF facts document, blacklined to show changes, including text deletions, from the latest ETF facts document previously filed.".

7. The Regulation is amended by inserting, after section 6.2, the following:

"**6.2.1. Required documents for filing an amendment to an ETF facts document**

An ETF that files an amendment to an ETF facts document must, unless section 6.2 applies,

(a) file an amendment to the corresponding prospectus, certified in accordance with Part 5,

(b) deliver to the regulator or, in Québec, the securities regulatory authority a copy of the ETF facts document, blacklined to show changes, including text deletions, from the latest ETF facts document previously filed, and

(c) file or deliver any other supporting documents required under this Regulation or other securities legislation, unless the documents originally filed or delivered are correct as of the date the amendment is filed.".

8. Section 9.1 of the Regulation is amended, in paragraph (1):

(1) by inserting, in subparagraph (a) and after subparagraph (iv.1), the following:

"(iv.2) if the issuer is an ETF, in addition to the documents filed under subparagraph (iv), an ETF facts document for each class or series of securities of the ETF;";

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

"(i) in the case of a pro forma prospectus, a copy of the pro forma prospectus blacklined to show changes and the text of deletions from the latest prospectus filed;

"(i.1) in the case of a pro forma prospectus for an ETF, a copy of the pro forma ETF facts document for each class or series of securities of the ETF blacklined to show changes and the text of deletions from the latest ETF facts document previously filed;".

9. Section 9.2 of the Regulation is amended:

(1) in paragraph (a):

(a) by replacing, in subparagraph (ii), "9.1(a)(ii)" with "9.1(1)(a)(ii)";

(b) by replacing, in subparagraph (iii), "9.1(a)(iii)" with "9.1(1)(a)(iii)";

(c) by replacing subparagraph (iv) with the following:

"(iv) a copy of any document described under subparagraph 9.1(1)(a)(iv), (iv.1) or (iv.2) that has not previously been filed;";

(d) by replacing, in subparagraph (B) of subparagraph (v), "9.1(a)(v) or 9.1(a)(vi)" with "9.1(1)(a)(v) or (vi)";

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

"(i) a copy of the final long form prospectus blacklined to show changes from the preliminary or pro forma long form prospectus;

"(i.1) in the case of a final long form prospectus for an ETF, a copy of the ETF facts document for each class or series of securities of the ETF blacklined to show changes and the text of deletions from the preliminary or pro forma ETF facts document; and".

10. The Regulation is amended by inserting, after section 15.2, the following:

"**15.3. Documents to be delivered or sent upon request**

(1) An ETF must deliver or send to any person that requests the prospectus of the ETF or any of the documents incorporated by reference into the prospectus, a copy of the prospectus or requested document.

(2) A document requested under subsection (1) must be delivered or sent within 3 business days of receipt of the request and free of charge.".

11. Form 41-101F1 of the Regulation is amended, in the French text:

(1) by replacing, in paragraph (c) of item 10.1, the words "en cas de liquidation" with the words "en cas de dissolution ou de liquidation";

(2) by replacing, in item 30.1, the words "si le prospectus contient de l'information fausse ou trompeuse" with the words "si le prospectus ou toute modification de celui-ci contient de l'information fausse ou trompeuse".

12. Form 41-101F2 of the Regulation is amended:

(1) by replacing item 1.15 with the following:

"**1.15. Documents Incorporated by Reference**

For an investment fund in continuous distribution, state in substantially the following words:

"Additional information about the fund is available in the following documents:

- the most recently filed ETF Facts for each class or series of securities of the ETF; *[insert if applicable]*
- the most recently filed annual financial statements;
- any interim financial reports filed after those annual financial statements;
- the most recently filed annual management report of fund performance;
- any interim management report of fund performance filed after that annual management report of fund performance.

These documents are incorporated by reference into this prospectus which means that they legally form part of this prospectus. Please see the "Documents Incorporated by Reference" section for further details.".";

(2) by replacing, in paragraph (4) of item 3.6, the word "Under" with "For investment funds other than mutual funds, under";

(3) by replacing, in the first paragraph of item 11.1, the word "Under" with "For investment funds other than mutual funds, under";

(4) by inserting, after item 12.1, the following:

"**12.2. Investment Risk Classification Methodology**

For an ETF,

(a) state in words substantially similar to the following:

"The investment risk level of this ETF is required to be determined in accordance with a standardized risk classification methodology that is based on the ETF's historical volatility as measured by the 10-year standard deviation of the returns of the ETF.";

(b) if the ETF has less than 10 years of performance history and complies with Item 4 of Appendix F to Regulation 81-102 respecting Investment Funds, provide a brief description of the other fund or reference index, as applicable; if the other fund or reference index has been changed since the most recently filed prospectus, provide details of when and why the change was made; and

(c) disclose that the standardized risk classification methodology used to identify the investment risk level of the ETF is available on request, at no cost, by calling [toll free/collect call telephone number] or by writing to [address].";

(5) by replacing, in the French text of item 36.1, the words "si le prospectus contient de l'information fausse ou trompeuse" with the words "si le prospectus ou toute modification de celui-ci contient de l'information fausse ou trompeuse";

(6) by replacing item 36.2 with the following:

"**36.2. Mutual Funds**

For an investment fund that is a mutual fund, other than an ETF, under the heading "Purchasers' Statutory Rights of Withdrawal and Rescission", state in words substantially similar to the following:

"Securities legislation in [certain of the provinces [and territories] of Canada/the Province of [insert name of local jurisdiction, if applicable]] provides purchasers with the right to withdraw from an agreement to purchase mutual fund securities within 2 business days after receipt of a prospectus and any amendment or within 48 hours after the receipt of a confirmation of a purchase of such securities. If the agreement is to purchase such securities under a contractual plan, the time period during which withdrawal may be made may be longer. [In several of the provinces/provinces and territories], [T/t]he securities legislation further provides a purchaser with remedies for rescission [or [, in some jurisdictions,] revisions of the price or damages] if the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission [, revisions of the price

or damages] are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province [or territory]. The purchaser should refer to the applicable provisions of the securities legislation of the province [or territory] for the particulars of these rights or should consult with a legal adviser.".

"**36.2.1. Exchange-traded Mutual Funds**

For an investment fund that is an ETF, under the heading "Purchasers' Statutory Rights of Rescission", state in words substantially similar to the following:

"Securities legislation in [certain of the provinces [and territories] of Canada/the Province of [insert name of local jurisdiction, if applicable]] provides purchasers with the right to withdraw from an agreement to purchase ETF securities within 48 hours after the receipt of a confirmation of a purchase of such securities. [In several of the provinces/provinces and territories], [T/t]he securities legislation further provides a purchaser with remedies for rescission [or [, in some jurisdictions,] revisions of the price or damages] if the prospectus and any amendment contains a misrepresentation, or non-delivery of the ETF Facts, provided that the remedies for rescission [, revisions of the price or damages] are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province [or territory].

The purchaser should refer to the applicable provisions of the securities legislation of the province [or territory] for the particulars of these rights or should consult with a legal adviser."";

(7) by replacing item 37.1 with the following:

"**37.1. Mandatory Incorporation by Reference**

If the investment fund is in continuous distribution, incorporate by reference the following documents in the prospectus, by means of the following statement in substantially the following words under the heading "Documents Incorporated by Reference":

"Additional information about the fund is available in the following documents:

1. The most recently filed ETF Facts for each class or series of securities of the ETF, filed either concurrently with or after the date of the prospectus. [insert if applicable]

2. The most recently filed comparative annual financial statements of the investment fund, together with the accompanying report of the auditor.

3. Any interim financial reports of the investment fund filed after those annual financial statements.

4. The most recently filed annual management report of fund performance of the investment fund.

5. Any interim management report of fund performance of the investment fund filed after that annual management report of fund performance.

These documents are incorporated by reference into the prospectus, which means that they legally form part of this document just as if they were printed as part of this document. You can get a copy of these documents, at your request, and at no cost, by calling [toll-free/collect] [insert the toll-free telephone number or telephone number where collect calls are accepted] or from your dealer.

[If applicable] These documents are available on the [investment fund's/investment fund family's] Internet site at [insert investment fund's Internet site address], or by contacting the [investment fund/investment fund family] at [insert investment fund's /investment fund family's email address].

These documents and other information about the fund are available on the Internet at www.sedar.com."".

13. The Regulation is amended by adding, after Form 41-101F3, the following:

"**FORM 41-101F4**
INFORMATION REQUIRED IN AN ETF FACTS DOCUMENT

General Instructions:

General

(1) This Form describes the disclosure required in an ETF facts document for an ETF. Each Item of this Form outlines disclosure requirements. Instructions to help you provide this disclosure are in italic type.

(2) Terms defined in the Regulation, Regulation 81-102 respecting Investment Funds (chapter V-1.1, r. 39), Regulation 81-105 respecting Mutual Fund Sales Practices (chapter V-1.1, r. 41) or Regulation 81-106 respecting Investment Fund Continuous Disclosure (chapter V-1.1, r. 42) and used in this Form have the meanings that they have in those regulations.

(3) An ETF facts document must state the required information concisely and in plain language.

(4) Respond as simply and directly as is reasonably possible. Include only the information necessary for a reasonable investor to understand the fundamental and particular characteristics of the ETF.

(5) The Regulation requires the ETF facts document to be presented in a format that assists in readability and comprehension. This Form does not mandate the use of a specific format or template to achieve these goals. However, ETFs must use, as appropriate, tables, captions, bullet points or other organizational techniques that assist in presenting the required disclosure clearly and concisely.

(6) This Form does not mandate the use of a specific font size or style but the text must be of a size and style that is legible. Where the ETF facts document is made available online, information must be presented in a way that enables it to be printed in a readable format.

(7) An ETF facts document can be produced in colour or in black and white, and in portrait or landscape orientation.

(8) Except as permitted by subsection (9), an ETF facts document must contain only the information that is specifically mandated or permitted by this Form. In addition, each Item must be presented in the order and under the heading or sub-heading stipulated in this Form.

(9) An ETF facts document may contain a brief explanation of a material change or a proposed fundamental change. The disclosure may be included in a textbox before Item 2 of Part I or in the most relevant section of the ETF facts document. If necessary, the ETF may provide a cross-reference to a more detailed explanation at the end of the ETF facts document.

(10) An ETF facts document must not contain design elements (e.g., graphics, photos, artwork) that detract from the information disclosed in the document.

Contents of an ETF Facts Document

(11) An ETF facts document must disclose information about only one class or series of securities of an ETF. ETFs that have more than one class or series of securities that are referable to the same portfolio of assets must prepare a separate ETF facts document for each class or series.

(12) The ETF facts document must be prepared on letter-size paper and must consist of 2 Parts: Part I and Part II.

(13) The ETF facts document must begin with the responses to the Items in Part I of this Form.

(14) Part I must be followed by the responses to the Items in Part II of this Form.

(15) Each of Part I and Part II must not exceed one page in length, unless the required information in any section causes the disclosure to exceed this limit. Where this is the case, an ETF facts document must not exceed a total of 4 pages in length.

(16) For a class or series of securities of the ETF denominated in a currency other than the Canadian dollar, specify the other currency under the heading "Trading Information (12 months ending [date])" and provide the dollar amounts in the other currency, where applicable, under the headings "How has the ETF performed?" and "How much does it cost".

(17) For items that must be as at a date within 60 days before the date of the ETF facts document or over a period ending within 60 days before the date of the ETF facts document, the same date within 60 days before the date of the ETF facts document must be used and disclosed in the ETF facts document.

(18) An ETF must not attach or bind other documents to an ETF facts document, except those documents permitted under Part 3C of the Regulation.

Consolidation of ETF Facts Document into a Multiple ETF Facts Document

(19) ETF facts documents must not be consolidated with each other to form a multiple ETF facts document, except as permitted by Part 3C of the Regulation. When a multiple ETF facts document is permitted under the Regulation, an ETF must provide information about each of the ETFs described in the document on a fund-by-fund or catalogue basis and must set out for each ETF separately the information required by this Form. Each ETF facts document must start on a new page and may not share a page with another ETF facts document.

Multi-Class ETFs

(20) As provided in Regulation 81-102 respecting Investment Funds, each section, part, class or series of a class of securities of an investment fund that is referable to a separate portfolio of assets is considered to be a separate investment fund. Those principles are applicable to this Form.

Part I — Information about the ETF

Item 1 — Introduction

Include at the top of the first page a heading consisting of:

(a) the title "ETF Facts";

(b) the name of the manager of the ETF;

(c) the name of the ETF to which the ETF facts document pertains;

(d) if the ETF has more than one class or series of securities, the name of the class or series described in the ETF facts document;

(e) the ticker symbol(s) for the class or series of securities of the ETF ;

(f) the date of the document;

(g) if the final prospectus of the ETF includes textbox disclosure on the cover page, substantially similar textbox disclosure on the ETF facts document;

(h) a brief introduction to the document using wording substantially similar to the following:

"This document contains key information you should know about [insert name of the ETF]. You can find more details about this exchange-traded fund (ETF) in its prospectus. Ask your representative for a copy, contact [insert name of the manager of the ETF] at [insert if applicable the toll-free number and email address of the manager of the ETF] or visit [insert the website of the ETF, the ETF's family or the manager of the ETF] [as applicable]."; and

(i) state in bold type using wording substantially similar to the following:

"Before you invest, consider how the ETF would work with your other investments and your tolerance for risk.".

INSTRUCTIONS:

(1) The date for an ETF facts document that is filed with a preliminary prospectus or final prospectus must be the date of the preliminary prospectus or final prospectus, respectively. The date for an ETF facts document that is filed with a pro forma prospectus must be the date of the anticipated final prospectus. The date for an amended ETF facts document must be the date on which it is filed.

(2) If the investment objectives of the ETF are to track a multiple (positive or negative) of the daily performance of a specified underlying index or benchmark, provide textbox disclosure in bold type using wording substantially similar to the following:

"This ETF is highly speculative. It uses leverage, which magnifies gains and losses. It is intended for use in daily or short-term trading strategies by sophisticated investors. If you hold this ETF for more than one day, your return could vary considerably from the ETF's daily target return. Any losses may be compounded. Don't buy this ETF if you are looking for a longer-term investment.".

(3) If the investment objectives of the ETF are to track the inverse performance of a specified underlying index or benchmark, provide textbox disclosure in bold type using wording substantially similar to the following:

"This ETF is highly speculative. It is intended for use in daily or short-term trading strategies by sophisticated investors. If you hold this ETF for more than one day, your return could vary considerably from the ETF's daily target return. Any losses may be compounded. Don't buy this ETF if you are looking for a longer-term investment.".

(4) If the ETF is a commodity pool, and Instruction (2) or (3) does not apply, provide textbox disclosure in bold type using wording substantially similar to the following:

"This ETF is a commodity pool and is highly speculative and involves a high degree of risk. You should carefully consider whether your financial condition permits you to participate in this investment. You may lose a substantial portion or even all of the money you place in the commodity pool.".

Item 2 — Quick Facts, Trading Information and Pricing Information

(1) Under the heading "Quick Facts", include disclosure in the form of the following table:

"

Date ETF started (see instruction 1)
Total value on [date] (see instruction 2)
Management expense ratio (MER) (see instruction 3)
Fund manager (see instruction 4)
Portfolio manager (see instruction 5)
Distributions (see instruction 6)

".

(2) Under the heading "Trading Information (12 months ending [date])", include disclosure in the form of the following table:

"

Ticker symbol (see instruction 7)
Exchange (see instruction 8)
Currency (see instruction 9)
Average daily volume (see instruction 10)
Number of days traded (see instruction 11)

".

(3) Under the heading "Pricing Information (12 months ending [date])", include disclosure in the form of the following table:

"

Market price (see instruction 12)
Net asset value (NAV) (see instruction 13)
Average bid-ask spread (see instruction 14)

".

(4) An ETF may include the website address where updated Quick Facts, Trading Information and Pricing Information are posted by stating:

"For more updated Quick Facts, Trading Information and Pricing Information, visit [insert the website of the ETF, the ETF's family or the manager of the ETF] [as applicable].".

(5) An ETF may include the Committee on Uniform Securities Identification Procedures (CUSIP) number for the class or series of securities of the ETF at the bottom of the first page by stating:

"For dealer use only: CUSIP [insert CUSIP number]".

INSTRUCTIONS:

(1) Use the date that the securities of the class or series of the ETF described in the ETF facts document first became available to the public.

(2) Specify the net asset value (NAV) of the ETF as at a date within 60 days before the date of the ETF facts document. The amount disclosed must take into consideration all classes or series that are referable to the same portfolio of assets. For a newly established ETF, state that this information is not available because it is a new ETF.

(3) Use the management expense ratio (MER) disclosed in the most recently filed management report of fund performance for the ETF. The MER must be net of fee waivers or absorptions and, despite subsection 15.1(2) of Regulation 81-106 respecting Investment Fund Continuous Disclosure, need not include any additional disclosure about the waivers or absorptions. For a newly established ETF that has not yet filed a management report of fund performance, state that the MER is not available because it is a new ETF.

(4) Specify the name of the fund manager of the ETF.

(5) Specify the name of the portfolio manager of the ETF. The ETF may also name the specific individual(s) responsible for portfolio selection and if applicable, the name of the sub-advisor(s).

(6) Include disclosure under this element of the "Quick Facts" only if distributions are a fundamental feature of the ETF. Disclose the expected frequency and timing of distributions. If there is a targeted amount for distributions, the ETF may include this information.

(7) Specify the ticker symbol(s) for the class or series of securities of the ETF.

(8) Specify the exchange(s) on which the class or series of securities of the ETF are listed.

(9) Specify the currency that the class or series of securities of the ETF is denominated.

(10) Disclose the consolidated (all trading venues) average daily trading volume of the class or series of securities of the ETF over a 12 month period ending within 60 days before the date of the ETF facts document. Include non-trading (zero volume) days in the average daily trading volume calculation. For a newly established ETF, state that this information is not available because it is a new ETF. For an ETF that has not yet completed 12 consecutive months, state that this information is not available because the ETF has not yet completed 12 consecutive months.

(11) Disclose the number of days the class or series of securities of the ETF has traded out of the total number of available trading days over a 12 month period ending within 60 days before the date of the ETF facts document. For a newly established ETF, state that this information is not available because it is a new ETF. For an ETF that has not yet completed 12 consecutive months, state that this information is not available because the ETF has not yet completed 12 consecutive months.

(12) Disclose the range for the market price of the class or series of securities of the ETF by specifying the highest and lowest prices at which the class or series of securities of the ETF have traded on all trading venues over a 12 month period ending within 60 days before the date of the ETF facts document. The dollar amounts shown under this Item may be rounded to 2 decimal places. For a newly established ETF, state that this information is not available because it is a new ETF. For an ETF that has not yet completed 12 consecutive months, state that this information is not available because the ETF has not yet completed 12 consecutive months.

(13) Disclose the range for the net asset value per share or unit of the class or series of securities of the ETF by specifying the highest and lowest net asset value per share or unit of the class or series of securities of the ETF over a 12 month period ending within 60 days of the date of the ETF facts document. The dollar amounts shown under this Item may be rounded to 2 decimal places. For a newly established ETF, state that this information is not available because it is a new ETF. For an ETF that has not yet completed 12 consecutive months, state that this information is not available because the ETF has not yet completed 12 consecutive months.

(14) Disclose the average bid-ask spread (the Average Bid-Ask Spread) for the class or series of the ETF being described in the ETF facts document. The disclosure must comply with the following:

- *The Average Bid-Ask Spread must be calculated by taking the average of the daily average bid-ask spread (the Daily Bid-Ask Spread) using the bid and ask orders displayed on the primary Canadian listing exchange (the Listing Exchange) for the class or series of the ETF for each day the Listing Exchange was open for trading (each, a Trading Day) over the 12-month period ending within 60 days before the date of the ETF facts document (the Time Period).*

- *Each Daily Bid-Ask Spread must be calculated by taking the average of the intraday bid-ask spreads (each, an Intraday Bid-Ask Spread) for each Trading Day.*

- *An Intraday Bid-Ask Spread must be calculated at each one second interval beginning 15 minutes after the opening and ending 15 minutes prior to the closing of the Listing Exchange (the Interval Points).*

- *The bid price at each Interval Point (the Interval Bid Price) must be determined by multiplying each bid price by its displayed order amount in number of shares until the sum of $50,000 (Bid Market Depth) is reached then dividing by the total number of securities bid.*

- *The ask price at each Interval Point (the Interval Ask Price) must be determined by multiplying each ask price by its displayed order amount in number of securities until the sum of $50,000 (Ask Market Depth) is reached then dividing by the total number of securities offered.*

- *The bid-ask spread at each Interval Point (the Interval Bid-Ask Spread) is determined by calculating the difference between the Interval Bid Price and the Interval Ask Price and dividing by the midpoint of the Interval Bid Price and Interval Ask Price.*

- *If the Listing Exchange for the ETF does not have sufficient Bid Market Depth, bid orders from other Canadian marketplaces must be used to the extent necessary to arrive at the Bid Market Depth.*

- *If the Listing Exchange for the ETF does not have sufficient Ask Market Depth, ask orders from other Canadian marketplaces must be used to the extent necessary to arrive at the Ask Market Depth.*

- *If the Listing Exchange has sufficient Bid Market Depth or Ask Market Depth the ETF may, at its discretion, also include bid and ask orders from other Canadian marketplaces in its calculation of the Interval Bid-Ask Spread.*

If there is insufficient Bid Market Depth or Ask Market Depth at a particular Interval Point even after including data from all Canadian marketplaces, no Interval Bid-Ask Spread can be calculated for that Interval Point. In order to include the Daily Average Bid-Ask Spread for a particular Trading Day in the 12-month Average Bid-Ask Spread calculation, the ETF must be able to calculate an Interval Bid-Ask Spread for at least 75% of the Interval Points in that Trading Day. In order to calculate the 12-month Average Bid-Ask Spread, the ETF must be able to calculate a Daily Bid-Ask Spread for at least 75% of the Trading Days over the Time Period. For a newly established ETF, state that the Average Bid-Ask Spread is not available because it is a new ETF. For an ETF that has not yet completed 12 consecutive months, state that the Average Bid-Ask Spread is not available because the ETF has not yet completed 12 consecutive months. For an ETF that has completed 12 consecutive months but does not have sufficient data to calculate the Average Bid-Ask Spread, state the following: "This ETF did not have sufficient market depth ($50,000) to calculate the average bid-ask spread."

Item 3 — Investments of the ETF

(1) Briefly set out under the heading "What does the ETF invest in?" a description of the fundamental nature of the ETF, or the fundamental features of the ETF that distinguish it from other ETFs.

(2) For an ETF that replicates an index,

(a) disclose the name or names of the permitted index or permitted indices on which the investments of the index ETF are based, and

(b) briefly describe the nature of that permitted index or those permitted indices.

(3) For an ETF that uses derivatives to replicate an index, state using wording substantially similar to the following:

"The ETF uses derivatives, such as options, futures and swaps, to get exposure to the [index/benchmark] without investing directly in the securities that make up the [index/benchmark].".

(4) Include an introduction to the information provided in response to subsection (5) and subsection (6) using wording similar to the following:

"The charts below give you a snapshot of the ETF's investments on [insert date]. The ETF's investments will change.".

(5) Unless the ETF is a newly established ETF, include under the sub-heading "Top 10 investments [date]", a table disclosing the following:

(a) the top 10 positions held by the ETF, each expressed as a percentage of the net asset value of the ETF;

(b) the percentage of net asset value of the ETF represented by the top 10 positions;

(c) the total number of positions held by the ETF.

(6) Unless the ETF is a newly established ETF, under the sub-heading "Investment mix [date]" include at least 1, and up to 2, charts or tables that illustrate the investment mix of the ETF's investment portfolio.

(7) For a newly established ETF, state the following under the sub-headings "Top 10 investments [date]" and "Investment mix [date]":

"This information is not available because this ETF is new.".

INSTRUCTIONS:

(1) Include in the information under "What does this ETF invest in?" a description of what the ETF primarily invests in, or intends to primarily invest in, or that its name implies that it will primarily invest in, such as

(a) particular types of issuers, such as foreign issuers, small capitalization issuers or issuers located in emerging market countries;

(b) particular geographic locations or industry segments; or

(c) portfolio assets other than securities.

(2) Include a particular investment strategy only if it is an essential aspect of the ETF, as evidenced by the name of the ETF or the manner in which the ETF is marketed.

(3) If an ETF's stated objective is to invest primarily in Canadian securities, specify the maximum exposure to investments in foreign markets.

(4) The information under "Top 10 investments" and "Investment mix" is intended to give a snapshot of the composition of the ETF's investment portfolio. The information required to be disclosed under these sub-headings must be as at a date within 60 days before the date of the ETF facts document. The date shown must be the same as the one used in Item 2 for the total value of the ETF.

(5) If the ETF owns more than one class of securities of an issuer, those classes should be aggregated for the purposes of this Item, however, debt and equity securities of an issuer must not be aggregated.

(6) Portfolio assets other than securities should be aggregated if they have substantially similar investment risks and profiles. For instance, gold certificates should be aggregated, even if they are issued by different financial institutions.

(7) Treat cash and cash equivalents as one separate discrete category.

(8) In determining its holdings for purposes of the disclosure required by this Item, an ETF must, for each long position in a derivative that is held by the ETF for purposes other than hedging and for each index participation unit held by the ETF, consider that it holds directly the underlying interest of that derivative or its proportionate share of the securities held by the issuer of the index participation unit.

(9) If an ETF invests substantially all of its assets directly or indirectly (through the use of derivatives) in securities of one other mutual fund, list the 10 largest holdings of the other mutual fund and show the percentage of the other mutual fund's net asset value represented by the top 10 positions. If the ETF is not able to disclose this information as at a date within 60 days before the date of the ETF facts document, the ETF must include this information as disclosed by the other mutual fund in the other mutual fund's most recently filed ETF facts document or fund facts document, or its most recently filed management report of fund performance, whichever is most recent.

(10) Indicate whether any of the ETF's top 10 positions are short positions.

(11) Each investment mix chart or table must show a breakdown of the ETF's investment portfolio into appropriate subgroups and the percentage of the aggregate net asset value of the ETF constituted by each subgroup. The names of the subgroups are not prescribed and can include security type, industry segment or geographic location. The ETF should use the most appropriate categories given the nature of the ETF. The choices made must be consistent with disclosure provided under "Summary of Investment Portfolio" in the ETF's management report of fund performance.

(12) In presenting the investment mix of the ETF, consider the most effective way of conveying the information to investors. All tables or charts must be clear and legible.

(13) For new ETFs where the information required to be disclosed under "Top 10 investments" and "Investment mix" is not available, include the required sub-headings and provide a brief statement explaining why the required information is not available.

Item 4 — Risks

(1) Under the heading "How risky is it?", state the following:

"The value of the ETF can go down as well as up. You could lose money.

One way to gauge risk is to look at how much an ETF's returns change over time. This is called "volatility".

In general, ETFs with higher volatility will have returns that change more over time. They typically have a greater chance of losing money and may have a greater chance of higher returns. ETFs with lower volatility tend to have returns that change less over time. They typically have lower returns and may have a lower chance of losing money.".

(2) Under the sub-heading "Risk rating",

(a) using the investment risk classification methodology prescribed by Appendix F to Regulation 81-102 respecting Investment Funds, identify the ETF's investment risk level on the following risk scale:

Low	Low to medium	Medium	Medium to high	High

(b) unless the ETF is a newly established ETF, include an introduction to the risk scale which states the following:

"[Insert name of the manager of the ETF] has rated the volatility of this ETF as [insert investment risk level identified in paragraph (a) in bold type].

This rating is based on how much the ETF's returns have changed from year to year. It doesn't tell you how volatile the ETF will be in the future. The rating can change over time. An ETF with a low risk rating can still lose money.";

(c) for a newly established ETF, include an introduction to the risk scale which states the following:

"[Insert name of the manager of the ETF] has rated the volatility of this ETF as [insert investment risk level identified in paragraph (a) in bold type].

Because this is a new ETF, the risk rating is only an estimate by [insert name of the manager of the ETF]. Generally, the rating is based on how much the ETF's returns have changed from year to year. It doesn't tell you how volatile the ETF will be in the future. The rating can change over time. An ETF with a low risk rating can still lose money.";

(d) following the risk scale, state using wording substantially similar to the following:

"For more information about the risk rating and specific risks that can affect the ETF's returns, see the [insert cross-reference to the appropriate section of the ETF's final prospectus] section of the ETF's prospectus.".

(3) If the ETF does not have any guarantee or insurance, under the sub-heading "No guarantees", state using wording substantially similar to the following:

"ETFs do not have any guarantees. You may not get back the amount of money you invest.".

(4) If the ETF has an insurance or guarantee feature protecting all or some of the principal amount of an investment in the ETF, under the sub-heading "Guarantees":

(a) identify the person providing the guarantee or insurance; and

(b) provide a brief description of the material terms of the guarantee or insurance, including the maturity date of the guarantee or insurance.

INSTRUCTIONS:

Based upon the investment risk classification methodology prescribed by Appendix F to Regulation 81-102 respecting Investment Funds, as at the end of the period that ends within 60 days before the date of the ETF facts document, identify where the ETF fits on the continuum of investment risk levels by showing the full investment risk scale and highlighting the applicable category on the scale. Consideration should be given to ensure that the highlighted investment risk rating is easily identifiable.

Item 5 — Past Performance

(1) Unless the ETF is a newly established ETF, under the heading "How has the ETF performed?", include an introduction using wording substantially similar to the following:

"This section tells you how [name of class/series of securities described in the ETF facts document] [units/shares] of the ETF have performed over the past [insert number of calendar years shown in the bar chart required under paragraph (3)(a)] years. Returns [add a footnote stating: Returns are calculated using the ETF's net asset value (NAV).] after expenses have been deducted. These expenses reduce the ETF's returns. (For an ETF that replicates an index, state: This means that the ETF's returns may not match the returns of the [index/benchmark].)".

(2) For a newly established ETF, under the heading "How has the ETF performed?", include an introduction using the following wording:

"This section tells you how [name of class/series of securities described in the ETF facts document] [units/shares] of the ETF have performed, with returns calculated using the ETF's net asset value (NAV). However, this information is not available because the ETF is new.".

(3) Under the sub-heading "Year-by-year returns",

(a) for an ETF that has completed at least one calendar year:

(i) provide a bar chart that shows the annual total return of the ETF, in chronological order with the most recent year on the right of the bar chart, for the lesser of:

(A) each of the 10 most recently completed calendar years, and

(B) each of the completed calendar years in which the ETF has been in existence and for which the ETF was a reporting issuer; and

(ii) include an introduction to the bar chart using wording substantially similar to the following:

"This chart shows how [name of class/series of securities described in the ETF facts document] [units/shares] of the ETF performed in each of the past [insert number of calendar years shown in the bar chart required under paragraph (a)]. The ETF dropped in value in [for the particular years shown in the bar chart required under paragraph (a), insert the number of years in which the value of the ETF dropped] of the [insert number of calendar years shown in the bar chart required in paragraph (a)(i)] years. The range of returns and change from year to year can help you assess how risky the ETF has been in the past. It does not tell you how the ETF will perform in the future.";

(b) for an ETF that has not yet completed a calendar year, state the following:

"This section tells you how [name of class/series of securities described in the ETF facts document] [units/shares] of the ETF have performed in past calendar years. However, this information is not available because the ETF has not yet completed a calendar year.";

(c) for a newly established ETF, state the following:

"This section tells you how [name of class/series of securities described in the ETF facts document] [units/shares] of the ETF have performed in past calendar years. However, this information is not available because the ETF is new.".

(4) Under the sub-heading "Best and worst 3-month returns",

(a) for an ETF that has completed at least one calendar year:

(i) provide information for the period covered in the bar chart required under paragraph (3)(a) in the form of the following table:

"

	Return	**3 months ending**	**If you invested $1,000 at the beginning of the period**
Best return	(see instruction 7)	(see instruction 9)	Your investment would [rise/drop] to (see instruction 11).
Worst return	(see instruction 8)	(see instruction 10)	Your investment would [rise/drop] to (see instruction 12).

";

(ii) include an introduction to the table using wording substantially similar to the following:

"This table shows the best and worst returns for the [name of class/series of securities described in the ETF facts document] [units/shares] of the ETF in a 3-month period over the past [insert number of calendar years shown in the bar chart required under paragraph (3)(a)]. The best and worst 3-month returns could be higher or lower in the future. Consider how much of a loss you could afford to take in a short period of time.";

(b) for an ETF that has not yet completed a calendar year, state the following:

"This section shows the best and worst returns for the [name of class/series of securities described in the ETF facts document] [units/shares] of the ETF in a 3-month period. However, this information is not available because the ETF has not yet completed a calendar year.";

(c) for a newly established ETF, state the following:

"This section shows the best and worst returns for the [name of class/series of securities described in the ETF facts document] [units/shares] of the ETF in a 3-month period. However, this information is not available because the ETF is new.".

(5) Under the sub-heading "Average return",

(a) for an ETF that has completed at least 12 consecutive months, show the following:

(i) the final value of a hypothetical $1,000 investment in the ETF as at the end of the period that ends within 60 days before the date of the ETF facts document and consists of the lesser of

(A) 10 years, or

(B) the time since inception of the ETF; and

(ii) the annual compounded rate of return that equates the hypothetical $1,000 investment to the final value;

(b) for an ETF that has not yet completed 12 consecutive months, state the following:

"This section shows the value and annual compounded rate of return of a hypothetical $1,000 investment in [name of class/series of securities described in the ETF facts document] [units/shares] of the ETF. However, this information is not available because the ETF has not yet completed 12 consecutive months.";

(c) for a newly established ETF, state the following:

"This section shows the value and annual compounded rate of return of a hypothetical $1,000 investment in [name of class/series of securities described in the ETF facts document] [units/shares] of the ETF. However, this information is not available because the ETF is new.".

INSTRUCTIONS:

(1) In responding to the requirements of this Item, an ETF must comply with the relevant sections of Part 15 of Regulation 81-102 respecting Investment Funds as if those sections applied to an ETF facts document.

(2) Use a linear scale for each axis of the bar chart required by this Item.

(3) The x-axis and y-axis for the bar chart required by this Item must intersect at zero.

(4) An ETF that distributes different classes or series of securities that are referable to the same portfolio of assets must show performance data related only to the specific class or series of securities being described in the ETF facts document.

(5) The dollar amounts shown under this Item may be rounded up to the nearest dollar.

(6) The percentage amounts shown under this Item may be rounded to 1 decimal place.

(7) Show the best rolling 3-month return as at the end of the period that ends within 60 days before the date of the ETF facts document.

(8) Show the worst rolling 3-month return as at the end of the period that ends within 60 days before the date of the ETF facts document.

(9) Insert the end date for the best 3-month return period.

(10) Insert the end date for the worst 3-month return period.

(11) Insert the final value that would equate with a hypothetical $1,000 investment for the best 3-month return period shown in the table.

(12) Insert the final value that would equate with a hypothetical $1,000 investment for the worst 3-month return period shown in the table.

Item 6 — Trading ETFs

Under the sub-heading "Trading ETFs", state the following:

"ETFs hold a basket of investments, like mutual funds, but trade on exchanges like stocks. Here are a few things to keep in mind when trading ETFs:

Pricing *[in bold type]*

ETFs have two sets of prices: market price and net asset value (NAV).

Market price

ETFs are bought and sold on exchanges at the market price. The market price can change throughout the trading day. Factors like supply, demand, and changes in the value of an ETF's investments can affect the market price.

You can get price quotes any time during the trading day. Quotes have two parts: bid and ask.

The bid is the highest price a buyer is willing to pay if you want to sell your ETF [units/shares]. The ask is the lowest price a seller is willing to accept if you want to buy ETF [units/shares]. The difference between the two is called the "bid-ask spread".

In general, a smaller bid-ask spread means the ETF is more liquid. That means you are more likely to get the price you expect.

Net asset value (NAV)

Like mutual funds, ETFs have a NAV. It is calculated after the close of each trading day and reflects the value of an ETF's investments at that point in time.

NAV is used to calculate financial information for reporting purposes – like the returns shown in this document.

Orders *[in bold type]*

There are two main options for placing trades: market orders and limit orders. A market order lets you buy or sell [units/shares] at the current market price. A limit order lets you set the price at which you are willing to buy or sell [units/shares].

Timing *[in bold type]*

In general, market prices of ETFs can be more volatile around the start and end of the trading day. Consider using a limit order or placing a trade at another time during the trading day.".

Item 7 — Suitability

Provide a brief statement of the suitability of the ETF for particular investors under the heading "Who is this ETF for?". Describe the characteristics of the investor for whom the ETF may or may not be an appropriate investment, and the portfolios for which the ETF is and is not suited.

INSTRUCTIONS:

(1) If the ETF is particularly unsuitable for certain types of investors or for certain types of investment portfolios, emphasize this aspect of the ETF. Disclose both the types of investors who should not invest in the ETF, with regard to investments on both a short- and long-term basis, and the types of portfolios that should not invest in the ETF. If the ETF is particularly suitable for investors who have particular investment objectives, this can also be disclosed.

(2) If there is textbox disclosure on the cover page pursuant to Item 1(g) of Part I of this Form, the brief statement of the suitability of the ETF in Item 8 of Part I of this Form must be consistent with any suitability disclosure in the textbox.

Item 8 — Impact of Income Taxes on Investor Returns

Under the heading "A word about tax", provide a brief explanation of the income tax consequences for investors using wording similar to the following:

"In general, you'll have to pay income tax on any money you make on an ETF. How much you pay depends on the tax laws where you live and whether or not you hold the ETF in a registered plan such as a Registered Retirement Savings Plan, or a Tax-Free Savings Account.

Keep in mind that if you hold your ETF in a non-registered account, distributions from the ETF are included in your taxable income, whether you get them in cash or have them reinvested.".

Part II — Costs, Rights and Other Information

Item 1 — Costs of Buying, Owning and Selling the ETF

1.1 — Introduction

Under the heading "How much does it cost?", state the following:

"This section shows the fees and expenses you could pay to buy, own and sell [name of the class/series of securities described in the ETF facts document] [units/shares] of the ETF. Fees and expenses – including trailing commissions – can vary among ETFs. Higher commissions can influence representatives to recommend one investment over another. Ask about other ETFs and investments that may be suitable for you at a lower cost.".

1.2 — Brokerage commissions

Under the sub-heading "Brokerage commissions", provide a brief statement using wording substantially similar to the following:

"You may have to pay a commission every time you buy and sell [units/shares] of the ETF. Commissions may vary by brokerage firm. Some brokerage firms may offer commission-free ETFs or require a minimum purchase amount.".

1.3 — ETF expenses

(1) Under the sub-heading "ETF expenses" include an introduction using wording similar to the following:

"You don't pay these expenses directly. They affect you because they reduce the ETF's returns.".

(2) Unless the ETF has not yet filed a management report of fund performance, provide information about the expenses of the ETF in the form of the following table:

“

	Annual rate (as a % of the ETF's value)
Management expense ratio (MER) This is the total of the ETF's management fee and operating expenses. (If the ETF pays a trailing commission, state the following: “This is the total of the ETF's management fee (which includes the trailing commission) and operating expenses.”) (see instruction 1)	(see instruction 2)
Trading expense ratio (TER) These are the ETF's trading costs.	(see instruction 3)
ETF expenses	(see instruction 4)

”.

(3) Unless the ETF has not yet filed a management report of fund performance, above the table required under subsection (2), include a statement using wording similar to the following:

“As of [see instruction 5], the ETF's expenses were [insert amount included in table required under subsection (2)]% of its value. This equals $[see instruction 6] for every $1,000 invested.”.

(4) For an ETF that has not yet filed a management report of fund performance, state the following:

“The ETF's expenses are made up of the management fee, operating expenses and trading costs. The [class'/series'/ETF's] annual management fee is [see instruction 7]% of the [class'/series'/ETF's] value. As this [class/series/ETF] is new, operating expenses and trading costs are not yet available.”.

(5) If the ETF pays an incentive fee that is determined by the performance of the ETF, provide a brief statement disclosing the amount of the fee and the circumstances in which the ETF will pay it.

(6) Under the sub-heading “Trailing commission”, include a description using wording substantially similar to the following:

“The trailing commission is an ongoing commission. It is paid for as long as you own the ETF. It is for the services and advice that your representative and their firm provide to you.”.

(7) If the manager of the ETF or another member of the ETF's organization does not pay trailing commissions, include a description using wording substantially similar to the following:

“This ETF doesn't have a trailing commission.”.

(8) If the manager of the ETF or another member of the ETF's organization pays trailing commissions, disclose the range of the rates of the trailing commission after providing a description using wording substantially similar to the following:

"[Insert name of the manager of the ETF] pays the trailing commission to your representative's firm. It is paid from the ETF's management fee and is based on the value of your investment.".

(9) If the manager of the ETF or another member of the ETF's organization pays trailing commissions for the class or series of securities of the ETF described in the ETF facts document but does not pay trailing commissions for another class or series of securities of the same ETF, state using wording substantially similar to the following:

"This ETF also offers a [class/series] of [units/shares] that does not have a trailing commission. Ask your representative for details.".

INSTRUCTIONS:

(1) If any fees or expenses otherwise payable by the ETF were waived or otherwise absorbed by a member of the organization of the ETF, despite subsection 15.1(2) of Regulation 81-106 respecting Investment Fund Continuous Disclosure, only include a statement in substantially the following words:

"[Insert name of the manager of the ETF] waived some of the ETF's expenses. If it had not done so, the MER would have been higher.".

(2) Use the same MER that is disclosed in Item 2 of Part I of this Form. If applicable, include a reference to any fixed administration fees in the management expense ratio description required in the table under Item 1.3(2) of Part II of this Form.

(3) Use the trading expense ratio disclosed in the most recently filed management report of fund performance for the ETF.

(4) The amount included for ETF expenses is the amount arrived at by adding the MER and the trading expense ratio. Use a bold font or other formatting to indicate that ETF expenses is the total of all ongoing expenses set out in the chart and is not a separate expense charged to the ETF.

(5) Insert the date of the most recently filed management report of fund performance.

(6) Insert the equivalent dollar amount of the ongoing expenses of the ETF for each $1,000 investment.

(7) The percentage disclosed for the management fee must correspond to the percentage shown in the fee table in the final prospectus.

(8) For an ETF that is required to include the disclosure under subsection (4), in the description of the items that make up ETF fees, include a reference to any fixed administrative fees, if applicable. Also disclose the amount of the fixed administration fee in the same manner as required for the management fee. The percentage disclosed for the fixed administration fee must correspond to the percentage shown in the fee table in the final prospectus.

(9) In disclosing the range of rates of trailing commissions, show both the percentage amount and the equivalent dollar amount for each $1,000 investment.

1.4 — Other Fees

(1) If applicable, provide the sub-heading "Other Fees".

(2) Provide information about the amount of fees payable by an investor when they buy, hold, sell or switch units or shares of the ETF, substantially in the form of the following table:

"

Fee	What you pay
Redemption Fee	[Insert name of the manager of the ETF] may charge you up to [see instruction 1]% of the value of your [units/shares] you redeem or exchange directly from [insert name of the manager of the ETF]. (see instruction 1)
Other fees *[specify type]*	*[specify amount]* (see instructions 2 and 3)

".

INSTRUCTIONS:

(1) The percentage disclosed for the redemption fee must correspond to the percentage shown in the final prospectus.

(2) Under this Item, it is necessary to include only those fees that apply to the particular class or series of securities of the ETF. Examples include management fees and administration fees payable directly by investors, and switch fees. This also includes any requirement for an investor to participate in a fee-based arrangement with their dealer in order to be eligible to purchase the particular class or series of securities of the ETF. If there are no other fees associated with buying, holding, selling or switching units or shares of the ETF, replace the table with a statement to that effect.

(3) Provide a brief description of each fee disclosing the amount to be paid as a percentage (or, if applicable, a fixed dollar amount) and state who charges the fee. If the amount of the fee varies so that specific disclosure of the amount of the fee cannot be disclosed include, where possible, the highest possible rate or range for that fee.

Item 2 — Statement of Rights

Under the heading "What if I change my mind?", state using wording substantially similar to the following:

"Under securities law in some provinces and territories, you have the right to cancel your purchase within 48 hours after you receive confirmation of the purchase.

In some provinces and territories, you also have the right to cancel a purchase, or in some jurisdictions, claim damages, if the prospectus, ETF Facts or financial statements contain a misrepresentation. You must act within the time limit set by the securities law in your province or territory.

For more information, see the securities law of your province or territory or ask a lawyer.".

Item 3 — More Information about the ETF

(1) Under the heading "For more information", state using wording substantially similar to the following:

"Contact [insert name of the manager of the ETF] or your representative for a copy of the ETF's prospectus and other disclosure documents. These documents and the ETF Facts make up the ETF's legal documents.".

(2) State the name, address and toll-free telephone number of the manager of the ETF. If applicable, also state the e-mail address and website of the manager of the ETF.".

Transition

14. (1) An ETF must, on or before November 12, 2018, file a completed Form 41-101F4 for each class or series of securities of the ETF that, on that date, are the subject of disclosure under a prospectus.

(2) The date of an ETF facts document filed under paragraph (1) must be the date on which it was filed.

(3) A dealer that is subject to section 109.7 of the Securities Act (chapter V-1.1) is exempt from the requirement in that section until December 10, 2018.

Effective date

15. This Regulation comes into force on September 1st, 2017, except with respect to paragraph (2) of section 4, which comes into force on December 10, 2018.

REGULATION TO AMEND REGULATION 81-106 RESPECTING INVESTMENT FUND CONTINUOUS DISCLOSURE

Securities Act
(chapter V-1.1, s. 331.1, par. (1) and (8))

1. Section 1.2 of Regulation 81-106 respecting Investment Fund Continuous Disclosure (chapter V-1.1, r. 42) is amended by deleting, in the part preceding subparagraph (a) of paragraph (4), ", with the exception of section 2.9 and Part 13,".

2. Section 11.2 of the Regulation is amended by replacing subparagraph (d) of paragraph (1) with the following:

"(d) file an amendment to its prospectus, simplified prospectus, fund facts document or ETF facts document that discloses the material change in accordance with the requirements of securities legislation.".

3. This Regulation comes into force on September 1st, 2017.

102913

Draft Regulations

Draft Regulation

Civil Protection Act
(chapter S-2.3)

Warning and mobilization procedures and minimum rescue services required for the protection of persons and property in the event of a disaster

Notice is hereby given, in accordance with sections 10 and 11 of the Regulations Act (chapter R-18.1), that the Regulation respecting warning and mobilization procedures and minimum rescue services required for the protection of persons and property in the event of a disaster, appearing below, may be made by the Minister on the expiry of 45 days following this publication. This notice replaces the notice published in French on 22 February 2017 in the *Gazette officielle du Québec* (2017, *G.O.* 2, 375).

The draft Regulation determines the warning and mobilization procedures and minimum rescue services required for the protection of persons and property in the event of an actual or imminent major disaster that every local municipality must ensure to have in its territory until the first civil protection plan binding the local municipality comes into force.

The measures proposed in the draft Regulation have no impact on enterprises, including small and medium-sized businesses.

Further information on the draft Regulation may be obtained by contacting Marc Morin, head of the Service de l'analyse et des politiques, Direction générale de la sécurité civile et de la sécurité incendie, Ministère de la Sécurité publique, at 418 646-6777, extension 40064.

Any person wishing to comment on the matter is requested to submit written comments before the expiry of the 45-day period to Véronyck Fontaine, Secretary General, Ministère de la Sécurité publique, tour des Laurentides, 5e étage, 2525, boulevard Laurier, Québec (Québec) G1V 2L2.

MARTIN COITEUX,
Minister of Public Security

Regulation respecting warning and mobilization procedures and minimum rescue services required for the protection of persons and property in the event of a disaster

Civil Protection Act
(chapter S-2.3, s. 194)

DIVISION I
WARNING AND MOBILIZATION PROCEDURES

1. The warning and mobilization procedures of a local municipality specify the conditions applicable in order to warn its population and to warn and mobilize the persons designated by the municipality in the event of an actual or imminent major disaster.

2. A local municipality must at all times be able to issue the warning and to mobilize the persons designated by the municipality.

3. The warning to the persons designated by the municipality is issued according to the warning plan of the municipality. The plan describes the warning procedure and identifies the persons designated by the municipality who must be warned in the event of an actual or imminent major disaster. The plan also identifies who is responsible for warning those persons.

4. When a warning to the persons designated by the municipality is issued, the municipal civil protection coordinator designated by the municipality or his or her substitute must, as required,

(1) mobilize the persons designated by the municipality using a mobilization list and a directory of resources prepared by the municipality; and

(2) coordinate the implementation of the emergency preparedness plan.

5. The mayor, the acting mayor, the municipal civil protection coordinator or his or her substitute, or any other person designated by the municipality, may

(1) approve the content of the warning message to the population;

(2) authorize the dissemination of the warning message; and

(3) issue the warning to the population.

The warning message to the population must mention, in particular, the nature of the disaster, its location and the safety instructions to be followed.

DIVISION II
MINIMUM RESCUE SERVICES

6. A local municipality must be able to disseminate among its population information intended to protect the persons and property in its territory in the event of an actual or imminent major disaster.

7. A local municipality must designate locations that can, in the event of an actual or imminent disaster, be used as a coordination centre or as service and temporary housing centres for victims.

8. A coordination centre must have telephone and computer equipment allowing for the reception, processing and transmission of information on the management of the disaster and of the space needed to receive the persons designated by the municipality.

In addition, the municipality must be able to overcome an interruption in electrical supply that could occur in the centre.

9. Service and temporary housing centres for victims must be equipped with sanitary facilities.

In addition, the municipality must be able to overcome an interruption in electrical supply that could occur in those centres.

10. A local municipality must be able to provide victims with reception, information, temporary housing, food and clothing services.

11. A local municipality must develop procedures to evacuate and confine the population threatened by an actual or imminent major disaster and be able to implement them if need be.

The procedures must include

(1) the names and contact information of the persons designated by the municipality to authorize the evacuation or confinement of the population;

(2) the names and contact information of the persons responsible for evacuation and confinement operations, as well as the respective responsibilities of each of those persons;

(3) the general instructions to be disseminated among the population;

(4) the means to be used to disseminate the notice of evacuation or confinement of the population;

(5) the collection points, itineraries and means of transportation to evacuate the population;

(6) the means to be used to make a census of the persons evacuated; and

(7) the means to be implemented to monitor the sectors evacuated.

12. This Regulation comes into force 18 months after the date of its publication in the *Gazette officielle du Québec*.

102922

Draft Regulation

Code of Penal Procedure
(chapter C-25.1)

Court costs in penal matters applicable to persons under 18 years of age
— 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 certain court costs in penal matters applicable to persons under 18 years of age, appearing below, may be made by the Government on the expiry of 45 days following this publication.

The draft Regulation follows up on the assent, on 19 November 2015, to the Act mainly to make the administration of justice more efficient and fines for minors more deterrent (2015, chapter 26). That Act increases from $100 to $500 the maximum limit of the fines or security that may be imposed on a person under 18 years of age, while increasing to $750 the limit to fines for offences against the Highway Safety Code (chapter C-24.2) or the Act respecting off-highway vehicles (chapter V-1.2).

The draft Regulation makes a consequential amendment to sections 2 and 3 of the Regulation respecting certain court costs in penal matters applicable to persons under 18 years of age (chapter C-25.1, r. 3). That amendment makes the costs currently prescribed in the Regulation for fines from $50 to $100 applicable to fines from $50 to $750.

Study of the matter shows that the amendments will have no financial impact on enterprises, including small and medium-sized businesses.

Further information on the draft Regulation may be obtained by contacting Marc Lahaie, Ministère de la Justice, 1200, route de l'Église, 7e étage, Québec (Québec) G1V 4M1; telephone: 418 644-7700, extension 20174; fax: 418 644-9968; email: marc.lahaie@justice.gouv.qc.ca

Any person wishing to comment on the draft Regulation is requested to submit written comments within the 45-day period to the Minister of Justice at the following address: 1200, route de l'Église, 9e étage, Québec (Québec) G1V 4M1.

STÉPHANIE VALLÉE,
Minister of Justice

Regulation to amend the Regulation respecting certain court costs in penal matters applicable to persons under 18 years of age

Code of Penal Procedure
(chapter C-25.1, art. 367, pars. 2, 3, and 14)

1. The Regulation respecting certain court costs in penal matters applicable to persons under 18 years of age (chapter C-25.1, r. 3) is amended in section 2 by replacing "$100" in subparagraph *c* of paragraph 6 by "$750".

2. Section 3 is amended

(1) by replacing "$100" in subparagraph *c* of paragraph 1 by "$750";

(2) by replacing "$100" in subparagraph *c* of paragraph 2 by "$750".

3. This Regulation comes into force on the date of coming into force of sections 2, 4 and 19 of the Act mainly to make the administration of justice more efficient and fines for minors more deterrent (2015, chapter 26).

102911

Draft Regulation

Supplemental Pension Plans Act
(chapter R-15.1)

Exemption of certain categories of pension plans from the application of provisions of the Supplemental Pension Plans Act — 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 exemption of certain categories of pension plans from the application of provisions of the Supplemental Pension Plans Act, appearing below, may be made by the Government on the expiry of 45 days following this publication.

The draft Regulation amends, in particular, certain funding rules that apply to member-funded pension plans as well as the rules concerning the indexation of retirees' pensions and the use of surplus assets.

The draft Regulation does not have a negative impact on businesses, particularly on small businesses.

Further information may be obtained from Mr. Benoit Saucier, Retraite Québec, Place de la Cité, 2600, boulevard Laurier, 5e étage, Québec (Québec) G1V 4T3 (telephone: 418 643-8282; fax: 418 643-7421; email: benoit.saucier@retraitequebec.gouv.qc.ca).

Any person wishing to comment on the draft Regulation is asked to send his or her comments in writing before the expiry of the 45-day period mentioned above to Mr. Michel Després, President and Chief Executive Officer of Retraite Québec, Place de la Cité, 2600, boulevard Laurier, 5e étage, Québec (Québec) G1V 4T3. Comments will be forwarded by Retraite Québec to the Minister of Finance, who is responsible for the application of the Supplemental Pension Plans Act (chapter R-15.1).

CARLOS LEITÃO,
Minister of Finance

Regulation to amend the Regulation respecting the exemption of certain categories of pension plans from the application of provisions of the Supplemental Pension Plans Act

Supplemental Pension Plans Act
(chapter R-15.1, s. 2, 2nd and 3rd pars.)

1. Section 64.1 of the Regulation respecting the exemption of certain categories of pension plans from the application of provisions of the Supplemental Pension Plans Act (chapter R-15.1, r. 7) is amended:

(1) by adding, at the end ", with the exception of sections 198, 210.1 and 240.3, and of section 14 of the Regulation respecting supplemental pension plans (chapter R 15.1, r. 6).";

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

"The first paragraph of section 199.1 of the Act applies where the employer has not had active members in its employ for 12 months.".

2. Section 65 is amended by replacing paragraph 6 with the following:

"(6) it provides that, for the purpose of respecting taxation rules, surplus assets may be appropriated to the payment of a contribution;".

3. Section 69 is amended:

(1) by inserting, after paragraph 5, the following:

(5.1) section 84, by replacing the first paragraph with the following paragraph:

"The additional pension shall be determined on the basis of the actuarial assumptions used in verifying the funding of a plan for the purpose of its most recent actuarial valuation.";

(2) by inserting, after paragraph 7, the following:

(7.1) section 105, by replacing the first paragraph with the following paragraph:

"The amount of the pension paid under a pension plan governed by this Act and purchased with amounts transferred, even otherwise than under this chapter, shall be determined on the basis of the actuarial assumptions used in verifying the funding of a plan for the purpose of its most recent actuarial valuation.";

(3) by inserting, after paragraph 9, the following:

(9.1) section 126, by inserting, after each occurrence of "fully funded", "without taking into consideration the assumption concerning indexation provided for in paragraph 8 of section 69 the Regulation respecting the exemption of certain categories of pension plans from the application of provisions of the Supplemental Pension Plans Act (chapter R-15.1, r. 7).".

4. Section 71 is amended by striking out "and solvent" in subparagraph 3 of subparagraph *b* of paragraph 6.

5. Section 74 is amended:

(1) by replacing, "section 199" in subparagraph 3 of the second paragraph by "sections 199 and 199.1";

(2) by adding, after subparagraph 3 of the second paragraph, the following paragraphs:

"(4) the amendment concerns the adjustment of the benefit provided for under section 86 and fully meets the conditions provided for under the plan;

"(5) the amendment does not involve additional obligations for the plan or the appropriation of surplus assets.".

6. Section 75 is amended:

(1) by striking out, in the third paragraph, "and solvent";

(2) by replacing, in the fifth paragraph, "first paragraph expressed their opposition in accordance with the third paragraph" by "second paragraph expressed their opposition in accordance with the fourth paragraph";

(3) by replacing "subparagraph 2 or 3" in the sixth paragraph by "subparagraphs 2 to 5".

7. Section 76 is amended by replacing, in the first paragraph, "the coming into force of the amendment for which an application for registration is made will not result in an insufficiency of assets in the fund of the plan that would prevent the plan from remaining fully funded and solvent" by "the requested amendment is in accordance with section 85".

8. Section 78 is replaced by the following:

"**78.** No more than 30 days after the date on which the report on the actuarial valuation is produced, the pension committee shall inform the active members of any ensuing change to the member contribution. To do so, a notice is sent to each accredited association representing members

as well as to each member not represented by such an association informing them that the change will take effect without further consultation according to the conditions provided for in the second paragraph of section 80.

However, a plan may provide that the active members can elect to have the pension credit adjusted in lieu of a change to the contribution rate. In such a case, the notice provided for in the first paragraph must indicate that the members must express their opinion on the proposed change to the member contribution and that the pension credit is to be adjusted accordingly for each accredited association or each group of unrepresented members that does not accept the proposal; the rules concerning consultations provided for in section 74 or 75 apply, with the necessary modifications.

The amendments to be made to the plan further to the decision of the active members are made without further consultation.".

9. Section 79 is replaced by the following:

"**79.** An active member shall, in each fiscal year of the pension plan, pay the member contribution which, added to the employer contribution and the contributions of the other active members, is equal to the sum of the current service contribution determined in accordance with sections 124 and 125 of the Act and any amortization amounts established in application of section 90.".

10. Section 80 is replaced by the following:

"**80.** The member contribution and the amortization payment are paid in equal instalments, at the frequency provided for under the plan. The instalments may represent an hourly rate or a proportion of the remuneration. The rate or proportion shall be uniform unless it is established using a variable authorized by Retraite Québec.

Where the member contribution is not determined at the beginning of the fiscal year, the member shall continue to pay the contribution fixed for the preceding year. Any variation in the amount of the monthly payments established by an actuarial valuation of the pension plan takes effect as of the first day of the fiscal year following the one for which the contribution is calculated.".

11. Section 83 is amended:

(1) by striking out the first and second paragraphs;

(2) by striking out "thus determined" in the third paragraph.

12. Section 84 is amended by replacing "paragraph 3" in the second sentence of the second paragraph by "paragraph 1 or 3".

13. Section 85 is replaced by the following:

"**85.** Except where an amendment has been made mandatory by the application of a new legislative or regulatory provision giving no latitude, a plan amendment that increases the plan's commitments may not come into force unless the plan remains fully funded in the case of an amendment provided for in the first paragraph of section 86 or, in the case of any other amendment, unless the plan remains fully funded and solvent, once the commitments resulting from the amendment are taken into account.

For the purposes of an amendment provided for in the first paragraph of section 86, a plan is considered fully funded without taking into account the indexation assumption provided for in paragraph 8 of section 69.".

14. Section 86 of the Regulation is amended:

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

"A pension plan may, subject to section 85, be amended so that the pension of each of the members and beneficiaries is adjusted according to the Consumer Price Index for Canada; that adjustment cannot be less than 0% or greater than 4%. The conditions under which such a provision may be applied must be provided for under the plan.";

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

The adjustment to the benefits of the members and beneficiaries that is provided for under the plan must be carried out in its entirety before the surplus assets are used for:

(1) any amendment increasing the benefits of the members and beneficiaries;

(2) any allocation of a portion of the surplus to the payment of member contributions.

Where applicable, the plan must remain fully funded and solvent so that the surplus assets may be used for such purposes.".

15. Section 88 is revoked.

16. Section 90 is amended by replacing the first paragraph by the following:

"The amortization amounts to be paid in connection with an unfunded actuarial liability shall, for each fiscal year or part of a fiscal year of the pension plan included in the amortization period, be allocated subject to the terms and conditions prescribed by the plan text.".

17. Section 92 is revoked.

18. Section 93 is amended by replacing "236 and 237" by "210.1, 236 and 237".

19. This Regulation comes into force on the fifteenth day following the date of its publication in the *Gazette officielle du Québec*. However, it has effect from 31 December 2016.

102912

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Abbreviations: **A**: Abrogated, **N**: New, **M**: Modified