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LAWS AND REGULATIONS

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Summary

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PROVINCE OF QUÉBEC

1ST SESSION

42ND LEGISLATURE

QUÉBEC, 2 JUNE 2021

OFFICE OF THE LIEUTENANT-GOVERNOR

Québec, 2 June 2021

This day, at nine o'clock in the morning, His Excellency the Lieutenant-Governor was pleased to assent to the following bills:

74 An Act to give effect to fiscal measures announced in the Budget Speech delivered on 10 March 2020 and to certain other measures

82 An Act respecting mainly the implementation of certain provisions of the Budget Speech of 10 March 2020

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

NATIONAL ASSEMBLY OF QUÉBEC

FIRST SESSION FORTY-SECOND LEGISLATURE

Bill 74
(2021, chapter 14)

An Act to give effect to fiscal measures announced in the Budget Speech delivered on 10 March 2020 and to certain other measures

Introduced 2 December 2020
Passed in principle 2 February 2021
Passed 26 May 2021
Assented to 2 June 2021

Québec Official Publisher
2021

EXPLANATORY NOTES

The purpose of this Act is to give effect to fiscal measures announced in the Budget Speech delivered on 10 March 2020 and to certain other measures.

For the purpose of introducing or modifying measures specific to Québec, the Act amends the Taxation Act and the Act respecting the sectoral parameters of certain fiscal measures to, in particular,

(1) introduce a refundable tax credit for caregivers as a replacement of the existing tax assistance for informal caregivers;

(2) simplify the payment of the refundable solidarity tax credit in favour of a surviving spouse and of recipients of a social assistance program;

(3) introduce a refundable tax credit for small and medium-sized businesses in respect of persons with a severely limited capacity for employment;

(4) extend the income-averaging mechanism for forest producers;

(5) introduce an incentive deduction for the commercialization of innovations;

(6) introduce a tax credit relating to investment and innovation;

(7) extend the tax holiday for large investment projects;

(8) introduce a refundable tax credit to support print media and extend the refundable tax credit for the digital transformation of print media;

(9) make changes to certain refundable tax credits in the cultural field; and

(10) make certain changes to the compensatory tax on financial institutions.

In addition, as a consequence of the COVID-19 pandemic, the Act introduces various transitional measures whose effect is to

(1) extend several time limits that are due to expire in 2020 under the Act respecting parental insurance, the Mining Tax Act, the Taxation Act, the Act respecting the legal publicity of enterprises, the Act respecting the Régie de l'assurance maladie du Québec, the Act respecting the Québec Pension Plan and the Act respecting the Québec sales tax, including the time limits applicable to the filing of an individual's fiscal return, the payment, in certain cases, of the balance of tax payable and of provisional accounts, the remittance of the Québec sales tax as well as the filing of the return respecting the tax on lodging and the remittance of the related tax payable;

(2) amend the Act respecting the Régie de l'assurance maladie du Québec to introduce a credit for employer contributions to the Health Services Fund, as a complement to the Canada Emergency Wage Subsidy; and

(3) reduce by 25%, for harmonization purposes with federal tax legislation, the minimum amount that is required to be withdrawn under a registered retirement income fund for the year 2020.

In addition, the Taxation Act and the Act respecting the Québec sales tax are amended to make amendments similar to those made to the Income Tax Act and the Excise Tax Act by federal bills assented to mainly in 2017, 2018 and 2019. More specifically, the amendments deal with

(1) the capital gains arising from the disposition of a principal residence;

(2) the deduction in respect of a stock option in situations of death;

(3) the repayment of wages paid as a result of an error;

(4) the elimination of the possibility for certain professionals to use billed-basis accounting;

(5) the collection of the Québec sales tax on the sale of carbon emission allowances;

(6) the zero-rated status and exemption for certain health-related supplies; and

(7) the drop shipment rules applicable to the Québec sales tax.

Lastly, the Act makes various technical amendments as well as consequential and terminology-related amendments.

LEGISLATION AMENDED BY THIS ACT:

– Tax Administration Act (chapter A-6.002);

– Act respecting parental insurance (chapter A-29.011);

– Act respecting international financial centres (chapter C-8.3);

– Act respecting municipal taxation (chapter F-2.1);

– Mining Tax Act (chapter I-0.4);

– Taxation Act (chapter I-3);

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

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

– Act respecting the Québec Pension Plan (chapter R-9);

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

– Act respecting remunerated passenger transportation by automobile (chapter T-11.2).

REGULATION AMENDED BY THIS ACT:

– Regulation respecting the Taxation Act (chapter I-3, r. 1).

Bill 74

AN ACT TO GIVE EFFECT TO FISCAL MEASURES ANNOUNCED IN THE BUDGET SPEECH DELIVERED ON 10 MARCH 2020 AND TO CERTAIN OTHER MEASURES

THE PARLIAMENT OF QUÉBEC ENACTS AS FOLLOWS:

TAX ADMINISTRATION ACT

1. Section 12.0.1 of the Tax Administration Act (chapter A-6.002) is amended by replacing "Notwithstanding" and "shall not require" by "Despite" and "may decide not to require", respectively.

2. (1) Section 12.0.2 of the Act is amended by inserting "as it read before being repealed," after "(chapter S-4.1.1)," in the portion before subparagraph *a* of the first paragraph.

(2) Subsection 1 has effect from 1 January 2019.

3. Section 17.9 of the Act is amended by replacing "subparagraphs *b*, *c*" in the second paragraph by "subparagraphs *b* to *c*".

4. Section 25.3 of the Act is amended by striking out "solely".

5. (1) Section 36.0.1 of the Act is replaced by the following section:

"**36.0.1.** The Minister may extend the time limit within which a taxpayer must file a prescribed form containing prescribed information provided for in any of sections 230.0.0.4.1, 776.1.35, 1029.6.0.1.2 and 1029.8.0.0.1 of the Taxation Act (chapter I-3) (in this section referred to as the "particular provision"), for a taxation year, only if the taxpayer applies to the Minister in writing to that effect.

An application under the first paragraph must be sent to the Minister not later than one year after the expiry of the time limit that would otherwise have been applicable to the taxpayer under the particular provision and be accompanied by the prescribed form containing prescribed information referred to in the first paragraph and, if applicable, a copy of any other document that must be filed under the particular provision.

The Minister's decision is not subject to objection, contestation or appeal."

(2) Subsection 1 applies to a taxation year in respect of which the time limit for filing a prescribed form containing prescribed information with the Minister of Revenue expires after 16 March 2020.

(3) In addition, subsection 1 applies to a taxation year described in subsection 4, in which case section 36.0.1 of the Act is to be read without reference to the second paragraph.

(4) A taxation year to which subsection 3 refers is a taxpayer's taxation year for which a written application for a time limit extension is filed with the Minister of Revenue, on or before 30 November 2020, together with the prescribed form containing prescribed information that must be filed under any of sections 230.0.0.4.1, 776.1.35, 1029.6.0.1.2 and 1029.8.0.0.1 of the Taxation Act (chapter I-3) (in this subsection referred to as the "particular provision"), for the year and, if applicable, a copy of any other document that must be filed under the particular provision, and in respect of which

(1) the time limit provided for in the particular provision for filing the prescribed form containing prescribed information with the Minister of Revenue expired during the period beginning on 17 March 2019 and ending on 16 March 2020; or

(2) the following conditions have been met:

(*a*) the prescribed form containing prescribed information and, if applicable, a copy of any other document referred to in the particular provision have been filed with the Minister of Revenue during the 12-month period that follows the expiry of the time limit provided for in the particular provision that is applicable for the year;

(*b*) either the time limit for filing a notice of objection to, or an appeal from, an assessment issued for the year had not expired on 29 May 2020, or an assessment issued for the year was the subject of an objection or an appeal at any time within the period beginning on 17 March 2019 and ending on 29 May 2020; and

(*c*) if applicable, the basis of one of the subjects of the objection or appeal, expressly invoked in the notice of objection or notice of appeal, as the case may be, is the Minister of Revenue's refusal to either allow the taxpayer an amount as a deduction in computing the taxpayer's income or tax payable for the year or grant the taxpayer an amount deemed to have been paid on account of the taxpayer's tax payable for the year, because of the filing, after the expiry of the time limit provided for in the particular provision that is applicable for the year, of the prescribed form containing prescribed information and, if applicable, a copy of any other document referred to in the particular provision.

6. Section 58.1.1 of the Act is amended by inserting the following paragraph after paragraph *h*:

"(*h*.1) trust account number, within the meaning of subsection 1 of section 248 of the Income Tax Act; and".

7. Section 59.0.3 of the Act is amended by replacing the third paragraph by the following paragraph:

"However, where the request concerns the person's Social Insurance Number or trust account number, within the meaning of subsection 1 of section 248 of the Income Tax Act (Revised Statutes of Canada, 1985, chapter 1, 5th Supplement), the penalties do not apply if, not later than 15 days following the request, the person applied for the assignment of such a number and has provided the number to the person requiring it within 15 days after receiving it."

8. (1) Section 93.1.1 of the Act is amended by inserting "as it read before being repealed," after "(chapter S-4.1.1)," in the second paragraph.

(2) Subsection 1 has effect from 1 January 2019.

9. (1) Section 93.2 of the Act, amended by section 22 of chapter 5 of the statutes of 2020 and section 107 of chapter 12 of the statutes of 2020, is again amended by inserting ", as it read before being repealed" after "(chapter S-4.1.1)" in subparagraph *m*.1 of the first paragraph.

(2) Subsection 1 has effect from 1 January 2019.

ACT RESPECTING PARENTAL INSURANCE

10. (1) The Act respecting parental insurance (chapter A-29.011) is amended by inserting the following section after section 61:

"**61.1.** For the purposes of this Act, an amount deducted by an employer under section 60 for a particular year after the year 2015 in respect of an excess payment that was paid by the employer to an employee—as a result of an administrative, clerical or system error—as wages in respect of an employment is deemed, to the extent provided for in the second paragraph, not to have been deducted if

(1) before the end of the third year that follows the year in which the amount was deducted,

(*a*) the employer elects to have this section apply in respect of the amount, and

(*b*) the employee has repaid, or made an arrangement to repay, the employer;

(2) before making the election referred to in subparagraph *a* of subparagraph 1, the employer has not filed an information return correcting for the excess payment; and

(3) any additional conditions determined by the Minister are met.

The amount that is deemed under the first paragraph not to have been deducted is the lesser of the amount that was deducted by the employer under section 60 for the particular year in respect of the excess payment and the amount by which the aggregate of all amounts each of which is an amount that was deducted by the employer under that section as the employee's premiums for the particular year exceeds the aggregate of all amounts each of which is an amount that would have been so deducted by the employer as such premiums for the particular year had the employer not made the excess payment."

(2) Subsection 1 applies in respect of an excess payment of wages made after 31 December 2015.

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

"**70.1.** Where an amount paid to the Minister by an employer is deemed under section 61.1 not to have been deducted, the Minister may refund that amount to the employer if the employer applies to the Minister for the refund within four years after the end of the year for which the amount was paid."

(2) Subsection 1 applies in respect of an excess payment of wages made after 31 December 2015.

ACT RESPECTING INTERNATIONAL FINANCIAL CENTRES

12. (1) Section 65.1 of the Act respecting international financial centres (chapter C-8.3) is amended by replacing the portion before paragraph 1 by the following:

"**65.1.** If, at a particular time included in a specified period of an individual described in section 66, established under the fourth paragraph of section 65, in relation to an employment held by the individual with a corporation operating an international financial centre (in this section referred to as the "initial specified period"), the individual acquired a right to a security under an agreement referred to in section 48 of the Taxation Act (chapter I-3) and, at a later time after the end of the initial specified period, the individual is deemed to receive a benefit in a particular taxation year because of the application of any of sections 49 and 50 to 52.1 of that Act, either in respect of the security or of the transfer or any other disposition of the rights under the agreement, or as a consequence of the individual's death and of the individual's having, immediately before death, owned a right to acquire the security under the agreement, the following rules apply:".

(2) Subsection 1 applies in respect of the acquisition of a security or the transfer or disposition of a right occurring after 4:00 p.m. Eastern Standard Time on 4 March 2010.

ACT RESPECTING MUNICIPAL TAXATION

13. (1) Section 210.7 of the Act respecting municipal taxation (chapter F-2.1) is amended

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

"**210.7.** The amount of the grant to which a person to whom section 210.5 applies is entitled in respect of a specified assessment unit situated in the territory of a municipality for a year to which a roll applies (in this section referred to as the "current roll") is equal to the amount determined by the formula";

(2) by replacing "produit des montants" in subparagraph 6 of the second paragraph in the French text by "produit obtenu en multipliant les montants";

(3) by adding the following subparagraph at the end of the second paragraph:

"(7) the product, determined for a year, obtained by multiplying the amount that A represents and the difference between the amount that B represents and the product obtained by multiplying the amounts that C and D represent may not exceed $500."

(2) Subsection 1 applies in respect of a grant application filed after 23 September 2016.

MINING TAX ACT

14. (1) Section 4.4 of the Mining Tax Act (chapter I-0.4) is amended by replacing paragraphs 1 and 2 of the definition of "relevant spot rate" by the following paragraphs:

"(1) if the particular currency or the other currency is Canadian currency, the rate quoted by the Bank of Canada on the particular day (or, if the Bank of Canada ordinarily quotes such a rate, but there is no such rate quoted for the particular day, the closest preceding day for which such a rate is quoted) for the exchange of the particular currency for the other currency, or, for the purposes of paragraph 2 of section 4.5 and paragraph 3 of section 4.7, any other rate of exchange that is acceptable to the Minister; and

"(2) if neither the particular currency nor the other currency is Canadian currency, the rate—calculated by reference to the rates quoted by the Bank of Canada on the particular day (or, if the Bank of Canada ordinarily quotes such rates, but either of such rates is not quoted for the particular day, the closest

preceding day for which both such rates are quoted)—for the exchange of the particular currency for the other currency, or, for the purposes of paragraph 2 of section 4.5 and paragraph 3 of section 4.7, any other rate of exchange that is acceptable to the Minister;".

(2) Subsection 1 has effect from 1 March 2017.

TAXATION ACT

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

(1) by adding the following subparagraph at the end of paragraph *b* of the definition of "derivative forward agreement":

"iii. an underlying interest that relates to a purchase of currency, if it can reasonably be considered that the purchase is agreed to by the taxpayer in order to reduce the risk to the taxpayer of fluctuations in the value of the currency from which a capital property of the taxpayer derives its value or in which a purchase or sale by the taxpayer of a capital property, or an obligation that is a capital property of the taxpayer, is denominated; and";

(2) by adding the following subparagraph at the end of subparagraph i of paragraph *c* of the definition of "derivative forward agreement":

"(3) an underlying interest that relates to a sale of currency, if it can reasonably be considered that the sale is agreed to by the taxpayer in order to reduce the risk to the taxpayer of fluctuations in the value of the currency from which a capital property of the taxpayer derives its value or in which a purchase or sale by the taxpayer of a capital property, or an obligation that is a capital property of the taxpayer, is denominated, and";

(3) by replacing the definition of "profit sharing plan" by the following definition:

""profit sharing plan" has the meaning assigned by section 852;".

(2) Paragraphs 1 and 2 of subsection 1 have effect from 21 March 2013.

16. (1) Section 2.2 of the Act is amended by replacing "Divisions II.11.3, II.11.6 and II.11.7" by "Division II.11.7.2".

(2) Subsection 1 applies from the taxation year 2020.

17. (1) Section 21.1 of the Act is amended, in the first and fourth paragraphs,

(1) by striking out "776.1.5.6,";

(2) by inserting "1029.8.36.166.60.54, 1029.8.36.166.60.55," after "1029.8.36.166.50,".

(2) Paragraph 2 of subsection 1 has effect from 11 March 2020.

18. (1) The Act is amended by inserting the following section after section 21.2.2:

"**21.2.2.1.** Subject to section 21.3, where, at a particular time, as part of a series of transactions or events, two or more persons acquire shares of a corporation (in this section referred to as the "acquiring corporation") in exchange for or upon a redemption or surrender of interests in, or as a consequence of a distribution from, a partnership or trust, control of the acquiring corporation and of each corporation controlled by it immediately before the particular time is deemed to have been acquired by a person or group of persons at the particular time, except in the following cases:

(*a*) in relation to each of those corporations, a person affiliated with the partnership or trust owns immediately before the particular time shares of the corporation having a total fair market value of more than 50% of the fair market value of all the issued and outstanding shares of the corporation immediately before the particular time;

(*b*) if all the securities, within the meaning of the first paragraph of section 1129.70, of the acquiring corporation that were acquired as part of the series of transactions or events at or before the particular time were acquired by one person, the person would not at the particular time control the acquiring corporation and would have at the particular time acquired securities of the acquiring corporation having a fair market value of not more than 50% of the fair market value of all the issued and outstanding shares of the acquiring corporation; and

(*c*) section 21.2.2 applies, or section 21.2.2 or this section previously applied, to deem an acquisition of control of the acquiring corporation upon an acquisition of shares that was part of the same series of transactions or events."

(2) Subsection 1 applies in respect of a transaction completed after 15 September 2016, other than a transaction the parties to which are obligated to complete under an agreement in writing between the parties entered into before 16 September 2016. However, parties are deemed not to be obligated to complete a transaction under an agreement in writing if one or more of those parties may evade that obligation as a result of amendments to the Income Tax Act (Revised Statutes of Canada, 1985, chapter 1, 5th Supplement).

19. (1) Section 21.4.1 of the Act is amended by inserting "1029.8.36.166.60.54, 1029.8.36.166.60.55," after "1029.8.36.166.50," in paragraph *b*.

(2) Subsection 1 has effect from 11 March 2020.

20. (1) Section 21.4.2.1 of the Act is amended by inserting "1029.8.36.166.60.54, 1029.8.36.166.60.55," after "1029.8.36.166.50," in the definitions of "attribute trading restriction" and "specified provision".

(2) Subsection 1 has effect from 11 March 2020.

21. (1) Section 21.4.16 of the Act is amended by replacing paragraphs *a* and *b* of the definition of "relevant spot rate" by the following paragraphs:

"(*a*) if the particular currency or the other currency is Canadian currency, the rate quoted by the Bank of Canada on the particular day (or, if the Bank of Canada ordinarily quotes such a rate, but there is no such rate quoted for the particular day, the closest preceding day for which such a rate is quoted) for the exchange of the particular currency for the other currency, or, for the purposes of paragraph *b* of section 21.4.17 and paragraph *c* of section 21.4.19, any other rate of exchange that is acceptable to the Minister; and

"(*b*) if neither the particular currency nor the other currency is Canadian currency, the rate—calculated by reference to the rates quoted by the Bank of Canada on the particular day (or, if the Bank of Canada ordinarily quotes such rates, but either of such rates is not quoted for the particular day, the closest preceding day for which both such rates are quoted)—for the exchange of the particular currency for the other currency, or, for the purposes of paragraph *b* of section 21.4.17 and paragraph *c* of section 21.4.19, any other rate of exchange that is acceptable to the Minister;".

(2) Subsection 1 has effect from 1 March 2017.

22. (1) Section 21.4.22 of the Act is amended by inserting "1029.8.36.166.60.51," after "1029.8.36.166.46," in subparagraph i of paragraph *a*.

(2) Subsection 1 has effect from 11 March 2020.

23. (1) Section 21.4.30 of the Act is amended by inserting ", 1029.8.36.166.60.52" after "1029.8.36.166.47" in the portion before paragraph *a*.

(2) Subsection 1 has effect from 11 March 2020.

24. (1) Section 25 of the Act is amended, in the second paragraph,

(1) by replacing "section 726.35 or 726.43" by "any of sections 726.43 to 726.43.2";

(2) by striking out "726.33,".

(2) Paragraph 1 of subsection 1 has effect from 10 March 2020, except where it strikes out, in the second paragraph of section 25 of the Act, the reference to section 726.35 of the Act.

25. (1) The Act is amended by inserting the following section after section 85.3:

"**85.3.0.1.** Where the first paragraph of section 215 applies for the purpose of computing a taxpayer's income from a business for the last taxation year of the taxpayer that begins before 22 March 2017, the following rules apply:

(*a*) for the purpose of computing the taxpayer's income from the business at the end of the first taxation year that begins after 21 March 2017,

i. the amount of the cost of the taxpayer's work in progress is deemed to be equal to 20% of that amount, determined without reference to this paragraph, and

ii. the amount of the fair market value of the taxpayer's work in progress is deemed to be equal to 20% of that amount, determined without reference to this paragraph;

(*b*) for the purpose of computing the taxpayer's income from the business at the end of the second taxation year that begins after 21 March 2017,

i. the amount of the cost of the taxpayer's work in progress is deemed to be equal to 40% of that amount, determined without reference to this paragraph, and

ii. the amount of the fair market value of the taxpayer's work in progress is deemed to be equal to 40% of that amount, determined without reference to this paragraph;

(*c*) for the purpose of computing the taxpayer's income from the business at the end of the third taxation year that begins after 21 March 2017,

i. the amount of the cost of the taxpayer's work in progress is deemed to be equal to 60% of that amount, determined without reference to this paragraph, and

ii. the amount of the fair market value of the taxpayer's work in progress is deemed to be equal to 60% of that amount, determined without reference to this paragraph; and

(*d*) for the purpose of computing the taxpayer's income from the business at the end of the fourth taxation year that begins after 21 March 2017,

i. the amount of the cost of the taxpayer's work in progress is deemed to be equal to 80% of that amount, determined without reference to this paragraph, and

ii. the amount of the fair market value of the taxpayer's work in progress is deemed to be equal to 80% of that amount, determined without reference to this paragraph."

(2) Subsection 1 applies to a taxation year that ends after 21 March 2017.

26. (1) Section 87 of the Act is amended by replacing subparagraphs i and ii of paragraph *z*.7 by the following subparagraphs:

"i. where the taxpayer acquires a property under a derivative forward agreement in the year, the portion of the amount by which the fair market value of the property at the time it is acquired by the taxpayer exceeds the cost to the taxpayer of the property that is attributable to an underlying interest other than an underlying interest referred to in any of subparagraphs i to iii of paragraph *b* of the definition of "derivative forward agreement" in section 1, or

"ii. where the taxpayer disposes of a property under a derivative forward agreement in the year, the portion of the amount by which the proceeds of disposition, within the meaning of section 251, of the property exceeds the fair market value of the property at the time the agreement is entered into by the taxpayer that is attributable to an underlying interest other than an underlying interest referred to in any of subparagraphs 1 to 3 of subparagraph i of paragraph *c* of the definition of "derivative forward agreement" in section 1."

(2) Subsection 1 applies in respect of an acquisition or disposition of a property that occurs after 15 September 2016.

27. (1) Section 117 of the Act is replaced by the following section:

"**117.** If a corporation has made, in the year, an automobile available to a shareholder, or a person related to the shareholder, the value of the benefit to be included in computing the shareholder's income for the year under section 111 is, except when an amount has been included in computing the shareholder's income under section 41 in respect of the automobile, computed on the assumption that Divisions I and II of Chapter II of Title II, except section 41.0.2, apply in respect of that benefit, with the necessary modifications, and by replacing any reference to an employer by a reference to the corporation."

(2) Subsection 1 applies from the taxation year 2020.

28. (1) Section 157.2.2 of the Act is amended by replacing subparagraphs 1 and 2 of subparagraph i of subparagraph *a* of the second paragraph by the following subparagraphs:

"(1) if the taxpayer acquires a property under the agreement in the year or a preceding taxation year, the portion of the amount by which the cost to the taxpayer of the property exceeds the fair market value of the property at the time it is acquired by the taxpayer that is attributable to an underlying interest other than an underlying interest referred to in any of subparagraphs i to iii of paragraph *b* of the definition of "derivative forward agreement" in section 1, or

"(2) if the taxpayer disposes of a property under the agreement in the year or a preceding taxation year, the portion of the amount by which the fair market value of the property at the time the agreement is entered into by the taxpayer exceeds the proceeds of disposition, within the meaning of section 251, of the property that is attributable to an underlying interest other than an underlying interest referred to in any of subparagraphs 1 to 3 of subparagraph i of paragraph *c* of the definition of "derivative forward agreement" in section 1, and".

(2) Subsection 1 applies in respect of an acquisition or disposition of a property that occurs after 15 September 2016.

29. (1) Section 172 of the Act is amended by replacing subparagraph 2 of subparagraph i of subparagraph *b*.6 of the first paragraph by the following subparagraph:

"(2) the average of all amounts each of which is the corporation's contributed surplus (other than any portion of that contributed surplus that arose at a time when the corporation was not resident in Canada, or that arose in connection with a disposition to which subsection 1.1 of section 212.1 of the Income Tax Act (Revised Statutes of Canada, 1985, chapter 1, 5th Supplement) applies or an investment to which subsection 2 of section 212.3 of that Act applies) at the beginning of a month that ends in the year, to the extent that it was contributed by a specified shareholder not resident in Canada of the corporation, and".

(2) Subsection 1 applies in respect of a transaction or event that occurs after 26 February 2018.

30. (1) Section 215 of the Act is amended by replacing the first paragraph by the following paragraph:

"For the purpose of computing the income of a taxpayer for a taxation year beginning before 22 March 2017 from a business that is the professional practice of an accountant, dentist, advocate, physician, veterinarian or chiropractor, no amount is to be included in respect of work in progress at the end of the year if the taxpayer makes, in relation to the year, a valid election under paragraph *a* of section 34 of the Income Tax Act (Revised Statutes of Canada, 1985, chapter 1, 5th Supplement) after 19 December 2006 in respect of the business."

(2) Subsection 1 applies to a taxation year that ends after 21 March 2017.

31. (1) Section 216 of the Act is amended by replacing the first paragraph by the following paragraph:

"If a taxpayer has not, in respect of a business, included any amount in respect of work in progress at the end of a taxation year because of an election referred to in the first paragraph of section 215 made in relation to the year, the taxpayer shall apply that paragraph for the purpose of computing the taxpayer's income from the business for subsequent taxation years beginning before 22 March 2017, unless the taxation year is a year in relation to which

a revocation, made by the taxpayer under paragraph *b* of section 34 of the Income Tax Act (Revised Statutes of Canada, 1985, chapter 1, 5th Supplement) after 19 December 2006, of an election made under paragraph *a* of section 34 of that Act in respect of the business, is valid."

(2) Subsection 1 applies to a taxation year that ends after 21 March 2017.

32. (1) Section 232 of the Act is amended by replacing subparagraph *a* of the third paragraph by the following subparagraph:

"(*a*) a property which, according to the Canadian Cultural Property Export Review Board, complies with the criterion of significance set out in subsection 3 of section 29 of the Cultural Property Export and Import Act (Revised Statutes of Canada, 1985, chapter C-51) and that has been disposed of to an institution or a public authority in Canada which is, at the time of disposition, designated under subsection 2 of section 32 of that Act for general purposes or for a specified purpose related to that property;".

(2) Subsection 1 has effect from 19 March 2019.

33. (1) Section 251 of the Act is replaced by the following section:

"**251.** The proceeds of disposition of property include, for the purposes of this Title, the same elements as the proceeds of disposition of property referred to in subparagraph *f* of the first paragraph of section 93 and any amount deemed not to be a dividend under paragraph *b* of section 568; it does not include an amount deemed to be a dividend paid to a taxpayer under sections 517.1 to 517.3.1 or, if the taxpayer is a partnership, to a member of the partnership, an amount deemed to be a capital gain under section 517.5.5, an amount deemed to be a dividend received under section 508 to the extent that it refers to a dividend deemed paid under sections 505 and 506, except the portion of that amount that is deemed to be included in the proceeds of disposition of the share under paragraph *b* of section 308.1 or deemed not to be a dividend under paragraph *b* of section 568, or a prescribed amount."

(2) Subsection 1 applies in respect of a disposition that occurs after 26 February 2018.

34. (1) Section 261 of the Act is amended by replacing paragraphs *b* and *c* by the following paragraphs:

"(*b*) for the purposes of Chapter V of Title X and sections 1102.4 and 1102.5, the taxpayer is deemed to have disposed of the property at that time; and

"(*c*) for the purposes of section 26, the first paragraph of section 27, Title VI.5 of Book IV and sections 1000 to 1003.2, the taxpayer is deemed to have disposed of the property in the year."

(2) Subsection 1 applies in respect of a gain from a disposition that occurs after 15 September 2016.

35. (1) Section 261.1 of the Act is amended by replacing subparagraph *b* of the first paragraph by the following subparagraph:

"(*b*) for the purposes of section 26, the first paragraph of section 27, Title VI.5 of Book IV, sections 1000 to 1003.2, 1102.4 and 1102.5, the interest is deemed to have been disposed of by the member at that time."

(2) Subsection 1 applies in respect of a gain from a disposition that occurs after 15 September 2016.

36. (1) Section 271 of the Act is amended by replacing subparagraph *b* of the second paragraph by the following subparagraph:

"(*b*) B is

i. if the individual was resident in Canada during the taxation year that includes the acquisition date, one plus the number of taxation years that end after the acquisition date for which the property is the individual's principal residence and during which the individual was resident in Canada, or

ii. if the individual was not resident in Canada at any time in the taxation year that includes the acquisition date, the number of taxation years that end after the acquisition date for which the property is the individual's principal residence and during which the individual was resident in Canada;".

(2) Subsection 1 applies in respect of a disposition that occurs after 2 October 2016.

37. (1) Section 272 of the Act is amended by replacing the first paragraph by the following paragraph:

"Where an individual disposes of property to the individual's spouse or a trust and the presumption referred to in section 440 or 454 applies,

(*a*) the spouse or the trust is deemed to have owned the property since the individual acquired it; and

(*b*) the property is deemed to have been the principal residence of the spouse or trust

i. in the case provided for in section 440, for all the years for which the individual could have designated it, in accordance with the fifth paragraph of section 274, to have been the individual's principal residence, and

ii. in the case provided for in section 454, for all the years for which it was the individual's principal residence."

(2) Subsection 1 applies in respect of a disposition that occurs in a taxation year that ends after 2 October 2016.

38. (1) Section 274 of the Act is amended

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

"The condition referred to in the first paragraph consists in the particular property having been designated by the individual, in accordance with the fifth paragraph, as being the individual's principal residence for the year and in no other property having been designated, for the purposes of this section and of sections 274.0.1, 275.1, 277 and 285, for the year by";

(2) by striking out the third paragraph;

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

"Subject to the fourth paragraph, a particular property may be designated as principal residence under this section for a taxation year only if the particular property was the subject of a valid designation under paragraph *c* of the definition of "principal residence" in section 54 of the Income Tax Act (Revised Statutes of Canada, 1985, chapter 1, 5th Supplement) for the year; however, if a designation made under that paragraph *c* for the year is in respect of a property that is not identical to the particular property but that includes it, in whole or in part, or is included, in whole or in part, in that property, the Minister may determine to what extent the designation made in respect of the particular property under this section for the year is valid.

Despite the third paragraph, if the Minister considers it appropriate in the circumstances, the Minister may agree to have a particular property designated as principal residence by an individual, under this section, for a particular taxation year even though the particular property was not the subject of a valid designation by the individual under paragraph *c* of the definition of "principal residence" in section 54 of the Income Tax Act for the particular year where

(*a*) the following conditions are met:

i. the individual disposed, in a taxation year that ended before 3 October 2016, of a property other than the particular property,

ii. the individual was resident in Québec at the end of the taxation year in which the other property was disposed of, and

iii. the particular taxation year is a taxation year in respect of which the other property was the subject of a valid designation by the individual under paragraph *c* of the definition of "principal residence" in section 54 of the Income Tax Act and could be the subject of a designation under this section by the individual for the particular taxation year, but was not the subject of such a designation; or

(*b*) the particular taxation year is a taxation year that precedes the taxation year in which the particular property is disposed of and

i. a valid designation was made by the individual under paragraph *c* of the definition of "principal residence" in section 54 of the Income Tax Act in respect of another property for the particular taxation year, and

ii. the Minister was of the opinion that the other property could not be the subject of a designation by the individual under this section for the particular taxation year.

An individual designates a particular property as the individual's principal residence for a particular taxation year by enclosing the prescribed form containing prescribed information with the fiscal return the individual is required to file under section 1000 for the individual's taxation year in which the individual disposed of the particular property or granted an option to purchase it."

(2) Subsection 1 applies in respect of a disposition that occurs in a taxation year that ends after 2 October 2016.

39. (1) Section 274.0.1 of the Act is amended

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

"(*a*) the particular property was designated by the trust, in accordance with the fifth paragraph, as the trust's principal residence for the year;";

(2) by inserting the following subparagraph after subparagraph *c* of the second paragraph:

"(*c*.1) if the year begins after 31 December 2016, the trust is, in the year,

i. a trust for which a day is to be determined under any of subparagraphs *a*, *a*.1 and *a*.4 of the first paragraph of section 653 by reference to the death or later death, as the case may be, that has not occurred before the beginning of the year, of an individual who is resident in Canada during the year, and a trust a specified beneficiary of which for the year is the individual,

ii. a trust that is a qualified disability trust (within the meaning of the first paragraph of section 768.2) for the year and in respect of which an electing beneficiary (within the meaning of that paragraph) for the year is resident in Canada during the year, is a specified beneficiary of the trust for the year and is a spouse, former spouse or child of the settlor (having in this subparagraph *c*.1 the meaning assigned by the first paragraph of section 658) of the trust, or

iii. a trust a specified beneficiary of which for the year is an individual who is resident in Canada during the year, who has not attained 18 years of age before the end of the year and a mother or father of whom is a settlor of the trust, and in respect of which either of the following conditions is met:

(1) no mother or father of the individual is alive at the beginning of the year, or

(2) the trust arose before the beginning of the year on and as a consequence of the death of a mother or father of the individual; and";

(3) by striking out the third paragraph;

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

"Subject to the fourth paragraph, a particular property may be designated as principal residence under this section for a taxation year only if the particular property was the subject of a valid designation under paragraph *c*.1 of the definition of "principal residence" in section 54 of the Income Tax Act (Revised Statutes of Canada, 1985, chapter 1, 5th Supplement) for the year; however, if a designation made under that paragraph *c*.1 for the year is in respect of a property that is not identical to the particular property but that includes it, in whole or in part, or is included, in whole or in part, in that property, the Minister may determine to what extent the designation made in respect of the particular property under this section for the year is valid.

Despite the third paragraph, if the Minister considers it appropriate in the circumstances, the Minister may agree to have a particular property designated as principal residence by a trust, under this section, for a particular taxation year even though the particular property was not the subject of a valid designation by the trust under paragraph *c*.1 of the definition of "principal residence" in section 54 of the Income Tax Act for the particular year where

(*a*) the following conditions are met:

i. the trust disposed, in a taxation year that ended before 3 October 2016, of a property other than the particular property,

ii. the trust was resident in Québec at the end of the taxation year in which the other property was disposed of, and

iii. the particular taxation year is a taxation year in respect of which the other property was the subject of a valid designation by the trust under paragraph *c*.1 of the definition of "principal residence" in section 54 of the Income Tax Act and could be the subject of a designation under this section by the trust for the particular taxation year, but was not the subject of such a designation; or

(*b*) the particular taxation year is a taxation year that precedes the taxation year in which the particular property is disposed of and

i. a valid designation was made by the trust under paragraph *c*.1 of the definition of "principal residence" in section 54 of the Income Tax Act in respect of another property for the particular taxation year, and

ii. the Minister was of the opinion that the other property could not be the subject of a designation by the trust under this section for the particular taxation year.

A trust designates a particular property as its principal residence for a particular taxation year by enclosing the prescribed form containing prescribed information with the fiscal return it is required to file under section 1000 for its taxation year in which it disposed of the particular property or granted an option to purchase it."

(2) Paragraphs 1, 3 and 4 of subsection 1 apply in respect of a disposition that occurs in a taxation year that ends after 2 October 2016.

(3) Paragraph 2 of subsection 1 has effect from 14 December 2017.

40. (1) Section 274.1 of the Act is replaced by the following section:

"**274.1.** Subject to section 274.1.1, where a property was owned by an individual, whether jointly with another person or otherwise, at the end of 31 December 1981 and continuously thereafter until disposed of by the individual, the gain determined under section 271 in respect of the disposition of that property must not exceed the amount by which the aggregate of the following amounts exceeds the amount by which the fair market value of the property on 31 December 1981 exceeds the proceeds of disposition of the property determined without reference to this section:

(*a*) the individual's gain calculated in accordance with section 271 on the assumption that the individual had disposed of the property on 31 December 1981 for proceeds of disposition equal to its fair market value on that date; and

(*b*) the individual's gain calculated in accordance with section 271 on the assumption that that section applies and that

i. subparagraph i of subparagraph *b* of the second paragraph of section 271 is read without reference to "one plus", and

ii. the individual acquired the property on 1 January 1982 at a cost equal to the proceeds of disposition determined under paragraph *a*."

(2) Subsection 1 has effect from 14 December 2017.

41. (1) The Act is amended by inserting the following section after section 274.1:

"**274.1.1.** Where a property was owned by a trust, whether jointly with another person or otherwise, at the end of 31 December 2016 and continuously thereafter until disposed of by the trust, where the trust was not in its first taxation year that begins after 31 December 2016 a trust described in subparagraph *c*.1 of the second paragraph of section 274.0.1, where the trust disposes of the property after 31 December 2016 and where the disposition is the trust's first disposition of the property after that date, the following rules apply:

(*a*) section 274.1 does not apply in respect of the disposition; and

(*b*) the trust's gain determined under section 271 in respect of the disposition of the property is equal to the amount by which the aggregate of the following amounts exceeds the amount by which the fair market value of the property on 31 December 2016 exceeds the proceeds of disposition of the property determined without reference to this section:

i. the trust's gain calculated in accordance with section 271 on the assumption that

(1) the trust disposed of the property on 31 December 2016 for proceeds of disposition equal to its fair market value on that date, and

(2) paragraph *a* did not apply in respect of the disposition described in subparagraph 1, and

ii. the trust's gain in respect of the disposition calculated in accordance with section 271 on the assumption that

(1) subparagraph i of subparagraph *b* of the second paragraph of section 271 is read without reference to "one plus", and

(2) the trust acquired the property on 1 January 2017 at a cost equal to the proceeds of disposition determined under subparagraph 1 of subparagraph i."

(2) Subsection 1 has effect from 14 December 2017.

42. Section 311.1 of the Act is amended by striking out subparagraph *e* of the second paragraph.

43. (1) Section 313.13 of the Act is replaced by the following section:

"**313.13.** A taxpayer shall also include any amount that is required to be included in computing the taxpayer's income for the year under Title VI.0.2 of Book VII, other than an amount distributed under a pooled registered pension plan as a return of all or a portion of a contribution to the plan to the extent that the amount

(*a*) is a payment described under clause A or B of subparagraph ii of paragraph *d* of subsection 3 of section 147.5 of the Income Tax Act (Revised Statutes of Canada, 1985, chapter 1, 5th Supplement); and

(*b*) is not deducted in computing the taxpayer's income for the year or a preceding taxation year."

(2) Subsection 1 has effect from 14 December 2012.

44. (1) Section 489 of the Act is amended by inserting the following paragraph after paragraph *b*:

"(*b*.1) where the taxpayer is an individual (other than a trust), an amount ordinarily paid as a social assistance payment based on a means, needs or income test provided for under a program of the Government of Canada or the government of a province, to the extent that it is received directly or indirectly by the taxpayer for the benefit of a particular individual, if

i. payments to recipients under the program are made for the care and upbringing, on a temporary basis, of another individual in need of protection,

ii. the particular individual is a child of the taxpayer because of paragraph *b* of the definition of "child" in section 1 (or would be a child of the taxpayer under that paragraph if the taxpayer did not receive payments under the program), and

iii. no special allowance under the Children's Special Allowances Act (Statutes of Canada, 1992, chapter 48) is payable in respect of the particular individual for the period in respect of which the social assistance payment is made;".

(2) Subsection 1 has effect from 1 January 2009.

45. (1) Section 504 of the Act is amended, in subsection 2,

(1) by replacing paragraphs *d* and *e* by the following paragraphs:

"(*d*) a transaction by which an insurance corporation converts contributed surplus related to its insurance business (other than any portion of that contributed surplus that arose at a time when the corporation was not resident in Canada, or that arose in connection with a disposition to which subsection 1.1 of section 212.1 of the Income Tax Act (Revised Statutes of Canada, 1985, chapter 1, 5th Supplement) applies or an investment to which subsection 2 of section 212.3 of that Act applies) into paid-up capital in respect of shares of its capital stock;

"(*e*) a transaction by which a bank converts contributed surplus resulting from the issuance of shares of its capital stock (other than any portion of that contributed surplus that arose at a time when the corporation was not resident

in Canada, or that arose in connection with a disposition to which subsection 1.1 of section 212.1 of the Income Tax Act applies or an investment to which subsection 2 of section 212.3 of that Act applies) into paid-up capital in respect of shares of its capital stock; or";

(2) by replacing the portion of paragraph *f* before subparagraph i by the following:

"(*f*) a transaction by which a corporation, other than an insurance corporation or a bank, converts into paid-up capital in respect of a particular class of shares of its capital stock any of its contributed surplus (other than any portion of that contributed surplus that arose at a time when the corporation was not resident in Canada, or that arose in connection with a disposition to which subsection 1.1 of section 212.1 of the Income Tax Act applies or an investment to which subsection 2 of section 212.3 of that Act applies) resulting, after 31 March 1977,".

(2) Subsection 1 applies in respect of a transaction or event that occurs after 26 February 2018.

46. (1) The Act is amended by inserting the following sections after section 572.2:

"**572.2.1.** For the purposes of sections 572.2.2 and 572.2.3, a particular property is a tracking interest in respect of a person or partnership (in this section referred to as the "tracked entity") if

(*a*) all or part of the fair market value of the particular property—or of any payment or right to receive an amount in respect of the particular property—can reasonably be considered to be determined, directly or indirectly, by reference to one or more of the following criteria in respect of property or activities of the tracked entity (in this section and section 572.2.2 referred to as the "tracked property and activities"):

i. the fair market value of property of the tracked entity,

ii. any revenue, income or cash flow from property or activities of the tracked entity,

iii. any profits or gains from the disposition of property of the tracked entity, and

iv. any similar criteria applicable to property or activities of the tracked entity; and

(*b*) the tracked property and activities in respect of the particular property represent less than all of the property and activities of the tracked entity.

"**572.2.2.** The rules set out in the second paragraph apply in respect of a particular foreign affiliate of a taxpayer for a taxation year of the foreign affiliate, for the purpose of determining an amount to be included or deducted, in respect of the year, by the taxpayer in computing the taxpayer's income under section 580 or 583, respectively, if, at any time in the year,

(*a*) the taxpayer holds a property that is a tracking interest in respect of the particular foreign affiliate; and

(*b*) shares of a class of the capital stock of the particular foreign affiliate (in the second paragraph referred to as a "tracking class") the fair market value of which can reasonably be considered to be determined by reference to the tracked property and activities in respect of the tracking interest are held by the taxpayer or a foreign affiliate of the taxpayer.

The rules to which the first paragraph refers are as follows:

(*a*) the tracked property and activities of the particular foreign affiliate are deemed to be property and activities of a corporation not resident in Canada that is separate from the particular foreign affiliate and not to be property or activities of the particular foreign affiliate;

(*b*) any income, losses or gains for the year in respect of the property and activities described in subparagraph *a* are deemed to be income, losses or gains of the separate corporation and not of the particular foreign affiliate;

(*c*) all rights and obligations of the particular foreign affiliate in respect of the property and activities described in subparagraph *a* are deemed to be rights and obligations of the separate corporation and not of the particular foreign affiliate;

(*d*) the separate corporation is deemed to have, at the end of the year, 100 issued and outstanding shares of a single class of its capital stock which have full voting rights under all circumstances;

(*e*) each shareholder of the particular foreign affiliate is deemed to own, at the end of the year, that number of shares of the separate corporation that is equal to the product obtained by multiplying 100 by the amount that would be the aggregate participating percentage (as defined in section 580.1) of that shareholder in respect of the particular foreign affiliate for the year if

i. the particular foreign affiliate were a controlled foreign affiliate of that shareholder at the end of the year,

ii. the only shares of the capital stock of the particular foreign affiliate issued and outstanding at the end of the year were shares of tracking classes in respect of the tracked property and activities, and

iii. the only income, losses or gains of the particular foreign affiliate for the year were those referred to in subparagraph *b*; and

(*f*) any amount included or deducted by the taxpayer in computing the taxpayer's income under section 580 or 583, respectively, in respect of shares of the separate corporation is deemed to be an amount so included or deducted by the taxpayer in respect of shares of tracking classes held by the taxpayer or a foreign affiliate of the taxpayer, as the case may be.

"**572.2.3.** Where section 572.2.2 does not apply in respect of a foreign affiliate of a taxpayer for a taxation year of the affiliate, the affiliate is deemed to be a controlled foreign affiliate of the taxpayer throughout the year if, at a particular time in the year, a tracking interest in respect of the foreign affiliate or a partnership of which the foreign affiliate is a member is held by

(*a*) the taxpayer; or

(*b*) a person or partnership (in this paragraph referred to as a "holder"), if

i. the holder does not deal at arm's length with the taxpayer at the particular time,

ii. where either the taxpayer or the holder is a partnership and the other party is not, any member of the partnership does not deal at arm's length with the other party at the particular time, or

iii. where both the taxpayer and the holder are partnerships, the taxpayer or any member of the taxpayer does not deal at arm's length with the holder or any member of the holder at the particular time."

(2) Subsection 1 applies to a taxation year of a foreign affiliate of a taxpayer that begins after 26 February 2018. However, section 572.2.2 of the Act does not apply to a taxation year of a foreign affiliate of a taxpayer that begins after 26 February 2018 and before 25 October 2018 if the taxpayer has made a valid election in accordance with subsection 7 of section 7 of the Budget Implementation Act, 2018, No. 2 (Statutes of Canada, 2018, chapter 27).

(3) Chapter V.2 of Title II of Book I of Part I of the Taxation Act applies in relation to an election made under subsection 7 of section 7 of the Budget Implementation Act, 2018, No. 2. However, for the application of section 21.4.7 of the Taxation Act to such an election, a taxpayer is deemed to have complied with a requirement of section 21.4.6 of the Act if the taxpayer complies with it on or before 29 November 2021.

47. (1) The Act is amended by inserting the following sections after section 580:

"**580.1.** For the purposes of this section and sections 580.2 and 580.3,

"aggregate participating percentage", of a taxpayer in respect of a foreign affiliate of the taxpayer for a taxation year of the foreign affiliate, means the aggregate of all amounts, each of which is the participating percentage, in respect of the foreign affiliate, of a share of the capital stock of a corporation that is owned by the taxpayer at the end of the taxation year;

"connected partnership", in respect of a particular taxpayer, means a partnership if, at or immediately after the particular time at which section 580.3 applies in respect of a foreign affiliate of the particular taxpayer,

(*a*) the particular taxpayer or a connected person in respect of the particular taxpayer is, directly or indirectly through one or more other partnerships, a member of the partnership; or

(*b*) where paragraph *a* does not apply,

i. the foreign affiliate is a foreign affiliate of the partnership at the particular time, and

ii. the aggregate participating percentage of the partnership in respect of the foreign affiliate for the foreign affiliate's ordinary taxation year may reasonably be considered to have increased as a result of the triggering event that gave rise to the application of section 580.3;

"connected person", in respect of a particular taxpayer, means a person that—at or immediately after the particular time at which section 580.3 applies in respect of a foreign affiliate of the particular taxpayer—is resident in Canada and

(*a*) does not deal at arm's length with the particular taxpayer; or

(*b*) deals at arm's length with the particular taxpayer, if

i. the foreign affiliate is a foreign affiliate of the person at the particular time, and

ii. the aggregate participating percentage of the person in respect of the foreign affiliate for the foreign affiliate's ordinary taxation year may reasonably be considered to have increased as a result of the triggering event that gave rise to the application of section 580.3;

"excluded acquisition or disposition", in respect of a taxation year of a foreign affiliate of a taxpayer, means an acquisition or disposition of an equity interest in a corporation, partnership or trust that can reasonably be considered to result in a change in the aggregate participating percentage of the taxpayer in respect of the foreign affiliate for the taxation year of the foreign affiliate, where

(*a*) the change in the aggregate participating percentage of the taxpayer is less than 1%; and

(*b*) it cannot reasonably be considered that one of the main reasons the acquisition or disposition occurs as a separate acquisition or disposition from one or more other acquisitions or dispositions is to avoid the application of section 580.3;

"triggering event" means

(*a*) an acquisition or disposition of an equity interest in a corporation, partnership or trust;

(*b*) a change in the terms or conditions of a share of the capital stock of a corporation or a right as a member of a partnership or as a beneficiary under a trust; or

(*c*) a disposition or change of a right referred to in paragraph *a* of section 598.

"**580.2.** For the purposes of this chapter and Chapter IV, the rules set out in section 580.3 apply at a particular time in respect of a particular foreign affiliate of a taxpayer resident in Canada if

(*a*) an amount would be included under section 580 in computing the taxpayer's income, in respect of a share of the particular foreign affiliate or another foreign affiliate of the taxpayer that has an equity percentage in the particular foreign affiliate, for the taxation year of the particular foreign affiliate (determined without reference to section 580.3) that includes the particular time (in this section and section 580.1 referred to as the "ordinary taxation year" of the particular foreign affiliate), if the ordinary taxation year of the particular foreign affiliate had ended at the particular time;

(*b*) immediately after the particular time, there is

i. an acquisition of control of the taxpayer, or

ii. a triggering event that can reasonably be considered to result in a change in the aggregate participating percentage of the taxpayer in respect of the particular foreign affiliate for the ordinary taxation year of the particular foreign affiliate;

(*c*) where subparagraph i of subparagraph *b* applies, the condition of paragraph *c* of subsection 1.1 of section 91 of the Income Tax Act (Revised Statutes of Canada, 1985, chapter 1, 5th Supplement) is met in respect of the particular foreign affiliate; and

(*d*) where subparagraph ii of subparagraph *b* applies, none of the following is the case:

i. the change in the aggregate participating percentage referred to in subparagraph ii of subparagraph *b* is a decrease and is equal to the total of all amounts each of which is the increase—that can reasonably be considered to result from the triggering event—in the aggregate participating percentage of

another taxpayer, in respect of the particular foreign affiliate for the ordinary taxation year of the particular foreign affiliate, if the other taxpayer

(1) is a person resident in Canada, other than a person that is—or a trust, any of the beneficiaries under which is—exempt from tax under this Part, and

(2) is a person related to the taxpayer at the particular time, if the triggering event results from a winding-up of the taxpayer referred to in section 556, or immediately after the particular time, in any other case,

ii. the triggering event is on an amalgamation within the meaning of subsection 1 of section 544,

iii. the triggering event is an excluded acquisition or disposition, in respect of the ordinary taxation year of the particular foreign affiliate, and

iv. if one or more triggering events—all of which are described in subparagraph ii of subparagraph *b* and in respect of which none of the conditions of subparagraphs i to iii are met—occur in the ordinary taxation year of the particular foreign affiliate, the percentage determined by the following formula is not greater than 5%:

A – B.

In the formula in subparagraph iv of subparagraph *d* of the first paragraph,

(*a*) A is the total of all amounts each of which is the decrease—which can reasonably be considered to result from a triggering event described in subparagraph ii of subparagraph *b* of the first paragraph (other than a triggering event that meets the conditions of subparagraph i or ii of subparagraph *d* of the first paragraph)—in the aggregate participating percentage of the taxpayer in respect of the particular foreign affiliate for the ordinary taxation year of the particular foreign affiliate; and

(*b*) B is the total of all amounts each of which is the increase—which can reasonably be considered to result from a triggering event described in subparagraph ii of subparagraph *b* of the first paragraph (other than a triggering event that meets the conditions of subparagraph i or ii of subparagraph *d* of the first paragraph)—in the aggregate participating percentage of the taxpayer in respect of the particular foreign affiliate for the ordinary taxation year of the particular foreign affiliate.

"**580.3.** The rules to which section 580.2 refers in respect of a foreign affiliate of a particular taxpayer resident in Canada are as follows:

(*a*) in respect of the particular taxpayer and each connected person, or connected partnership, in respect of the particular taxpayer, the foreign affiliate's taxation year that would, in the absence of this section, have included the

particular time referred to in section 580.2 is deemed to end at the time (in this chapter referred to as the "stub-period end time") that is immediately before the particular time; and

(*b*) where the foreign affiliate is, immediately after the particular time referred to in section 580.2, a foreign affiliate of the particular taxpayer or a connected person, or connected partnership, in respect of the particular taxpayer, the foreign affiliate's taxation year that follows the stub-period end time is deemed, in respect of the particular taxpayer or the connected person or connected partnership, as the case may be, to begin immediately after the particular time.

"**580.4.** Where the conditions of section 580.2 are not met at a particular time in respect of a particular foreign affiliate of a taxpayer resident in Canada, section 580.3 applies in respect of the particular foreign affiliate at that time if the taxpayer and all specified corporations have made a valid election under paragraph *c* of subsection 1.4 of section 91 of the Income Tax Act (Revised Statutes of Canada, 1985, chapter 1, 5th Supplement) to have subsection 1.2 of that section 91 apply in respect of the disposition that is referred to in paragraph *b* of subsection 1.4 of that section 91 and that occurs immediately after the particular time.

For the purposes of the first paragraph, a specified corporation is a corporation that at or immediately after the particular time meets the following conditions:

(*a*) the corporation is resident in Canada;

(*b*) the corporation does not deal at arm's length with the taxpayer; and

(*c*) the particular foreign affiliate is a foreign affiliate of the corporation, or of a partnership of which the corporation is, directly or indirectly through one or more other partnerships, a member.

Chapter V.2 of Title II of Book I applies in relation to an election made under paragraph *c* of subsection 1.4 of section 91 of the Income Tax Act."

(2) Subsection 1 has effect from 12 July 2013. However, where the particular time referred to in section 580.2 of the Act is before 8 September 2017, sections 580.1 to 580.4 of the Act are, unless the taxpayer and all connected persons and connected partnerships, in respect of the taxpayer, within the meaning of section 580.1 of the Act, as enacted by this subsection, make a valid election for that purpose under subparagraph i of paragraph *d* of subsection 4 of section 28 of the Budget Implementation Act, 2017, No. 2 (Statutes of Canada, 2017, chapter 33), to be read as follows:

"**580.1.** For the purposes of section 580.3, the following rules apply:

(*a*) a corporation is connected to a particular taxpayer if, at or immediately after the particular time referred to in section 580.3, it is resident in Canada and does not deal at arm's length with the taxpayer; and

(*b*) a partnership is connected to a particular taxpayer if, at or immediately after the particular time referred to in section 580.3, the particular taxpayer or a corporation described in paragraph *a* is, directly or indirectly through one or more other partnerships, a member of the partnership.

"**580.2.** For the purposes of this chapter and Chapter IV, the rules set out in section 580.3 apply at a particular time in respect of a particular foreign affiliate of a taxpayer resident in Canada if

(*a*) an amount would be included under section 580 in computing the taxpayer's income, in respect of a share of the particular foreign affiliate or another foreign affiliate of the taxpayer that has an equity percentage in the particular foreign affiliate, for the taxation year of the particular foreign affiliate (determined without reference to section 580.3) that includes the particular time, if that taxation year had ended at the particular time; and

(*b*) immediately after the particular time, there is an acquisition or disposition of shares of the capital stock of a foreign affiliate of the taxpayer that results in a change to the surplus entitlement percentage (within the meaning assigned to that expression by subsection 1 of section 95 of the Income Tax Act (Revised Statutes of Canada, 1985, chapter 1, 5th Supplement)) of the taxpayer in respect of the particular foreign affiliate (determined as if the taxpayer were a corporation resident in Canada), unless

i. the change is a decrease in the surplus entitlement percentage of the taxpayer (determined as if the taxpayer were a corporation resident in Canada) in respect of the particular foreign affiliate and, as a result of the acquisition or disposition, one or more taxpayers, each of which is a taxable Canadian corporation that does not deal at arm's length with the taxpayer immediately after the particular time, have increases to their surplus entitlement percentages in respect of the particular foreign affiliate that are, in total, equal to the reduction in the taxpayer's surplus entitlement percentage in respect of the particular foreign affiliate immediately after the particular time,

ii. the acquisition or disposition is on an amalgamation within the meaning of subsection 1 of section 544, or

iii. if one or more such acquisitions or dispositions in respect of which the conditions of subparagraphs i and ii are not met occur in a particular taxation year of the particular foreign affiliate (determined without reference to this section and section 580.3), the percentage determined by the following formula is not greater than 5%:

A – B.

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

(*a*) A is the total of all amounts each of which is the decrease in the surplus entitlement percentage of the taxpayer in respect of the particular foreign affiliate resulting from an acquisition or disposition described in subparagraph iii

of subparagraph *b* of the first paragraph in the particular taxation year (other than an acquisition or disposition described in subparagraph i or ii of that subparagraph *b*); and

(*b*) B is the total of all amounts each of which is the increase in the surplus entitlement percentage of the taxpayer in respect of the particular foreign affiliate resulting from an acquisition or disposition described in subparagraph iii of subparagraph *b* of the first paragraph in the particular taxation year (other than an acquisition from a person that does not deal at arm's length with the taxpayer).

"**580.3.** The rules to which section 580.2 refers in respect of a foreign affiliate of a particular taxpayer resident in Canada are as follows:

(*a*) in respect of the particular taxpayer and each corporation or partnership that is connected to the particular taxpayer, the foreign affiliate's taxation year that would, in the absence of this section, have included the particular time referred to in section 580.2 is deemed to end at the time (in this chapter referred to as the "stub-period end time") that is immediately before the particular time; and

(*b*) where the foreign affiliate is, immediately after the particular time referred to in section 580.2, a foreign affiliate of the particular taxpayer or a corporation or partnership that is connected to the particular taxpayer, the foreign affiliate's taxation year that follows the stub-period end time is deemed, in respect of the particular taxpayer or the connected corporation or partnership, as the case may be, to begin immediately after the particular time.

"**580.4.** Where the conditions of section 580.2 are not met at a particular time in respect of a particular foreign affiliate of a taxpayer resident in Canada, section 580.3 applies in respect of the particular foreign affiliate at that time if the taxpayer and all specified corporations have made a valid election under paragraph *c* of subsection 1.4 of section 91 of the Income Tax Act (Revised Statutes of Canada, 1985, chapter 1, 5th Supplement) to have subsection 1.2 of that section 91 apply in respect of the disposition that is referred to in paragraph *b* of subsection 1.4 of that section 91 and that occurs immediately after the particular time.

For the purposes of the first paragraph, a specified corporation is a corporation that at or immediately after the particular time meets the following conditions:

(*a*) the corporation is resident in Canada;

(*b*) the corporation does not deal at arm's length with the taxpayer; and

(*c*) the particular foreign affiliate is a foreign affiliate of the corporation, or of a partnership of which the corporation is, directly or indirectly through one or more other partnerships, a member.

Chapter V.2 of Title II of Book I applies in relation to an election made under paragraph *c* of subsection 1.4 of section 91 of the Income Tax Act."

(3) For the application of section 21.4.7 of the Taxation Act to an election referred to in the first paragraph of section 580.4 and made before 2 June 2021, an elector is deemed to have complied with a requirement of section 21.4.6 of the Act if the elector complies with it on or before 29 November 2021.

(4) Where a taxpayer makes a valid election under subparagraph i of paragraph *d* of subsection 4 of section 28 of the Budget Implementation Act, 2017, No. 2, section 580.2 of the Taxation Act, enacted by subsection 1, is to be read, in respect of an acquisition of control of the taxpayer that occurs before 8 September 2017, without reference to subparagraph i of subparagraph *b* of the first paragraph and subparagraph *c* of that paragraph.

(5) Where subsection 1 applies to a taxation year that begins before 8 September 2017, where a taxpayer makes, in respect of a particular time, in relation to a foreign affiliate, a valid election under subsection 1.5 of section 91 of the Income Tax Act (Revised Statutes of Canada, 1985, chapter 1, 5th Supplement) and where subsection 4 does not apply in respect of the taxpayer, section 580.3 of the Taxation Act applies at the particular time in relation to the particular foreign affiliate of the taxpayer.

(6) Chapter V.2 of Title II of Book I of Part I of the Taxation Act applies in relation to an election made under subparagraph i of paragraph *d* of subsection 4 of section 28 of the Budget Implementation Act, 2017, No. 2 or subsection 1.5 of section 91 of the Income Tax Act. However, for the application of section 21.4.7 of the Taxation Act to such an election made before 2 June 2021, an elector is deemed to have complied with a requirement of section 21.4.6 of the Act if the elector complies with it on or before 29 November 2021.

48. (1) Section 592.1 of the Act is amended by replacing subparagraph *d* of the second paragraph by the following subparagraph:

"(*d*) sections 572.2.1 to 572.2.3 and the provisions of Chapter I of Title III of Book V."

(2) Subsection 1 has effect from 27 February 2018.

49. (1) Section 596 of the Act is amended by replacing paragraph *b* by the following paragraph:

"(*b*) for the purposes of subparagraph i of paragraph *b* of the definition of "investment fund" in section 21.0.5, sections 440, 454 and 597.0.6, the definition of "Canadian partnership" in the first paragraph of section 599, paragraph *c* of section 692.5, the definition of "qualified disability trust" in the first paragraph of section 768.2, the definition of "eligible trust" in section 796.1 and paragraph *a* of section 1120;".

(2) Subsection 1 has effect from 1 July 2015. However, where section 596 of the Act applies to a taxation year that ends before 1 January 2016, paragraph *b* of that section is to be read without reference to ", the definition of "qualified disability trust" in the first paragraph of section 768.2".

50. (1) The Act is amended by inserting the following section after section 599:

"**599.1.** For the purposes of this chapter and Chapters II and II.1, a taxpayer includes a partnership."

(2) Subsection 1 applies to a taxation year that ends after 26 February 2018.

51. (1) Section 613.1 of the Act is amended by replacing the first paragraph by the following paragraph:

"Despite section 600, where a taxpayer is, at any time in a taxation year, a limited partner of a partnership, the amount by which the aggregate of all amounts each of which is the taxpayer's share of the amount of any loss of the partnership for a fiscal period of the partnership ending in the taxation year from a business (other than a farming business) or from property, determined in accordance with section 600, exceeds the amount determined under the second paragraph must not be deducted in computing the taxpayer's income for the year, must not be included in computing the taxpayer's non-capital loss for the year, and

(*a*) where the taxpayer is not a partnership, is deemed to be the taxpayer's limited partnership loss in respect of the partnership for the year; or

(*b*) where the taxpayer is a partnership, must reduce the taxpayer's share of any loss of the partnership for a fiscal period of the partnership ending in the taxation year of the taxpayer from a business (other than a farming business) or from property."

(2) Subsection 1 applies to a taxation year that ends after 26 February 2018.

52. The Act is amended by inserting the following section after section 613.1:

"**613.1.1.** Where the taxation year of a taxpayer ends after 26 February 2018, the following rules apply:

(*a*) for the purposes of sections 727 to 737, the taxpayer's non-capital loss, or limited partnership loss in respect of a partnership, for a preceding taxation year must be determined as if section 599.1 and subparagraph *b* of the first paragraph of section 613.1 applied in respect of a taxation year that ends before 27 February 2018; and

(*b*) in computing the adjusted cost base of the taxpayer's interest in a partnership after 26 February 2018, the taxpayer shall add an amount equal to the portion of the amount that, because of paragraph *a*, must reduce the taxpayer's non-capital loss that can reasonably be considered to be attributable to the amount of a loss deducted under subparagraph i of paragraph *l* of section 257 in computing the adjusted cost base of that interest."

53. (1) Section 651 of the Act is replaced by the following section:

"**651.** For the purposes of the second paragraph of sections 440 to 441.2, paragraph *c* of section 454.1, the definition of "pre-1972 spousal trust" in section 652.1 and subparagraph *a* of the first paragraph of section 653, where a trust has been created by a taxpayer, no person is deemed to have received or otherwise obtained or to be entitled to receive or otherwise obtain enjoyment of any of the income or capital of the trust solely because

(*a*) the trust made a payment, or a provision for payment, of any duty by reason of the taxpayer's death or the death of the taxpayer's spouse who is a beneficiary under the trust, in respect of any property of, or interest in, the trust or any tax in respect of any income of the trust; or

(*b*) a particular individual inhabits, at a particular time, a housing unit that is, or is in respect of, property that is owned at the particular time by the trust, if

i. the property is described in the definition of "principal residence" in section 274.0.1 for the trust's taxation year that includes the particular time, and

ii. the particular individual is the taxpayer who created the trust or is the taxpayer's spouse, former spouse or child."

(2) Subsection 1 applies to a taxation year that begins after 31 December 2016.

54. (1) Section 652.1 of the Act is amended by replacing the definition of "excluded property" by the following definition:

""excluded property" has the meaning assigned by the second paragraph of section 691.1;".

(2) Subsection 1 applies to a taxation year that begins after 31 December 2016.

55. (1) Section 653 of the Act is amended by replacing the portion before subparagraph *a* of the first paragraph by the following:

"**653.** A trust is, at the end of each of the following days, deemed to dispose of each property of the trust (other than exempt property) that is capital property or land included in the inventory of a business of the trust and to reacquire the property immediately after that day:".

(2) Subsection 1 applies to a taxation year that begins after 31 December 2016.

56. (1) Section 656.9 of the Act is amended by replacing the portion before paragraph *a* by the following:

"**656.9.** Where capital property, land included in inventory, Canadian resource property or foreign resource property is transferred at a particular time by a trust (in this section referred to as the "transferor trust") to another trust (in this section referred to as the "transferee trust") in circumstances in which subparagraph *b* of the second paragraph of section 248 or section 688 or 692.8 applies, the following rules apply:".

(2) Subsection 1 applies to a taxation year that begins after 31 December 2016.

57. (1) Section 691.1 of the Act is amended

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

"**691.1.** Despite section 688, the rules set out in section 688.1 apply where any particular property of a particular personal trust or a particular prescribed trust (other than an excluded property of the particular trust) is distributed by the particular trust to a taxpayer who is a beneficiary under the particular trust and where";

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

"For the purposes of the first paragraph, "excluded property" of a trust means property owned by the trust at, and distributed by the trust after, the end of 31 December 2016, if

(*a*) the trust was not, in its first taxation year that begins after 31 December 2016, a trust described in subparagraph *c*.1 of the second paragraph of section 274.0.1; and

(*b*) the property is a property that would be the trust's principal residence (within the meaning of section 274.0.1) for the taxation year in which the distribution occurs if

i. the second paragraph of section 274.0.1 were read without reference to its subparagraph *c*.1, and

ii. the trust designated the property, in accordance with section 274.0.1, as its principal residence for the taxation year."

(2) Subsection 1 applies to a taxation year that begins after 31 December 2016.

58. (1) Section 693 of the Act, amended by section 178 of chapter 14 of the statutes of 2019, is again amended, in the second paragraph,

(1) by replacing ", 726.35 and 726.43" by "and 726.43 to 726.43.2";

(2) by inserting "737.18.44," after "737.18.40,";

(3) by striking out ", 726.33, 726.34".

(2) Paragraph 1 of subsection 1 has effect from 10 March 2020, except where it strikes out, in the second paragraph of section 693 of the Act, the reference to section 726.35 of the Act.

(3) Paragraph 2 of subsection 1 applies from 1 January 2021.

59. Section 693.2 of the Act is amended by replacing "Titles VI.10 and VI.11" in the portion before subparagraph *a* of the first paragraph by "Title VI.11".

60. (1) Section 725.2 of the Act is amended

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

"**725.2.** An individual may deduct an amount equal to 25% of the amount of the benefit the individual is deemed to have received in a taxation year under section 49 or any of sections 50 to 52.1, in respect of a security that a particular qualifying person has agreed to sell or issue under an agreement referred to in section 48, in respect of the transfer or any other disposition of rights under the agreement, or as a consequence of the individual's death and of the individual's having, immediately before death, owned a right to acquire the security under the agreement, if";

(2) by replacing paragraph *b*.1 by the following paragraph:

"(*b*.1) the security was acquired under the agreement by the individual or a person not dealing at arm's length with the individual in circumstances described in section 51 or, in the case of a benefit deemed to have been received by the individual under section 52.1, was acquired under the agreement, within the first taxation year of the individual's succession that is a graduated rate estate, by that succession or by

i. a person who is a beneficiary, within the meaning of the second paragraph of section 646, under the individual's succession that is a graduated rate estate, or

ii. a person in whom the rights of the individual under the agreement have vested as a consequence of the death; and";

(3) by inserting the following subparagraph after subparagraph i of paragraph *c*:

"i.1. in the case of a benefit deemed to have been received by the individual under section 52.1, would have been referred to in clause A of subparagraph i.1 of paragraph *d* of subsection 1 of section 110 of the Income Tax Act if it had

been issued or sold to the individual immediately before the death of the individual,";

(4) by adding the following subparagraph at the end of paragraph *c*:

"iv. in the case of a benefit deemed to have been received by the individual under section 52.1, would have been a unit of a mutual fund trust if it had been issued or sold to the individual immediately before the death of the individual and if those units issued by the trust that were not identical to the security had not been issued."

(2) Subsection 1 applies in respect of the acquisition of a security or the transfer or disposition of a right occurring after 4:00 p.m. Eastern Standard Time on 4 March 2010. However, where section 725.2 of the Act applies to a taxation year that ends before 1 January 2016, it is to be read as if "succession that is a graduated rate estate" were replaced wherever it appears in paragraph *b*.1 by "succession".

61. (1) Section 725.2.0.1 of the Act is amended by replacing "and iii" by "to iv".

(2) Subsection 1 applies in respect of the acquisition of a security or the transfer or disposition of a right occurring after 4:00 p.m. Eastern Standard Time on 4 March 2010.

62. (1) Section 725.2.0.1.1 of the Act is amended by replacing "and iii" in the portion before paragraph *a* by "to iv".

(2) Subsection 1 applies to any event, transaction or circumstance relating to a share that a corporation agreed to sell or issue under an agreement referred to in section 48 of the Act and entered into after 21 February 2017.

63. Title VI.10 of Book IV of Part I of the Act, comprising sections 726.30 to 726.37, is repealed.

64. (1) Section 726.42 of the Act is amended by replacing "2021" in the portion before the formula in the first paragraph by "2026".

(2) Subsection 1 has effect from 10 March 2020.

65. (1) Section 726.43 of the Act is amended

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

"A taxpayer who deducted an amount in computing taxable income for a particular taxation year under section 726.42, all or part of which may reasonably be considered to derive from recognized commercial activities in respect of a private forest carried on before 10 March 2020 (the amount or part of the amount being in this section referred to as the "particular amount"), shall

include, in computing taxable income for each taxation year (in this paragraph referred to as an "inclusion year") that is one of the six taxation years that follow the particular year, except a taxation year for which the taxpayer is required to include an amount in computing taxable income under subparagraph *a* of the first or second paragraph of section 726.43.2 in respect of the particular amount, an amount at least equal to 10% of the particular amount unless, for the inclusion year, that minimum amount is greater than the excess amount that corresponds to the amount by which the particular amount exceeds the aggregate of all amounts each of which is an amount that the taxpayer included in computing taxable income in respect of the particular amount under this section or subparagraph *a* of the first or second paragraph of section 726.43.2 for a taxation year preceding the inclusion year, in which case the taxpayer shall include the excess amount in computing taxable income for the inclusion year.";

(2) by striking out the second, third, fourth and fifth paragraphs;

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

"The taxpayer to which the first paragraph refers shall include, in computing taxable income for the seventh taxation year that follows the particular year, an amount equal to the amount by which the particular amount exceeds the aggregate of all amounts each of which is an amount that the taxpayer included, under this section or subparagraph *a* of the first or second paragraph of section 726.43.2, in computing taxable income, in respect of the particular amount, for a preceding taxation year."

(2) Subsection 1 has effect from 10 March 2020.

66. (1) The Act is amended by inserting the following sections after section 726.43:

"**726.43.1.** A taxpayer who deducted an amount in computing taxable income for a particular taxation year under section 726.42, all or part of which may reasonably be considered to derive from recognized commercial activities in respect of a private forest carried on after 9 March 2020 (the amount or part of the amount being in this section referred to as the "particular amount"), shall include, in computing taxable income for each taxation year (in this paragraph referred to as an "inclusion year") that is one of the nine taxation years that follow the particular year, except a taxation year for which the taxpayer is required to include an amount in computing taxable income under subparagraph *b* of the first or second paragraph of section 726.43.2 in respect of the particular amount, an amount at least equal to 10% of the particular amount unless, for the inclusion year, that minimum amount is greater than the excess amount that corresponds to the amount by which the particular amount exceeds the aggregate of all amounts each of which is an amount that the taxpayer included in computing taxable income in respect of the particular amount under this section or subparagraph *b* of the first or second paragraph of section 726.43.2

for a taxation year preceding the inclusion year, in which case the taxpayer shall include the excess amount in computing taxable income for the inclusion year.

The taxpayer to which the first paragraph refers shall include, in computing taxable income for the tenth taxation year that follows the particular year, an amount equal to the amount by which the particular amount exceeds the aggregate of all amounts each of which is an amount that the taxpayer included, under this section or subparagraph *b* of the first or second paragraph of section 726.43.2, in computing taxable income, in respect of the particular amount, for a preceding taxation year.

"**726.43.2.** Where the particular amount referred to in the first paragraph of section 726.43 or 726.43.1 and determined in relation to a taxpayer for a particular taxation year is in respect of a single private forest, the taxpayer shall include, in computing taxable income for a taxation year described in the third paragraph (in this paragraph and the second paragraph referred to as the "year concerned"), an amount equal to

(*a*) where the particular amount is referred to in the first paragraph of section 726.43, the amount by which the particular amount exceeds the aggregate of all amounts each of which is an amount that the taxpayer included, in computing taxable income, in respect of the particular amount, under section 726.43, for a taxation year preceding the year concerned; or

(*b*) where the particular amount is referred to in the first paragraph of section 726.43.1, the amount by which the particular amount exceeds the aggregate of all amounts each of which is an amount that the taxpayer included, in computing taxable income, in respect of the particular amount, under section 726.43.1, for a taxation year preceding the year concerned.

Where the particular amount referred to in the first paragraph of section 726.43 or 726.43.1 and determined in relation to a taxpayer for a particular taxation year is in respect of more than one private forest, the taxpayer shall include, in computing taxable income for a year concerned, an amount equal to

(*a*) where the particular amount is referred to in the first paragraph of section 726.43, the greater of the amount that the taxpayer should include in respect of the particular amount for the year concerned but for this paragraph and the lesser of the proportion, described in the fourth paragraph, of the particular amount and the amount by which the particular amount exceeds the aggregate of all amounts each of which is an amount that the taxpayer included in respect of the particular amount in computing taxable income, under section 726.43 or this paragraph, for a taxation year preceding the year concerned; or

(*b*) where the particular amount is referred to in the first paragraph of section 726.43.1, the greater of the amount that the taxpayer should include in respect of the particular amount for the year concerned but for this paragraph and the lesser of the proportion, described in the fourth paragraph, of the

particular amount and the amount by which the particular amount exceeds the aggregate of all amounts each of which is an amount that the taxpayer included in respect of the particular amount in computing taxable income, under section 726.43.1 or this paragraph, for a taxation year preceding the year concerned.

A taxation year to which the first or second paragraph refers is, in the case of subparagraph *a* of that paragraph, one of the six taxation years that follow the particular year or, in the case of subparagraph *b* of that paragraph, one of the nine taxation years that follow the particular year, and

(*a*) the taxation year in which the taxpayer disposes of a private forest referred to in that paragraph;

(*b*) the taxation year in which ends a partnership's fiscal period in which the partnership disposes of a private forest referred to in that paragraph; or

(*c*) the taxation year in which the taxpayer ceases to be a member of a partnership referred to in section 726.42.

The proportion to which subparagraphs *a* and *b* of the second paragraph refer is the proportion that the aggregate of all amounts each of which is an amount referred to in subparagraph *a* or *c* of the second paragraph of section 726.42 for the particular year in relation to a private forest in respect of which any of subparagraphs *a* to *c* of the third paragraph applies is of the aggregate of all amounts each of which is an amount referred to in subparagraph *a* or *c* of the second paragraph of section 726.42 for the particular year in relation to a private forest."

(2) Subsection 1 has effect from 10 March 2020.

67. (1) Section 726.44 of the Act is amended by replacing "section 726.43" by "this chapter".

(2) Subsection 1 has effect from 10 March 2020.

68. (1) Section 736.0.0.2 of the Act is amended by replacing the definition of "exchange rate" by the following definition:

""exchange rate" at a particular time in respect of a foreign currency means the rate of exchange between that currency and Canadian currency quoted by the Bank of Canada on the day that includes the particular time or, if that day is not a working day, on the day that immediately precedes that day, or a rate of exchange acceptable to the Minister;".

(2) Subsection 1 has effect from 1 March 2017.

69. (1) Section 737.18 of the Act is amended by replacing paragraph *a* by the following paragraph:

"(*a*) for the purpose of computing the deduction under section 725.2, the amount that is the benefit the individual is deemed to receive in the year under any of sections 49 and 50 to 52.1, either in respect of a security or of the transfer or any other disposition of the rights under the agreement referred to in section 48, or as a consequence of the individual's death and of the individual's having, immediately before death, owned a right to acquire a security under such an agreement, and that the individual has included in computing income for the year, shall not include the portion of such an amount that is included in the part of the individual's income for the year that may reasonably be considered to be earned in the part of the individual's reference period, established under section 69 of the Act respecting international financial centres (chapter C-8.3), in relation to an employment that is included in the year;".

(2) Subsection 1 applies in respect of the acquisition of a security or the transfer or disposition of a right occurring after 4:00 p.m. Eastern Standard Time on 4 March 2010.

70. (1) Section 737.18.0.1 of the Act is amended by replacing paragraph *a* by the following paragraph:

"(*a*) for the purpose of computing the deduction under section 725.2, the amount that is the benefit the individual is deemed to receive in the year under any of sections 49 and 50 to 52.1, either in respect of a security or of the transfer or any other disposition of the rights under the agreement referred to in section 48, or as a consequence of the individual's death and of the individual's having, immediately before death, owned a right to acquire a security under such an agreement, and that was included by the individual in computing the individual's income for the year, does not include the part of such an amount included in the amount determined in respect of the individual for the year under section 71 of the Act respecting international financial centres (chapter C-8.3); and".

(2) Subsection 1 applies in respect of the acquisition of a security or the transfer or disposition of a right occurring after 4:00 p.m. Eastern Standard Time on 4 March 2010.

71. (1) Section 737.18.10.1 of the Act is amended

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

"**737.18.10.1.** Where, at a particular time included in an individual's exemption period in relation to an employment held by the individual with an eligible employer, the individual, who was a foreign specialist for all or part of the taxation year that includes the particular time, acquired a right to a security under an agreement referred to in section 48 and, at a later time after the expiration of the exemption period, the individual is deemed to receive a

benefit in a particular taxation year by reason of the application of any of sections 49 and 50 to 52.1, either in respect of the security or of the transfer or any other disposition of the rights under the agreement, or as a consequence of the individual's death and of the individual's having, immediately before death, owned a right to acquire the security under the agreement, the following rules apply:";

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

"(*d*) paragraph *a* of section 737.18.13 is to be read as if "in respect of a security, or the transfer or any other disposition of the rights under the agreement referred to in section 48" were replaced by "either in respect of a security or of the transfer or any other disposition of the rights under the agreement referred to in section 48, or as a consequence of the individual's death and of the individual's having, immediately before death, owned a right to acquire a security under such an agreement"."

(2) Subsection 1 applies in respect of the acquisition of a security or the transfer or disposition of a right occurring after 4:00 p.m. Eastern Standard Time on 4 March 2010.

72. (1) Section 737.18.32 of the Act is amended by replacing the portion before paragraph *a* by the following:

"**737.18.32.** If, at a particular time included in a specified period of an individual in relation to an employment held by the individual with a qualified corporation (in this section referred to as the "initial specified period"), the individual, who was a foreign specialist for all or part of the taxation year that includes the particular time, acquired a right to a security under an agreement referred to in section 48 and, at a later time after the end of the initial specified period, the individual is deemed to receive a benefit in a particular taxation year because of the application of any of sections 49 and 50 to 52.1, either in respect of the security or of the transfer or any other disposition of the rights under the agreement, or as a consequence of the individual's death and of the individual's having, immediately before death, owned a right to acquire the security under the agreement, the following rules apply:".

(2) Subsection 1 applies in respect of the acquisition of a security or the transfer or disposition of a right occurring after 4:00 p.m. Eastern Standard Time on 4 March 2010.

73. (1) Section 737.18.35 of the Act is amended by replacing paragraph *a* by the following paragraph:

"(*a*) for the purpose of computing the deduction under section 725.2, the amount that is the benefit the individual is deemed to receive in the year under any of sections 49 and 50 to 52.1, either in respect of a security or of the transfer or any other disposition of the rights under the agreement referred to in section 48, or as a consequence of the individual's death and of the individual's

having, immediately before death, owned a right to acquire a security under such an agreement, and that the individual has included in computing income for the year, shall not include the portion of such an amount that is included in the part of the individual's income for the year that may reasonably be considered to be earned in the part of the individual's eligibility period in relation to an employment that is included in the year;".

(2) Subsection 1 applies in respect of the acquisition of a security or the transfer or disposition of a right occurring after 4:00 p.m. Eastern Standard Time on 4 March 2010.

74. (1) Section 737.18.39 of the Act is amended by replacing the first paragraph by the following paragraph:

"For the purposes of paragraph *a* of the definition of "qualified patented part" in the first paragraph of section 737.18.36, a corporation has made sustained innovation efforts in relation to an invention if the total of all amounts each of which is an aggregate described in any of subparagraphs *a* to *d* of the first paragraph of section 1029.8.19.13 or in subparagraph *a* of the first paragraph of section 1029.8.19.13.1, reduced as provided in those sections and determined in relation to scientific research and experimental development work undertaken in the particular period described in the second paragraph by the corporation or by another corporation with which it is associated in the taxation year in which the work was undertaken and in respect of which the corporation or the other corporation, as the case may be, is deemed to have paid an amount to the Minister under any of Divisions II to II.3.0.1 of Chapter III.1 of Title III of Book IX is at least $500,000."

(2) Subsection 1 has effect from 10 March 2020.

75. Section 737.18.40 of the Act is amended by replacing the portion before subparagraph *a* of the first paragraph by the following:

"**737.18.40.** Subject to the third paragraph, a qualified manufacturing corporation for a taxation year that begins before 1 January 2021 may deduct in computing its taxable income for the year an amount not exceeding the product obtained by multiplying the annual percentage determined in its respect for the year under section 737.18.42 by the aggregate of all amounts each of which is equal, in respect of a qualified property of the corporation, to the lesser of".

76. (1) The Act is amended by inserting the following Title after section 737.18.42:

"**TITLE VII.2.8**

"INCENTIVE DEDUCTION FOR THE COMMERCIALIZATION OF INNOVATIONS IN QUÉBEC

"**737.18.43.** In this Title,

"excluded corporation" for a taxation year means

(*a*) a corporation that is exempt from tax for the year under Book VIII; or

(*b*) a corporation that would be exempt from tax for the year under section 985, but for section 192;

"gross revenue from the commercialization of an asset" of a corporation for a taxation year means the portion of the corporation's gross revenue for the year that is reasonably attributable to an establishment of the corporation situated in Québec and that consists of

(*a*) a payment (in this Title referred to as a "royalty") for the use of or the right to use the asset;

(*b*) income from the sale, rental or lease of a property incorporating the asset;

(*c*) income from the provision of a service intrinsically linked to the asset; and

(*d*) an amount obtained as damages in the context of a remedy of a judicial nature relating to the asset;

"protected invention" of a corporation means an invention that meets either of the following conditions:

(*a*) the invention is covered by a valid patent or certificate of supplementary protection that was applied for after 17 March 2016 and of which the corporation is the holder under the Patent Act (Revised Statutes of Canada, 1985, chapter P-4) or any other Act having the same effect of a jurisdiction other than Canada; or

(*b*) the invention was the subject of an application for a patent or certificate of supplementary protection by the corporation, after 17 March 2016, in accordance with the requirements of an Act referred to in paragraph *a*, and a decision regarding the application is pending;

"protected plant variety" of a corporation means a new plant variety, within the meaning of section 2 of the Plant Breeders' Rights Act (Statutes of Canada, 1990, chapter 20), that is originated, discovered or developed and that meets either of the following conditions:

(*a*) the plant variety is the subject of a valid certificate of plant breeder's rights that was applied for after 10 March 2020 and of which the corporation is the holder under the Plant Breeders' Rights Act or any other Act having the same effect of a jurisdiction other than Canada; or

(*b*) the plant variety was the subject of an application for a certificate of plant breeder's rights by the corporation, after 10 March 2020, in accordance with the requirements of an Act referred to in paragraph *a*, and a decision regarding the application is pending;

"protected software" of a corporation means a computer program, within the meaning of section 2 of the Copyright Act (Revised Statutes of Canada, 1985, chapter 42), in respect of which the following conditions are met:

(*a*) the corporation is the holder of the copyright on the computer program under the Copyright Act or any other Act having the same effect of a jurisdiction other than Canada; and

(*b*) the creation date of the computer program is subsequent to 10 March 2020;

"qualified corporation" for a taxation year means a corporation, other than an excluded corporation, that, at a particular time in the year, has an establishment in Québec, carries on a business in Québec and earns income from the commercialization of a qualified intellectual property asset;

"qualified intellectual property asset" of a corporation means an incorporeal property that results from scientific research and experimental development activities carried on in whole or in part in Québec and that is

(*a*) a protected invention of the corporation;

(*b*) a protected plant variety of the corporation; or

(*c*) a protected software of the corporation.

"**737.18.44.** A qualified corporation for a particular taxation year may deduct, in computing its taxable income for the particular year, the aggregate of all amounts each of which is, in respect of a particular qualified intellectual property asset of the corporation (in this section referred to as the "particular asset"), an amount determined by the formula

$$\{[A \times (B/C)] - D\} \times E \times F.$$

In the formula in the first paragraph,

(*a*) A is the corporation's income for the particular year;

(*b*) B is the corporation's gross revenue from the commercialization of the particular asset for the particular year;

(*c*) C is the corporation's gross revenue for the particular year;

(*d*) D is the greater of

i. the amount determined by the formula

$10\% \times \{G - [(H + I) \times (G/J)]\}$, and

ii. the amount determined by the formula

$25\% \times [H \times (G/J)]$;

(*e*) E is, subject to the fourth paragraph, the quotient obtained by dividing by seven the total of all fractions each of which is determined, in respect of a year (in subparagraphs *e* and *f* of the third paragraph referred to as a "year concerned") that is either the particular year or any of the six preceding taxation years, by the formula

K/L; and

(*f*) F is the rate determined by the formula

(M – N)/M.

In the formulas in the second paragraph,

(*a*) G is the amount by which the gross revenue from the commercialization of the corporation's particular asset for the particular year exceeds the aggregate of all amounts each of which is, in respect of the particular asset for the particular year, a royalty or an amount obtained as damages in the context of a remedy of a judicial nature;

(*b*) H is the corporation's income for the particular year;

(*c*) I is the amount of the expenditures of a current nature deducted in the particular year by the corporation under section 222;

(*d*) J is the corporation's gross revenue for the particular year;

(*e*) K is an amount equal to the lesser of the amount determined under subparagraph *f* for the year concerned and the total of

i. the aggregate of all amounts each of which is the amount of wages paid by the corporation and described in subparagraph *a* of the first paragraph of section 1029.7 for the year concerned,

ii. the aggregate of all amounts each of which is the portion of a consideration paid by the corporation and referred to in any of subparagraphs *b*, *b*.1, *d*, *d*.1, *f*, *f*.1, *h* and *h*.1 of the first paragraph of section 1029.7 for the year concerned,

iii. 50% of the aggregate of all amounts, other than an amount described in subparagraph iv, each of which is the portion of a consideration paid by the corporation and referred to in any of subparagraphs *c*, *e*, *g* and *i* of the first paragraph of section 1029.7 for the year concerned,

iv. 80% of the aggregate of all amounts each of which is the total or partial amount of an expenditure paid by the corporation and described in subparagraph *b* of the first paragraph of section 1029.8.6 for the year concerned, and

v. the product obtained by multiplying, by the proportion that the business carried on in Québec by the corporation in the year concerned is of the aggregate of its business carried on in Canada or in Québec and elsewhere in the year concerned, as determined under subsection 2 of section 771, half of the aggregate of the amounts that, for the year concerned, are described in neither subparagraph iii nor subparagraph iv but would be described in either of those subparagraphs if all the scientific research and experimental development work undertaken on behalf of the corporation outside Québec had been undertaken in Québec;

(*f*) L is the greater of $1 and the total of

i. the aggregate of the amounts that would be described in subparagraph i of subparagraph *e* for the year concerned if all the wages paid by the corporation in respect of scientific research and experimental development work had been paid to employees of an establishment situated in Québec,

ii. the aggregate of the amounts that would be described in subparagraph ii of subparagraph *e* for the year concerned if all the scientific research and experimental development work undertaken on behalf of the corporation had been undertaken in Québec, and

iii. the product obtained by multiplying, by the proportion that the business carried on in Québec by the corporation in the year concerned is of the aggregate of its business carried on in Canada or in Québec and elsewhere in the year concerned, as determined under subsection 2 of section 771, half of the aggregate of the amounts that, for the year concerned, would be described in subparagraph iii or iv of subparagraph *e* if all the scientific research and experimental development work undertaken on behalf of the corporation had been undertaken in Québec;

(*g*) M is the basic rate determined in respect of the corporation for the particular year under section 771.0.2.3.1; and

(*h*) N is 2%.

Where a corporation has incurred an amount described in any of subparagraphs i to iii of subparagraph *f* of the third paragraph for the first time in the particular year or any of the five preceding taxation years, subparagraph *e* of the second paragraph is to be read as if "seven" were replaced by the number of taxation years included in the period that begins at the beginning of the taxation year in which the corporation first incurred such an amount and ends at the end of the particular year.

For the purposes of subparagraph *e* of the third paragraph, section 1029.7 is to be read without reference to subparagraphs i and ii of subparagraph *b* of its third paragraph.

A corporation may deduct an amount under the first paragraph in computing its taxable income for a taxation year only if it encloses, with the fiscal return it is required to file for the year under section 1000, the prescribed form containing prescribed information."

(2) Subsection 1 applies to a taxation year that begins after 31 December 2020.

77. (1) Section 737.22 of the Act is amended by replacing paragraph *a* by the following paragraph:

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

(2) Subsection 1 applies in respect of the acquisition of a security or the transfer or disposition of a right occurring after 4:00 p.m. Eastern Standard Time on 4 March 2010.

78. (1) Section 737.22.0.0.4 of the Act is amended by replacing paragraph *a* by the following paragraph:

"(*a*) where the individual has included in computing income for the year an amount that is the benefit the individual is deemed to receive in the year under any of sections 49 and 50 to 52.1, either in respect of a security or of the transfer or any other disposition of the rights under the agreement referred to

in section 48, or as a consequence of the individual's death and of the individual's having, immediately before death, owned a right to acquire a security under such an agreement, and the amount of the benefit is included in the individual's eligible income for the year, in relation to an employment, the amount of the benefit is, for the purpose of computing the deduction under section 725.2, deemed to be nil;".

(2) Subsection 1 applies in respect of the acquisition of a security or the transfer or disposition of a right occurring after 4:00 p.m. Eastern Standard Time on 4 March 2010.

79. (1) Section 737.22.0.0.8 of the Act is amended by replacing paragraph *a* by the following paragraph:

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

(2) Subsection 1 applies in respect of the acquisition of a security or the transfer or disposition of a right occurring after 4:00 p.m. Eastern Standard Time on 4 March 2010.

80. (1) Section 737.22.0.4 of the Act is amended by replacing paragraph *a* by the following paragraph:

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

(2) Subsection 1 applies in respect of the acquisition of a security or the transfer or disposition of a right occurring after 4:00 p.m. Eastern Standard Time on 4 March 2010.

81. (1) Section 737.22.0.4.8 of the Act is amended by replacing paragraph *a* by the following paragraph:

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

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

82. (1) Section 737.22.0.8 of the Act is amended by replacing paragraph *a* by the following paragraph:

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

(2) Subsection 1 applies in respect of the acquisition of a security or the transfer or disposition of a right occurring after 4:00 p.m. Eastern Standard Time on 4 March 2010.

83. (1) Section 737.22.0.11 of the Act is amended by replacing paragraph *a* by the following paragraph:

"(*a*) where the eligible individual has included in computing the eligible individual's income for the year an amount that is the benefit the eligible individual is deemed to receive in the year under any of sections 49 and 50 to 52.1, either in respect of a security or of the transfer or any other disposition of the rights under the agreement referred to in section 48, or as a consequence of the eligible individual's death and of the eligible individual's having, immediately before death, owned a right to acquire a security under such an agreement, and the amount of the benefit is included in the amount determined in respect of the eligible individual for the year under section 737.22.0.10, the amount of the benefit is, for the purpose of computing the deduction provided for in section 725.2, deemed to be nil;".

(2) Subsection 1 applies in respect of the acquisition of a security or the transfer or disposition of a right occurring after 4:00 p.m. Eastern Standard Time on 4 March 2010.

84. (1) Section 737.22.0.14 of the Act is amended by replacing paragraph *a* by the following paragraph:

"(*a*) if the individual has included in computing income for the year an amount that is the benefit the individual is deemed to receive in the year under any of sections 49 and 50 to 52.1, either in respect of a security or of the transfer or any other disposition of the rights under the agreement referred to in section 48, or as a consequence of the individual's death and of the individual's having, immediately before death, owned a right to acquire a security under such an agreement, and the amount of the benefit is included in the individual's work income for the year, in relation to an employment, the amount of the benefit is, for the purpose of computing the deduction under section 725.2, deemed to be nil;".

(2) Subsection 1 applies in respect of the acquisition of a security or the transfer or disposition of a right occurring after 4:00 p.m. Eastern Standard Time on 4 March 2010.

85. (1) Section 737.27.1 of the Act is amended by replacing the portion before paragraph *a* by the following:

"**737.27.1.** If an individual, in respect of whom the Minister of Transport issued a certificate certifying that the individual was an eligible seaman for a taxation year, acquired, at a particular time of that year that is included in a period specified in the certificate, a right to a security, under an agreement referred to in section 48, from the eligible shipowner whose name appears on the certificate or from a person with whom the eligible shipowner is not dealing at arm's length and, at a later time, the individual is deemed to receive a benefit in a particular taxation year because of the application of any of sections 49 and 50 to 52.1, either in respect of the security or of the transfer or any other disposition of the rights under the agreement, or as a consequence of the individual's death and of the individual's having, immediately before death, owned a right to acquire the security under the agreement, the following rules apply for the purpose of determining the amount that the individual may deduct under section 737.28 in computing the individual's taxable income for the particular year, in relation to the amount of that benefit:".

(2) Subsection 1 applies in respect of the acquisition of a security or the transfer or disposition of a right occurring after 4:00 p.m. Eastern Standard Time on 4 March 2010.

86. (1) Section 737.28.1 of the Act is amended by replacing paragraph *a* by the following paragraph:

"(*a*) for the purpose of computing the deduction under section 725.2, the amount that is the benefit the individual is deemed to receive in the year under any of sections 49 and 50 to 52.1, either in respect of a security or of the transfer or any other disposition of the rights under the agreement referred to in section 48, or as a consequence of the individual's death and of the individual's having, immediately before death, owned a right to acquire a security under such an agreement, and that was included by the individual in computing the individual's income for the year, does not include the part of such an amount included in the amount determined in respect of the individual for the year under section 737.28; and".

(2) Subsection 1 applies in respect of the acquisition of a security or the transfer or disposition of a right occurring after 4:00 p.m. Eastern Standard Time on 4 March 2010.

87. (1) The Act is amended by inserting the following sections after section 745.4:

"**745.5.** In computing the cost to a taxpayer, at any time, of an interest in a partnership that is property (other than capital property) of the taxpayer, there is to be deducted an amount equal to the aggregate of all amounts each of which is the taxpayer's share of any loss of the partnership from the disposition by the partnership, or another partnership of which the partnership is directly or indirectly a member, of a share of the capital stock of a corporation (in this section and section 745.6 referred to as the "partnership loss") in a fiscal period of the partnership that includes that time or a prior fiscal period, computed without reference to sections 741.2, 743 and 744.6, to the extent that the taxpayer's share of the partnership loss has not previously reduced the taxpayer's cost of the interest in the partnership because of the application of this section.

"**745.6.** For the purposes of section 745.5, where a taxpayer disposes of an interest in a partnership at a particular time, the taxpayer's share of a partnership loss is to be computed as if

(*a*) the fiscal period of each partnership of which the taxpayer is directly or indirectly a member had ended immediately before the time that is immediately before the particular time;

(*b*) each share of the capital stock of a corporation that was the property of a partnership referred to in paragraph *a* at the particular time had been disposed of by the partnership immediately before the end of that fiscal period for proceeds of disposition equal to its fair market value at the particular time; and

(*c*) each member of a partnership referred to in paragraph *a* were allocated a share (determined by reference to the member's agreed proportion for the fiscal period referred to in paragraph *a*) of any loss (computed without reference to sections 741.2, 743 and 744.6) in respect of a disposition described in paragraph *b*.

"**745.7.** For the purposes of section 745.5, where a taxpayer (in this section referred to as the "transferee") acquires an interest in a partnership at any time from another taxpayer (in this section referred to as the "transferor"), in computing the cost of the partnership interest to the transferee there is to be added an amount equal to the aggregate of all amounts each of which is an amount deducted from the transferor's cost of the partnership interest because of section 745.5, other than an amount to which section 741.2 would apply."

(2) Subsection 1 has effect from 16 September 2016.

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

"(*w*) on behalf of a person who is the holder of a medical document (as defined in subsection 1 of section 264 of the Cannabis Regulations made under the Cannabis Act (Statutes of Canada, 2018, chapter 16)) to support the person's use of cannabis for medical purposes, for the cost of cannabis, cannabis oil, cannabis plant seeds or cannabis products purchased for medical purposes from a holder of a licence for sale (as defined in that subsection 1)."

(2) Subsection 1 has effect from 17 October 2018.

89. (1) Section 767 of the Act is amended

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

"**767.** An individual, other than an individual referred to in the second paragraph of section 25 or 26, may deduct from the individual's tax otherwise payable under this Part for a taxation year the aggregate of";

(2) by striking out the second paragraph.

(2) Subsection 1 applies in respect of a dividend received after 31 December 2019.

90. (1) Section 771.1 of the Act is amended, in the first paragraph,

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

""specified farming or fishing income" of a particular corporation for a taxation year means the income of the particular corporation for the year (other than an amount included in computing the particular corporation's income

under section 795) from the sale of the farming products or fishing catches of the particular corporation's farming or fishing business to another corporation with which the particular corporation deals at arm's length;";

(2) by replacing the portion of paragraph *a* of the definition of "specified corporate income" before subparagraph i by the following:

"(*a*) the aggregate of all amounts each of which is the corporation's income from an eligible business for the year (other than its specified farming or fishing income for the year) from the provision of services or property to a private corporation (directly or indirectly, in any manner whatever) if".

(2) Subsection 1 applies to a taxation year that begins after 21 March 2016.

(3) Despite sections 1010 to 1011 of the Act, the Minister of Revenue shall, under Part I of the Act, make any assessments of a taxpayer's tax, interest and penalties as are necessary for any taxation year to give effect to subsections 1 and 2. Sections 93.1.8 and 93.1.12 of the Tax Administration Act (chapter A-6.002) apply to such assessments, with the necessary modifications.

91. Section 771.2.1.2.1 of the Act is amended by replacing the fifth paragraph by the following paragraph:

"For the purposes of subparagraph *a* of the first paragraph,

(*a*) where the number of days in the corporation's particular taxation year is less than 365, the number of remunerated hours determined in respect of the corporation's employees in the particular year is deemed to be equal to the product obtained by multiplying that number otherwise determined by the proportion that 365 is of the number of days in the particular year; and

(*b*) where the period that begins on 15 March 2020 and ends on 29 June 2020 (in this subparagraph referred to as the "period of closure") is included, in whole or in part, in the corporation's particular taxation year, the number of remunerated hours determined in respect of the corporation's employees in the particular year is deemed to be equal to the product obtained by multiplying that number, otherwise determined without reference to subparagraph *a*, by the proportion that 365 is of the amount by which the number of days in the particular year exceeds the number of days in the period of closure that are included in the particular year."

92. Section 771.2.1.2.2 of the Act is amended by adding the following paragraph at the end:

"For the purposes of the first paragraph, where the period that begins on 15 March 2020 and ends on 29 June 2020 (in this paragraph referred to as the "period of closure") is included, in whole or in part, in the partnership's fiscal period referred to in the first paragraph, the number of remunerated hours determined in respect of the partnership's employees in that fiscal period is

deemed to be equal to the product obtained by multiplying that number, otherwise determined, by the proportion that the number of days in the fiscal period is of the amount by which the number of days in the fiscal period exceeds the number of days in the period of closure that are included in the fiscal period."

93. (1) Section 772.7 of the Act is amended, in subparagraph *b* of the first paragraph,

(1) by replacing "section 726.35, 726.43 or" in subparagraph i by "any of sections 726.43 to 726.43.2 and";

(2) by striking out "726.33," in subparagraph ii.

(2) Paragraph 1 of subsection 1 has effect from 10 March 2020, except where it strikes out, in subparagraph i of subparagraph *b* of the first paragraph of section 772.7 of the Act, the reference to section 726.35 of the Act.

94. (1) Section 772.9 of the Act is amended, in subparagraph ii of paragraph *a*,

(1) by replacing "section 726.35, 726.43 or" in subparagraph 1 by "any of sections 726.43 to 726.43.2 and";

(2) by striking out "726.33," in subparagraph 2.

(2) Paragraph 1 of subsection 1 has effect from 10 March 2020, except where it strikes out, in subparagraph 1 of subparagraph ii of paragraph *a* of section 772.9 of the Act, the reference to section 726.35 of the Act.

95. (1) Section 772.11 of the Act is amended, in subparagraph ii of subparagraph *a* of the second paragraph,

(1) by replacing "section 726.35, 726.43 or" in subparagraph 1 by "any of sections 726.43 to 726.43.2 and";

(2) by striking out "726.33," in subparagraph 2.

(2) Paragraph 1 of subsection 1 has effect from 10 March 2020, except where it strikes out, in subparagraph 1 of subparagraph ii of subparagraph *a* of the second paragraph of section 772.11 of the Act, the reference to section 726.35 of the Act.

96. Section 772.12 of the Act is amended by replacing paragraph *b* by the following paragraph:

"(*b*) the amount by which the corporation's tax otherwise payable under this Part for the year exceeds any amount deducted under section 772.6 in computing the corporation's tax payable under this Part for the year."

97. Section 776.1.5.0.16 of the Act is amended by replacing paragraph *b* of the definition of "eligible individual" in the first paragraph by the following paragraph:

"(*b*) holds the eligible employment in the year and is resident in an eligible region throughout the period that begins at the end of 31 December of the last taxation year for which the individual may deduct an amount from the individual's tax otherwise payable under this chapter, or is deemed to have paid an amount to the Minister on account of the individual's tax payable under Division II.20 of Chapter III.1 of Title III of Book IX, as it read before being repealed, and that ends at the end of 31 December of the year;".

98. Section 776.1.5.0.17 of the Act is amended

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

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

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

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

99. Title III.1 of Book V of Part I of the Act, comprising sections 776.1.5.1 to 776.1.5.6, is repealed.

100. (1) Section 779 of the Act is replaced by the following section:

"**779.** Except for the purposes of sections 752.0.2, 752.0.7.1 to 752.0.10 and 752.0.11 to 752.0.13.0.1, Division II of Chapter II.1 of Title I of Book V, Chapter V of Title III of Book V, the second paragraph of sections 776.41.14 and 776.41.21, sections 935.4 and 935.15 and Divisions II.8.3, II.11.1, II.11.7.2 to II.11.10, II.12.1 to II.17.1, II.17.3 to II.19 and II.25 to II.27 of Chapter III.1 of Title III of Book IX, the taxation year of a bankrupt is deemed to begin on the date of the bankruptcy and the current taxation year is deemed, if the bankrupt is an individual other than a succession that is a graduated rate estate, to end on the day immediately before the date of the bankruptcy."

(2) Subsection 1 applies from the taxation year 2020. However, where section 779 of the Act applies

(1) to the taxation year 2020, it is to be read as if "II.11.4, II.11.5," were inserted after "II.11.1,"; or

(2) before 2 June 2021, it is to be read as if "II.19" were replaced by "II.20".

101. (1) The Act is amended by inserting the following Title after section 796:

"**TITLE II.1**

"CONTINUANCE OF THE CANADIAN WHEAT BOARD

"**CHAPTER I**

"INTERPRETATION AND GENERAL RULES

"**796.1.** In this Title,

"application for continuance" means the application for continuance referred to in paragraph *a* of the definition of "Canadian Wheat Board continuance";

"Canadian Wheat Board" means the corporation referred to in subsection 1 of section 4 of the Canadian Wheat Board (Interim Operations) Act, enacted under section 14 of the Marketing Freedom for Grain Farmers Act (Statutes of Canada, 2011, chapter 25), as that section 4 read before being repealed, that is continued under the Canada Business Corporations Act (Revised Statutes of Canada, 1985, chapter 44) pursuant to the application for continuance;

"Canadian Wheat Board continuance" means the series of transactions or events that includes

(*a*) the application for continuance under the Canada Business Corporations Act that is

i. made by the corporation referred to in subsection 1 of section 4 of the Canadian Wheat Board (Interim Operations) Act, as it read before being repealed, and

ii. approved by the Minister of Agriculture and Agri-Food of Canada under Part 3 of the Marketing Freedom for Grain Farmers Act;

(*b*) the issuance of a note or other evidence of indebtedness by the Canadian Wheat Board to the eligible trust; and

(*c*) the disposition of the eligible debt by the eligible trust, in the same taxation year of the trust in which the eligible debt is issued to it, in exchange for consideration that includes the issuance of shares by the Canadian Wheat

Board that have a total fair market value at the time of their issuance that is equal to the amount by which the principal amount of the eligible debt exceeds $10,000,000;

"eligible debt" means a note or other evidence of indebtedness referred to in paragraph *b* of the definition of "Canadian Wheat Board continuance";

"eligible share" means a common share of the capital stock of the Canadian Wheat Board that is issued in exchange for the eligible debt in accordance with paragraph *c* of the definition of "Canadian Wheat Board continuance";

"eligible trust", at a particular time, means a trust that meets the following conditions:

(*a*) it was established in connection with the application for continuance;

(*b*) it is resident in Canada at the particular time;

(*c*) immediately before it acquired the eligible debt, it held only property of nominal value;

(*d*) it is not exempt, in accordance with Book VIII, from tax on its taxable income for any period in its taxation year that includes the particular time;

(*e*) all of the interests of beneficiaries under the trust at the particular time are described by reference to units that are eligible units in the trust;

(*f*) the only persons who have acquired an interest as a beneficiary under the trust before the particular time are persons who were participating farmers at the time they acquired the interest;

(*g*) all or substantially all of the fair market value of its property at the particular time is based on the value of property that is

i. eligible debt,

ii. shares of the capital stock of the Canadian Wheat Board, or

iii. property described in paragraph *a* or *b* of the definition of "qualified investment" in section 204 of the Income Tax Act (Revised Statutes of Canada, 1985, chapter 1, 5th Supplement) or a deposit with a savings and credit union;

(*h*) the property that it has paid or distributed at or before the particular time to a beneficiary under the trust in satisfaction of the beneficiary's eligible unit in the trust is

i. money denominated in Canadian dollars, or

ii. shares distributed as an eligible wind-up distribution of the trust; and

(*i*) at no time in its taxation year that includes the particular time is any other trust an eligible trust;

"eligible unit", in a trust at a particular time, means a unit that describes all or part of an interest as a beneficiary under the trust, where

(*a*) the total of all amounts each of which is the value of a unit at the time it was issued by the trust to a participating farmer does not exceed the amount by which the principal amount of the eligible debt exceeds $10,000,000; and

(*b*) all of the interests as a beneficiary under the trust are fixed interests, as defined in section 21.0.5, in the trust;

"eligible wind-up distribution", of a trust, means a distribution of property by the trust to a person where

(*a*) the distribution includes a share of the capital stock of the Canadian Wheat Board that is listed on a designated stock exchange;

(*b*) the only property (other than a share described in paragraph *a*) distributed by the trust on the distribution is money denominated in Canadian dollars;

(*c*) the distribution results from the disposition of all of the person's interests as a beneficiary under the trust; and

(*d*) the trust ceases to exist immediately after the distribution or immediately after the last of a series of eligible wind-up distributions (determined without reference to this paragraph) of the trust that includes the distribution;

"participating farmer", in respect of a trust at a particular time, means a person who

(*a*) is eligible to receive units of the trust pursuant to the plan under which the trust directs its trustees to grant units to persons who have delivered grain after 31 July 2013 under a contract with the Canadian Wheat Board; and

(*b*) is engaged in the production of grain or is entitled, as lessor, vendor or hypothecary creditor or mortgagee, to grain produced by a person engaged in the production of grain or to any share of that grain;

"person" includes a partnership.

"**796.2.** Where, at a particular time, an eligible trust acquires eligible debt, the principal amount of the eligible debt is deemed not to be included in computing the income of the eligible trust for its taxation year that includes the particular time.

"**796.3.** Where, at a particular time, an eligible trust disposes of eligible debt in exchange for consideration that includes the issuance of eligible shares, the following rules apply:

(*a*) for the purpose of computing the income of the eligible trust for its taxation year that includes that time

i. an amount, in respect of the disposition of the eligible debt, equal to the fair market value of all property (other than eligible shares) received on the exchange is included,

ii. no amount in respect of the disposition of the eligible debt is included (other than an amount described in subparagraph i), and

iii. no amount in respect of the receipt of the eligible shares is included;

(*b*) the cost to the eligible trust of each eligible share is deemed to be nil;

(*c*) in computing the paid-up capital in respect of the class of the capital stock of the Canadian Wheat Board that includes the eligible shares, at a particular time after the shares are issued, an amount equal to the amount of the paid-up capital in respect of that class at the time the shares are issued must be deducted;

(*d*) section 467 does not apply in respect of property

i. that is held by the trust in a taxation year that ends at or after the particular time, and

ii. that is received by the trust on the exchange or is a substitute for property described in subparagraph i; and

(*e*) sections 505, 506 and 508 and Divisions I to IV.2 of Chapter IV of Title IX do not apply at the particular time in respect of eligible shares.

"**796.4.** Where a trust is an eligible trust at a particular time in a taxation year, the following rules apply:

(*a*) in computing the trust's income for the year, no deduction may be made under paragraph *a* of section 657 or section 657.1, except to the extent of the income of the trust for the year (determined without reference to that paragraph or section) that is paid in the year, provided that the trust is an eligible trust at the beginning of the following taxation year;

(*b*) each property held by the trust that is an eligible debt or an eligible share is deemed to have a cost amount to the trust of nil;

(*c*) if the trust disposes of a property, the following rules apply:

i. subject to section 796.14, it is deemed to have disposed of the property for proceeds equal to the fair market value of the property immediately before the disposition,

ii. the gain, if any, of the trust from the disposition is deemed not to be a capital gain and must be included in computing the trust's income for the trust's taxation year that includes the time of disposition, and

iii. the loss, if any, of the trust from the disposition is deemed not to be a capital loss and must be deducted in computing the trust's income for the trust's taxation year that includes the time of disposition;

(*d*) the trust is deemed not to be a

i. personal trust,

ii. unit trust,

iii. trust prescribed for the purposes of section 688, or

iv. trust any interest in which is an excluded right or interest for the purposes of Chapter I of Title I.1; and

(*e*) subparagraph *d* of the second paragraph of section 248 does not apply in respect of eligible units in the trust.

"**796.5.** Where, at a particular time, a participating farmer acquires an eligible unit in an eligible trust from the eligible trust, the following rules apply:

(*a*) no amount in respect of the acquisition of the eligible unit is included in computing the income of the participating farmer; and

(*b*) the cost amount to the participating farmer of the eligible unit is deemed to be nil.

"**796.6.** Where a participating farmer has not received, immediately before the participating farmer's death, an eligible unit in an eligible trust for which the participating farmer was eligible—pursuant to the plan under which the eligible trust directs its trustees to grant units to persons who have delivered grain after 31 July 2013 under a contract with the Canadian Wheat Board—and the eligible trust issues the unit to the succession that arose on and as a consequence of the death, the following rules apply:

(*a*) the participating farmer is deemed to have acquired the unit at the time that is immediately before the time that is immediately before the death, as a participating farmer from the eligible trust, and to own the unit at the time that is immediately before the death;

(*b*) for the purposes of paragraph *f* of the definition of "eligible trust" in section 796.1, the succession is deemed not to have acquired the unit from the trust; and

(*c*) for the purposes of subparagraph *c* of the first paragraph of section 796.8 and the second paragraph of that section, the succession is deemed to have acquired the eligible unit on and as a consequence of the death.

"**796.7.** Where a person disposes of an eligible unit in a trust that is an eligible trust at the time of the disposition, the following rules apply:

(*a*) the gain, if any, of the person from the disposition is deemed not to be a capital gain and must be included in computing the person's income for the person's taxation year that includes the time of disposition; and

(*b*) the loss, if any, of the person from the disposition is deemed not to be a capital loss and must be deducted in computing the person's income for the person's taxation year that includes the time of disposition.

"**796.8.** Where, immediately before an individual's death, the individual owns an eligible unit that the individual acquired as a participating farmer from an eligible trust, the following rules apply:

(*a*) the individual is deemed to dispose of the eligible unit immediately before death (such a disposition being referred to in this section as the "particular disposition");

(*b*) where the conditions of the second paragraph are met, the following rules apply:

i. the individual's gain from the disposition is deemed to be nil,

ii. the cost amount to the succession of the eligible unit is deemed to be nil,

iii. any amount that is included in computing the succession's income (determined without reference to this subparagraph, paragraphs *a* and *b* of section 657 and section 657.1) for a taxation year from a source that is an eligible unit is, despite section 652, deemed to have become payable in that taxation year by the succession to the spouse, and not to have become payable to any other beneficiary,

iv. the distribution is deemed to be a disposition by the succession of the eligible unit for proceeds equal to the cost amount to the succession of the unit,

v. the part of the spouse's interest as a beneficiary under the succession that is disposed of as a result of the distribution is deemed to be disposed of for proceeds of disposition equal to the cost amount to the spouse of that part immediately before the disposition,

vi. the cost amount to the spouse of the eligible unit is deemed to be nil, and

vii. the spouse is deemed to have acquired the eligible unit as a participating farmer from the eligible trust, except for the purposes of the second paragraph; and

(*c*) where not all the conditions of the second paragraph are met, the following rules apply:

i. the individual's proceeds from the particular disposition are deemed to be equal to the fair market value of the unit immediately before the particular disposition,

ii. the gain from the particular disposition is deemed to be included, under section 428 and not under any other provision, in computing the individual's income for the individual's taxation year in which the individual dies,

iii. section 1032 applies in respect of the deceased individual in relation to the particular disposition as if a reference in that section to sections 433 to 435 included a reference to section 428 in the application of section 1032 to the gain from the particular disposition, and

iv. the person who acquires the eligible unit as a consequence of the individual's death is deemed to have acquired the eligible unit at the time of the death at a cost equal to the individual's proceeds, described in subparagraph i, from the particular disposition.

The conditions to which subparagraphs *b* and *c* of the first paragraph refer are as follows:

(*a*) the individual is resident in Canada immediately before the individual's death;

(*b*) the individual's succession that is a graduated rate estate acquires the eligible unit on and as a consequence of the death;

(*c*) the individual's legal representative makes a valid election under subparagraph iii of paragraph *c* of subsection 8 of section 135.2 of the Income Tax Act (Revised Statutes of Canada, 1985, chapter 1, 5th Supplement) that paragraph *b* of that subsection 8 not apply to the individual in respect of the particular disposition;

(*d*) the succession distributes the eligible unit to the individual's spouse at a time at which the succession is the individual's succession that is a graduated rate estate;

(*e*) the individual's spouse is resident in Canada at the time of the distribution; and

(*f*) the succession does not dispose of the unit before the distribution.

Chapter V.2 of Title II of Book I applies in relation to an election referred to in subparagraph *c* of the second paragraph.

"**796.9.** Where an eligible unit in an eligible trust that was acquired by a participating farmer from the eligible trust is disposed of by the participating farmer (otherwise than under a disposition described in subparagraph *a* of the first paragraph of section 796.8, paragraph *d* of section 796.10 or paragraph *b* of section 796.11), the following rules apply:

(*a*) the participating farmer's proceeds from the disposition are deemed to be equal to the fair market value of the unit immediately before the disposition;

(*b*) where the disposition results in a distribution of money denominated in Canadian dollars by the trust to the participating farmer in a taxation year of the trust, the money is proceeds from the disposition in that taxation year of other property of the trust and, at the time of the disposition, the participating farmer is not a person described in any of clauses A to C of subparagraph ii of paragraph *b* of subsection 4 of section 135.2 of the Income Tax Act (Revised Statutes of Canada, 1985, chapter 1, 5th Supplement), the trust's gain, if any, from the disposition of the other property is reduced to the extent that the proceeds of disposition so distributed would, in the absence of this paragraph, be included under section 663 in computing the participating farmer's income for the taxation year of the participating farmer in which the taxation year of the trust ends; and

(*c*) where the participating farmer is a Canadian-controlled private corporation, the gain from the disposition is, for the purposes of Title II of Book V, deemed to be income from an eligible business.

"**796.10.** Where, at a particular time, an eligible trust distributes property as an eligible wind-up distribution of the trust to a person, the following rules apply:

(*a*) section 688.1 does not apply in respect of the distribution;

(*b*) the trust is deemed to have disposed of the property for proceeds of disposition equal to its fair market value at the particular time;

(*c*) despite section 652, the trust's gain from the disposition of the property is deemed to have become payable at the particular time by the trust to the person, and not to have become payable to any other beneficiary;

(*d*) the person is deemed to have acquired the property at a cost equal to the trust's proceeds from the disposition;

(*e*) the person's proceeds from the disposition of the eligible unit, or part of it, that results from the distribution are deemed to be equal to the cost amount of the unit to the person immediately before the particular time; and

(*f*) no part of the trust's gain from the disposition of the property is to be included in the cost to the person of the property, other than as determined by paragraph *d*.

"**796.11.** Where a trust ceases to be an eligible trust at a particular time, the following rules apply:

(*a*) section 999.1 applies to the trust as if

i. it ceased at the particular time to be exempt from tax under this Part on its taxable income, and

ii. paragraph *e* of that section included a reference to the provisions of this Title; and

(*b*) each person who holds at the particular time an eligible unit in the trust is deemed to

i. dispose of, at the time that is immediately before the time that is immediately before the particular time, each of the eligible units for proceeds equal to the cost amount of the unit to the person, and

ii. reacquire the eligible unit at the time that is immediately before the particular time at a cost equal to the fair market value of the unit at the time that is immediately before the particular time.

"**796.12.** Where, at a particular time, the eligible trust holds an eligible share (or another share of the Canadian Wheat Board acquired before the particular time as a stock dividend) and the Canadian Wheat Board issues, as a stock dividend paid in respect of such a share, a share of a class of its capital stock, the amount by which the paid-up capital is increased—in respect of the issuance of all shares paid by the Canadian Wheat Board to the eligible trust as a stock dividend or any other stock dividend paid to other shareholders in connection with that stock dividend—for all classes of shares of the Canadian Wheat Board is, for the purposes of this Act, deemed to be no more than $1.

"**796.13.** The rules set out in section 796.14 apply in respect of the disposition by an eligible trust of all of the shares (in this section and section 796.14 referred to collectively as the "old shares" and individually as an "old share") of a class of the capital stock of the Canadian Wheat Board owned by the eligible trust where

(*a*) the disposition of the old shares results from the acquisition, cancellation or redemption in the course of a reorganization of the capital of the Canadian Wheat Board;

(*b*) the Canadian Wheat Board issues to the eligible trust, in exchange for the old shares, shares (in this section and section 796.14 referred to collectively as the "new shares" and individually as a "new share") of a class of the capital stock of the Canadian Wheat Board the terms and conditions of which—including the entitlement to receive an amount on an acquisition, cancellation or redemption—are in all material respects the same as those of the old shares;

(*c*) the amount that is the total fair market value of all of the new shares acquired by the eligible trust on the exchange is equal to the total fair market value of all of the old shares disposed of by the eligible trust; and

(*d*) the amount that is the total paid-up capital in respect of all of the new shares acquired by the eligible trust on the exchange is equal to the amount that is the total paid-up capital in respect of all of the old shares disposed of on the exchange.

"**796.14.** The rules to which section 796.13 refers in respect of an eligible trust's exchange of an old share for a new share are as follows:

(*a*) the old share is deemed to be disposed of by the eligible trust for proceeds of disposition equal to its cost amount to the eligible trust;

(*b*) the new share acquired for the old share referred to in paragraph *a* is deemed to be acquired for a cost equal to the amount referred to in that paragraph;

(*c*) where the old share is an eligible share, the new share is deemed to be an eligible share; and

(*d*) where new shares are deemed to be eligible shares because of paragraph *c* and those shares are included in a class that includes other shares that are not eligible shares, those eligible shares are deemed to have been issued in a separate series of the class and the other shares are deemed to have been issued in a separate series of the class.

"**796.15.** Where a trust is deemed to cease, at a particular time, to be an eligible trust under paragraph *b* of subsection 16 of section 135.2 of the Income Tax Act (Revised Statutes of Canada, 1985, chapter 1, 5th Supplement), it is deemed to cease, at the particular time, to be an eligible trust for the purposes of this Title."

(2) Subsection 1 has effect from 1 July 2015. However, where section 796.8 of the Act applies before 31 December 2015, it is to be read as if "succession that is a graduated rate estate" in subparagraphs *b* and *d* of the second paragraph were replaced by "succession".

102. Section 832.25 of the Act is amended by replacing the portion before paragraph *a* by the following:

"**832.25.** For the purposes of sections 6.2, 21.2 to 21.3.1, 83.0.3, 93.3.1 and 93.4, Division X.1 of Chapter III of Title III of Book III, sections 175.9, 222 to 230.0.0.2, 237 to 238.1, 308.0.1 to 308.6, 384, 384.4, 384.5, 418.26 to 418.30 and 485 to 485.18, paragraph *d* of section 485.42, sections 564.2 to 564.4.2 and 727 to 737 and paragraph *f* of section 772.13, control of an insurance corporation and each corporation controlled by it is deemed not to be acquired solely because of the acquisition of shares of the capital stock of the insurance

corporation, in connection with the demutualization of the insurance corporation, by a particular corporation that at a particular time becomes a holding corporation in connection with the demutualization where, immediately after the particular time,".

103. (1) Section 851.36 of the Act is amended by replacing "64%" in subparagraph *a* of the first paragraph by "60%".

(2) Subsection 1 applies from the taxation year 2016.

104. (1) Section 851.37 of the Act is amended by replacing "64%" in paragraph *a* by "60%".

(2) Subsection 1 applies from the taxation year 2016.

105. (1) Section 935.1 of the Act is amended, in the first paragraph,

(1) by replacing "$25,000" in paragraph *h* of the definition of "regular eligible amount" and in paragraph *g* of the definition of "supplemental eligible amount" by "$35,000";

(2) by adding the following paragraph at the end of the definition of "excluded withdrawal":

"(*d*) a particular amount, other than an eligible amount, received while the individual was resident in Canada and in a calendar year if

i. the particular amount would be a regular eligible amount if section 935.2.1 were read without reference to subparagraph iii of its paragraph *a*,

ii. a payment, other than an excluded premium, equal to the particular amount is made by the individual under a retirement plan that is, at the end of the taxation year of the payment, a registered retirement savings plan under which the individual is the annuitant, and

iii. the payment is made before the end of the second calendar year after the calendar year that includes the particular time referred to in section 935.2.1;".

(2) Paragraph 1 of subsection 1 applies from the taxation year 2019 in respect of an amount received after 19 March 2019.

(3) Paragraph 2 of subsection 1 applies in respect of an amount received after 31 December 2019.

106. (1) The Act is amended by inserting the following section after section 935.2:

"**935.2.1.** For the purposes of the definition of "regular eligible amount" in the first paragraph of section 935.1 and despite subparagraph *a*.1 of the first paragraph of section 935.2, the following rules apply:

(*a*) an individual and the individual's spouse are deemed not to have an owner-occupied home in a period ending before the particular time referred to in the definition of that expression if

i. at the particular time, the individual has been living separate and apart from the individual's spouse, because of a breakdown of their marriage, for a period of at least 90 days and began living separate and apart from the individual's spouse in the calendar year that includes the particular time or at any time included in any of the four preceding calendar years,

ii. in the absence of this section, the individual would not be precluded from having a regular eligible amount because of the application of paragraph *f* of the definition of that expression in respect of a spouse (other than the spouse referred to in subparagraph i), and

iii. where the individual has an owner-occupied home at the particular time,

(1) the home is not the qualifying home referred to in the definition of that expression and the individual disposes of the home no later than the end of the second calendar year after the calendar year that includes the particular time, or

(2) the individual acquires the spouse's right in the home; and

(*b*) where an individual to whom paragraph *a* applies has an owner-occupied home at the particular time referred to in that paragraph and the individual acquires the spouse's right in the home, the individual is deemed for the purposes of paragraphs *c* and *d* of the definition of that expression to have acquired a qualifying home on the date that the individual acquired the right."

(2) Subsection 1 applies in respect of an amount received after 31 December 2019.

107. (1) Section 935.3 of the Act is amended by replacing paragraph *a* by the following paragraph:

"(*a*) the aggregate of all amounts, other than excluded premiums, repayments to which paragraph *b* or *d* of the definition of "excluded withdrawal" in the first paragraph of section 935.1 applies and amounts paid by the individual in the first 60 days of the year that can reasonably be considered to have been deducted in computing the individual's income, or designated under this section, for the preceding taxation year, paid by the individual in the year or within 60 days after the end of the year under a retirement savings plan that is at the

end of the year or the following taxation year a registered retirement savings plan under which the individual is the annuitant; and".

(2) Subsection 1 applies in respect of a repayment made after 31 December 2019.

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

"(*b*) was a repayment to which paragraph *b* or *d* of the definition of "excluded withdrawal" in the first paragraph of section 935.1 applies;".

(2) Subsection 1 applies in respect of a repayment made after 31 December 2019.

109. (1) The Act is amended by inserting the following section after section 935.24:

"**935.24.1.** Where tax is payable under this Part for a taxation year because of section 935.22 by a trust that is governed by a tax-free savings account that carries on a business at any time in the taxation year, the following rules apply:

(*a*) the holder of the tax-free savings account is solidarily liable with the trust to pay each amount payable under this Act by the trust that is attributable to that business; and

(*b*) the liability of the issuer, within the meaning of subsection 1 of section 146.2 of the Income Tax Act (Revised Statutes of Canada, 1985, chapter 1, 5th Supplement), at any time for amounts payable under this Act in respect of that business must not exceed the aggregate of

i. the amount of property of the trust that the issuer is in possession or control of at that time in its capacity as legal representative of the trust, and

ii. the total amount of all distributions of property from the trust on or after the date that the notice of assessment was sent in respect of the taxation year and before that time."

(2) Subsection 1 applies from the taxation year 2019.

110. The Act is amended by inserting the following section after section 961.1.5.0.2:

"**961.1.5.0.3.** The minimum amount under a retirement income fund for the taxation year 2020 is 75% of the amount that would, but for this section, be the minimum amount under the fund for that year.

The first paragraph does not apply in respect of a retirement income fund for the purposes of section 961.17.0.1, paragraph *k* of the definition of "remuneration" in section 1015R1 of the Regulation respecting the Taxation Act (chapter I-3, r. 1) and subparagraph *a* of the second paragraph of section 1015R21 of that regulation."

111. (1) The Act is amended by inserting the following section after section 965.0.24:

"**965.0.24.1.** Where a member of a pooled registered pension plan or an employer in relation to the plan has, at any time in a taxation year, received a distribution from the member's account under the plan that is a return of a contribution described in clause A or B of subparagraph ii of paragraph *d* of subsection 3 of section 147.5 of the Income Tax Act (Revised Statutes of Canada, 1985, chapter 1, 5th Supplement), the contribution is deemed not to be a contribution made by the member or the employer, as the case may be, to the plan to the extent that the contribution is not deducted in computing the member's or the employer's income, as the case may be, for the year or a preceding taxation year."

(2) Subsection 1 has effect from 14 December 2012.

112. (1) Section 967 of the Act is amended by replacing paragraph *d* by the following paragraph:

"(*d*) a policyholder with an interest in a life insurance policy issued after 31 December 2016 that gives rise to an entitlement of the policyholder (as a policyholder, beneficiary or assignee, as the case may be) to receive all or a portion of an excess described in subparagraph iv is deemed, at a particular time, to dispose of a part of the interest and to be entitled to receive proceeds of the disposition equal to all or a portion of that excess, as the case may be, if

i. the policy is an exempt policy,

ii. a death benefit, within the meaning of section 92.11R1 of the Regulation respecting the Taxation Act (chapter I-3, r. 1), under a coverage, within the meaning of paragraph *a* of the definition of that expression in the first paragraph of that section 92.11R1, under the policy is paid at the particular time,

iii. the payment referred to in subparagraph ii results in the termination of the coverage but not the policy, and

iv. the amount of the fund value benefit, within the meaning of section 92.11R1 of the Regulation respecting the Taxation Act, paid in respect of the coverage at the particular time exceeds

(1) in the case where there is no policy anniversary, within the meaning of section 92.11R1 of that Regulation, before the date of death of the individual whose life is insured under the coverage, the amount that would be determined—

on the policy anniversary that is on or that first follows that date of death, as the case may be, and as though the coverage were not terminated—in respect of the coverage under subparagraph 1 of subparagraph i of subparagraph *b* of the second paragraph of section 92.19R4 of that Regulation, or

(2) in any other case, the amount that is determined—on the last policy anniversary before the date of death of the individual whose life is insured under the coverage—in respect of the coverage under subparagraph 1 of subparagraph i of subparagraph *b* of the second paragraph of section 92.19R4 of that Regulation as that subparagraph 1 applies in respect of subparagraph ii of subparagraph *b* of the first paragraph of section 92.19R1 of that Regulation."

(2) Subsection 1 has effect from 14 December 2017.

113. (1) Section 967.1 of the Act is amended by replacing the portion before paragraph *b* by the following:

"**967.1.** For the purpose of determining, as of a particular time, whether a life insurance policy (other than an annuity contract) issued before 1 January 2017 is treated as issued after 31 December 2016 for the purposes of this Title (except this section), Divisions I, II and IV of Chapter IV of Title XI of the Regulation respecting the Taxation Act (chapter I-3, r. 1) (except sections 92.19R6.3 and 92.19R6.4) and Chapter VIII of Title XXXV of that Regulation, the policy is deemed to be a policy issued at the particular time if the particular time is the first time after 31 December 2016 at which life insurance—in respect of a life, or two or more lives jointly insured, and in respect of which a particular schedule of premium or cost of insurance rates applies—is

(*a*) if the life insurance policy is a term insurance policy, converted to permanent life insurance within the policy; or".

(2) Subsection 1 has effect from 14 December 2017. In addition, where section 967.1 of the Act applies after 15 December 2014 and before 14 December 2017, it is to be read as if "(except section 92.19R6.3)" were inserted after "(chapter I-3, r. 1)" in the portion before paragraph *a*.

114. (1) Section 976.0.2 of the Act is amended

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

"**976.0.2.** For the purposes of paragraph *i* of section 336 and sections 976 and 976.0.1, a particular amount is deemed to be a repayment made immediately before a particular time by a taxpayer in respect of a policy loan in respect of a life insurance policy if";

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

"(*b*) the taxpayer disposes of a part of the taxpayer's interest in the policy at the particular time;".

(2) Subsection 1 has effect from 14 December 2017.

115. (1) Section 976.1 of the Act is amended by replacing paragraph *j* by the following paragraph:

"(*j*) in the case of a policy that is issued after 31 December 2016 and is not an annuity contract, if a death benefit, within the meaning of section 92.11R1 of the Regulation respecting the Taxation Act, under a coverage, within the meaning of paragraph *a* of the definition of that expression in the first paragraph of that section 92.11R1, under the policy is paid before that time as a consequence of the death of an individual whose life was insured under the coverage (and, in the case where the particular time at which the policy is issued is determined under section 967.1, at or after that latter particular time) and the payment results in the termination of the coverage, the amount determined under section 976.2 with respect to the coverage."

(2) Subsection 1 has effect from 14 December 2017.

116. (1) Section 976.2 of the Act is amended by replacing subparagraphs *b* to *f* of the second paragraph by the following subparagraphs:

"(*b*) B is the amount of the fund value of the policy, within the meaning of section 92.11R1 of the Regulation respecting the Taxation Act (chapter I-3, r. 1), paid in respect of the coverage, within the meaning of paragraph *a* of the definition of that expression in the first paragraph of section 92.11R1 of that Regulation, on the termination;

"(*c*) C is the aggregate of all amounts—each of which is an amount in respect of a coverage, within the meaning of paragraph *b* of the definition of that expression in the first paragraph of section 92.11R1 of the Regulation respecting the Taxation Act, in respect of a specific life or two or more specific lives jointly insured under the coverage referred to in paragraph *j* of section 976.1—that would be the present value, determined for the purposes of Division II of Chapter IV of Title XI of that Regulation, on the last policy anniversary, within the meaning of that section 92.11R1, on or before the termination, of the fund value of the coverage, within the meaning of that section 92.11R1, if the fund value of the coverage on that policy anniversary were equal to the fund value of the coverage on the termination;

"(*d*) D is the aggregate of all amounts—each of which is an amount in respect of a coverage, within the meaning of paragraph *b* of the definition of that expression in the first paragraph of section 92.11R1 of the Regulation respecting the Taxation Act (in this subparagraph referred to as a "particular coverage") in respect of a specific life or two or more specific lives jointly

insured under the coverage referred to in paragraph *j* of section 976.1—that, on the policy anniversary referred to in subparagraph *c*, would be determined under subparagraph *c* of the fourth paragraph of section 92.11R1.1 of that Regulation in respect of the particular coverage, if the death benefit under the particular coverage, and the fund value of the coverage, within the meaning of that section 92.11R1, on that policy anniversary were equal to the death benefit under the particular coverage and the fund value of the coverage, respectively, on the termination;

"(*e*) E is the amount that would be, on the policy anniversary referred to in subparagraph *c*, the net premium reserve, within the meaning of section 92.11R1 of the Regulation respecting the Taxation Act, determined in respect of the policy for the purposes of Division II of Chapter IV of Title XI of that Regulation, if the fund value benefit, within the meaning of that section 92.11R1, under the policy, the death benefit under each coverage, within the meaning of paragraph *b* of the definition of that expression in the first paragraph of that section 92.11R1, and the fund value of each coverage, within the meaning of that section 92.11R1, on that policy anniversary were equal to the fund value benefit, the death benefit under each coverage and the fund value of each coverage, respectively, under the policy on the termination; and

"(*f*) F is the amount determined under section 977.1 in respect of a disposition before that time of the interest because of paragraph *d* of section 967 in respect of the payment in respect of the fund value benefit under the policy paid in respect of the coverage, within the meaning of paragraph *a* of the definition of that expression in the first paragraph of section 92.11R1 of the Regulation respecting the Taxation Act, on the termination."

(2) Subsection 1 has effect from 14 December 2017. In addition, where section 976.2 of the Act applies after 15 December 2014 and before 14 December 2017, it is to be read as if "subparagraph *f*" in subparagraph *d* of the second paragraph were replaced by "subparagraph *c*".

117. (1) Section 1010 of the Act is amended

(1) by inserting the following paragraph after paragraph *a*.1 of subsection 2:

"(*a*.1.1) within nine years after the later day referred to in paragraph *a* or, in the case of a taxpayer referred to in paragraph *a*.0.1, within ten years after that day, where

i. a redetermination of the taxpayer's tax was required to be made by the Minister in accordance with section 1012, or should have been so made if the taxpayer had claimed an amount under that section within the prescribed time limit, in order to take into account a deduction claimed under sections 727 to 737 in respect of a loss for a subsequent taxation year,

ii. a redetermination of the taxpayer's tax was made, or a notification that no tax is payable was issued to the taxpayer, for the subsequent taxation year referred to in subparagraph i, after the period referred to in paragraph *a* or *a*.0.1 of subsection 2 in respect of the subsequent taxation year as a consequence of a transaction involving the taxpayer and a person not resident in Canada with whom the taxpayer was not dealing at arm's length, and

iii. the tax redetermination or the notification, referred to in subparagraph ii, reduced the amount of the loss for the subsequent taxation year;";

(2) by replacing subsection 3 by the following subsection:

"(3) However, the Minister may, under any of paragraphs *a*.1, *a*.1.1 and *a*.2 of subsection 2 or subsection 2.1, make a reassessment or an additional assessment beyond the period referred to in paragraph *a* or *a*.0.1 of subsection 2 only to the extent that the reassessment or additional assessment may reasonably be regarded as relating to the tax redetermination referred to in that paragraph *a*.1 or subsection 2.1, to the reduction referred to in subparagraph iii of that paragraph *a*.1.1 or to the claim or deduction referred to in that paragraph *a*.2, as the case may be."

(2) Subsection 1 applies to a taxation year for which a redetermination of the tax for the year was required to be made in accordance with section 1012 of the Act, or should have been so made if the taxpayer had claimed an amount under that section within the prescribed time limit, in order to take into account a deduction claimed under sections 727 to 737 of the Act in respect of a loss for a subsequent taxation year that ends after 26 February 2018.

118. (1) The Act is amended by inserting the following section after section 1010.0.0.1:

"**1010.0.0.2.** Despite the expiry of the time limits provided for in section 1010, where a taxpayer, other than a real estate investment trust within the meaning of the first paragraph of section 1129.70, or a partnership of which the taxpayer is a member, directly or indirectly through one or more partnerships, disposes, in a taxation year or a fiscal period that ends in a taxation year, as the case may be, of immovable property, where the property is, in the case where the disposition is made by a corporation or a partnership, capital property of the corporation or partnership and where any of the failures provided for in the second paragraph occurs, the Minister may, subject to the third paragraph, redetermine the taxpayer's tax, interest and penalties for the year under this Part that arise from that failure and make a reassessment or an additional assessment, provided the reassessment or additional assessment is made before the end of the three-year period that begins on the day on which the following documents are filed:

(*a*) where the immovable property is referred to in section 274 or 274.0.1, the prescribed form containing prescribed information referred to in the fifth paragraph of section 274 or 274.0.1, as the case may be, and the taxpayer's

amended fiscal return for the year in which the disposition of the property is reported;

(*b*) where the disposition is made by the taxpayer and subparagraph *a* does not apply, the taxpayer's amended fiscal return for the year in which the disposition is reported; or

(*c*) where the disposition is made by the partnership, the amended information return, for its fiscal period that ends in the year, in which the disposition is reported, and the taxpayer's amended fiscal return for the year.

The failures to which the first paragraph refers are as follows:

(*a*) where the disposition is made by the taxpayer and the property is referred to in section 274 or 274.0.1, the taxpayer fails to send the prescribed form containing prescribed information provided for in the fifth paragraph of section 274 or 274.0.1, as the case may be, or to report the disposition in the fiscal return the taxpayer is required to file under section 1000 for the year;

(*b*) where the disposition is made by the taxpayer and subparagraph *a* does not apply, the taxpayer fails to report the disposition in the fiscal return the taxpayer is required to file under section 1000 for the year; or

(*c*) where the disposition is made by the partnership, the disposition is not reported in the information return required to be filed under section 1086R78 of the Regulation respecting the Taxation Act (chapter I-3, r. 1) for its fiscal period that ends in the year.

However, the Minister may, under this section, make a reassessment or an additional assessment beyond the period referred to in paragraph *a* or *a*.0.1 of subsection 2 of section 1010 only to the extent that the reassessment or additional assessment may reasonably be considered to relate to the failure referred to in the first paragraph."

(2) Subsection 1 applies to a taxation year that ends after 2 October 2016.

119. (1) Section 1012.1 of the Act is amended by inserting the following paragraph after paragraph *d*.1.1.1:

"(*d*.1.1.2) section 1029.8.36.166.60.52 in respect of the unused portion of the tax credit, within the meaning of the first paragraph of section 1029.8.36.166.60.36, for a subsequent taxation year;".

(2) Subsection 1 has effect from 11 March 2020.

120. (1) The Act is amended by inserting the following section after section 1015.0.3:

"**1015.0.4.** For the purposes of this Act, an amount (in this section referred to as the "excess amount") is deemed not to have been deducted or withheld by a person under section 1015 if

(*a*) the excess amount was, but for this section, deducted or withheld by the person under section 1015;

(*b*) the excess amount is in respect of an excess payment (in this section referred to as the "total excess payment") of an individual's salary, wages or other remuneration by the person to the individual in a year, that was paid as a result of an administrative, clerical or system error;

(*c*) before the end of the third year after the calendar year in which the excess amount is deducted or withheld,

i. the person elects, in the manner determined by the Minister, to have this section apply in respect of the excess amount, and

ii. the individual has repaid, or made an arrangement to repay, the total excess payment less the excess amount;

(*d*) an information return correcting for the total excess payment has not been issued by the person to the individual prior to the making of the election in subparagraph i of paragraph *c*; and

(*e*) any additional conditions determined by the Minister have been met."

(2) Subsection 1 applies in respect of an excess payment of salary, wages or other remuneration made after 31 December 2015.

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

(1) by replacing "II.6.5.8" and "II.22" in the portion before subparagraph *a* by "II.6.5.9" and "II.23", respectively;

(2) by replacing "II.6.5.8" in subparagraph *b* by "II.6.5.9";

(3) by inserting the following subparagraphs after subparagraph viii.5 of subparagraph *c*:

"viii.6. the amount of financial assistance granted by Eurimages,

"viii.7. the amount of financial assistance granted under Ville de Québec's Soutien à la production de courts métrages et de webséries program,

"viii.8. the amount of financial assistance granted under Ville de Québec's Soutien à la production de longs métrages et de séries télévisées program, or";

(4) by replacing subparagraph ix of subparagraph *c* by the following subparagraph:

"ix. the amount of any financial contribution paid by a public body that holds a broadcasting licence issued by the Canadian Radio-television and Telecommunications Commission or a similar foreign licence;";

(5) by replacing "and II.6.14.2" in the portion of subparagraph *h* before subparagraph i by ", II.6.14.2 and II.6.14.2.3";

(6) by inserting the following subparagraph after subparagraph *h*:

"(*h*.1) in the case of Division II.6.0.1.12, government assistance or non-government assistance does not include

i. an amount deemed to have been paid to the Minister for a taxation year under that division, or

ii. an amount deemed to have been paid for a taxation year under subsection 2 of section 125.6 of the Income Tax Act;";

(7) by striking out subparagraph *k*.

(2) Paragraph 1 of subsection 1, except where it replaces "II.22" in the portion of the second paragraph of section 1029.6.0.0.1 of the Act before subparagraph *a* by "II.23", and paragraph 2 of that subsection 1 apply to a taxation year that ends after 31 December 2019.

(3) Paragraph 3 of subsection 1, where it enacts subparagraph viii.6 of subparagraph *c* of the second paragraph of section 1029.6.0.0.1 of the Act, has effect from 13 March 2017 and, where it enacts subparagraphs viii.7 and viii.8 of that subparagraph *c*, has effect from 7 March 2019.

(4) Paragraph 4 of subsection 1 has effect from 28 March 2018.

(5) Paragraph 5 of subsection 1 has effect from 11 March 2020.

(6) Paragraph 6 of subsection 1 has effect from 1 January 2019.

122. (1) Section 1029.6.0.0.1 of the Act is amended

(1) by replacing "II.6.5.7" in subparagraph *a* of the first paragraph by "II.6.5.7 to II.6.5.9";

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

"Despite subparagraph *b* of the first paragraph, where a person or a member of a partnership may, for a taxation year, be deemed to have paid an amount to the Minister under Division II.6.0.1.11, in respect of costs under a particular contract that are incurred for the provision of services, under Division II.6.14.2.2, in respect of costs relating to a particular contract, or under Division II.6.14.2.3, in respect of costs incurred in relation to the contract for the acquisition of a particular property that is referred to in subparagraph v of paragraph *b* of the definition of "specified property" in the first paragraph of section 1029.8.36.166.60.36, another taxpayer may, for any taxation year, be deemed to have paid an amount to the Minister under Division II.6.0.1.9, in respect of an expenditure, incurred in performing the particular contract or the contract for the acquisition of the particular property, as the case may be, that may reasonably be considered to relate to those costs."

(2) Paragraph 1 of subsection 1 applies from the taxation year 2019. However, where section 1029.6.0.1 of the Act applies to a taxation year that ends before 1 January 2020, subparagraph *a* of the first paragraph of that section is to be read as if "II.6.5.7 to II.6.5.9" were replaced by "II.6.5.7, II.6.5.8".

(3) Paragraph 2 of subsection 1 has effect from 11 March 2020.

123. (1) Section 1029.6.0.1.7 of the Act is amended by replacing the portion before paragraph *a* by the following:

"**1029.6.0.1.7.** In determining, for the purposes of this chapter, whether a person or a group of persons controls a corporation, whether persons or partnerships are not dealing with each other at arm's length, whether a corporation or a partnership is associated with another corporation or partnership or whether a corporation is exempt from tax, the following rules apply:".

(2) Subsection 1 applies to a taxation year or fiscal period that ends after 26 March 2015.

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

(1) by striking out subparagraphs *a*.1 to *b*.3;

(2) by striking out subparagraphs *b*.5 to *b*.5.0.2;

(3) by inserting the following subparagraphs after subparagraph *b*.5.0.2:

"(*b*.5.0.2.1) the amount of $1,250, wherever it is mentioned in sections 1029.8.61.96.12 and 1029.8.61.96.13;

"(*b*.5.0.2.2) the amount of $22,180, wherever it is mentioned in section 1029.8.61.96.12;";

(4) by striking out subparagraphs *f* to *h*.

(2) Paragraphs 1 and 2 of subsection 1 apply from the taxation year 2020, except where paragraph 1 of subsection 1 strikes out subparagraph *b*.1 of the fourth paragraph of section 1029.6.0.6 of the Act, in which case it applies from the taxation year 2021.

(3) Paragraph 3 of subsection 1 applies from the taxation year 2021.

125. (1) Section 1029.6.0.7 of the Act is amended

(1) by replacing "*b*, *b*.1, *b*.3, *b*.5.0.2" and "*c*.1 to *f*" in the first paragraph by "*b*.5.0.2.2" and "*c*.1 to *e*", respectively;

(2) by replacing "*a*.1, *b*.2, *b*.5, *b*.5.0.1" in the second paragraph by "*b*.5.0.2.1";

(3) by striking out "*g*, *h*," in the second paragraph.

(2) Paragraphs 1 and 2 of subsection 1 apply from the taxation year 2021. In addition, for the taxation year 2020, section 1029.6.0.7 of the Act is to be read as if "*b*, *b*.1, *b*.3, *b*.5.0.2" in the first paragraph were replaced by "*b*.1" and as if "*a*.1, *b*.2, *b*.5, *b*.5.0.1," in the second paragraph were struck out.

126. (1) Section 1029.8.19.13 of the Act is amended

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

"**1029.8.19.13.** For the purpose of computing the amount that a taxpayer is deemed to have paid to the Minister for a taxation year that begins after 2 December 2014 but before 11 March 2020, under any of sections 1029.7, 1029.8.6, 1029.8.9.0.3 and 1029.8.16.1.4 (in this section referred to as a "particular provision"), the following rules apply:";

(2) by striking out "otherwise" in the portion of the second paragraph before the formula.

(2) Paragraph 1 of subsection 1 has effect from 10 March 2020.

127. (1) The Act is amended by inserting the following section after section 1029.8.19.13:

"**1029.8.19.13.1.** For the purpose of computing the amount that a taxpayer is deemed to have paid to the Minister for a taxation year that begins after 10 March 2020, under section 1029.7, the following rules apply:

(*a*) the aggregate of all amounts each of which is the amount of wages that are, or of a portion of a consideration that is, referred to in any of subparagraphs *a*

to *i* of the first paragraph of section 1029.7 and that is included in the taxpayer's reducible expenditures for the year, determined with reference to subdivisions 2, 4 and 6, is to be reduced by the lesser of the exclusion threshold applicable to the taxpayer for the year and the aggregate of those amounts for the year; and

(*b*) where the taxpayer is a corporation, the taxpayer's expenditure limit for the year, determined for the purposes of section 1029.7.2, is to be reduced by the amount of the reduction, determined for the year in respect of the taxpayer under subparagraph *a*.

For the purposes of the first paragraph, where the amount of a taxpayer's reducible expenditures for a taxation year is greater than the exclusion threshold applicable to the taxpayer for the year and the taxpayer may be deemed to have paid an amount to the Minister for the year under section 1029.7, but for this subdivision, and any of sections 1029.8.6, 1029.8.9.0.3 and 1029.8.16.1.4, the exclusion threshold applicable to the taxpayer for the year is deemed to be equal to the amount determined by the formula

A × B/C.

In the formula in the second paragraph,

(*a*) A is the exclusion threshold that would otherwise be applicable to the taxpayer for the year;

(*b*) B is the aggregate of all amounts each of which is an expenditure—referred to in paragraph *a* of the definition of "reducible expenditures" in the first paragraph of section 1029.8.19.8—of the taxpayer for the year; and

(*c*) C is the taxpayer's reducible expenditures for the year."

(2) Subsection 1 applies in respect of an expenditure incurred in a taxation year that begins after 10 March 2020 for scientific research and experimental development undertaken after that date.

128. (1) Section 1029.8.19.14 of the Act is amended

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

"**1029.8.19.14.** For the purpose of computing the amount that a taxpayer that is a member of a partnership is deemed to have paid to the Minister for a taxation year in which a fiscal period of the partnership that begins after 2 December 2014 but before 11 March 2020 ends, under any of sections 1029.8, 1029.8.7, 1029.8.9.0.4 and 1029.8.16.1.5 (in this section referred to as a "particular provision"), the following rules apply:";

(2) by striking out "otherwise determined" in the portion of the second paragraph before the formula.

(2) Paragraph 1 of subsection 1 has effect from 10 March 2020.

129. (1) The Act is amended by inserting the following section after section 1029.8.19.14:

"**1029.8.19.14.1.** For the purpose of computing the amount that a taxpayer who is a member of a partnership is deemed to have paid to the Minister for a taxation year in which a fiscal period of the partnership that begins after 10 March 2020 ends, under section 1029.8, the aggregate of all amounts each of which is the amount of the taxpayer's share of wages that are, or of a portion of a consideration that is, referred to in any of subparagraphs *a* to *i* of the first paragraph of section 1029.8 and that is included in the partnership's reducible expenditures for the fiscal period, determined with reference to subdivisions 2, 4 and 6, is to be reduced by the lesser of the taxpayer's share of the exclusion threshold applicable to the partnership for the fiscal period and the aggregate of those amounts for the fiscal period.

For the purposes of the first paragraph, where the amount of a partnership's reducible expenditures for a fiscal period is greater than the exclusion threshold applicable to the partnership for the fiscal period and a taxpayer who is a member of the partnership may be deemed to have paid an amount to the Minister for the taxation year in which that fiscal period ends under section 1029.8, but for this subdivision, and any of sections 1029.8.7, 1029.8.9.0.4 and 1029.8.16.1.5 in relation to the partnership, the taxpayer's share of the exclusion threshold applicable to the partnership for the fiscal period that ends in the year is deemed to be equal to the amount determined by the formula

A × B/C.

In the formula in the second paragraph,

(*a*) A is the exclusion threshold applicable to the partnership for the fiscal period that ends in the year;

(*b*) B is the aggregate of all amounts each of which is the taxpayer's share of an expenditure—referred to in paragraph *a* of the definition of "reducible expenditures" in the first paragraph of section 1029.8.19.8—of the partnership for the fiscal period that ends in the year; and

(*c*) C is the partnership's reducible expenditures for the fiscal period that ends in the year.

For the purposes of this section, the taxpayer's share of an amount is equal to the agreed proportion of the amount in respect of the taxpayer for the partnership's fiscal period that ends in the taxpayer's taxation year."

(2) Subsection 1 applies in respect of an expenditure incurred in a fiscal period that begins after 10 March 2020 for scientific research and experimental development undertaken after that date.

130. (1) Section 1029.8.19.15 of the Act is replaced by the following section:

"**1029.8.19.15.** For the purposes of sections 1029.8.19.13 to 1029.8.19.14.1, where the amount that reduces an aggregate described in any of subparagraphs *a* to *d* of the first paragraph of section 1029.8.19.13 or 1029.8.19.14, in paragraph *a* of section 1029.8.19.13.1 or in the first paragraph of section 1029.8.19.14.1 is equal to the exclusion threshold applicable to the taxpayer for a taxation year or to the taxpayer's share of a partnership's exclusion threshold for a fiscal period that ends in a taxation year, as the case may be, the taxpayer may designate which of the taxpayer's expenditures or of the taxpayer's share of the expenditures included in that aggregate is to be reduced by all or part of the taxpayer's exclusion threshold for the year or of the taxpayer's share of the exclusion threshold applicable to the partnership for the fiscal period that ends in the year, as the case may be."

(2) Subsection 1 has effect from 10 March 2020.

131. (1) Section 1029.8.35 of the Act is amended

(1) by replacing "viii.5" in the portion of subparagraph ii of subparagraph *c* of the first paragraph before subparagraph 1 by "viii.8";

(2) by replacing "viii.5" in the fourth paragraph by "viii.8".

(2) Subsection 1 has effect from 13 March 2017. However, where section 1029.8.35 of the Act applies before 7 March 2019, it is to be read as if "viii.8" in the portion of subparagraph ii of subparagraph *c* of the first paragraph before subparagraph 1 and in the fourth paragraph were replaced by "viii.6".

132. (1) Section 1029.8.36.0.0.7 of the Act is amended

(1) by replacing "50%" in the portion of subparagraph i of paragraph *b* of the definition of "qualified labour expenditure" in the first paragraph before subparagraph 1 by "65%";

(2) by adding the following subparagraph at the end of the fourth paragraph:

"(*d*) where that subparagraph i applies in respect of a property for which an application for an advance ruling or, in the absence of such an application, an application for a certificate is filed with the Société de développement des entreprises culturelles before 11 March 2020, the portion of that subparagraph before subparagraph 1 is to be read as if "65%" were replaced by "50%"."

(2) Paragraph 1 of subsection 1 applies in respect of a property for which an application for an advance ruling or, in the absence of such an application, an application for a certificate is filed with the Société de développement des entreprises culturelles after 10 March 2020.

(3) Paragraph 2 of subsection 1 has effect from 11 March 2020.

133. (1) Section 1029.8.36.0.0.10 of the Act is amended

(1) by replacing "50%" in the portion of subparagraph i of paragraph *b* of the definition of "qualified labour expenditure" in the first paragraph before subparagraph 1 by "65%";

(2) by adding the following subparagraph at the end of the fourth paragraph:

"(*d*) where that subparagraph i applies in respect of a property for which an application for an advance ruling or, in the absence of such an application, an application for a certificate is filed with the Société de développement des entreprises culturelles before 11 March 2020, the portion of that subparagraph before subparagraph 1 is to be read as if "65%" were replaced by "50%"."

(2) Paragraph 1 of subsection 1 applies in respect of a property for which an application for an advance ruling or, in the absence of such an application, an application for a certificate is filed with the Société de développement des entreprises culturelles after 10 March 2020.

(3) Paragraph 2 of subsection 1 has effect from 11 March 2020.

134. (1) Section 1029.8.36.0.3.8 of the Act is amended by striking out subparagraph *d* of the second paragraph and the third paragraph.

(2) Subsection 1 applies in respect of a qualified labour expenditure incurred in a taxation year that ends after 16 December 2019 or under a contract entered into in such a taxation year.

135. (1) Section 1029.8.36.0.3.18 of the Act is amended by striking out subparagraph *e* of the second paragraph and the third paragraph.

(2) Subsection 1 applies in respect of a qualified labour expenditure incurred in a taxation year that ends after 16 December 2019 or under a contract entered into in such a taxation year.

136. (1) Section 1029.8.36.0.3.88 of the Act is amended by replacing "2022" in the definition of "eligibility period" in the first paragraph and in subparagraph *a* of the second paragraph by "2023".

(2) Subsection 1 has effect from 2 October 2019.

137. (1) Section 1029.8.36.0.3.102 of the Act is amended by replacing "2025" in the portion before paragraph *a* by "2026".

(2) Subsection 1 has effect from 2 October 2019.

138. (1) Section 1029.8.36.0.3.103 of the Act is amended by replacing "2025" in the portion before subparagraph *a* of the first paragraph by "2026".

(2) Subsection 1 has effect from 2 October 2019.

139. (1) Section 1029.8.36.0.3.104 of the Act is amended by replacing "2025" in the portion before subparagraph *a* of the first paragraph by "2026".

(2) Subsection 1 has effect from 2 October 2019.

140. (1) The Act is amended by inserting the following division after section 1029.8.36.0.3.108:

"**DIVISION II.6.0.1.12**

"CREDIT TO SUPPORT PRINT MEDIA

"§1. — *Interpretation and general rules*

"**1029.8.36.0.3.109.** In this division,

"broadcasting undertaking" has the meaning assigned by subsection 1 of section 2 of the Broadcasting Act (Statutes of Canada, 1991, chapter 11);

"eligible employee" of a corporation or a partnership for all or part of a taxation year or fiscal period, as the case may be, means, subject to the fourth paragraph, an individual in respect of whom the following conditions are met:

(*a*) in all or part of the year or fiscal period, the individual is an employee of the corporation or partnership (other than an excluded employee) who reports for work at an establishment of the corporation or partnership situated either in Québec or, where the condition in the fifth paragraph is met, elsewhere in Canada; and

(*b*) a certificate has been issued, for the purposes of this division, to the corporation or partnership, for the year or fiscal period, according to which the individual is recognized as an eligible employee of the corporation or partnership for all or part of the year or fiscal period;

"eligible media" of a corporation or a partnership, for a taxation year or a fiscal period, as the case may be, means a media whose name is specified in a certificate that has been issued, for the purposes of this division, to the corporation or partnership for the year or fiscal period;

"excluded corporation" for a taxation year means

(*a*) a corporation that is exempt from tax for the year under Book VIII;

(*b*) a corporation that would be exempt from tax for the year under section 985, but for section 192; or

(*c*) a corporation that, in the year, carries on a broadcasting undertaking;

"excluded employee" in all or part of a taxation year of a corporation, or of a fiscal period of a partnership, means, subject to the fourth paragraph,

(*a*) where the employer is a corporation, an employee who, in the year, is a specified shareholder of the corporation or, if the corporation is a cooperative, a specified member of the cooperative; or

(*b*) where the employer is a partnership, either an employee who, in the taxation year of a member of the partnership in which the fiscal period ends, is a specified shareholder of the member or, if the latter is a cooperative, a specified member of the cooperative, or an employee who, at any time in the fiscal period, does not deal at arm's length with a member of the partnership;

"excluded subsidiary" for a particular taxation year of a particular corporation or a particular fiscal period of a particular partnership means

(*a*) a corporation that is exempt from tax under Book VIII for a taxation year that includes all or part of the particular taxation year or particular fiscal period, as the case may be;

(*b*) a corporation that, in the particular taxation year or particular fiscal period, as the case may be, carries on a broadcasting undertaking; or

(*c*) a corporation that, in the particular taxation year or particular fiscal period, as the case may be, provides services or sells property to persons or partnerships other than the particular corporation or particular partnership;

"information technology activity" has the meaning assigned by section 19.11 of Schedule A to the Act respecting the sectoral parameters of certain fiscal measures (chapter P-5.1);

"original information content" has the meaning assigned by section 19.6 of Schedule A to the Act respecting the sectoral parameters of certain fiscal measures;

"qualified corporation" for a taxation year means a corporation (other than an excluded corporation) that, in the year,

(*a*) carries on a business in Québec and has an establishment in Québec; and

(*b*) produces and disseminates one or more eligible media;

"qualified expenditure" of a corporation or a partnership for a taxation year or a fiscal period, as the case may be, that includes all or part of the transitional period means the portion of the consideration, paid by the corporation or partnership to its wholly-owned subsidiary for work carried out on its behalf during that period or part of the period in relation to recognized activities, that may reasonably be attributed to the wages the subsidiary incurred and paid in respect of its eligible employees;

"qualified partnership" for a fiscal period means a partnership that, in the fiscal period,

(*a*) carries on a business in Québec and has an establishment in Québec;

(*b*) produces and disseminates one or more eligible media; and

(*c*) does not carry on a broadcasting undertaking;

"qualified wages" incurred by a corporation in a taxation year, or by a partnership in a fiscal period, in respect of an eligible employee of the corporation or partnership, means the lesser of

(*a*) the amount obtained by multiplying $75,000 by the proportion that the number of days in the taxation year or fiscal period that follow 31 December 2018 and during which the individual is recognized as an eligible employee of the corporation or partnership, as the case may be, is of 365; and

(*b*) the amount by which the amount of the wages incurred by the corporation or partnership in respect of the individual, after 31 December 2018 and in the part of the taxation year or fiscal period during which the individual is recognized as an eligible employee of the corporation or partnership, to the extent that that amount is paid, exceeds the aggregate of all amounts each of which is an amount of government assistance or non-government assistance attributable to such wages that the corporation or partnership has received, is entitled to receive or may reasonably expect to receive on or before, in the case of the corporation, the corporation's filing-due date for the taxation year or, in the case of the partnership, the last day of the six-month period following the end of the fiscal period;

"recognized activity" means an information technology activity that is related to the production or dissemination of original information content intended for publication in an eligible media;

"specified member" of a corporation that is a cooperative in a taxation year means either a member of the cooperative that has, directly or indirectly, at any time in the year, at least 10% of the votes that could be cast at a meeting of the members of the cooperative or a person that does not deal at arm's length with such a member;

"transitional period" means the calendar year 2019;

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

"wholly-owned subsidiary" of a corporation or a partnership, for a taxation year of the corporation or a fiscal period of the partnership, means another corporation (other than an excluded subsidiary for that year or fiscal period) all of whose issued shares of each class of shares of its capital stock are owned by the corporation or partnership throughout that year or fiscal period.

In computing, for the purposes of the definition of "qualified expenditure" of a corporation or partnership for a taxation year or fiscal period of the corporation or partnership, the portion of the consideration referred to in that definition that is paid by the corporation or partnership to its wholly-owned subsidiary, the following rules apply:

(*a*) the wages of an eligible employee of the wholly-owned subsidiary that are taken into account in that computation may not exceed the amount obtained by multiplying $75,000 by the proportion that the number of days in the taxation year or fiscal period that follow 31 December 2018 but precede 1 January 2020, and during which the individual is recognized as an eligible employee of the wholly-owned subsidiary is of 365; and

(*b*) the portion of the consideration is to be reduced by the aggregate of all amounts each of which is an amount of government assistance or non-government assistance that is attributable to the portion of the wages, incurred and paid by the wholly-owned subsidiary in respect of its eligible employees, which is taken into account in computing that portion of the consideration and that the corporation or partnership has received, is entitled to receive or may reasonably expect to receive on or before, in the case of the corporation, the corporation's filing-due date for the year or, in the case of the partnership, the last day of the six-month period following the end of the fiscal period.

For the purposes of subparagraph *b* of the second paragraph, an amount of government assistance or non-government assistance that is, at a particular time, received or receivable by the wholly-owned subsidiary of a corporation or partnership and that is attributable to the wages of its eligible employees is deemed to be received at that time by the corporation or partnership, as the case may be.

In determining, for the purposes of this division, whether an individual is an eligible employee of a corporation that is a wholly-owned subsidiary of another corporation or of a partnership for, as the case may be, a taxation year or a fiscal period of the corporation or partnership that includes all or part of the transitional period, the following rules apply:

(*a*) the definition of "eligible employee" in the first paragraph is to be read

i. as if "of a corporation or a partnership for all or part of a taxation year or fiscal period, as the case may be," in the portion before paragraph *a* were replaced by "of a wholly-owned subsidiary of a corporation or partnership for all or part of a taxation year or fiscal period, as the case may be, of the corporation or partnership" and without reference to ", subject to the fourth paragraph,",

ii. as if "employee of the corporation or partnership" and "of the corporation or partnership situated either in Québec or, where the condition in the fifth paragraph is met, elsewhere in Canada" in paragraph *a* were replaced by "employee of the wholly-owned subsidiary" and "of the wholly-owned subsidiary situated in Québec", respectively, and

iii. as if "of the corporation or partnership" in paragraph *b* were replaced by "of the wholly-owned subsidiary"; and

(*b*) the definition of "excluded employee" in the first paragraph is to be read

i. without reference to ", subject to the fourth paragraph," in the portion before paragraph *a*,

ii. as if "where the employer is a corporation" in paragraph *a* were replaced by "where the employer is a wholly-owned subsidiary of the corporation", and

iii. as if "where the employer is a partnership" in paragraph *b* were replaced by "where the employer is a wholly-owned subsidiary of the partnership".

An individual who reports for work at an establishment of a qualified corporation or qualified partnership situated in Canada outside Québec is an eligible employee of the corporation or partnership only if all of the corporation's or partnership's eligible employees who report for work at one of the corporation's or partnership's establishments situated in Québec represent at least 75% of all the individuals who are or would be, but for this paragraph, the corporation's or partnership's eligible employees.

For the purposes of the definition of "eligible employee" in the first paragraph, the following rules are taken into account:

(*a*) where, during all or part of a taxation year or fiscal period, an employee reports for work at an establishment of a corporation or partnership situated in Québec and at an establishment of the corporation or partnership situated outside Québec, the employee is deemed, for that period,

i. unless subparagraph ii applies, to report for work only at the establishment situated in Québec, or

ii. to report for work only at the establishment situated outside Québec if, during that period, the employee reports for work mainly at an establishment of the corporation or partnership situated outside Québec; and

(*b*) where, during all or part of a taxation year or fiscal period, an employee is not required to report for work at an establishment of a corporation or partnership and the employee's wages in relation to that period are paid from such an establishment situated in Québec, the employee is deemed to report for work at that establishment if the duties performed by the employee during that period are performed mainly in Québec.

To determine whether, during all or part of a taxation year or fiscal period, an employee reports for work at an establishment of a corporation or partnership situated in Canada outside Québec, the sixth paragraph applies, subject to the following rules:

(*a*) where, during that period, the employee reports for work at an establishment of the corporation or partnership situated in Canada outside Québec and at an establishment of the corporation or partnership situated outside Canada, subparagraph *a* of the sixth paragraph is to be read as if all occurrences of "in Québec" and "outside Québec" were replaced by "in Canada outside Québec" and "outside Canada", respectively; and

(*b*) where, during that period, the employee is not required to report for work at an establishment of the corporation or partnership and the employee's wages in relation to that period are paid from such an establishment situated in Canada outside Québec, subparagraph *b* of the sixth paragraph is to be read as if "situated in Québec" and "mainly in Québec" were replaced by "situated in Canada outside Québec" and "mainly in the province where it is situated", respectively.

"**1029.8.36.0.3.110.** For the purposes of this division, a corporation's share of an amount, in relation to a partnership of which the corporation is a member at the end of a fiscal period, is equal to the agreed proportion of the amount in respect of the corporation for the fiscal period.

"§2. — *Credits*

"**1029.8.36.0.3.111.** A qualified corporation for a taxation year that encloses the documents described in the third paragraph with the fiscal return it is required to file for the year under section 1000 is deemed, subject to the second paragraph, to have paid to the Minister on the qualified corporation's balance-due day for the year, on account of its tax payable for the year under this Part, an amount equal to 35% of the aggregate of all amounts each of which is the qualified wages incurred by the qualified corporation in the year in respect of an eligible employee for all or part of the year.

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

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

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

The documents to which the first paragraph refers are the following:

(*a*) the prescribed form containing prescribed information; and

(*b*) a copy of

i. any certificate issued to the corporation for the year in respect of a media business for the purposes of this division, and

ii. any certificate issued to the corporation for the year in respect of an individual for the purposes of this division.

Where the qualified corporation's taxation year includes all or part of the transitional period and where, in the transitional period or part of that period, the corporation's wholly-owned subsidiary carries out work on its behalf in relation to recognized activities, the amount that the corporation is deemed to have paid to the Minister for the year under the first paragraph is determined by adding the corporation's qualified expenditure for the year to the aggregate described in that first paragraph.

"**1029.8.36.0.3.112.** A corporation (other than an excluded corporation) that is a member of a qualified partnership at the end of a fiscal period of the qualified partnership that ends in a taxation year and that encloses the documents described in the third paragraph with the fiscal return it is required to file for the year under section 1000 is deemed, subject to the second paragraph, to have paid to the Minister on the corporation's balance-due day for the year, on account of its tax payable for the year under this Part, an amount equal to 35% of its share of the aggregate of all amounts each of which is the qualified wages incurred by the qualified partnership in the fiscal period in respect of an eligible employee for all or part of the fiscal period.

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

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

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

The documents to which the first paragraph refers are the following:

(*a*) the prescribed form containing prescribed information; and

(*b*) a copy of

i. any certificate issued to the partnership for the fiscal period in respect of a media business for the purposes of this division, and

ii. any certificate issued to the partnership for the fiscal period in respect of an individual for the purposes of this division.

Where the qualified partnership's fiscal period includes all or part of the transitional period and where, in the transitional period or part of that period, the partnership's wholly-owned subsidiary carries out work on its behalf in relation to recognized activities, the amount that a corporation that is a member of the partnership is deemed to have paid to the Minister under the first paragraph for a taxation year that ends in the fiscal period is determined by adding the partnership's qualified expenditure for the fiscal period to the aggregate described in that first paragraph.

"**1029.8.36.0.3.113.** Despite the expiry of the time limit provided for in the first paragraph of section 1029.6.0.1.2 for filing the documents described in the third paragraph of section 1029.8.36.0.3.111 or 1029.8.36.0.3.112, a corporation may be deemed to have paid an amount to the Minister on account of the corporation's tax payable for a taxation year under that section, if it files such documents in accordance with that third paragraph before 17 December 2020.

"§3. — *Assistance, repayment of assistance and other particulars*

"**1029.8.36.0.3.114.** Where a corporation (other than an excluded corporation) that is a member of a qualified partnership at the end of a fiscal period of the qualified partnership has received, is entitled to receive or may reasonably expect to receive, on or before the last day of the six-month period following the end of the fiscal period, an amount of government assistance or non-government assistance in respect of wages included in computing the qualified wages incurred by the partnership in that fiscal period, in respect of an eligible employee for all or part of that fiscal period, such qualified wages

are, for the purpose of computing the amount deemed to have been paid to the Minister by the corporation under section 1029.8.36.0.3.112 for the taxation year in which the fiscal period ends, to be determined as if

(*a*) the amount of assistance had been received by the partnership in the fiscal period; and

(*b*) the amount of assistance were equal to the product obtained by multiplying the amount of assistance otherwise determined by the reciprocal of the agreed proportion in respect of the corporation for that fiscal period.

Where a qualified partnership's fiscal period includes all or part of the transitional period and where, in the transitional period or part of that period, the qualified partnership's wholly-owned subsidiary carried out work on the qualified partnership's behalf in relation to recognized activities, the first paragraph applies in respect of an amount of government assistance or non-government assistance that is received or receivable by a corporation referred to in that paragraph and that is attributable to the wages that were incurred and paid by the wholly-owned subsidiary, in respect of the wholly-owned subsidiary's eligible employees, for the carrying out of the work, but the portion of the first paragraph before subparagraph *a* is to be read as follows:

"Where a corporation (other than an excluded corporation) that is a member of a qualified partnership at the end of a fiscal period of the qualified partnership has received, is entitled to receive or may reasonably expect to receive, on or before the last day of the six-month period following the end of the fiscal period, an amount of government assistance or non-government assistance that is attributable to the wages that were incurred and paid in respect of the eligible employees of the partnership's wholly-owned subsidiary and that were taken into account in computing the partnership's qualified expenditure for that fiscal period, such qualified expenditure is, for the purpose of computing the amount deemed to have been paid to the Minister by the corporation under section 1029.8.36.0.3.112 for the taxation year in which the fiscal period ends, to be determined as if".

"**1029.8.36.0.3.115.** Where a corporation pays in a taxation year (in this section referred to as the "repayment year"), pursuant to a legal obligation, an amount that may reasonably be considered to be a repayment of government assistance or non-government assistance, referred to in paragraph *b* of the definition of "qualified wages" in the first paragraph of section 1029.8.36.0.3.109, that was taken into account for the purpose of computing the qualified wages incurred by the corporation in a particular taxation year, in relation to an eligible employee, and in respect of which the corporation is deemed to have paid an amount to the Minister under section 1029.8.36.0.3.111 for the particular year, the corporation is deemed to have paid to the Minister on the corporation's balance-due day for the repayment year, on account of its tax payable for that year under this Part, if it encloses the prescribed form containing prescribed information with the fiscal return it is required to file for the repayment year under section 1000, an amount equal to the amount by which the amount that

it would be deemed to have paid to the Minister under section 1029.8.36.0.3.111 for the particular year, in respect of the qualified wages, if any amount of assistance so repaid at or before the end of the repayment year had reduced, for the particular year, the aggregate determined under that paragraph *b*, exceeds the aggregate of

(*a*) the amount that the corporation is deemed to have paid to the Minister under section 1029.8.36.0.3.111 for the particular year, in respect of the qualified wages; and

(*b*) any amount that the corporation is deemed to have paid to the Minister under this section for a taxation year preceding the repayment year, in respect of an amount of repayment of such assistance.

Where a corporation's particular taxation year includes all or part of the transitional period and where, in the transitional period or part of that period, the corporation's wholly-owned subsidiary for the particular year carried out work on the corporation's behalf in relation to recognized activities, the first paragraph applies in respect of an amount that may reasonably be considered to be a repayment by the corporation of government assistance or non-government assistance attributable to the wages of that subsidiary's eligible employees, but is to be read

(*a*) as if ", referred to in paragraph *b* of the definition of "qualified wages" in the first paragraph of section 1029.8.36.0.3.109, that was taken into account for the purpose of computing the qualified wages incurred by the corporation in a particular taxation year, in relation to an eligible employee, and in respect of which the corporation is deemed to have paid an amount to the Minister under section 1029.8.36.0.3.111" in the portion before subparagraph *a* were replaced by "that reduced, because of subparagraph *b* of the second paragraph of section 1029.8.36.0.3.109, the corporation's qualified expenditure for a particular taxation year, for the purpose of computing the amount that the corporation is deemed to have paid to the Minister under section 1029.8.36.0.3.111, in respect of such expenditure,"; and

(*b*) as if "in respect of the qualified wages" wherever it appears in the portion before subparagraph *b* were replaced by "in respect of the qualified expenditure".

For the purposes of this section, an amount of government assistance or non-government assistance referred to in the third paragraph of section 1029.8.36.0.3.109 is deemed to be repaid by the corporation, pursuant to a legal obligation, at the time it is so repaid by another corporation that was the corporation's wholly-owned subsidiary for the particular taxation year.

"**1029.8.36.0.3.116.** Where a partnership pays in a fiscal period (in this section referred to as the "fiscal period of repayment"), pursuant to a legal obligation, an amount that may reasonably be considered to be a repayment of government assistance or non-government assistance, referred to in paragraph *b* of the definition of "qualified wages" in the first paragraph of section 1029.8.36.0.3.109, that was taken into account for the purpose of

computing the qualified wages incurred by the partnership, in relation to an eligible employee, in a particular fiscal period ending in a particular taxation year and in respect of which a corporation that is a member of the partnership at the end of the particular fiscal period is deemed to have paid an amount to the Minister under section 1029.8.36.0.3.112 for the particular taxation year, the corporation is deemed to have paid to the Minister on the corporation's balance-due day for its taxation year in which the fiscal period of repayment ends, on account of its tax payable for that year under this Part, if the corporation is a member of the partnership at the end of the fiscal period of repayment and if it encloses the prescribed form containing prescribed information with the fiscal return it is required to file for the year under section 1000, an amount equal to the amount by which the particular amount that the corporation would be deemed, if the assumptions set out in the second paragraph were taken into account, to have paid to the Minister under section 1029.8.36.0.3.112 for the particular year, in respect of the qualified wages, exceeds the total of

(*a*) the amount that the corporation would be deemed to have paid to the Minister under section 1029.8.36.0.3.112 for the particular year, in respect of the qualified wages, if the agreed proportion in respect of the corporation for the particular fiscal period were the same as that for the fiscal period of repayment; and

(*b*) the aggregate of all amounts each of which is an amount that the corporation would be deemed to have paid to the Minister under this section, for a taxation year preceding the taxation year in which the fiscal period of repayment ends, in respect of an amount of such assistance repaid by the partnership, if the agreed proportion in respect of the corporation for the particular fiscal period were the same as that for the fiscal period of repayment.

The particular amount to which the first paragraph refers is to be computed as if

(*a*) any amount of such assistance repaid by the partnership at or before the end of the fiscal period of repayment reduced, for the particular fiscal period, the aggregate determined under paragraph *b* of the definition of "qualified wages" in the first paragraph of section 1029.8.36.0.3.109; and

(*b*) the agreed proportion in respect of the corporation for the particular fiscal period were the same as that for the fiscal period of repayment.

Where a partnership's particular fiscal period includes all or part of the transitional period and where, in the transitional period or part of that period, the partnership's wholly-owned subsidiary for the fiscal period carried out work on the partnership's behalf in relation to recognized activities, the first and second paragraphs apply in respect of an amount that may reasonably be considered to be a repayment by the partnership of government assistance or non-government assistance attributable to the wages of that subsidiary's eligible employees, but are to be read

(*a*) as if ", referred to in paragraph *b* of the definition of "qualified wages" in the first paragraph of section 1029.8.36.0.3.109, that was taken into account for the purpose of computing the qualified wages incurred by the partnership, in relation to an eligible employee, in a particular fiscal period ending in a particular taxation year and in respect of which a corporation that is a member of the partnership at the end of the particular fiscal period is deemed to have paid an amount to the Minister under section 1029.8.36.0.3.112" in the portion before subparagraph *a* of the first paragraph were replaced by "that reduced, because of subparagraph *b* of the second paragraph of section 1029.8.36.0.3.109, the partnership's qualified expenditure for a particular fiscal period ending in a particular taxation year, for the purpose of computing the amount that a corporation that is a member of the partnership at the end of the particular fiscal period is deemed to have paid to the Minister under section 1029.8.36.0.3.112, in respect of such expenditure,";

(*b*) as if "in respect of the qualified wages" wherever it appears in the portion before subparagraph *b* of the first paragraph were replaced by "in respect of the qualified expenditure"; and

(*c*) as if "paragraph *b* of the definition of "qualified wages" in the first paragraph" in subparagraph *a* of the second paragraph were replaced by "subparagraph *b* of the second paragraph".

For the purposes of this section, an amount of government assistance or non-government assistance referred to in the third paragraph of section 1029.8.36.0.3.109 is deemed to be repaid by the partnership, pursuant to a legal obligation, at the time it is so repaid by a corporation that was the partnership's wholly-owned subsidiary for the particular fiscal period.

"**1029.8.36.0.3.117.** Where a corporation that is a member of a partnership at the end of a fiscal period of the partnership (in this section referred to as the "fiscal period of repayment") pays, in that fiscal period, pursuant to a legal obligation, an amount that may reasonably be considered to be a repayment of government assistance or non-government assistance, in respect of wages included in computing the qualified wages incurred by the partnership in relation to an eligible employee, in a particular fiscal period, that is referred to in the portion of the first paragraph of section 1029.8.36.0.3.114 before subparagraph *a* and that reduced, in the manner provided for in that section, the qualified wages for the purpose of computing the amount that the corporation is deemed to have paid to the Minister under section 1029.8.36.0.3.112, in respect of the qualified wages, for its taxation year in which the particular fiscal period ends (in this section referred to as the "particular year"), the corporation is deemed to have paid to the Minister on the corporation's balance-due day for its taxation year in which the fiscal period of repayment ends, on account of its tax payable for that year under this Part, if it encloses the prescribed form containing prescribed information with the fiscal return it is required to file for the year under section 1000, an amount equal to the amount by which the particular amount that the corporation would be deemed,

if the assumptions set out in the second paragraph were taken into account, to have paid to the Minister under section 1029.8.36.0.3.112 for the particular year, in respect of the qualified wages, exceeds the total of

(*a*) the amount that the corporation would be deemed to have paid to the Minister under section 1029.8.36.0.3.112 for the particular year, in respect of the qualified wages, if the agreed proportion in respect of the corporation for the particular fiscal period were the same as that for the fiscal period of repayment; and

(*b*) the aggregate of all amounts each of which is an amount that the corporation would be deemed to have paid to the Minister under this section, for a taxation year preceding the taxation year in which the fiscal period of repayment ends, in respect of an amount of such assistance repaid by the corporation, if the agreed proportion in respect of the corporation for the particular fiscal period were the same as that for the fiscal period of repayment.

The particular amount to which the first paragraph refers is to be computed as if

(*a*) the aggregate described in paragraph *b* of the definition of "qualified wages" in the first paragraph of section 1029.8.36.0.3.109 were reduced, for the particular fiscal period, by the amount obtained by multiplying the reciprocal of the agreed proportion, in respect of the corporation for the fiscal period of repayment, by an amount of such assistance repaid at or before the end of the fiscal period of repayment; and

(*b*) the agreed proportion in respect of the corporation for the particular fiscal period were the same as that for the fiscal period of repayment.

Where a partnership's particular fiscal period includes all or part of the transitional period and where, in the transitional period or part of that period, the partnership's wholly-owned subsidiary for the fiscal period carried out work on the partnership's behalf in relation to recognized activities, the first and second paragraphs apply in respect of an amount that may reasonably be considered to be a repayment, by a corporation that is a member of the partnership at the end of the fiscal period of repayment, of government assistance or non-government assistance attributable to the wages of that subsidiary's eligible employees, but are to be read

(*a*) as if ", in respect of wages included in computing the qualified wages incurred by the partnership in relation to an eligible employee, in a particular fiscal period, that is referred to in the portion of the first paragraph of section 1029.8.36.0.3.114 before subparagraph *a* and that reduced, in the manner provided for in that section, the qualified wages" in the portion before subparagraph *a* of the first paragraph were replaced by "attributable to the wages taken into account in computing the qualified expenditure of the partnership for a particular fiscal period that is referred to in the portion of the

first paragraph of section 1029.8.36.0.3.114 before subparagraph *a* and that reduced, in the manner provided for in that section, because of subparagraph *b* of the second paragraph of section 1029.8.36.0.3.109, the qualified expenditure";

(*b*) as if "in respect of the qualified wages" wherever it appears in the portion before subparagraph *b* of the first paragraph were replaced by "in respect of the qualified expenditure"; and

(*c*) as if "paragraph *b* of the definition of "qualified wages" in the first paragraph" in subparagraph *a* of the second paragraph were replaced by "subparagraph *b* of the second paragraph".

"**1029.8.36.0.3.118.** For the purposes of sections 1029.8.36.0.3.115 to 1029.8.36.0.3.117, an amount of assistance is deemed to be repaid at a particular time by a corporation or a partnership, as the case may be, pursuant to a legal obligation, if that amount

(*a*) reduced, because of paragraph *b* of the definition of "qualified wages" in the first paragraph of section 1029.8.36.0.3.109 or because of section 1029.8.36.0.3.114, the amount of the wages referred to in that paragraph *b*, for the purpose of computing qualified wages in respect of which the corporation or a corporation that is a member of the partnership is deemed to have paid an amount to the Minister under section 1029.8.36.0.3.111 or 1029.8.36.0.3.112, as the case may be;

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

(*c*) ceased at the particular time to be an amount that the corporation or the partnership may reasonably expect to receive.

Where the repayment of assistance is in respect of assistance attributable to the wages of the eligible employees of the corporation's or partnership's wholly-owned subsidiary, the first paragraph applies in its respect, but subject to the following rules:

(*a*) subparagraph *a* is to be read as if "paragraph *b* of the definition of "qualified wages" in the first paragraph" and "of the wages referred to in that paragraph *b*, for the purpose of computing qualified wages in respect of which" were replaced by "subparagraph *b* of the second paragraph" and "of the corporation's or partnership's qualified expenditure in respect of which", respectively; and

(*b*) where the amount was receivable by the corporation's or partnership's wholly-owned subsidiary,

i. the portion before subparagraph *a* is to be read as if "1029.8.36.0.3.115 to 1029.8.36.0.3.117" and "a corporation or a partnership" were replaced by "1029.8.36.0.3.115 and 1029.8.36.0.3.116" and "the wholly-owned subsidiary of a corporation or a partnership", and

ii. both subparagraphs *b* and *c* are to be read as if "the corporation or the partnership" were replaced by "the wholly-owned subsidiary".

"**1029.8.36.0.3.119.** Where, in respect of the employment of an individual with a qualified corporation or a qualified partnership as an eligible employee, a person or a partnership has obtained, is entitled to obtain or may reasonably expect to obtain a benefit or advantage, other than a benefit or advantage that may reasonably be attributed to the employment, whether in the form of a reimbursement, compensation or guarantee, in the form of proceeds of disposition of a property which exceed the fair market value of the property, or in any other form or manner, the following rules apply:

(*a*) for the purpose of computing the amount that the qualified corporation is deemed to have paid to the Minister for a particular taxation year under section 1029.8.36.0.3.111, the qualified wages incurred by the corporation, in relation to the individual's employment, in the particular year are to be determined by increasing the aggregate described in paragraph *b* of the definition of "qualified wages" in the first paragraph of section 1029.8.36.0.3.109 by the amount of the benefit or advantage that the person or partnership has obtained, is entitled to obtain or may reasonably expect to obtain on or before the corporation's filing-due date for the particular year; and

(*b*) for the purpose of computing the amount that is deemed to have been paid to the Minister for a taxation year under section 1029.8.36.0.3.112, by a corporation that is a member of the qualified partnership at the end of the partnership's particular fiscal period ending in the year, the qualified wages incurred by the partnership, in relation to the individual's employment, in the particular fiscal period are to be determined by increasing the aggregate described in paragraph *b* of the definition of "qualified wages" in the first paragraph of section 1029.8.36.0.3.109 by

i. the amount of the benefit or advantage that a partnership or a person other than a person referred to in subparagraph ii has obtained, is entitled to obtain or may reasonably expect to obtain on or before the last day of the six-month period following the end of the particular fiscal period, or

ii. the product obtained by multiplying the amount of the benefit or advantage that the corporation or a person with whom the corporation is not dealing at arm's length has obtained, is entitled to obtain or may reasonably expect to obtain on or before the last day of the six-month period following the end of the particular fiscal period, by the reciprocal of the agreed proportion in respect of the corporation for that fiscal period.

Where the qualified corporation's particular taxation year, or the qualified partnership's particular fiscal period, includes all or part of the transitional period and where, in the transitional period or part of that period, the qualified corporation's or qualified partnership's wholly-owned subsidiary for the particular year or particular fiscal period carried out work on the qualified

corporation's or qualified partnership's behalf in relation to recognized activities, the first paragraph applies in respect of a benefit or advantage obtained or to be obtained in relation to the work, but is to be read

(*a*) as if "the employment of an individual with a qualified corporation or a qualified partnership as an eligible employee" and "to the employment" in the portion before subparagraph *a* were replaced by "the work carried out on behalf of a qualified corporation or a qualified partnership by the qualified corporation's or qualified partnership's wholly-owned subsidiary in relation to recognized activities" and "to the work", respectively;

(*b*) as if "the qualified wages incurred by the corporation, in relation to the individual's employment, in the particular year are to be determined" and "paragraph *b* of the definition of "qualified wages" in the first paragraph" in subparagraph *a* were replaced by " the corporation's qualified expenditure for the particular year is to be determined" and "subparagraph *b* of the second paragraph", respectively; and

(*c*) as if "the qualified wages incurred by the partnership, in relation to the individual's employment, in the particular fiscal period are to be determined" and "paragraph *b* of the definition of "qualified wages" in the first paragraph" in the portion of subparagraph *b* before subparagraph i were replaced by "the partnership's qualified expenditure for the particular fiscal period is to be determined" and "subparagraph *b* of the second paragraph", respectively."

(2) Subsection 1 has effect from 1 January 2019.

141. (1) Section 1029.8.36.53.20.1 of the Act is amended by replacing "2020" in the definition of "qualified financing" in the first paragraph by "2025".

(2) Subsection 1 has effect from 16 December 2019.

142. (1) Section 1029.8.36.53.20.6 of the Act is amended by replacing "2032" in the portion before paragraph *a* by "2037".

(2) Subsection 1 has effect from 16 December 2019.

143. (1) Sections 1029.8.36.53.20.7 and 1029.8.36.53.20.8 of the Act are amended by replacing "2032" in the portion before subparagraph *a* of the first paragraph by "2037".

(2) Subsection 1 has effect from 16 December 2019.

144. Division II.6.4.3 of Chapter III.1 of Title III of Book IX of Part I of the Act, comprising sections 1029.8.36.53.21 to 1029.8.36.53.27, is repealed.

145. Division II.6.5.2 of Chapter III.1 of Title III of Book IX of Part I of the Act, comprising sections 1029.8.36.59.9 to 1029.8.36.59.11, is repealed.

146. (1) The Act is amended by inserting the following division after section 1029.8.36.59.57:

"**DIVISION II.6.5.9**

"CREDIT FOR SMALL AND MEDIUM-SIZED BUSINESSES IN RESPECT OF PERSONS WITH A SEVERELY LIMITED CAPACITY FOR EMPLOYMENT

"§1. — *Interpretation*

"**1029.8.36.59.58.** In this division,

"eligible contribution" of a qualified corporation or a qualified partnership, in respect of a calendar year and in relation to an employee, means an amount that the qualified corporation or the qualified partnership, as the case may be, paid, for that calendar year and in relation to that employee, under the Act respecting industrial accidents and occupational diseases (chapter A-3.001) or under

(*a*) section 59 of the Act respecting parental insurance (chapter A-29.011);

(*b*) section 39.0.2 of the Act respecting labour standards (chapter N-1.1);

(*c*) section 34 of the Act respecting the Régie de l'assurance maladie du Québec (chapter R-5); or

(*d*) section 52 of the Act respecting the Québec Pension Plan (chapter R-9);

"eligible employee" of a qualified corporation for a taxation year or of a qualified partnership for a fiscal period means an employee of the corporation or partnership at a time in the calendar year that ends in the taxation year or the fiscal period, as the case may be, other than an excluded employee at any time in that calendar year, in respect of whom the conditions of subparagraphs *a* to *b*.1 of the first paragraph of section 752.0.14 are met or in respect of whom the Minister of Labour, Employment and Social Solidarity issued a certificate certifying that the employee received in the calendar year or in any of the five preceding calendar years a social solidarity allowance under Chapter II of Title II of the Individual and Family Assistance Act (chapter A-13.1.1);

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

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

(*b*) would be exempt from tax for the year under section 985, but for section 192;

"excluded employee" of a corporation or a partnership at a particular time means

(*a*) where the employer is a corporation, an employee who is, at that time, a specified shareholder of the corporation or, where the corporation is a cooperative, a specified member of the corporation; or

(*b*) where the employer is a partnership, an employee who

i. is, at that time, a specified shareholder or specified member, as the case may be, of a member of the partnership, or

ii. is not, at that time, dealing at arm's length with a member of the partnership, or with a specified shareholder or specified member, as the case may be, of that member;

"primary and manufacturing sectors corporation" for a taxation year has the meaning assigned by the first paragraph of section 771.1;

"qualified corporation" for a taxation year means a corporation, other than an excluded corporation for the year, that, in the year, carries on a business in Québec and has an establishment in Québec, whose paid-up capital attributed to the corporation for the year, determined in accordance with section 737.18.24, is less than $15,000,000 and, unless the corporation is a primary and manufacturing sectors corporation for the year, that is referred to in section 771.2.1.2.1 for the year;

"qualified expenditure" of a qualified corporation for a taxation year or of a qualified partnership for a fiscal period, in relation to an eligible employee, means the aggregate of all amounts each of which is an eligible contribution of the qualified corporation or the qualified partnership, as the case may be, in respect of a calendar year subsequent to the calendar year 2019 that ends in the taxation year or the fiscal period, as the case may be, in relation to the salary, wages or other remuneration that the corporation or the partnership paid, allocated, granted, awarded or attributed to the eligible employee in the calendar year, other than a salary, wages or other remuneration in respect of which no contribution is payable by the qualified corporation or the qualified partnership under section 34 of the Act respecting the Régie de l'assurance maladie du Québec, because of subparagraph *d*.1 of the seventh paragraph of that section 34;

"qualified partnership" for a fiscal period means a partnership that, in the fiscal period, carries on a business in Québec, has an establishment in Québec and meets the following conditions:

(*a*) if the partnership were a corporation whose taxation year corresponds to its fiscal period, the paid-up capital that would be attributed to the partnership for the year in accordance with section 737.18.24 is less than $15,000,000; and

(*b*) the number of remunerated hours of the partnership's employees for the fiscal period, determined as if the partnership were referred to in section 771.2.1.2.2 for the fiscal period, exceeds 5,000, except where the

partnership would be a primary and manufacturing sectors corporation for the year if it were a corporation whose taxation year corresponds to its fiscal period;

"specified member" of a corporation that is a cooperative at any time means

(*a*) a member having, directly or indirectly, at that time, at least 10% of the votes at a meeting of the members of the cooperative; or

(*b*) a person who is not, at that time, dealing at arm's length with that member.

"§2. — *Credit*

"**1029.8.36.59.59.** A qualified corporation for a taxation year that encloses the prescribed form containing prescribed information with the fiscal return it is required to file for the year under section 1000 is deemed, subject to the second paragraph, to have paid to the Minister on the corporation's balance-due day for that year, on account of its tax payable for that year under this Part, an amount equal to the aggregate of

(*a*) the aggregate of all amounts each of which is the amount of its qualified expenditure for the year, in relation to an eligible employee of the corporation for the year; and

(*b*) where the qualified corporation is a member of a qualified partnership at the end of a fiscal period of the partnership that ends in the taxation year, the aggregate of all amounts each of which is its share, for the fiscal period, of the qualified partnership's qualified expenditure for the fiscal period, in relation to an eligible employee of the partnership for the fiscal period.

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

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

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

For the purposes of this section, the share of a member of a partnership of an amount for a fiscal period is equal to the agreed proportion of the amount in respect of the member for the fiscal period.

"§3. — *Government assistance, non-government assistance and other particulars*

"**1029.8.36.59.60.** For the purpose of computing the amount that is deemed to have been paid to the Minister by a corporation, for a taxation year, under section 1029.8.36.59.59, the following rules apply:

(*a*) the amount of the corporation's qualified expenditure referred to in subparagraph *a* of the first paragraph of section 1029.8.36.59.59 is to be reduced, if applicable, by the amount of any government assistance or non-government assistance, attributable to that expenditure, that the corporation has received, is entitled to receive or may reasonably expect to receive on or before the corporation's filing-due date for the taxation year; and

(*b*) the corporation's share of the qualified expenditure referred to in subparagraph *b* of the first paragraph of section 1029.8.36.59.59 of a partnership of which the corporation is a member, for a fiscal period of the partnership that ends in the corporation's taxation year, is to be reduced, if applicable,

i. by the corporation's share of the amount of any government assistance or non-government assistance, attributable to that expenditure, that the partnership has received, is entitled to receive or may reasonably expect to receive on or before the day that is six months after the end of the fiscal period, and

ii. by the amount of any government assistance or non-government assistance, attributable to that expenditure, that the corporation has received, is entitled to receive or may reasonably expect to receive on or before the day that is six months after the end of the fiscal period.

For the purposes of subparagraph i of subparagraph *b* of the first paragraph, the share of a corporation, for a fiscal period of a partnership, of the amount of any government assistance or non-government assistance that the partnership has received, is entitled to receive or may reasonably expect to receive, is equal to the agreed proportion of the amount in respect of the corporation for the fiscal period.

"**1029.8.36.59.61.** Where, in respect of a qualified expenditure of a qualified corporation for a taxation year or of a qualified partnership of which the qualified corporation is a member, for a fiscal period of that partnership that ends in the corporation's taxation year, a person or a partnership has obtained, is entitled to obtain or may reasonably expect to obtain a benefit or advantage, other than a benefit or advantage that arises from the payment of an eligible contribution, whether in the form of a reimbursement, compensation or guarantee, in the form of proceeds of disposition of a property which exceed the fair market value of the property, or in any other form or manner, the

following rules apply for the purpose of computing the amount that is deemed to have been paid to the Minister, for the taxation year, by the qualified corporation under section 1029.8.36.59.59:

(*a*) the amount of the corporation's qualified expenditure referred to in subparagraph *a* of the first paragraph of section 1029.8.36.59.59 is to be reduced, if applicable, by the amount of the benefit or advantage that the person or partnership has obtained, is entitled to obtain or may reasonably expect to obtain on or before the corporation's filing-due date for the taxation year; and

(*b*) the corporation's share of the partnership's qualified expenditure referred to in subparagraph *b* of the first paragraph of section 1029.8.36.59.59 is to be reduced, if applicable,

i. by the corporation's share of the amount of the benefit or advantage that a partnership or a person, other than a person referred to in subparagraph ii, has obtained, is entitled to obtain or may reasonably expect to obtain, on or before the day that is six months after the end of the fiscal period, and

ii. by the amount of the benefit or advantage that the corporation or a person with whom it does not deal at arm's length has obtained, is entitled to obtain or may reasonably expect to obtain on or before the day that is six months after the end of the fiscal period.

For the purposes of subparagraph i of subparagraph *b* of the first paragraph, the share of a corporation, for a fiscal period of a partnership, of the amount of the benefit or advantage that a partnership or a person has obtained, is entitled to obtain or may reasonably expect to obtain, is equal to the agreed proportion of the amount in respect of the corporation for the fiscal period.

"**1029.8.36.59.62.** Where, in a taxation year (in this section referred to as the "repayment year"), a corporation pays, pursuant to a legal obligation, an amount that may reasonably be considered to be a repayment of government assistance or non-government assistance that reduced, because of subparagraph *a* of the first paragraph of section 1029.8.36.59.60, the corporation's qualified expenditure for a particular taxation year for the purpose of computing the amount that the corporation is deemed to have paid to the Minister for the particular year under section 1029.8.36.59.59, the corporation is deemed, if it encloses the prescribed form containing prescribed information with the fiscal return the corporation is required to file for the repayment year under section 1000, to have paid to the Minister on the corporation's balance-due day for the repayment year, on account of its tax payable for that year under this Part, an amount equal to the amount by which the amount that the corporation would be deemed to have paid to the Minister for the particular year under section 1029.8.36.59.59, in respect of the qualified expenditure if any amount of such assistance so repaid at or before the end of the repayment year had reduced, for the particular year, the amount of any government assistance or non-government assistance referred to in subparagraph *a* of the first paragraph of section 1029.8.36.59.60, exceeds the aggregate of

(*a*) the amount that the corporation is deemed to have paid to the Minister under section 1029.8.36.59.59 for the particular year in respect of the qualified expenditure; and

(*b*) any amount that the corporation is deemed to have paid to the Minister under this section for a taxation year preceding the repayment year in respect of an amount of repayment of that assistance.

"**1029.8.36.59.63.** Where, in a fiscal period (in this section referred to as the "fiscal period of repayment"), a partnership pays, pursuant to a legal obligation, an amount that may reasonably be considered to be a repayment of government assistance or non-government assistance that reduced, because of subparagraph i of subparagraph *b* of the first paragraph of section 1029.8.36.59.60, a corporation's share of the partnership's qualified expenditure for a particular fiscal period, for the purpose of computing the amount that the corporation is deemed to have paid to the Minister under section 1029.8.36.59.59, in respect of the share, for its taxation year in which the particular fiscal period ended, the corporation is deemed to have paid to the Minister on the corporation's balance-due day for its taxation year in which the fiscal period of repayment ends, on account of its tax payable for that year under this Part, if the corporation is a member of the partnership at the end of the fiscal period of repayment and if it encloses the prescribed form containing prescribed information with the fiscal return it is required to file for the year under section 1000, an amount equal to the amount by which the particular amount that the corporation would be deemed, if the assumptions set out in the second paragraph were taken into account, to have paid to the Minister under section 1029.8.36.59.59 for its taxation year in which the particular fiscal period ends, in respect of the share, exceeds the aggregate of

(*a*) the amount that the corporation would be deemed to have paid to the Minister under section 1029.8.36.59.59, for its taxation year in which the particular fiscal period ends, in respect of the share, if the agreed proportion in respect of the corporation for the particular fiscal period were the same as that for the fiscal period of repayment; and

(*b*) any amount that the corporation would be deemed to have paid to the Minister under this section for a taxation year preceding the taxation year in which the fiscal period of repayment ends, in respect of an amount of that assistance repaid by the partnership, if the agreed proportion in respect of the corporation for the particular fiscal period were the same as that for the fiscal period of repayment.

The particular amount to which the first paragraph refers is to be computed as if

(*a*) any amount of assistance repaid at or before the end of the fiscal period of repayment reduced, for the particular fiscal period, the amount of any government assistance or non-government assistance referred to in subparagraph i of subparagraph *b* of the first paragraph of section 1029.8.36.59.60; and

(*b*) the agreed proportion in respect of the corporation for the particular fiscal period were the same as that for the fiscal period of repayment.

"**1029.8.36.59.64.** Where a corporation is a member of a partnership at the end of a fiscal period of the partnership (in this section referred to as the "fiscal period of repayment") and pays, in the fiscal period of repayment, pursuant to a legal obligation, an amount that may reasonably be considered to be a repayment of government assistance or non-government assistance that reduced, because of subparagraph ii of subparagraph *b* of the first paragraph of section 1029.8.36.59.60, its share of the partnership's qualified expenditure for a particular fiscal period, for the purpose of computing the amount that the corporation is deemed to have paid to the Minister under section 1029.8.36.59.59, in respect of the share, for its taxation year in which the particular fiscal period ended, the corporation is deemed to have paid to the Minister on the corporation's balance-due day for its taxation year in which the fiscal period of repayment ends, on account of its tax payable for that year under this Part, if it encloses the prescribed form containing prescribed information with the fiscal return it is required to file for the year under section 1000, an amount equal to the amount by which the particular amount that the corporation would be deemed, if the assumptions set out in the second paragraph were taken into account, to have paid to the Minister under section 1029.8.36.59.59 for its taxation year in which the particular fiscal period ends, in respect of the share, exceeds the aggregate of

(*a*) the amount that the corporation would be deemed to have paid to the Minister under section 1029.8.36.59.59 for its taxation year in which the particular fiscal period ends, in respect of the share, if the agreed proportion in respect of the corporation for the particular fiscal period were the same as that for the fiscal period of repayment; and

(*b*) any amount that the corporation would be deemed to have paid to the Minister under this section for a taxation year preceding the taxation year in which the fiscal period of repayment ends, in respect of an amount of that assistance repaid by the corporation, if the agreed proportion in respect of the corporation for the particular fiscal period were the same as that for the fiscal period of repayment.

The particular amount to which the first paragraph refers is to be computed as if

(*a*) any amount of assistance repaid at or before the end of the fiscal period of repayment reduced, for the particular fiscal period, the amount of any government assistance or non-government assistance referred to in subparagraph ii of subparagraph *b* of the first paragraph of section 1029.8.36.59.60; and

(*b*) the agreed proportion in respect of the corporation for the particular fiscal period were the same as that for the fiscal period of repayment.

"**1029.8.36.59.65.** For the purposes of sections 1029.8.36.59.62 to 1029.8.36.59.64, an amount of assistance is deemed to be repaid by a corporation or a partnership, as the case may be, at a particular time, pursuant to a legal obligation, if that amount

(*a*) reduced, because of section 1029.8.36.59.60, a qualified expenditure or the share of a corporation that is a member of the partnership of a qualified expenditure, for the purpose of computing the amount that the corporation or the corporation that is a member of the partnership is deemed to have paid to the Minister for a taxation year under section 1029.8.36.59.59;

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

(*c*) ceased at the particular time to be an amount that the corporation or partnership could reasonably expect to receive."

(2) Subsection 1 applies to a taxation year that ends after 31 December 2019.

147. (1) Section 1029.8.36.166.40 of the Act is amended

(1) by replacing the portion of the definition of "qualified property" in the first paragraph before paragraph *a* by the following:

""qualified property" of a corporation or a partnership means, subject to the second paragraph, a property that";

(2) by replacing subparagraph 2 of subparagraph i of paragraph *a* of the definition of "qualified property" in the first paragraph by the following subparagraph:

"(2) in any other case, the period that begins on 14 March 2008 and ends on 31 December 2016 or, unless it is a property acquired pursuant to an obligation in writing entered into before 16 August 2018 or the construction of which, if applicable, by or on behalf of the purchaser, had begun by 15 August 2018, the period that begins on 16 August 2018 and ends on 31 December 2019 or, if it is a property acquired pursuant to an obligation in writing entered into after 15 August 2018 and before 1 January 2020 or the construction of which, if applicable, by or on behalf of the purchaser, began in the latter period, 31 December 2020,";

(3) by replacing subparagraph 2 of subparagraph ii of paragraph *a* of the definition of "qualified property" in the first paragraph by the following subparagraph:

"(2) in any other case, the period that begins on 28 January 2009 and ends on 31 December 2016 or, unless it is a property acquired pursuant to an obligation in writing entered into before 16 August 2018 or the construction of which, if applicable, by or on behalf of the purchaser, had begun by 15 August 2018, the period that begins on 16 August 2018 and ends on

31 December 2019 or, if it is a property acquired pursuant to an obligation in writing entered into after 15 August 2018 and before 1 January 2020 or the construction of which, if applicable, by or on behalf of the purchaser, began in the latter period, 31 December 2020, or";

(4) by replacing subparagraph 2 of subparagraph iii of paragraph *a* of the definition of "qualified property" in the first paragraph by the following subparagraph:

"(2) in any other case, the period that begins on 21 March 2012 and ends on 31 December 2016 or, unless it is a property acquired pursuant to an obligation in writing entered into before 16 August 2018 or the construction of which, if applicable, by or on behalf of the purchaser, had begun by 15 August 2018, the period that begins on 16 August 2018 and ends on 31 December 2019 or, if it is a property acquired pursuant to an obligation in writing entered into after 15 August 2018 and before 1 January 2020 or the construction of which, if applicable, by or on behalf of the purchaser, began in the latter period, 31 December 2020;";

(5) by replacing "2020" in subparagraph i.1 of paragraph *a*.1 of the definition of "qualified property" in the first paragraph by "2021";

(6) by replacing "described in the fifth paragraph" in the definition of "expenses eligible for a temporary additional increase" in the first paragraph by "described in the eighth paragraph";

(7) by inserting ", subject to the ninth paragraph," after "means" in the definition of "total taxes" in the first paragraph;

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

"A property that is acquired by a qualified corporation or a qualified partnership and that meets the conditions mentioned in the definition of "qualified property" in the first paragraph and those mentioned in the definition of "specified property" in the first paragraph of section 1029.8.36.166.60.36 is a qualified property only if the corporation or the qualified corporations that are members of the partnership, as the case may be, so elect in the prescribed form containing prescribed information that is enclosed with either of the following documents, as applicable:

(*a*) in the case of the corporation, the fiscal return the corporation is required to file under this Part for its first taxation year in which it incurred expenses to acquire the property; or

(*b*) in the case of the corporations that are members of the partnership, the information return that the members of the partnership are required to file under section 1086R78 of the Regulation respecting the Taxation Act for the partnership's first fiscal period in which it incurred expenses to acquire the property.

For the purposes of the second paragraph, an election made by a qualified corporation that is a member of a partnership is deemed to have been made by each qualified corporation that is a member of the partnership.

However, the election referred to in the second paragraph may not be made for a particular taxation year of the qualified corporation or a particular fiscal period of the qualified partnership where

(*a*) the qualified corporation or a qualified corporation that is a member of the qualified partnership is deemed to have paid an amount to the Minister under section 1029.8.36.166.60.48 or 1029.8.36.166.60.49 in respect of expenses incurred in the particular year or particular fiscal period, or in a preceding taxation year or fiscal period, as the case may be; or

(*b*) if the qualified corporation or qualified partnership is associated in the particular year or particular fiscal period with one or more other corporations or partnerships, one of the following corporations is deemed to have paid an amount to the Minister under section 1029.8.36.166.60.48 or 1029.8.36.166.60.49 in respect of expenses incurred in a taxation year or fiscal period, as the case may be, that ends at or before the end of that particular year or particular fiscal period:

i. a corporation that is associated with it, or

ii. a corporation that is a member of a partnership that is associated with it.";

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

"The qualified property referred to in the definition of "expenses eligible for a temporary additional increase" in the first paragraph is a qualified property that

(*a*) is acquired in the period that begins on 16 August 2018 and ends on 31 December 2019 otherwise than pursuant to an obligation in writing entered into before 16 August 2018 and that is not a property the construction of which, by or on behalf of the purchaser, had begun by 15 August 2018; or

(*b*) is acquired in the calendar year 2020 and either the acquisition is made pursuant to an obligation in writing entered into in the period that begins on 16 August 2018 and ends on 31 December 2019 or the construction of the property, by or on behalf of the purchaser, began in that period.";

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

"Where a corporation is, for a taxation year, deemed to have paid an amount to the Minister under this division, otherwise than under any of sections 1029.8.36.166.55 to 1029.8.36.166.57, and an amount under Division II.6.14.2.3, otherwise than under any of sections 1029.8.36.166.60.60 to 1029.8.36.166.60.62, the corporation's otherwise determined total taxes for

the year are, for the purposes of this division, reduced by all or part of those amounts that the corporation takes into account in computing its total taxes for the year for the purposes of Division II.6.14.2.3."

(2) Paragraphs 1, 6 to 8 and 10 of subsection 1 have effect from 11 March 2020.

(3) Paragraphs 2 to 5 and 9 of subsection 1 have effect from 16 August 2018.

148. (1) Section 1029.8.36.166.45 of the Act is amended by replacing subparagraph *b* of the third paragraph by the following subparagraph:

"(*b*) eligible expenses incurred in the period that begins on 16 August 2018 and ends on 31 December 2019, where

i. the property is acquired in that period otherwise than pursuant to an obligation in writing entered into on or before 15 August 2018 and is not a property the construction of which, by or on behalf of the purchaser, had begun by that date, or

ii. the property is acquired in the calendar year 2020 and either the acquisition is made pursuant to an obligation in writing entered into in the period that begins on 16 August 2018 and ends on 31 December 2019 or the construction of the property, by or on behalf of the purchaser, began in that period."

(2) Subsection 1 has effect from 16 August 2018.

149. (1) Section 1029.8.36.166.60.19 of the Act is amended, in the definition of "eligible expenses" in the first paragraph,

(1) by replacing "2020" by "2021" in the following provisions:

— the portion of paragraphs *a* to *d* before subparagraph i;

— paragraphs *e* and *f*;

(2) by replacing "2021" in subparagraph iii of paragraphs *a* to *d* by "2022".

(2) Subsection 1 has effect from 16 December 2019.

150. (1) Sections 1029.8.36.166.60.31 to 1029.8.36.166.60.33 of the Act are amended by replacing "2022" in the portion before subparagraph *a* of the first paragraph by "2023".

(2) Subsection 1 has effect from 16 December 2019.

151. (1) The Act is amended by inserting the following division after section 1029.8.36.166.60.35:

"**DIVISION II.6.14.2.3**

"CREDIT RELATING TO INVESTMENT AND INNOVATION

"§1. — *Interpretation and general rules*

"**1029.8.36.166.60.36.** In this division,

"aluminum producing corporation" for a taxation year means a corporation that, at any time in the year after 10 March 2020, carries on an aluminum producing business or is the owner or lessee of property used in the carrying on of such a business by another corporation, a partnership or a trust with which the corporation is associated;

"associated group" in a taxation year or a fiscal period has the meaning assigned by section 1029.8.36.166.60.37;

"eligible expenses" of a corporation for a particular taxation year or of a partnership for a particular fiscal period, in respect of a qualified property, has the meaning assigned by section 1029.8.36.166.40;

"excluded corporation" for a taxation year means

(*a*) a corporation that is exempt from tax for the year under Book VIII;

(*b*) a corporation that would be exempt from tax for the year under section 985, but for section 192;

(*c*) an aluminum producing corporation for the year; or

(*d*) an oil refining corporation for the year;

"excluded expense amount" relating to a property, for a taxation year or a fiscal period, means

(*a*) where the property is a qualified property, the excluded expense amount relating to that property, determined in accordance with the first paragraph of section 1029.8.36.166.40 for the year or fiscal period;

(*b*) where the property is a specified property of a corporation, the lesser of

i. an amount that would be equal to the corporation's specified expenses in respect of the specified property for the taxation year, if the definition of "specified expenses" were read without reference to "the amount by which the excluded expense amount relating to the corporation's specified property for the particular year is exceeded by" in the portion of its paragraph *a* before subparagraph i, and

ii. an amount equal to the amount by which the exclusion threshold in respect of the specified property exceeds the aggregate of all amounts each of which is the excluded expense amount relating to that property for a preceding taxation year; or

(*c*) where the property is a specified property of a partnership, the lesser of

i. an amount that would be equal to the partnership's specified expenses in respect of the specified property for the fiscal period, if the definition of "specified expenses" were read without reference to "the amount by which the excluded expense amount relating to the partnership's specified property for the particular fiscal period is exceeded by" in the portion of its paragraph *b* before subparagraph i, and

ii. an amount equal to the amount by which the exclusion threshold in respect of the specified property exceeds the aggregate of all amounts each of which is the excluded expense amount relating to that property for a preceding fiscal period;

"excluded partnership" for a fiscal period means a partnership that, at any time in the fiscal period after 10 March 2020, carries on an aluminum producing business or an oil refining business;

"exclusion threshold" in respect of a specified property means, subject to the fourth paragraph,

(*a*) $5,000, in the case of a property referred to in subparagraph ii or v of paragraph *b* of the definition of "specified property"; or

(*b*) $12,500, in any other case;

"hydrometallurgy" means any processing of an ore or concentrate that produces a metal, metallic salt or metallic compound by carrying out a chemical reaction in an aqueous or organic solution;

"large investment project" has the meaning assigned by the first paragraph of section 737.18.17.1;

"limit relating to an unused portion" of a corporation for a taxation year means the aggregate of its total taxes for the year and of the amount determined for the year in its respect under the second paragraph of section 1029.8.36.166.60.45;

"maximum tax credit amount" of a corporation for a taxation year means the sum obtained by adding the amount by which its total taxes for the year exceed the amount it is deemed to have paid to the Minister for the year under section 1029.8.36.166.60.51 and the amount determined for the year in its respect under the first paragraph of section 1029.8.36.166.60.45;

"oil refining corporation" for a taxation year means a corporation that, at any time in the year after 10 March 2020, carries on an oil refining business or is the owner or lessee of property used in the carrying on of such a business by another corporation, a partnership or a trust, with which the corporation is associated;

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

"qualified management software package" means a property of a corporation or partnership that is a software package mainly enabling the management of one or more of the following elements:

(*a*) all of the operational processes of a business carried on by the corporation or partnership, as the case may be, by integrating all of the functions of the business;

(*b*) the interactions with the clients of the business carried on by the corporation or partnership, as the case may be, through multiple and interconnected communication channels; or

(*c*) a network of businesses carried on by the corporation or partnership, as the case may be, that are involved in the production of a product or the provision of a service required by the end client, to cover all movements of materials or information, from the point of origin to the point of consumption;

"qualified partnership" for a fiscal period means a partnership, other than an excluded partnership for the fiscal period, that, in the fiscal period, carries on a business in Québec and has an establishment in Québec;

"qualified property" of a corporation or a partnership has the meaning assigned by section 1029.8.36.166.40;

"recognized business" has the meaning assigned by the first paragraph of section 737.18.17.1;

"refining" means any processing of a product from a smelting or concentration operation to remove impurities, which produces very high grade metal;

"smelting" means any processing of an ore or concentrate in the course of which the charge is melted and chemically converted to produce a slag and a matte or metal containing impurities;

"specified expenses" of a corporation for a particular taxation year or of a partnership for a particular fiscal period, in respect of a specified property, means

(*a*) for a corporation, the amount by which the excluded expense amount relating to the corporation's specified property for the particular year is exceeded by the aggregate of the following expenses, except expenses incurred with a person with whom the corporation, a specified shareholder of the corporation or, if the corporation is a cooperative, a specified member of the corporation is not dealing at arm's length:

i. the expenses incurred by the corporation in the particular year to acquire the specified property that are included, at the end of that year, in the capital cost of the property and that are paid on or before the last day of the 18-month period following the end of that year, and

ii. the expenses incurred by the corporation to acquire the specified property in a preceding taxation year for which it was a qualified corporation that are included, at the end of the preceding year, in the capital cost of the property and that are paid in the particular year, but more than 18 months after the end of that preceding year; or

(*b*) for a partnership, the amount by which the excluded expense amount relating to the partnership's specified property for the particular fiscal period is exceeded by the aggregate of the following expenses, except expenses incurred with a corporation that is a member of the partnership or with a person with whom such a corporation, a specified shareholder of the corporation or, if the corporation is a cooperative, a specified member of the corporation is not dealing at arm's length:

i. the expenses incurred by the partnership in the particular fiscal period to acquire the specified property that are included, at the end of that fiscal period, in the capital cost of the property and that are paid on or before the last day of the 18-month period following the end of that fiscal period, and

ii. the expenses incurred by the partnership to acquire the specified property in a preceding fiscal period for which it was a qualified partnership that are included, at the end of the preceding fiscal period, in the capital cost of the property and that are paid in the particular fiscal period, but more than 18 months after the end of that preceding fiscal period;

"specified member" of a corporation that is a cooperative, in a taxation year, means a member having, directly or indirectly, at any time in the year, at least 10% of the votes that could be cast at a meeting of the members of the cooperative;

"specified property" of a corporation or a partnership means a property, other than a property that is the subject of a valid election made in accordance with the second paragraph of section 1029.8.36.166.40, that meets the following conditions:

(*a*) the property is acquired by the corporation or partnership after 10 March 2020 and before 1 January 2025, but is not a property acquired pursuant to an obligation in writing entered into before 11 March 2020 or the construction of which, if applicable, by or on behalf of the purchaser, had begun by 10 March 2020;

(*b*) if no reference were made to section 93.6, the property would be

i. a property included in Class 43 of Schedule B to the Regulation respecting the Taxation Act (chapter I-3, r. 1),

ii. a property included in Class 50 of Schedule B to the Regulation respecting the Taxation Act,

iii. a property included in Class 53 of Schedule B to the Regulation respecting the Taxation Act,

iv. a property that would be included in Class 43 of Schedule B to the Regulation respecting the Taxation Act if subparagraphs i and ii of paragraph *b* of that class were read as follows:

"i. would be included in Class 10 under subparagraph *e* of the second paragraph of that class, if this schedule were read without reference to this paragraph and subparagraphs *a*, *b* and *e* of the first paragraph of Class 41, and

"ii. at the time of its acquisition, may reasonably be expected to be used entirely in Canada and primarily for the purposes of smelting, refining or hydrometallurgy activities in respect of ore (other than ore from a gold or silver mine) extracted from a mineral resource located in Canada.", or

v. a property that is included in Class 12 of Schedule B to the Regulation respecting the Taxation Act, pursuant to subparagraph *o* of its first paragraph, and that is a qualified management software package;

(*c*) the property begins to be used within a reasonable time after being acquired;

(*d*) the property is used mainly in Québec, where it is described in subparagraph v of paragraph *b*, or solely in Québec, in any other case, and mainly in the course of carrying on a business;

(*e*) the property is not used, or acquired to be used, in the course of carrying on a recognized business in connection with which a large investment project is carried out or is in the process of being carried out;

(*f*) the property is not used in the course of operating an ethanol, biodiesel fuel or pyrolysis oil plant; and

(*g*) the property was not, before its acquisition, used for any purpose or acquired to be used or leased for any purpose whatever;

"territory with high economic vitality" means a municipality mentioned in Schedule I to the Act respecting the Communauté métropolitaine de Montréal (chapter C-37.01) or Schedule A to the Act respecting the Communauté métropolitaine de Québec (chapter C-37.02);

"territory with intermediate economic vitality" means a territory situated in Québec that is neither a territory with high economic vitality nor a territory with low economic vitality;

"territory with low economic vitality" means

(*a*) one of the following regional county municipalities:

i. Municipalité régionale de comté d'Antoine-Labelle,

ii. Municipalité régionale de comté d'Argenteuil,

iii. Municipalité régionale de comté d'Avignon,

iv. Municipalité régionale de comté de Bonaventure,

v. Municipalité régionale de comté de Charlevoix-Est,

vi. Municipalité régionale de comté de La Côte-de-Gaspé,

vii. Municipalité régionale de comté de La Haute-Côte-Nord,

viii. Municipalité régionale de comté de La Haute-Gaspésie,

ix. Municipalité régionale de comté de La Matanie,

x. Municipalité régionale de comté de La Matapédia,

xi. Municipalité régionale de comté de La Mitis,

xii. Municipalité régionale de comté de La Vallée-de-la-Gatineau,

xiii. Municipalité régionale de comté de Maria-Chapdelaine,

xiv. Municipalité régionale de comté de Matawinie,

xv. Municipalité régionale de comté de Mékinac,

xvi. Municipalité régionale de comté de Pontiac,

xvii. Municipalité régionale de comté de Témiscouata,

xviii. Municipalité régionale de comté des Appalaches,

xix. Municipalité régionale de comté des Basques,

xx. Municipalité régionale de comté des Etchemins,

xxi. Municipalité régionale de comté des Sources,

xxii. Municipalité régionale de comté du Golfe-du-Saint-Laurent, or

xxiii. Municipalité régionale de comté du Rocher-Percé;

(*b*) one of the following urban agglomerations:

i. Communauté maritime des Îles-de-la-Madeleine, as described in section 9 of the Act respecting the exercise of certain municipal powers in certain urban agglomerations (chapter E-20.001), or

ii. the urban agglomeration of La Tuque, as described in section 8 of the Act respecting the exercise of certain municipal powers in certain urban agglomerations; or

(*c*) Ville de Shawinigan;

"total taxes" of a corporation for a taxation year means, subject to the third paragraph, the aggregate of its tax payable under this Part for the year and of its tax payable under Parts IV.1, VI and VI.1 for the year;

"unused portion of the tax credit" of a corporation for a taxation year means the amount by which the total amount that the corporation would be deemed to have paid to the Minister for that year under the first paragraph of sections 1029.8.36.166.60.48 and 1029.8.36.166.60.49 if no reference were made to their third paragraph, exceeds the corporation's maximum tax credit amount for the year.

For the purposes of the definition of "specified expenses" in the first paragraph, the following rules are taken into account:

(*a*) the expenses that are included, at the end of a taxation year or fiscal period, in the capital cost of a property do not include the expenses so included under section 180 or 182;

(*b*) the expenses incurred to acquire a property must be incurred before 1 January 2025; and

(*c*) the specified expenses in respect of a specified property for a taxation year or fiscal period must be reduced by the portion of those expenses that are eligible expenses within the meaning of the first paragraph of section 1029.8.36.166.60.19.

Where a corporation is, for a taxation year, deemed to have paid an amount to the Minister under this division, otherwise than under any of sections 1029.8.36.166.60.60 to 1029.8.36.166.60.62, and an amount under Division II.6.14.2, otherwise than under any of sections 1029.8.36.166.55 to

1029.8.36.166.57, the corporation's otherwise determined total taxes for the year are, for the purposes of this division, reduced by all or part of those amounts that the corporation takes into account in computing its total taxes for the year for the purposes of Division II.6.14.2.

Where a specified property is acquired in connection with a joint venture, the exclusion threshold in respect of the specified property for a corporation or partnership holding a share in the property as a party to such a venture is, for the purposes of the definition of "excluded expense amount" in the first paragraph, deemed to be equal to the amount obtained by multiplying the amount that would correspond to that threshold but for this paragraph by the proportion that corresponds to the share of the corporation or partnership, as the case may be, in the property.

"**1029.8.36.166.60.37.** An associated group, in a taxation year, means all the corporations that are associated with each other in the year.

For the purposes of the first paragraph, a business carried on by an individual, other than a trust, is deemed, at a particular time, to be carried on by a corporation all the voting shares in the capital stock of which are owned by the individual at that time.

"**1029.8.36.166.60.38.** For the purposes of this division, the balance of a qualified corporation's cumulative specified expense limit for a particular taxation year is equal to

(*a*) where the qualified corporation is not a member of an associated group in the particular year, the amount by which $100,000,000 exceeds the total of

i. the aggregate of all amounts each of which is the corporation's specified expenses in respect of a specified property, for a taxation year (in this subparagraph *a* referred to as a "preceding year concerned") that ends in the 48-month period preceding the beginning of the particular year, in respect of which an amount would be deemed to have been paid to the Minister by the corporation for the preceding year concerned under section 1029.8.36.166.60.48 if no reference were made to its third paragraph and the excluded expense amount relating to the specified property were equal to zero,

ii. the aggregate of all amounts each of which is the corporation's share of a partnership's specified expenses in respect of a specified property, for a fiscal period of the partnership that ends in a preceding year concerned, in respect of which an amount would be deemed to have been paid to the Minister by the corporation for the preceding year concerned under section 1029.8.36.166.60.49 if no reference were made to its third paragraph and the excluded expense amount relating to the specified property were equal to zero,

iii. the aggregate of all amounts each of which is the portion of the corporation's eligible expenses in respect of a qualified property, for the particular year or a preceding year concerned, that would be referred to in subparagraph i of subparagraph *a* of the first paragraph of section 1029.8.36.166.43

and in respect of which an amount would be deemed to have been paid to the Minister by the corporation for that year under that section if no reference were made to its third paragraph and the excluded expense amount relating to the qualified property were equal to zero, and

iv. the aggregate of all amounts each of which is the corporation's share of the portion of a partnership's eligible expenses in respect of a qualified property, for a fiscal period of the partnership that ends in the particular year or a preceding year concerned, that would be referred to in subparagraph i of subparagraph *a* of the first paragraph of section 1029.8.36.166.44 and in respect of which an amount would be deemed to have been paid to the Minister by the corporation for that year under that section if no reference were made to its third paragraph and the excluded expense amount relating to the qualified property were equal to zero; or

(*b*) where the qualified corporation is a member of an associated group in the particular year,

i. the amount attributed for the particular year to the corporation pursuant to the agreement described in the second paragraph and filed with the Minister in the prescribed form, or

ii. if no amount is attributed to the corporation pursuant to the agreement to which subparagraph i refers or in the absence of such an agreement but subject to section 1029.8.36.166.60.39, zero.

The agreement to which subparagraph i of subparagraph *b* of the first paragraph refers, in respect of a particular taxation year of the qualified corporation, is the agreement under which all the corporations that are members of the associated group in the particular taxation year attribute, for the purposes of this section, to one or more of the corporations that are members of the associated group, for the particular taxation year, one or more amounts the total of which is not greater than the amount by which $100,000,000 exceeds the total of

(*a*) the aggregate of all amounts each of which is the specified expenses of a corporation that is a member of the associated group in the particular year in respect of a specified property, for a taxation year (in this paragraph referred to as a "preceding year concerned") that ends in a 48-month period preceding the beginning of the particular year, in respect of which an amount would be deemed to have been paid to the Minister by the corporation for the preceding year concerned under section 1029.8.36.166.60.48 if no reference were made to its third paragraph and the excluded expense amount relating to the specified property were equal to zero;

(*b*) the aggregate of all amounts each of which is the share of a corporation that is a member of the associated group in the particular year of a partnership's specified expenses in respect of a specified property, for a fiscal period of the partnership that ends in a preceding year concerned of the corporation, in respect of which an amount would be deemed to have been paid to the Minister

by the corporation for the preceding year concerned under section 1029.8.36.166.60.49 if no reference were made to its third paragraph and the excluded expense amount relating to the specified property were equal to zero;

(*c*) the aggregate of all amounts each of which is the portion of the eligible expenses of a corporation that is a member of the associated group in the particular year in respect of a qualified property, for a taxation year (in this paragraph referred to as a "specified year") that ends in the particular year or is a preceding year concerned, that would be referred to in subparagraph i of subparagraph *a* of the first paragraph of section 1029.8.36.166.43 and in respect of which an amount would be deemed to have been paid to the Minister by that corporation for the specified year under that section if no reference were made to its third paragraph and the excluded expense amount relating to the qualified property were equal to zero; and

(*d*) the aggregate of all amounts each of which is the share of a corporation that is a member of the associated group in the particular year of the portion of a partnership's eligible expenses in respect of a qualified property, for a fiscal period of the partnership that ends in a specified year of the corporation, that would be referred to in subparagraph i of subparagraph *a* of the first paragraph of section 1029.8.36.166.44 and in respect of which an amount would be deemed to have been paid to the Minister by that corporation for the specified year under that section if no reference were made to its third paragraph and the excluded expense amount relating to the qualified property were equal to zero.

Where the aggregate of the amounts attributed, in respect of a taxation year, pursuant to an agreement described in the second paragraph and entered into with the corporations that are members of an associated group in the year is greater than the excess amount determined under that paragraph, the amount determined under subparagraph i of subparagraph *b* of the first paragraph in respect of each of those corporations for the taxation year is deemed, for the purposes of this section, to be equal to the amount obtained by multiplying that excess amount by the proportion that the amount that was attributed to the corporation in the agreement, in respect of the year, is of the aggregate of the amounts that were so attributed.

"**1029.8.36.166.60.39.** Where corporations are part, in a taxation year, of an associated group and where a corporation that is a member of that group fails to file with the Minister the agreement to which subparagraph i of subparagraph *b* of the first paragraph of section 1029.8.36.166.60.38 refers within 30 days after notice in writing by the Minister has been sent to such a corporation that such an agreement is required for the purposes of any assessment of tax under this Part or for the determination of another amount, the Minister shall, for the purposes of this division, attribute an amount to one or more of the corporations that are members of that group for the taxation year, which amount or the aggregate of which amounts, as the case may be, must be equal to the excess amount determined for the year under the second

paragraph of section 1029.8.36.166.60.38, and, in such a case, the balance of the cumulative specified expense limit of each of those corporations, for the year, is equal to the amount so attributed to it.

"**1029.8.36.166.60.40.** For the purposes of this division, the balance of a qualified partnership's cumulative specified expense limit for a particular fiscal period is equal to the amount by which $100,000,000 exceeds the total of

(*a*) the aggregate of all amounts each of which is its specified expenses, in respect of a specified property, for a fiscal period (in this section referred to as the "preceding fiscal period concerned") that ends in the 48-month period preceding the beginning of the particular fiscal period, in respect of which an amount would be deemed to have been paid to the Minister under section 1029.8.36.166.60.49 if no reference were made to its third paragraph and the excluded expense amount relating to the specified property were equal to zero; and

(*b*) the aggregate of all amounts each of which is the portion of its eligible expenses, in respect of a qualified property, for the particular fiscal period or a preceding fiscal period concerned, that would be referred to in subparagraph i of subparagraph *a* of the first paragraph of section 1029.8.36.166.44 and in respect of which an amount would be deemed to have been paid to the Minister under section 1029.8.36.166.44 if no reference were made to its third paragraph and the excluded expense amount relating to the qualified property were equal to zero.

"**1029.8.36.166.60.41.** For the purposes of this division, the balance of a joint venture's cumulative specified expense limit for a particular fiscal period of the joint venture is equal to the amount by which $100,000,000 exceeds the total of

(*a*) the aggregate of all amounts each of which is the specified expenses incurred by a corporation or a partnership in respect of a specified property as a party to the joint venture, in a fiscal period of the joint venture (in this paragraph referred to as the "preceding fiscal period concerned") that ends in the 48-month period preceding the beginning of the particular fiscal period, in respect of which an amount would be deemed to have been paid to the Minister under section 1029.8.36.166.60.48 or 1029.8.36.166.60.49, as the case may be, if no reference were made to its third paragraph and the excluded expense amount relating to the specified property were equal to zero; and

(*b*) the aggregate of all amounts each of which is the portion of the eligible expenses incurred by a corporation or a partnership in respect of a qualified property as a party to the joint venture, in the particular fiscal period or a preceding fiscal period concerned of the joint venture, that would be referred to in subparagraph i of subparagraph *a* of the first paragraph of section 1029.8.36.166.43 or 1029.8.36.166.44, as the case may be, and in respect of which an amount would be deemed to have been paid to the Minister

under section 1029.8.36.166.43 or 1029.8.36.166.44 if no reference were made to its third paragraph and the excluded expense amount relating to the qualified property were equal to zero.

For the purposes of this section, a joint venture is deemed to be a partnership whose fiscal period ends on 31 December of a calendar year.

For the purposes of this division, the share of a corporation for a taxation year, or of a partnership for a fiscal period, of the balance of a joint venture's cumulative specified expense limit is equal,

(*a*) in the case of a corporation,

i. where its taxation year does not end on 31 December of a calendar year, to the aggregate of all amounts each of which is the proportion of its share, determined in accordance with the fourth paragraph, of the balance of the joint venture's cumulative specified expense limit for a fiscal period of the joint venture, a part of which is included in the taxation year, that the specified expenses incurred by the corporation as a party to the joint venture in that part of the fiscal period is of the aggregate of the specified expenses incurred by the corporation as a party to the joint venture in that fiscal period, or

ii. where its taxation year ends on 31 December of a calendar year, to its share, determined in accordance with the fourth paragraph, of the balance of the joint venture's cumulative specified expense limit for the joint venture's fiscal period whose end coincides with the end of the corporation's taxation year; and

(*b*) in the case of a partnership,

i. where its fiscal period does not end on 31 December of a calendar year, to the aggregate of all amounts each of which is the proportion of its share, determined in accordance with the fourth paragraph, of the balance of the joint venture's cumulative specified expense limit for the joint venture's fiscal period, a part of which is included in the partnership's fiscal period, that the specified expenses incurred by the partnership as a party to the joint venture in that part of the joint venture's fiscal period is of the aggregate of the specified expenses incurred by the partnership as a party to the joint venture in that fiscal period of the joint venture, or

ii. where its fiscal period ends on 31 December of a calendar year, to its share, determined in accordance with the fourth paragraph, of the balance of the joint venture's cumulative specified expense limit for the joint venture's fiscal period whose end coincides with the end of the partnership's fiscal period.

The share to which the third paragraph refers of a corporation or a partnership of the balance of a joint venture's cumulative specified expense limit for a fiscal period of the joint venture is equal to the proportion of that amount that the specified expenses incurred by the corporation or partnership, as the case may be, in that fiscal period as a party to the joint venture is of the aggregate of the specified expenses incurred in the joint venture's fiscal period.

"**1029.8.36.166.60.42.** For the purposes of this division, the assets that apply to a corporation for a taxation year are those that are shown in its financial statements submitted to the shareholders or, where such financial statements have not been prepared, or have not been prepared in accordance with generally accepted accounting principles, that would be shown if such financial statements had been so prepared, for its preceding taxation year or, where the corporation is in its first fiscal period, at the beginning of that fiscal period.

However, where the corporation is a cooperative, the first paragraph is to be read as if "submitted to the shareholders" were replaced by "submitted to the members".

In computing the assets of a corporation, the amount of the surplus reassessment of its property and the amount of its incorporeal assets must be subtracted, to the extent that the amount shown exceeds the expenditure made in their respect.

Where all or part of an expenditure made in respect of incorporeal assets consists of shares of the corporation's or cooperative's capital stock, all or the part of the expenditure, as the case may be, is deemed to be nil.

Where, in a taxation year, a corporation is a member of an associated group, the assets that apply to the corporation for the year are equal to the amount by which the aggregate of the assets of the corporation and of those of each other corporation that is a member of the group, determined in accordance with this section, exceeds the aggregate of the amount of investments the corporations own in each other and the balance of accounts between the corporations.

"**1029.8.36.166.60.43.** Where, in relation to a taxation year, a qualified corporation or, where it is a member of an associated group in the year, another corporation that is a member of that group reduces its assets by any transaction and that reduction increases the amount that the qualified corporation would, but for this section, be deemed to have paid to the Minister under this division for that year, the assets are deemed not to have been so reduced unless the Minister decides otherwise.

"**1029.8.36.166.60.44.** For the purposes of this division, the gross revenue that applies to a qualified corporation for a taxation year is its gross revenue for the preceding taxation year.

Where a qualified corporation is a member of an associated group in a taxation year, the gross revenue that applies to it for the year is the amount that would be the associated group's gross revenue for its preceding taxation year if it were computed on the basis of the consolidated income statement of the members of the associated group for the preceding year and each member of the group had an establishment in Québec.

For the purpose of preparing the consolidated income statement of the members of an associated group for a particular taxation year of a corporation, the income statements taken into account are that of the corporation for the particular year and those of the other corporations that are members of the group for their taxation year that ends in the particular year.

"**1029.8.36.166.60.45.** The amount to which the definition of "maximum tax credit amount" in the first paragraph of section 1029.8.36.166.60.36 refers, in relation to a corporation for a taxation year, is equal to the product obtained by multiplying, by the proportion determined by the formula in the third paragraph, the amount by which the total amount that the corporation would be deemed to have paid to the Minister for the taxation year under sections 1029.8.36.166.60.48 and 1029.8.36.166.60.49 if no reference were made to their third paragraph exceeds the amount by which its total taxes for the year exceed the amount it is deemed to have paid to the Minister for the year under section 1029.8.36.166.60.51.

The amount to which the definition of "limit relating to an unused portion" in the first paragraph of section 1029.8.36.166.60.36 refers, in relation to a corporation for a taxation year, is equal to the product obtained by multiplying, by the proportion determined by the formula in the third paragraph, the amount by which the aggregate of all amounts each of which is an excess amount described in subparagraph *a* of the first paragraph of section 1029.8.36.166.60.51 exceeds the corporation's total taxes for the year.

The formula to which the first and second paragraphs refer is

1 – [(A – $50,000,000)/$50,000,000].

In the formula in the third paragraph, A is the greater of

(*a*) $50,000,000; and

(*b*) the greater of the assets and the gross revenue that applies to the corporation for the taxation year, without exceeding $100,000,000.

"**1029.8.36.166.60.46.** Where it may reasonably be considered that one of the main reasons for the separate existence of two or more corporations in a taxation year is to cause a qualified corporation to be deemed to have paid an amount to the Minister under this division for that year or to increase an amount that such a corporation is deemed to have paid to the Minister under this division for that year, those corporations are deemed, for the purposes of this division, to be associated with each other in the year.

"**1029.8.36.166.60.47.** For the purposes of this division, a corporation's share of a particular amount, in relation to a partnership of which the corporation is a member at the end of a fiscal period, is equal to the agreed proportion of the amount in respect of the corporation for the fiscal period.

"§2. — *Credits*

"**1029.8.36.166.60.48.** A qualified corporation for a taxation year that encloses the documents described in the fifth paragraph with the fiscal return it is required to file for the year under section 1000 is deemed, subject to the fourth paragraph, to have paid to the Minister on the qualified corporation's balance-due day for the year, on account of its tax payable for the year under this Part, an amount equal to the aggregate of all amounts each of which is the product obtained by multiplying its specified expenses for the year in respect of a specified property by the rate determined in respect of the property for the year under section 1029.8.36.166.60.50, to the extent that those expenses are paid and that the aggregate of those expenses is established subject to the second paragraph and does not include the portion, determined by the qualified corporation, of its specified expenses incurred in the year as a party to a joint venture that exceeds its share for the year of the balance of the joint venture's cumulative specified expense limit.

The total of the specified expenses referred to in the first paragraph in respect of a corporation for a taxation year may not exceed the amount that is the amount by which the balance of its cumulative specified expense limit for the year exceeds the aggregate of all amounts each of which is its share of the specified expenses that would be referred to in the first paragraph of section 1029.8.36.166.60.49 for the year and in respect of which the corporation would be deemed to have paid an amount to the Minister for the year under section 1029.8.36.166.60.49 if no reference were made to its third paragraph and if the definition of "specified expenses" in the first paragraph of section 1029.8.36.166.60.36 were read without reference to "the amount by which the excluded expense amount relating to the partnership's specified property for the particular fiscal period is exceeded by" in the portion of its paragraph *b* before subparagraph i.

The total amount that the corporation is deemed to have paid to the Minister for the year under the first paragraph and, if applicable, under the first paragraph of section 1029.8.36.166.60.49 may not exceed the corporation's maximum tax credit amount for the year.

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

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

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

The documents to which the first paragraph refers are the following:

(*a*) the prescribed form containing prescribed information; and

(*b*) a copy of the agreement described in section 1029.8.36.166.60.38, if applicable.

"**1029.8.36.166.60.49.** A qualified corporation for a taxation year that is a member of a qualified partnership at the end of a particular fiscal period of the partnership that ends in the year and that encloses the documents described in the sixth paragraph with the fiscal return it is required to file for the year under section 1000 is deemed, subject to the fourth paragraph, to have paid to the Minister on the qualified corporation's balance-due day for the year, on account of its tax payable for the year under this Part, an amount equal to the aggregate of all amounts each of which is the product obtained by multiplying its share of the partnership's specified expenses for the particular fiscal period in respect of a specified property by the rate determined for the year under section 1029.8.36.166.60.50, in respect of the property, to the extent that those expenses are paid and that its share of the aggregate of those expenses is established subject to the second paragraph and includes neither its share of the portion, determined by the qualified corporation, of the qualified partnership's specified expenses for the particular fiscal period that exceeds the balance of the partnership's cumulative specified expense limit for the particular fiscal period, nor its share of the portion, determined by the qualified corporation, of such expenses incurred by the partnership in the particular fiscal period as a party to a joint venture that exceeds the partnership's share for the particular fiscal period of the balance of the joint venture's cumulative specified expense limit.

The total of all amounts each of which is a corporation's share of the specified expenses that are referred to in the first paragraph for a taxation year may not exceed the amount that is the amount by which the balance of its cumulative specified expense limit for the year exceeds the total of the specified expenses that would be referred to in the first paragraph of section 1029.8.36.166.60.48 for the year and in respect of which the corporation would be deemed to have paid an amount to the Minister for the year under section 1029.8.36.166.60.48 if no reference were made to its third paragraph and if the definition of "specified expenses" in the first paragraph of section 1029.8.36.166.60.36 were read

without reference to "the amount by which the excluded expense amount relating to the corporation's specified property for the particular year is exceeded by" in the portion of its paragraph *a* before subparagraph i.

The total amount that the corporation is deemed to have paid to the Minister for the year under the first paragraph and, if applicable, under the first paragraph of section 1029.8.36.166.60.48 may not exceed the corporation's maximum tax credit amount for the year.

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

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

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

Despite the definition of "specified expenses" in the first paragraph of section 1029.8.36.166.60.36 and for the purpose of applying this section to a corporation referred to in the first paragraph, the specified expenses of a partnership of which the corporation is a member for a particular fiscal period, in respect of a specified property, do not include the expenses that would otherwise be such specified expenses because of subparagraph ii of paragraph *b* of that definition and that are incurred in a fiscal period of the partnership that ends in a taxation year for which the corporation was not a qualified corporation.

The documents to which the first paragraph refers are the following:

(*a*) the prescribed form containing prescribed information; and

(*b*) a copy of the agreement described in section 1029.8.36.166.60.38, if applicable.

"**1029.8.36.166.60.50.** The rate to which the first paragraph of sections 1029.8.36.166.60.48 and 1029.8.36.166.60.49 refers in respect of a specified property of a corporation or a partnership for a particular taxation year is

(*a*) where the specified property is acquired to be used mainly in a territory with low economic vitality, 20%;

(*b*) where the specified property is acquired to be used mainly in a territory with intermediate economic vitality, 15%; or

(*c*) where the specified property is acquired to be used mainly in a territory with high economic vitality, 10%.

Where a specified property that is referred to in subparagraph v of paragraph *b* of the definition of that expression in the first paragraph of section 1029.8.36.166.60.36 is acquired by a qualified corporation or a qualified partnership to be used in several establishments of the corporation or partnership without it being possible to determine in which territory referred to in the first paragraph the property is to be mainly used, the property is, for the purposes of the first paragraph, deemed to be acquired to be so used

(*a*) in a territory with low economic vitality if, in the first taxation year or the first fiscal period, as the case may be, in which specified expenses were incurred for the acquisition of the property, the proportion that the aggregate of the salaries or wages paid by the corporation or partnership to its employees who report for work at one of its establishments situated in a territory with low economic vitality is of the aggregate of the salaries or wages it paid to its employees who report for work at one of its establishments situated in Québec exceeds 50%;

(*b*) in a territory with intermediate economic vitality if subparagraph *a* does not apply and if, in the first taxation year or the first fiscal period, as the case may be, in which specified expenses were incurred for the acquisition of the property, the proportion that the aggregate of the salaries or wages paid by the corporation or partnership to its employees who report for work at one of its establishments situated in a territory with intermediate economic vitality or in a territory with low economic vitality is of the aggregate of the salaries or wages it paid to its employees who report for work at one of its establishments situated in Québec exceeds 50%; or

(*c*) in any other case, in a territory with high economic vitality.

For the purposes of the second paragraph, the following rules are taken into account:

(*a*) where, in a taxation year or a fiscal period, an employee reports for work at an establishment of a corporation or partnership situated in Québec and at an establishment of the corporation or partnership situated outside Québec, the employee is deemed, for that period,

i. unless subparagraph ii applies, to report for work only at the establishment situated in Québec, or

ii. to report for work only at the establishment situated outside Québec if, during that period, the employee reports for work mainly at an establishment of the corporation or partnership situated outside Québec;

(*b*) where, in a taxation year or a fiscal period, an employee reports for work at several establishments of a corporation or partnership and those establishments are situated in territories referred to in the first paragraph that do not have the same level of economic vitality, the employee is deemed, for that period,

i. to report for work only at an establishment situated in a territory with low economic vitality if the employee reports for work mainly, during that period, at one or more establishments of the corporation or partnership situated in such a territory,

ii. to report for work only at an establishment situated in a territory with intermediate economic vitality if subparagraph i does not apply and the employee reports for work mainly, during that period, at one or more establishments of the corporation or partnership situated in such a territory or in a territory with low economic vitality, or

iii. in any other case, to report for work only at an establishment situated in a territory with high economic vitality; and

(*c*) where, in a taxation year or a fiscal period, an employee is not required to report for work at an establishment of a corporation or partnership and the employee's wages in relation to that period are paid from such an establishment situated in Québec, the employee is deemed to report for work at that establishment if the duties performed by the employee during that period are performed mainly in Québec.

"**1029.8.36.166.60.51.** Subject to section 1029.8.36.166.60.54, a corporation that encloses the prescribed form containing prescribed information with the fiscal return it is required to file under section 1000 for a particular taxation year is deemed, subject to the second paragraph, to have paid to the Minister on the corporation's balance-due day for the particular year, on account of its tax payable for that year under this Part, an amount equal to the aggregate of all amounts each of which is the lesser of

(*a*) the amount by which the unused portion of the tax credit of the corporation for a taxation year (in subparagraph *b* referred to as the "original year") that is any of the 20 taxation years that precede the particular year exceeds the aggregate of all amounts each of which is an amount deemed to have been paid to the Minister by the corporation under this section or section 1029.8.36.166.60.52, in respect of the unused portion of the tax credit, on account of its tax payable for a taxation year preceding the particular year; and

(*b*) the amount by which the corporation's limit relating to an unused portion for the particular year exceeds the aggregate of all amounts each of which is equal to the amount deemed to be paid by the corporation under this section, for the particular year, in respect of the unused portion of the tax credit of the corporation for a taxation year preceding the original year.

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

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

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

"**1029.8.36.166.60.52.** Subject to section 1029.8.36.166.60.55, a corporation is deemed, for a particular taxation year ending after 10 March 2020, if it encloses the prescribed form containing prescribed information with the fiscal return it is required to file under section 1000 for a taxation year (in this section referred to as the "subsequent year") that is any of the three taxation years that follow the particular year, to have paid to the Minister, in relation to the unused portion of the tax credit of the corporation for the subsequent year, on the day on which the form is filed with the Minister, an amount equal to the lesser of

(*a*) the amount by which the unused portion of the tax credit of the corporation for the subsequent year exceeds the aggregate of all amounts each of which is an amount deemed to have been paid to the Minister by the corporation under this section, in respect of the unused portion, for a taxation year preceding the particular year; and

(*b*) the amount by which its total taxes for the particular year exceed the aggregate of all amounts each of which is an amount that the corporation is deemed to have paid to the Minister for the particular year under any of sections 1029.8.36.166.60.48, 1029.8.36.166.60.49 and 1029.8.36.166.60.51, or under this section in respect of the unused portion of the tax credit of the corporation for a taxation year preceding the subsequent year.

"**1029.8.36.166.60.53.** No amount may be deemed to have been paid to the Minister by a qualified corporation for a particular taxation year under section 1029.8.36.166.60.48 or 1029.8.36.166.60.49, in relation to its specified expenses or its share of a qualified partnership's specified expenses, as the case may be, in respect of a specified property, where, at any time during the period described in the second paragraph, the property ceases, otherwise than by reason of its loss, of its involuntary destruction by fire, theft or water, or of a major breakdown of the property, to be used, where the property is referred to in subparagraph v of paragraph *b* of the definition of "specified property" in the first paragraph of section 1029.8.36.166.60.36, mainly in Québec or, in any other case, solely in Québec, to earn income from a business carried on

(*a*) by the first purchaser of the property, where the first purchaser owns it at the time referred to in the portion before this subparagraph; or

(*b*) by a subsequent purchaser of the property that acquired it in any of the circumstances in which section 130R149 of the Regulation respecting the Taxation Act (chapter I-3, r. 1) applies, where the subsequent purchaser owns it at the time referred to in the portion before subparagraph *a*.

The period to which the first paragraph refers is the period that begins on the particular day on which the property begins to be used by its first purchaser or by a subsequent purchaser that acquired the property in any of the circumstances in which section 130R149 of the Regulation respecting the Taxation Act applies and ends on the earlier of

(*a*) the 730th day following the particular day; and

(*b*) the qualified corporation's filing-due date for the particular taxation year or the last day of the six-month period following the end of the qualified partnership's fiscal period that ends in the particular year, as the case may be.

"**1029.8.36.166.60.54.** Where, at any time, control of a corporation is acquired by a person or a group of persons, no amount may, for a particular taxation year ending after that time, be deemed, under section 1029.8.36.166.60.51, to have been paid to the Minister by the corporation in respect of its unused portion of the tax credit for a taxation year ending before that time.

However, subject to section 1029.8.36.166.60.53, the corporation may be deemed to have paid an amount to the Minister, for such a particular taxation year, in respect of the portion of the unused portion of the tax credit for a taxation year ending before that time that may reasonably be considered to be attributable to the carrying on of a business, if the corporation carried on the business throughout the particular year for profit or with a reasonable expectation of profit.

The amount that the corporation may be deemed to have paid to the Minister for the particular year under section 1029.8.36.166.60.51 in respect of the portion referred to in the second paragraph must be determined as if the total

taxes used in establishing, for the particular year, the corporation's limit relating to an unused portion referred to in subparagraph *b* of the first paragraph of that section were the portion of such total taxes of the corporation for the particular year that may reasonably be attributed to the carrying on of that business and—if the corporation sold, leased, rented or developed properties or rendered services in the course of carrying on that business before that time—of any other business substantially all the income of which is derived from the sale, leasing, rental or development, as the case may be, of similar properties, or the rendering of similar services.

"**1029.8.36.166.60.55.** Where, at any time, control of a corporation is acquired by a person or a group of persons, no amount may, for a particular taxation year ending before that time, be deemed, under section 1029.8.36.166.60.52, to have been paid to the Minister by the corporation in respect of its unused portion of the tax credit for a taxation year ending after that time.

However, the corporation may be deemed to have paid an amount to the Minister, for such a particular taxation year, in respect of the portion of the unused portion of the tax credit for a taxation year ending after that time that may reasonably be considered to be attributable to the carrying on of a business, if the corporation carried on the business throughout that taxation year and in the particular year for profit or with a reasonable expectation of profit.

The amount that the corporation may be deemed to have paid to the Minister for the particular year under section 1029.8.36.166.60.52 in respect of the portion referred to in the second paragraph must be determined as if the reference to the total taxes in that section were a reference to the portion of the corporation's total taxes for the particular year that may reasonably be attributed to the carrying on of that business and—if the corporation sold, leased, rented or developed properties or rendered services in the course of carrying on that business before that time—of any other business substantially all the income of which is derived from the sale, leasing, rental or development, as the case may be, of similar properties, or the rendering of similar services.

"**1029.8.36.166.60.56.** For the purposes of this division, a corporation or partnership deemed to have acquired a property at a particular time under paragraph *b* of section 125.1 is deemed to have acquired the property at that time in consideration for expenses, incurred and paid at that time, that correspond to the fair market value of the property at that time, and to own the property from that time until the corporation or partnership is deemed to dispose of the property under paragraph *f* of section 125.1.

"§3. — *Government assistance, non-government assistance and other particulars*

"**1029.8.36.166.60.57.** For the purpose of computing the amount that is deemed to have been paid to the Minister by a corporation, for a taxation year, under section 1029.8.36.166.60.48 or 1029.8.36.166.60.49, the following rules apply:

(*a*) the amount of the specified expenses referred to in the first paragraph of section 1029.8.36.166.60.48 is to be reduced, if applicable, by the amount of any government assistance or non-government assistance, attributable to those expenses, that the corporation has received, is entitled to receive or may reasonably expect to receive on or before the corporation's filing-due date for the taxation year; and

(*b*) the corporation's share of a partnership's specified expenses, referred to in the first paragraph of section 1029.8.36.166.60.49, for the partnership's fiscal period that ends in the taxation year is to be reduced, if applicable,

i. by the corporation's share of the amount of any government assistance or non-government assistance, attributable to those expenses, that the partnership has received, is entitled to receive or may reasonably expect to receive on or before the last day of the six-month period following the end of the fiscal period, and

ii. by the amount of any government assistance or non-government assistance, attributable to those expenses, that the corporation has received, is entitled to receive or may reasonably expect to receive on or before the last day of the six-month period following the end of the fiscal period.

"**1029.8.36.166.60.58.** For the purpose of computing the amount that a corporation is deemed to have paid to the Minister under section 1029.8.36.166.60.51 for a particular taxation year in respect of its unused portion of the tax credit for a particular preceding taxation year, in relation to specified expenses of the corporation or of a partnership of which it was a member at the end of the partnership's fiscal period ending in the particular preceding year, the unused portion of the tax credit of the corporation, otherwise determined, is to be reduced by the amount determined under the second paragraph if

(*a*) in the particular year or a preceding taxation year, an amount relating to the corporation's specified expenses, other than an amount reducing those expenses in accordance with section 1029.8.36.166.60.57 or 1029.8.36.166.60.65, is, directly or indirectly, refunded or otherwise paid to the corporation or allocated to a payment to be made by the corporation; or

(*b*) in a fiscal period of the partnership ending in the particular year or in a preceding taxation year and at the end of which the corporation is a member of the partnership, an amount relating to the partnership's specified expenses, other than an amount reducing those expenses in accordance with section 1029.8.36.166.60.57 or 1029.8.36.166.60.65, is, directly or indirectly, refunded or otherwise paid to the partnership or corporation or allocated to a payment to be made by the partnership or corporation.

The amount to which the first paragraph refers is equal to the amount by which the unused portion of the tax credit of the corporation for the particular preceding year, otherwise determined, exceeds the amount that would be the amount of the unused portion of the tax credit of the corporation if

(*a*) any amount referred to in subparagraph *a* of the first paragraph that is, directly or indirectly, refunded or otherwise paid to the corporation or allocated to a payment to be made by the corporation were directly or indirectly, refunded or otherwise paid to the corporation or allocated to a payment to be made by the corporation in the particular preceding year; and

(*b*) any amount referred to in subparagraph *b* of the first paragraph that is, directly or indirectly, refunded or otherwise paid to the corporation or partnership or allocated to a payment to be made by the corporation or partnership were directly or indirectly, refunded or otherwise paid to the corporation or partnership or allocated to a payment to be made by the corporation or partnership in the partnership's fiscal period ending in the particular preceding year.

Where, in respect of the specified expenses referred to in the first paragraph, a person other than the corporation, or a partnership other than the partnership of which the corporation is a member, has obtained, at a particular time, a benefit or advantage that would have reduced those expenses in accordance with section 1029.8.36.166.60.65 if the person or partnership had obtained it, had been entitled to obtain it or could reasonably have expected to obtain it on or before the corporation's filing-due date for the particular preceding taxation year, or on or before the last day of the six-month period following the end of the fiscal period of the partnership of which the corporation is a member that ended in the particular preceding taxation year, the benefit or advantage is, for the purposes of the first and second paragraphs,

(*a*) if those expenses were incurred by the corporation, deemed to be an amount that is paid to the corporation at that time; or

(*b*) if those expenses were incurred by the partnership of which the corporation is a member, deemed to be

i. an amount that is paid to that partnership at that time, where that benefit or advantage has been obtained by another partnership or by a person other than the person referred to in subparagraph ii, or

ii. an amount that is paid to the corporation at that time, where that benefit or advantage has been obtained by a person with whom the corporation does not deal at arm's length.

"**1029.8.36.166.60.59.** For the purpose of applying section 1029.8.36.166.60.58 to a corporation for a taxation year, the specified expenses, in respect of a specified property, of the corporation for a particular preceding taxation year or of a partnership for a fiscal period of the partnership that ends in the particular preceding year and at the end of which the corporation was a member of the partnership, are deemed to be repaid to the corporation or partnership, as the case may be, at a particular time of the period described in the second paragraph, where the property ceases, at that time, otherwise than by reason of its loss, of its involuntary destruction by fire, theft or water, or of a major breakdown of the property, to be used, where the property is referred

to in subparagraph v of paragraph *b* of the definition of "specified property" in the first paragraph of section 1029.8.36.166.60.36, mainly in Québec or, in any other case, solely in Québec, to earn income from a business carried on

(*a*) by the first purchaser of the property, where the first purchaser owns it at the particular time; or

(*b*) by a subsequent purchaser of the property that acquired it in any of the circumstances in which section 130R149 of the Regulation respecting the Taxation Act (chapter I-3, r. 1) applies, where the subsequent purchaser owns it at the particular time.

The period to which the first paragraph refers is the period that begins on the particular day on which the property begins to be used by its first purchaser or by a subsequent purchaser that acquired the property in any of the circumstances in which section 130R149 of the Regulation respecting the Taxation Act applies, and that ends on the earlier of

(*a*) the 730th day following the particular day; and

(*b*) the last day of the corporation's taxation year or of the partnership's fiscal period, as the case may be, that includes the particular time.

The first paragraph does not apply to a corporation for a taxation year, in relation to specified expenses, in respect of a specified property, of the corporation for a particular preceding taxation year or of a partnership of which the corporation is a member for a fiscal period that ends in the particular preceding taxation year, if section 1029.8.36.166.60.53 applied, in relation to the specified expenses, for the particular preceding taxation year.

"**1029.8.36.166.60.60.** Where a corporation pays, in a taxation year (in this section referred to as the "repayment year"), pursuant to a legal obligation, an amount that may reasonably be considered to be a repayment of government assistance or non-government assistance that reduced, because of paragraph *a* of section 1029.8.36.166.60.57, the corporation's specified expenses in respect of a specified property for a particular taxation year, for the purpose of computing the amount that it is deemed to have paid to the Minister under section 1029.8.36.166.60.48 for that particular year, the corporation is deemed to have paid to the Minister on the corporation's balance-due day for the repayment year, on account of its tax payable for that year under this Part, if it encloses the prescribed form containing prescribed information with the fiscal return it is required to file for the repayment year under section 1000, an amount equal to the amount by which the aggregate of all amounts each of which is an amount that it would be deemed to have paid to the Minister, in respect of its specified expenses for the particular year, under section 1029.8.36.166.60.48 for the particular year, or under section 1029.8.36.166.60.51 or 1029.8.36.166.60.52 for another taxation year that precedes the repayment year, if any amount of such assistance so repaid

at or before the end of the repayment year had reduced, for the particular year, the amount of any government assistance or non-government assistance referred to in paragraph *a* of section 1029.8.36.166.60.57, exceeds the aggregate of

(*a*) the aggregate of all amounts each of which is an amount that the corporation is deemed to have paid to the Minister, in respect of those expenses, under section 1029.8.36.166.60.48 for the particular year, or under section 1029.8.36.166.60.51 or 1029.8.36.166.60.52 for another taxation year that precedes the repayment year; and

(*b*) any amount that the corporation is deemed to have paid to the Minister under this section for a taxation year preceding the repayment year, in respect of an amount of repayment of such assistance.

"**1029.8.36.166.60.61.** Where a partnership pays, in a fiscal period (in this section referred to as the "fiscal period of repayment"), pursuant to a legal obligation, an amount that may reasonably be considered to be a repayment of government assistance or non-government assistance that reduced, because of subparagraph i of paragraph *b* of section 1029.8.36.166.60.57, a corporation's share of the partnership's specified expenses in respect of a specified property for a particular fiscal period, for the purpose of computing the amount that the corporation is deemed to have paid to the Minister under section 1029.8.36.166.60.49 for its taxation year in which the particular fiscal period ended, the corporation is deemed to have paid to the Minister on the corporation's balance-due day for its taxation year in which the fiscal period of repayment ends, on account of its tax payable for that year under this Part, if the corporation is a member of the partnership at the end of the fiscal period of repayment and if it encloses the prescribed form containing prescribed information with the fiscal return it is required to file for the year under section 1000, an amount equal to the amount by which the aggregate of all amounts each of which is a particular amount that the corporation would be deemed, if the assumptions set out in the second paragraph were taken into account, to have paid to the Minister, in respect of its share of the partnership's specified expenses for the particular fiscal period, under section 1029.8.36.166.60.49 for its taxation year in which the particular fiscal period ends, or under section 1029.8.36.166.60.51 or 1029.8.36.166.60.52 for another taxation year that precedes the taxation year in which the fiscal period of repayment ends, exceeds the aggregate of

(*a*) the aggregate of all amounts each of which is an amount that the corporation would be deemed to have paid to the Minister, in respect of that share, under section 1029.8.36.166.60.49 for its taxation year in which the particular fiscal period ends, or under section 1029.8.36.166.60.51 or 1029.8.36.166.60.52 for another taxation year that precedes the taxation year in which the fiscal period of repayment ends, if the agreed proportion in respect of the corporation for the particular fiscal period were the same as that for the fiscal period of repayment; and

(*b*) any amount that the corporation would be deemed to have paid to the Minister under this section for a taxation year preceding the taxation year in which the fiscal period of repayment ends, in respect of an amount of such assistance repaid by the partnership, if the agreed proportion in respect of the corporation for the particular fiscal period were the same as that for the fiscal period of repayment.

The particular amount to which the first paragraph refers is to be computed as if

(*a*) any amount of assistance repaid at or before the end of the fiscal period of repayment reduced, for the particular fiscal period, the amount of any government assistance or non-government assistance referred to in subparagraph i of paragraph *b* of section 1029.8.36.166.60.57; and

(*b*) the agreed proportion in respect of the corporation for the particular fiscal period were the same as that for the fiscal period of repayment.

"**1029.8.36.166.60.62.** Where a corporation is a member of a partnership at the end of a fiscal period of the partnership (in this section referred to as the "fiscal period of repayment") and pays, in the fiscal period of repayment, pursuant to a legal obligation, an amount that may reasonably be considered to be a repayment of government assistance or non-government assistance that reduced, because of subparagraph ii of paragraph *b* of section 1029.8.36.166.60.57, its share of the partnership's specified expenses in respect of a specified property for a particular fiscal period, for the purpose of computing the amount that the corporation is deemed to have paid to the Minister under section 1029.8.36.166.60.49 for its taxation year in which the particular fiscal period ended, the corporation is deemed to have paid to the Minister on the corporation's balance-due day for its taxation year in which the fiscal period of repayment ends, on account of its tax payable for that year under this Part, if it encloses the prescribed form containing prescribed information with the fiscal return it is required to file for the year under section 1000, an amount equal to the amount by which the aggregate of all amounts each of which is a particular amount that the corporation would be deemed, if the assumptions set out in the second paragraph were taken into account, to have paid to the Minister, in respect of its share of the partnership's specified expenses for the particular fiscal period, under section 1029.8.36.166.60.49 for its taxation year in which the particular fiscal period ends, or under section 1029.8.36.166.60.51 or 1029.8.36.166.60.52 for another taxation year that precedes the taxation year in which the fiscal period of repayment ends, exceeds the aggregate of

(*a*) the aggregate of all amounts each of which is an amount that the corporation would be deemed to have paid to the Minister, in respect of that share, under section 1029.8.36.166.60.49 for its taxation year in which the particular fiscal period ends, or under section 1029.8.36.166.60.51 or 1029.8.36.166.60.52 for another taxation year that precedes the taxation year

in which the fiscal period of repayment ends, if the agreed proportion in respect of the corporation for the particular fiscal period were the same as that for the fiscal period of repayment; and

(*b*) any amount that the corporation would be deemed to have paid to the Minister under this section for a taxation year preceding the taxation year in which the fiscal period of repayment ends, in respect of an amount of such assistance repaid by the corporation, if the agreed proportion in respect of the corporation for the particular fiscal period were the same as that for the fiscal period of repayment.

The particular amount to which the first paragraph refers is to be computed as if

(*a*) any amount of assistance repaid at or before the end of the fiscal period of repayment reduced, for the particular fiscal period, the amount of any government assistance or non-government assistance referred to in subparagraph ii of paragraph *b* of section 1029.8.36.166.60.57; and

(*b*) the agreed proportion in respect of the corporation for the particular fiscal period were the same as that for the fiscal period of repayment.

"**1029.8.36.166.60.63.** For the purposes of sections 1029.8.36.166.60.60 to 1029.8.36.166.60.62, an amount of assistance is deemed to be repaid, at a particular time, by a corporation or a partnership, as the case may be, pursuant to a legal obligation, if that amount

(*a*) reduced, because of section 1029.8.36.166.60.57, specified expenses or the share of such expenses of a corporation that is a member of the partnership, for the purpose of computing the amount that the corporation or the corporation that is a member of the partnership is deemed to have paid to the Minister for a taxation year under section 1029.8.36.166.60.48 or 1029.8.36.166.60.49;

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

(*c*) ceased at the particular time to be an amount that the corporation or partnership may reasonably expect to receive.

"**1029.8.36.166.60.64.** For the purpose of computing the amount that a corporation is deemed to have paid to the Minister under section 1029.8.36.166.60.51 for a particular taxation year in respect of its unused portion of the tax credit for a particular preceding taxation year, the unused portion of the tax credit of the corporation, otherwise determined, must, if the conditions set out in the second paragraph are met for the particular year or for a preceding taxation year (each of which is referred to in this section as a "year of increase"), be increased by the aggregate of all amounts each of which is the excess amount referred to in subparagraph *b* of the second paragraph for a year of increase.

For the purposes of the first paragraph, the conditions that must be met for a year of increase are as follows:

(*a*) any of sections 1029.8.36.166.60.60 to 1029.8.36.166.60.63 applies to the corporation for the year of increase in relation to a particular amount that may reasonably be considered to be a repayment, made in the year of increase or in a partnership's fiscal period ending in the year of increase, of government assistance or non-government assistance that reduced, because of section 1029.8.36.166.60.57, the corporation's specified expenses, in respect of a specified property, for the particular preceding year or the corporation's share of the partnership's specified expenses, in respect of a specified property, for a fiscal period of the partnership ending in the particular preceding year; and

(*b*) the total amount that the corporation would be deemed to have paid to the Minister for the particular preceding year under sections 1029.8.36.166.60.48 and 1029.8.36.166.60.49 if the assumptions set out in the third paragraph were taken into account exceeds the particular amount determined under the fourth paragraph.

The total amount to which subparagraph *b* of the second paragraph refers is to be computed as if

(*a*) no reference were made to the third paragraph of sections 1029.8.36.166.60.48 and 1029.8.36.166.60.49;

(*b*) where section 1029.8.36.166.60.61 or 1029.8.36.166.60.62 applies to the corporation for the year of increase, the agreed proportion, in respect of the corporation for the partnership's fiscal period ending in the particular preceding year, were the same as that for the fiscal period ending in the year of increase; and

(*c*) any particular amount referred to in subparagraph *a* of the second paragraph that may reasonably be considered to be a repayment of government assistance or non-government assistance referred to in that subparagraph reduced the amount of government assistance or non-government assistance.

The particular amount to which subparagraph *b* of the second paragraph refers is the aggregate of

(*a*) the total amount that would be determined under that subparagraph *b* if no reference were made to subparagraph *c* of the third paragraph; and

(*b*) the total amount that the corporation is deemed to have paid to the Minister for the year of increase under sections 1029.8.36.166.60.60 to 1029.8.36.166.60.62.

"**1029.8.36.166.60.65.** Where, in relation to specified expenses of a qualified corporation or of a qualified partnership, in respect of a specified property, a person or a partnership has obtained, is entitled to obtain or may reasonably expect to obtain a benefit or advantage, other than a benefit or

advantage that may reasonably be attributed to the acquisition of the specified property, whether in the form of a reimbursement, compensation or guarantee, in the form of proceeds of disposition of a property which exceed the fair market value of the property, or in any other form or manner, the following rules apply:

(*a*) for the purpose of computing the amount that the qualified corporation is deemed to have paid to the Minister for a taxation year under section 1029.8.36.166.60.48, the amount of the specified expenses is to be reduced by the amount of the benefit or advantage that the person or partnership has obtained, is entitled to obtain or may reasonably expect to obtain on or before the qualified corporation's filing-due date for the year; and

(*b*) for the purpose of computing the amount that is deemed to have been paid to the Minister for a taxation year under section 1029.8.36.166.60.49 by a qualified corporation that is a member of the qualified partnership, the corporation's share, for the partnership's fiscal period that ends in the taxation year, of the amount of the specified expenses, is to be reduced

i. by the corporation's share, for the fiscal period, of the amount of the benefit or advantage that the person or partnership, other than a person referred to in subparagraph ii, has obtained, is entitled to obtain or may reasonably expect to obtain on or before the last day of the six-month period following the end of the fiscal period, and

ii. by the amount of the benefit or advantage that the qualified corporation or a person with whom it does not deal at arm's length has obtained, is entitled to obtain or may reasonably expect to obtain on or before the last day of the six-month period following the end of the fiscal period."

(2) Subsection 1 applies in respect of expenses incurred after 10 March 2020.

152. (1) Section 1029.8.61.1 of the Act is amended, in the first paragraph,

(1) by replacing subparagraph iii of paragraph *a* of the definition of "eligible service" by the following subparagraph:

"iii. a person, or the spouse of that person, who is deemed, in respect of the eligible individual, to have paid an amount on account of the person's or spouse's tax payable under section 1029.8.61.96.12 or 1029.8.61.96.13 for the taxation year in which the service is rendered or to be rendered to the eligible individual; or";

(2) by replacing paragraph *c* of the definition of "dwelling unit" by the following paragraph:

"(*c*) a room situated in a self-contained domestic establishment maintained by a person, or by the person's spouse, who is the owner, lessee or sublessee of the self-contained domestic establishment and who, in respect of the eligible

individual occupying the room, is deemed to have paid an amount on account of tax payable, for the taxation year in which an eligible service is rendered or to be rendered in respect of the eligible individual, under section 1029.8.61.96.12, if the eligible individual is a person referred to in paragraph *a* of that section, or under section 1029.8.61.96.13;".

(2) Subsection 1 applies in respect of a service rendered or to be rendered in a taxation year beginning after 31 December 2019.

153. (1) Divisions II.11.3 to II.11.7.1 of Chapter III.1 of Title III of Book IX of Part I of the Act, comprising sections 1029.8.61.61 to 1029.8.61.96.9, are repealed.

(2) Subsection 1 applies from the taxation year 2020, except where it repeals Divisions II.11.4 and II.11.5 of Chapter III.1 of Title III of Book IX of Part I of the Act, in which case it applies from the taxation year 2021. In addition, where section 1029.8.61.71 of the Act applies to the taxation year 2020, the first paragraph is to be read

(1) as if ", as it read before being repealed" were inserted after "section 1029.8.61.61" in the definition of "informal caregiver" and in paragraph *c* of the definition of "excluded individual"; and

(2) as if ", as it read before being repealed" were inserted after "section 1029.8.61.64" in paragraph *c* of the definition of "excluded individual".

154. (1) The Act is amended by inserting the following division after section 1029.8.61.96.9:

"**DIVISION II.11.7.2**

"CREDIT FOR CAREGIVERS

"§1. — *Interpretation and general rules*

"**1029.8.61.96.10.** In this division,

"eligible carereceiver", in relation to an individual, means a person in respect of whom the following conditions are met:

(*a*) the person is

i. the child, grandchild, nephew, niece, brother, sister, father, mother, uncle, aunt, grandfather, grandmother, great-uncle or great-aunt of the individual or of the individual's spouse, or any other direct ascendant of the individual or of the individual's spouse,

ii. the individual's spouse, or

iii. any other person to whom the individual provides sustained assistance in performing a basic activity of daily living, as certified in the prescribed form provided for in subparagraph *e* of the first paragraph of section 1029.8.61.96.20;

(*b*) the person has a severe and prolonged impairment in mental or physical functions the effects of which are such that the person's ability to perform a basic activity of daily living is markedly restricted or that the person's ability to perform more than one basic activity of daily living is significantly restricted where the cumulative effect of those restrictions is equivalent to having a marked restriction in the ability to perform a basic activity of daily living;

(*c*) the person needs assistance to perform a basic activity of daily living because of the person's impairment; and

(*d*) the dwelling that is the person's principal place of residence is situated in Québec and is not an excluded dwelling;

"eligible senior relative" of an individual for a taxation year means a person who meets the following conditions:

(*a*) the person is the father, mother, uncle, aunt, grandfather, grandmother, great-uncle or great-aunt of the individual or of the individual's spouse, or any other direct ascendant of the individual or of the individual's spouse; and

(*b*) the person has reached 70 years of age before the end of the year or, if the person died in the year, the person had reached that age at the time of the death;

"excluded amount" means

(*a*) an amount in respect of which a taxpayer is or was entitled to a reimbursement, or another form of assistance, except to the extent that the amount is included in computing the income of any taxpayer and is not deductible in computing that taxpayer's income or taxable income;

(*b*) an amount that was taken into account in computing an amount deducted in computing an individual's tax payable under this Part; or

(*c*) an amount that is taken into account in computing an amount that an individual is deemed to have paid to the Minister on account of the individual's tax payable under this chapter, but otherwise than under this division;

"excluded dwelling" means a self-contained domestic establishment or a room that is situated in a private seniors' residence, in a facility maintained by a private institution not under agreement that operates a residential and long-term care centre governed by the Act respecting health services and social services (chapter S-4.2) or in a public network facility;

"minimum cohabitation period" of a person with an individual for a taxation year is a period of at least 365 consecutive days commencing in the year or in the preceding year throughout which the person ordinarily lives with the individual in a self-contained domestic establishment, other than an excluded dwelling, of which the individual or the person, or the spouse of either of them if the spouse lives with them, is, throughout the period, alone or jointly with another person, the owner, lessee or sublessee, where

(*a*) the period includes a period of at least 183 days in the year (in this definition referred to as the "particular period"), unless the person or the individual died in the year;

(*b*) if the person or the individual died in the year, the period of at least 365 consecutive days was completed at the time of the death; and

(*c*) the person is 18 years of age or over in the particular period or, if the person or the individual died in the year, the person had reached that age at the time of the death;

"minimum period of support" of a person by an individual for a taxation year means a period of at least 365 consecutive days commencing in the year or in the preceding year and during which the individual provides assistance to that person on a regular and constant basis by assisting that person in performing a basic activity of daily living where

(*a*) the period includes a period of at least 183 days in the year (in this definition referred to as the "particular period"), unless the person or the individual died in the year;

(*b*) if the person or the individual died in the year, the period of at least 365 consecutive days was completed at the time of the death; and

(*c*) the person is 18 years of age or over in the particular period or, if the person or the individual died in the year, the person had reached that age at the time of the death;

"private seniors' residence" has the meaning that would be assigned by section 1029.8.61.1 if the definition of that expression in the first paragraph of that section were read without reference to "for a particular month" and ", at the beginning of the particular month,";

"public network facility" has the meaning assigned by the first paragraph of section 1029.8.61.1;

"recognized diploma" means

(*a*) a diploma of vocational studies in home care assistance;

(*b*) a diploma of vocational studies in home care and family and social assistance;

(*c*) a diploma of vocational studies in assistance in health care establishments;

(*d*) a diploma of vocational studies in assistance to patients or residents in health care establishments;

(*e*) a diploma of vocational studies in health, assistance and nursing;

(*f*) a diploma of college studies in nursing;

(*g*) a bachelor's degree in nursing; or

(*h*) any other diploma that enables an individual to act as

i. a visiting homemaker,

ii. a home support worker,

iii. a family and social auxiliary,

iv. a nursing attendant,

v. a health care aide,

vi. a beneficiary care attendant,

vii. a nursing assistant, or

viii. a nurse;

"specialized respite services" means the services by which a person who holds a recognized diploma provides, in place of an individual, home care to another person who is an eligible carereceiver in relation to the individual.

For the purposes of the definitions of "eligible carereceiver" and "eligible senior relative" in the first paragraph, a person who, immediately before dying, was the spouse of an individual is deemed to be a spouse of the individual.

For the purposes of the definition of "specialized respite services" in the first paragraph, a person is deemed to have been awarded a recognized diploma if

(*a*) the care given to the eligible carereceiver by the person is in addition to care the person is required to give to the eligible carereceiver, in accordance with the direct allowance program administered by the Minister of Health and Social Services, within the framework of the person's participation in implementing an intervention plan or an individualized service plan developed, in respect of the eligible carereceiver, by an institution referred to in Title I of Part II of the Act respecting health services and social services or by an institution within the meaning of section 1 of the Act respecting health services and social services for Cree Native persons (chapter S-5); or

(*b*) the person holds employment with an entity that may be called upon to provide specialized respite services to an individual under an intervention plan or an individualized service plan developed by an institution referred to in subparagraph *a*.

"**1029.8.61.96.11.** The first and second paragraphs of section 752.0.17 apply for the purpose of determining whether a person has a severe and prolonged impairment in mental or physical functions the effects of which are such that the person's ability to perform a basic activity of daily living is markedly restricted or that the person's ability to perform more than one basic activity of daily living is significantly restricted where the cumulative effect of those restrictions is equivalent to having a marked restriction in the ability to perform a basic activity of daily living.

For the purpose of determining whether an individual is deemed to have paid an amount to the Minister under section 1029.8.61.96.12 for a taxation year in respect of an eligible carereceiver, any person referred to in section 1029.8.61.96.12 shall, on request in writing by the Minister for information with respect to the eligible carereceiver's impairment and its effect on the eligible carereceiver or with respect to the therapy that is, if applicable, required to be administered to the eligible carereceiver, provide the information so requested in writing.

"§2. — *Credits*

"**1029.8.61.96.12.** An individual who is resident in Québec at the end of 31 December of a taxation year and who, during the year, is not dependent upon another individual, is deemed to have paid to the Minister, on the individual's balance-due day for that taxation year, on account of the individual's tax payable under this Part for that taxation year, an amount equal, subject to sections 1029.8.61.96.16 and 1029.8.61.96.17, to the total of

(*a*) the aggregate of all amounts each of which is, in respect of each person who, throughout that person's minimum cohabitation period with the individual for the year, is an eligible carereceiver in relation to the individual, the total of

i. $1,250,

ii. the amount by which $1,250 exceeds 16% of the eligible carereceiver's income for the year that exceeds $22,180, and

iii. an amount equal to 30% of the lesser of

(1) the aggregate of all amounts, other than an excluded amount, each of which is paid by the individual in respect of expenses incurred in the year for specialized respite services provided to the eligible carereceiver, to the extent that the expenses are incurred at a time when the eligible carereceiver is 18 years of age or over, and

(2) $5,200; and

(*b*) the aggregate of all amounts each of which is, in respect of each person who is not a person to whom paragraph *a* applies and who, throughout the person's minimum period of support by the individual for the year, is an eligible carereceiver in relation to the individual, an amount equal to the amount by which $1,250 exceeds 16% of the eligible carereceiver's income for the year that exceeds $22,180.

"**1029.8.61.96.13.** An individual who is resident in Québec at the end of 31 December of a taxation year and who, during the year, is not dependent upon another individual, is deemed to have paid to the Minister, on the individual's balance-due day for that taxation year, on account of the individual's tax payable under this Part for that taxation year, an amount equal to the aggregate of all amounts each of which is, in respect of each person who, throughout that person's minimum cohabitation period with the individual for the year, is an eligible senior relative of the individual for the year, an amount of $1,250.

"**1029.8.61.96.14.** For the purposes of sections 1029.8.61.96.12 and 1029.8.61.96.13, an individual who was resident in Québec immediately before death is deemed to be resident in Québec at the end of 31 December of the year of the individual's death.

"**1029.8.61.96.15.** For the purposes of sections 1029.8.61.96.12 and 1029.8.61.96.13, a person is dependent upon an individual during a taxation year if the individual is not the person's spouse and has deducted, for the year, in respect of the person, an amount under any of sections 752.0.1 to 752.0.7, 752.0.11 to 752.0.18.0.1 and 776.41.14.

"**1029.8.61.96.16.** The amount determined under subparagraph i or ii of paragraph *a* of section 1029.8.61.96.12, in respect of each person who is an eligible carereceiver in relation to an individual and has reached 18 years of age in a taxation year, and taken into account for the purpose of computing the amount that the individual is deemed to have paid to the Minister under section 1029.8.61.96.12 for the year is to be replaced by an amount equal to the proportion of that amount that the number of months in the year that follow the month in which that person reaches 18 years of age is of 12.

"**1029.8.61.96.17.** The amount determined under section 1029.8.61.96.12, in respect of a person who is an eligible carereceiver in relation to an individual, and taken into account for the purpose of computing the amount that the individual is deemed to have paid to the Minister under section 1029.8.61.96.12 for a taxation year is to be reduced by an amount that is the portion of a financial assistance benefit received in that year by the individual or, if applicable, by the individual's spouse for the year, in respect of that person, under any of Chapters I, II and V of Title II of the Individual and Family Assistance Act (chapter A-13.1.1), that is attributable to the amount of the increase for a dependent child of full age who is handicapped and attends an educational institution at the secondary level in general education provided for in the second paragraph of section 75 of the Individual and Family Assistance Regulation (chapter A-13.1.1, r. 1).

"**1029.8.61.96.18.** No individual may be deemed to have paid an amount to the Minister under section 1029.8.61.96.12 or 1029.8.61.96.13 for a taxation year, in respect of a person, if

(*a*) the individual is an eligible senior relative or an eligible carereceiver in respect of whom another individual is deemed to have paid an amount to the Minister for the year under this division;

(*b*) the person is an eligible senior relative or an eligible carereceiver in respect of whom the individual is deemed to have paid an amount to the Minister for the year under another provision of this division; or

(*c*) the individual received, or may reasonably expect to receive, remuneration in any form whatsoever for the assistance the individual provides to the person.

"**1029.8.61.96.19.** Where, for a taxation year, more than one individual could, but for this section and if paragraph *a* of each of the definitions of "minimum cohabitation period" and "minimum period of support" in the first paragraph of section 1029.8.61.96.10 were read as if "183 days" were replaced by "90 days", be deemed to have paid an amount to the Minister for the year under section 1029.8.61.96.12 or 1029.8.61.96.13 in respect of the same person, the following rules apply:

(*a*) the total of the amounts each of those individuals would be so deemed to have paid to the Minister under section 1029.8.61.96.12 or 1029.8.61.96.13 for the year, in respect of the person, may not exceed the particular amount that only one of those individuals would be deemed to have paid to the Minister for the year under either of those sections if the person were an eligible carereceiver or an eligible senior relative, as the case may be, only in relation to that individual; and

(*b*) where those individuals cannot agree as to what portion of the particular amount each would be deemed to have paid to the Minister for the year under either of those sections, the Minister may determine what portion of that amount is deemed paid by each individual under that section and, for the purposes of that determination, priority is given to a cohabitation period over a period of support.

"**1029.8.61.96.20.** An individual may be deemed to have paid an amount to the Minister under section 1029.8.61.96.12 for a taxation year in respect of a person only if the individual files with the Minister the following documents together with the fiscal return the individual is required to file for the year under section 1000, or would be required to file if tax were payable by the individual for the year under this Part, unless the documents have already been filed with the Minister in connection with an application for advance payments made under section 1029.8.61.96.23:

(*a*) where the period referred to in section 1029.8.61.96.12 is a minimum cohabitation period of the person with the individual, the prescribed form containing prescribed information on which

i. the individual certifies that, throughout the person's minimum cohabitation period for the year, the individual ordinarily lived with that person in a self-contained domestic establishment, other than an excluded dwelling, and

ii. the individual certifies that, throughout the period referred to in subparagraph i, the individual or the person, or the spouse of either of them if the spouse lives with them, is, alone or jointly with another person, the owner, lessee or sublessee of the self-contained domestic establishment referred to in subparagraph i;

(*b*) where the period referred to in section 1029.8.61.96.12 is a minimum period of support of the person by the individual, the prescribed form containing prescribed information on which

i. the individual certifies that, during the person's minimum period of support by the individual for the year, the individual provided assistance to the person on a regular and constant basis by assisting the person in performing a basic activity of daily living, and

ii. the individual certifies that, throughout the person's minimum period of support by the individual for the year, the person was not living in an excluded dwelling;

(*c*) where the person's severe and prolonged impairment in mental or physical functions is an impairment whose effects are such that

i. the person's ability to perform a basic activity of daily living is markedly restricted, the prescribed form containing prescribed information on which a physician or a specialized nurse practitioner, within the meaning of section 752.0.18, or, where the person has a sight impairment, a physician, a specialized nurse practitioner or an optometrist, within the meaning of that section, or, where the person has a speech impairment, a physician, a specialized nurse practitioner or a speech-language pathologist, within the meaning of that section, or, where the person has a hearing impairment, a physician, a specialized nurse practitioner or an audiologist, within the meaning of that section, or, where the person has an impairment with respect to the person's ability in feeding or dressing himself or herself, a physician, a specialized nurse practitioner or an occupational therapist, within the meaning of that section, or, where the person has an impairment with respect to the person's ability in walking, a physician, a specialized nurse practitioner, an occupational therapist or a physiotherapist, within the meaning of that section, or, where the person has an impairment with respect to the person's ability in mental functions necessary for everyday life, a physician, a specialized nurse practitioner or a psychologist, within the meaning of that section, certifies that the person has such an impairment, or

ii. the person's ability to perform more than one basic activity of daily living is significantly restricted where the cumulative effect of those restrictions is equivalent to having a marked restriction in the ability to perform a basic activity of daily living, the prescribed form containing prescribed information

on which a physician or a specialized nurse practitioner, within the meaning of section 752.0.18, or, where the person has an impairment with respect to the person's ability in walking or in feeding or dressing himself or herself, a physician, a specialized nurse practitioner or an occupational therapist, within the meaning of that section, certifies that the person has such an impairment;

(*d*) the prescribed form containing prescribed information on which a health professional referred to in subparagraph *c* in respect of the person certifies that the person requires assistance to perform a basic activity of daily living because of the person's impairment;

(*e*) where the person is referred to in subparagraph iii of paragraph *a* of the definition of "eligible carereceiver" in the first paragraph of section 1029.8.61.96.10 and in the case of a taxation year described in the second paragraph, the prescribed form containing prescribed information on which

i. the eligible carereceiver designates the individual as a person who provides to the eligible carereceiver sustained assistance in performing a basic activity of daily living and specifies the date on which the eligible carereceiver began to receive the assistance, and

ii. a health and social services professional who is a member of a professional order referred to in the Professional Code (chapter C-26) certifies that the individual provides to the eligible carereceiver sustained assistance in performing a basic activity of daily living; and

(*f*) in respect of a particular amount referred to in subparagraph 1 of subparagraph iii of paragraph *a* of section 1029.8.61.96.12 that is paid in respect of expenses incurred in the year for specialized respite services, the receipts issued by the payee and containing, if the payee is an individual, the payee's Social Insurance Number.

The taxation years for which the prescribed form referred to in subparagraph *e* of the first paragraph is to be filed with the Minister by an individual in respect of a person are the following:

(*a*) the first taxation year for which the individual intends to have section 1029.8.61.96.12 apply in respect of the person;

(*b*) any taxation year in which a change occurs in the situation existing between the individual and the person; or

(*c*) the third taxation year following the last taxation year for which such a form was filed with the Minister by the individual in respect of the person.

"**1029.8.61.96.21.** An individual may be deemed to have paid an amount to the Minister under section 1029.8.61.96.13 for a taxation year in respect of a person only if the individual files with the Minister, together with the fiscal return the individual is required to file for the year under section 1000, or would be required to file if tax were payable by the individual for the year under this Part, the prescribed form containing prescribed information on which

(*a*) the individual certifies that, throughout the person's minimum cohabitation period for the year, the individual ordinarily lived with that person in a self-contained domestic establishment, other than an excluded dwelling; and

(*b*) the individual certifies that, throughout the period referred to in paragraph *a*, the individual or the person, or the spouse of either of them if the spouse lives with them, is, alone or jointly with another person, the owner, lessee or sublessee of the self-contained domestic establishment referred to in paragraph *a*.

"**1029.8.61.96.22.** No individual may be deemed to have paid an amount to the Minister under section 1029.8.61.96.12 or 1029.8.61.96.13 for a taxation year in respect of a particular person if the individual or the person who is the individual's spouse during the minimum cohabitation period or minimum period of support, as the case may be, of the particular person for the year is exempt from tax for the year under section 982 or 983 or under any of subparagraphs *a* to *d* and *f* of the first paragraph of section 96 of the Tax Administration Act (chapter A-6.002).

"§3. — *Advance payments*

"**1029.8.61.96.23.** Where, on or before 1 December of a taxation year subsequent to the taxation year 2020, an individual applies to the Minister, in the prescribed form containing prescribed information, the Minister may pay in advance, according to the terms and conditions determined by the Minister, the amount determined in accordance with the second paragraph (in this subdivision referred to as the "amount of the advance") in respect of the amount the individual considers to be the amount that the individual will be deemed to have paid to the Minister under sections 1029.8.61.96.12 and 1029.8.61.96.13 on account of the individual's tax payable for the year, if

(*a*) at the time of the application,

i. the individual is resident in Québec,

ii. the individual is not dependent upon another individual, and

iii. the individual ordinarily lives with a person, who is an eligible carereceiver in relation to the individual or an eligible senior relative of the individual, in a self-contained domestic establishment, other than an excluded dwelling, of which the individual or the person, or the spouse of either of them if the spouse lives with them, is, alone or jointly with another person, the owner, lessee or sublessee; and

(*b*) the individual has agreed that the advance payments be made by direct deposit in a bank account held at a financial institution listed in Part I of Appendix I to Rule D4 – Institution Numbers and Clearing Agency/ Representative Arrangements of the Automated Clearing Settlement System Rules Manual, as amended from time to time, of the Canadian Payments Association.

The amount of the advance of an individual for a taxation year is equal to the aggregate of

(*a*) the amount the individual considers to be the amount that the individual would be deemed to have paid to the Minister under section 1029.8.61.96.12 on account of the individual's tax payable for the year, if that section were read without reference to subparagraphs ii and iii of its paragraph *a* and its paragraph *b*; and

(*b*) the amount the individual considers to be the amount that the individual will be deemed to have paid to the Minister under section 1029.8.61.96.13 on account of the individual's tax payable for the year.

The individual shall notify the Minister with dispatch of any event that may affect the amount of the advance.

"**1029.8.61.96.24.** The Minister may require from any individual who makes an application for advance payments referred to in the first paragraph of section 1029.8.61.96.23 a document or information other than those provided for in that paragraph if the Minister considers the document or information necessary to evaluate the application.

"**1029.8.61.96.25.** Despite the first paragraph of section 1029.8.61.96.23, the Minister is not required to grant an application for advance payments referred to in that paragraph for a particular taxation year if

(*a*) the individual received an amount the Minister paid in advance under section 1029.8.61.96.23 for a preceding taxation year and, at the time the application is processed, has not filed a fiscal return for the preceding year; and

(*b*) the application is processed after the individual's filing-due date for the preceding year.

"**1029.8.61.96.26.** The Minister may, at a particular time, cease to pay in advance, or suspend the payment of, an amount provided for in section 1029.8.61.96.23 to an individual for a particular taxation year if

(*a*) the individual received an amount the Minister paid in advance under section 1029.8.61.96.23 for a preceding taxation year and has not, as of the particular time, filed a fiscal return for the preceding year; and

(*b*) the particular time is subsequent to the individual's filing-due date for the preceding year.

"**1029.8.61.96.27.** The Minister may suspend the advance payment of, reduce or cease to pay an amount provided for in section 1029.8.61.96.23 if documents or information brought to the Minister's attention so warrant."

(2) Subsection 1 applies from the taxation year 2020. However, where section 1029.8.61.96.18 of the Act applies to the taxation year 2020, it is to be read as if the following paragraphs were added:

"(*d*) the person is a care recipient, within the meaning of section 1029.8.61.71, in respect of whom the individual is deemed to have paid an amount to the Minister for the year under Division II.11.4;

"(*e*) the person is an eligible relative of the individual, within the meaning of section 1029.8.61.76, in respect of whom the individual is deemed to have paid an amount to the Minister for the year under Division II.11.5; or

"(*f*) the person attributed an amount to the individual for the year under section 1029.8.61.74 and that amount, or the amount that is deemed to be attributed to the individual for the year in accordance with section 1029.8.61.74, is taken into consideration in computing an amount that the individual is deemed to have paid to the Minister for the year under section 1029.8.61.73."

155. Divisions II.16 to II.17 of Chapter III.1 of Title III of Book IX of Part I of the Act, comprising sections 1029.8.101 to 1029.8.116.0.1, are repealed.

156. Section 1029.8.116.1 of the Act is amended by striking out paragraph *c* of the definition of "eligible individual".

157. Section 1029.8.116.5.0.1 of the Act is amended by replacing subparagraph *a* of the second paragraph by the following subparagraph:

"(*a*) the eligible individual receives in the year, or has received in any of the five preceding years, because of the individual's physical or mental condition, a social solidarity allowance under Chapter II of Title II of the Individual and Family Assistance Act (chapter A-13.1.1), other than a special benefit paid under section 48 of the Individual and Family Assistance Regulation (chapter A-13.1.1, r. 1);".

158. Section 1029.8.116.5.0.2 of the Act is amended

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

"i. a last resort financial assistance benefit paid under Chapter I or II of Title II of the Individual and Family Assistance Act (chapter A-13.1.1), or";

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

"(*a*) for that month, the individual was a dependent child for the purposes of the Individual and Family Assistance Act; or

"(*b*) for that month, the individual received only a special benefit under section 48 of the Individual and Family Assistance Regulation."

159. (1) The Act is amended by inserting the following sections after section 1029.8.116.18:

"**1029.8.116.18.1.** For the purposes of section 1029.8.116.16, an eligible individual is deemed to have validly made an application in accordance with section 1029.8.116.18 for a payment period if

(*a*) for the last month of the base year relating to that period, the eligible individual is a recipient under a financial assistance program provided for in any of Chapters I, II and V of Title II of the Individual and Family Assistance Act (chapter A-13.1.1); and

(*b*) on 1 September of the year in which that period begins, the eligible individual had not filed a fiscal return under section 1000 for the base year in relation to that period.

The application referred to in the first paragraph is deemed to have been filed with the Minister on 1 September of the year in which the payment period begins.

"**1029.8.116.18.2.** In respect of an application that an eligible individual is deemed to have validly made under section 1029.8.116.18.1 for a payment period, the following rules apply:

(*a*) section 1029.8.116.16 is to be read without reference to "and if the individual and, if applicable, the individual's cohabiting spouse at the end of the base year relating to that period file the document specified in section 1029.8.116.19 for that base year" in the portion before the formula in the first paragraph; and

(*b*) the amount that is deemed, for the payment period, to be an overpayment of the tax payable by the eligible individual is determined by the formula in the first paragraph of section 1029.8.116.16 as if

i. the amount represented by A were equal to the amount specified in subparagraph i of subparagraph *a* of the second paragraph of section 1029.8.116.16, unless the Minister holds, in respect of the eligible individual, the information necessary to determine the individual's eligibility for the amount specified in subparagraph ii or iii of that subparagraph *a*, as the case may be, and

ii. the amounts represented by B and C were each equal to zero."

(2) Subsection 1 applies in respect of a payment period that begins after 30 June 2019.

160. Section 1029.8.116.26 of the Act is amended by striking out the fourth, fifth, sixth and seventh paragraphs.

161. (1) Section 1029.8.116.26.2 of the Act is amended by inserting the following paragraph after the first paragraph:

"Despite the first paragraph, the person who is the cohabiting spouse of an eligible individual is not required to make the application referred to in that paragraph, where section 1029.8.116.26.1 applies in respect of the eligible individual because of the eligible individual's death."

(2) Subsection 1 applies in respect of an amount payable in relation to a death that occurs after 30 June 2020.

162. (1) Section 1029.8.116.30 of the Act is amended, in the second paragraph,

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

"(*b*) if the amount is an amount that the individual is no longer entitled to receive because of the application of the second paragraph of section 1029.8.116.26.1, the 46th day following the day on which the Minister received, in accordance with the first paragraph of section 1029.8.116.26.2, the person's application for the payment of the amount;";

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

"(*b*.1) if the amount is an amount that the individual is no longer entitled to receive because of the application of the first paragraph of section 1029.8.116.26.1 as a consequence of the individual's death, the 46th day following the day on which the Minister was informed of the death or, if it is earlier, the 46th day following the day on which the Minister received the person's application under the first paragraph of section 1029.8.116.26.2 for the payment of the amount, even though the person is not required to make such an application;".

(2) Subsection 1 applies in respect of an amount refunded or allocated in relation to a death or a confinement to a prison or a similar institution that occurs after 30 June 2020.

163. (1) The Act is amended by inserting the following section after section 1029.8.116.30:

"**1029.8.116.30.1.** Despite the first paragraph of section 1029.8.116.30, no interest is payable to an individual on an amount refunded to the individual or allocated to one of the individual's liabilities, where the amount results from an application referred to in section 1029.8.116.18.1 and relates to the payment period beginning on 1 July 2019."

(2) Subsection 1 has effect from 1 July 2019.

164. Division II.20 of Chapter III.1 of Title III of Book IX of Part I of the Act, comprising sections 1029.8.122 to 1029.8.125, is repealed.

165. Division II.22 of Chapter III.1 of Title III of Book IX of Part I of the Act, comprising sections 1029.8.146 to 1029.8.152, is repealed.

166. (1) Section 1033.14 of the Act is amended by replacing "95%" in paragraph *b* of the definition of "eligible share" in the first paragraph by "50%".

(2) Subsection 1 applies in respect of the deemed disposition of a share that occurs after 6 November 2019.

167. (1) Section 1033.17 of the Act is amended

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

"120% {A – B – [(A – B)/A × C]} × D";

(2) by adding the following subparagraph at the end of the second paragraph:

"(*d*) D is

i. where the share that is deemed under section 436 to have been disposed of at the particular time is an eligible share of a private corporation described in paragraph *b* of the definition of "eligible share" in the first paragraph of section 1033.14, the proportion, expressed as a percentage, that the fair market value of the assets of the private corporation that is attributable to a large block of shares or a portion of a large block of shares of the capital stock of a qualified public corporation is, at the particular time, of the fair market value of the assets of the private corporation, or

ii. in any other case, 100%.";

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

"Where the proportion described in subparagraph i of subparagraph *d* of the second paragraph is greater than 95%, it is deemed to be equal to 100%."

(2) Subsection 1 applies in respect of the deemed disposition of a share that occurs after 6 November 2019.

168. (1) Section 1033.18 of the Act is amended

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

"120% {A – B – [(A – B)/A × C]} × D";

(2) by adding the following subparagraph at the end of the second paragraph:

"(*d*) D is

i. where the share that is deemed under section 653 to have been disposed of at the particular time is an eligible share of a private corporation described in paragraph *b* of the definition of "eligible share" in the first paragraph of section 1033.14, the proportion, expressed as a percentage, that the fair market value of the assets of the private corporation that is attributable to a large block of shares or a portion of a large block of shares of the capital stock of a qualified public corporation is, at the particular time, of the fair market value of the assets of the private corporation, or

ii. in any other case, 100%.";

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

"Where the proportion described in subparagraph i of subparagraph *d* of the second paragraph is greater than 95%, it is deemed to be equal to 100%."

(2) Subsection 1 applies in respect of the deemed disposition of a share that occurs after 6 November 2019.

169. (1) Section 1033.23 of the Act is amended

(1) by replacing the formula in paragraph *a* by the following formula:

"120% {A – B – [(A – B)/A × C]} × D × (1 – E)";

(2) by striking out paragraph *b*;

(3) by replacing paragraph *c* by the following paragraph:

"(*c*) as if the following subparagraph were added at the end of the second paragraph:

"(*e*) E is the proportion, expressed as a percentage, that the fair market value of the eligible share on the twenty-second anniversary of the deemed disposition is of its fair market value at the time of the deemed disposition."; and".

(2) Paragraphs 1 and 3 of subsection 1 apply in respect of the deemed disposition of a share that occurs after 6 November 2019. In addition, where section 1033.23 of the Act applies in respect of the deemed disposition of a share that occurs before 7 November 2019, it is to be read as if the formula in paragraph *a* were replaced by the following formula:

"120% {A – B – [(A – B)/A × C]} × (1 – D)".

(3) Paragraph 2 of subsection 1 applies in respect of the deemed disposition of a share that occurs after 21 February 2017.

170. (1) Section 1033.24 of the Act is amended

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

"120% {A – B – [(A – B)/A × C]} × D × (1 – E)";

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

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

"(*c*) as if the following subparagraph were added at the end of the second paragraph:

"(*e*) E is the proportion, expressed as a percentage, that the fair market value of the eligible share on the twenty-second anniversary of the deemed disposition is of its fair market value at the time of the deemed disposition."; and";

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

"The first paragraph applies at successive two-year intervals following the twenty-second anniversary referred to in that paragraph, with the necessary modifications. However, if the fair market value of the eligible share on that subsequent anniversary is greater than its fair market value on the last anniversary in respect of which the first paragraph applied, subparagraph *e* of the second paragraph of section 1033.17 or 1033.18, as the case may be, enacted by subparagraph *c* of the first paragraph, is to be read as follows:

"(*e*) E is the proportion, expressed as a percentage, that the fair market value of the eligible share on the subsequent anniversary to which the second paragraph of section 1033.24 refers is of the fair market value of the eligible share at the time of the deemed disposition.""

(2) Paragraphs 1, 3 and 4 of subsection 1 apply in respect of the deemed disposition of a share that occurs after 6 November 2019. In addition, where section 1033.24 of the Act applies in respect of the deemed disposition of a share that occurs before 7 November 2019, it is to be read as if the formula in subparagraph *a* of the first paragraph were replaced by the following formula:

"120% {A – B – [(A – B)/A × C]} × (1 – D)".

(3) Paragraph 2 of subsection 1 applies in respect of the deemed disposition of a share that occurs after 21 February 2017.

171. Section 1034.4 of the Act is amended by replacing the first paragraph by the following paragraph:

"Where, for a taxation year, the Minister has refunded an amount to an individual or has applied an amount to another of the individual's liabilities, and that amount is greater than the amount that should have been refunded or applied, the individual and the person who, for the year, is the individual's eligible spouse are solidarily liable for payment of that excess amount, to the extent that the excess amount may reasonably be considered to relate to the application of section 1029.8.105, as it read before being repealed."

172. Section 1034.5 of the Act is replaced by the following section:

"**1034.5.** For the purposes of section 1034.4 and of section 1035 where that section applies in respect of an eligible spouse of an individual in relation to an amount payable under section 1034.4, "eligible spouse" of an individual for a taxation year has the meaning assigned by section 1029.8.101, as it read before being repealed."

173. Section 1034.6 of the Act is amended by replacing the first paragraph by the following paragraph:

"Where, for a taxation year, the Minister has refunded an amount to an individual or has applied an amount to another of the individual's liabilities, and that amount is greater than the amount that should have been refunded or applied, the individual and the person who, for the year, is the individual's eligible spouse are solidarily liable for payment of that excess amount, to the extent that the excess amount may reasonably be considered to relate to the application of section 1029.8.114 or 1029.8.114.1, as it read before being repealed."

174. Section 1034.7 of the Act is replaced by the following section:

"**1034.7.** For the purposes of section 1034.6 and of section 1035 where that section applies in respect of an eligible spouse of an individual in relation to an amount payable under section 1034.6, "eligible spouse" of an individual for a taxation year has the meaning assigned by section 1029.8.110, as it read before being repealed."

175. (1) Section 1038 of the Act is amended

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

"ii. the aggregate of all amounts the individual is deemed under Chapter III.1 of Title III to have paid to the Minister on account of the individual's tax payable for the particular year, except any such amounts the individual is deemed to have paid under Divisions II to II.3.0.1, II.5.1, II.5.2, II.6.4 to II.6.4.2.1, II.11.1, II.11.7.2, II.12.1, II.13 if tax is payable by the individual for the particular year under Part I.3.2, II.17.1 and II.27 of that chapter and sections 1029.9.2 and 1029.9.2.1 and any such amounts in respect of which section 1029.6.0.1.9 applies,";

(2) by inserting the following subparagraph after subparagraph iii of subparagraph *a* of the second paragraph:

"iii.1. the amount by which the amount the individual is deemed under Division II.11.7.2 of Chapter III.1 of Title III to have paid to the Minister on account of the individual's tax payable for the particular year exceeds the individual's tax payable for the particular year under Part I.3.5,";

(3) by replacing subparagraph ii of subparagraph *b* of the second paragraph by the following subparagraph:

"ii. the aggregate of all amounts the individual is deemed under Chapter III.1 of Title III to have paid to the Minister on account of the individual's tax payable for the particular year, except any such amounts the individual is deemed to have paid under Divisions II to II.3.0.1, II.5.1, II.5.2, II.6.4 to II.6.4.2.1, II.11.1, II.11.7.2, II.12.1, II.13 if tax is payable by the individual for the particular year under Part I.3.2, II.17.1 and II.27 of that chapter and sections 1029.9.2 and 1029.9.2.1 and any such amounts in respect of which section 1029.6.0.1.9 applies,";

(4) by inserting the following subparagraph after subparagraph iii of subparagraph *b* of the second paragraph:

"iii.1. the amount by which the amount the individual is deemed under Division II.11.7.2 of Chapter III.1 of Title III to have paid to the Minister on account of the individual's tax payable for the particular year exceeds the individual's tax payable for the particular year under Part I.3.5,";

(5) by replacing the portion of subparagraph *a* of the third paragraph before subparagraph i by the following:

"(*a*) the amount by which the total, on the one hand, of the aggregate of all amounts the individual is deemed under Chapter III.1 of Title III to have paid to the Minister on account of the individual's tax payable for the particular year, except any such amounts the individual is deemed to have paid under

Divisions II to II.3.0.1, II.5.1, II.5.2, II.6.4 to II.6.4.2.1, II.11.1, II.11.7.2, II.12.1, II.13 if tax is payable by the individual for the particular year under Part I.3.2, II.17.1 and II.27 of that chapter and sections 1029.9.2 and 1029.9.2.1 and any such amounts in respect of which section 1029.6.0.1.9 applies, and, on the other hand, of the aggregate of the amount by which the amount the individual is deemed under Division II.11.1 of that chapter to have paid to the Minister on account of the individual's tax payable for the particular year exceeds the individual's tax payable for the particular year under Part I.3, the amount by which the amount the individual is deemed under Division II.11.7.2 of that chapter to have paid to the Minister on account of the individual's tax payable for the particular year exceeds the individual's tax payable for the particular year under Part I.3.5, the amount by which the amount the individual is deemed under Division II.12.1 of that chapter to have paid to the Minister on account of the individual's tax payable for the particular year exceeds the individual's tax payable for the particular year under Part I.3.3 and the amount by which the amount the individual is deemed under Division II.27 of that chapter to have paid to the Minister on account of the individual's tax payable for the particular year exceeds the individual's tax payable for the particular year under Part I.3.4, is exceeded by any of the following amounts:".

(2) Paragraph 1 of subsection 1, where it inserts a reference to Division II.11.7.2 of Chapter III.1 of Title III of Book IX of Part I of the Act in subparagraph ii of subparagraph *a* of the second paragraph of section 1038 of the Act, applies from the taxation year 2021.

(3) Paragraphs 2 and 4 of subsection 1 apply from the taxation year 2021.

(4) Paragraph 3 of subsection 1, where it inserts a reference to Division II.11.7.2 of Chapter III.1 of Title III of Book IX of Part I of the Act in subparagraph ii of subparagraph *b* of the second paragraph of section 1038 of the Act, applies from the taxation year 2021.

(5) Paragraph 5 of subsection 1, where it inserts "II.11.7.2," and "the amount by which the amount the individual is deemed under Division II.11.7.2 of that chapter to have paid to the Minister on account of the individual's tax payable for the particular year exceeds the individual's tax payable for the particular year under Part I.3.5," in the portion of subparagraph *a* of the third paragraph of section 1038 of the Act before subparagraph i, applies from the taxation year 2021.

176. Section 1042 of the Act is repealed.

177. (1) Section 1051 of the Act is amended by adding the following subparagraph at the end of the second paragraph:

"(*e*) within the three years following the day on which the documents described in the first paragraph of section 1010.0.0.2 are filed, where that section applies in relation to the disposition of an immovable property by the taxpayer or by a partnership of which the taxpayer is a member."

(2) Subsection 1 applies to a taxation year that ends after 2 October 2016.

178. (1) Section 1052 of the Act is amended, in the portion before paragraph *a*,

(1) by replacing "any of Divisions II.16, II.17, II.17.2 and" by "Division II.17.2 or";

(2) by replacing "or of section 1029.8.36.166.47" by "or of section 1029.8.36.166.47 or 1029.8.36.166.60.52".

(2) Paragraph 2 of subsection 1 has effect from 11 March 2020.

179. (1) Section 1053.0.1.1 of the Act is amended by replacing "of section 1029.8.36.166.47" by "of section 1029.8.36.166.47 or 1029.8.36.166.60.52".

(2) Subsection 1 has effect from 11 March 2020.

180. Sections 1053.0.2 and 1053.0.3 of the Act are repealed.

181. (1) Section 1056.4.1 of the Act is amended by replacing paragraph *a* by the following paragraph:

"(*a*) a designation made in the prescribed form and provided for in section 274 or 274.0.1, subparagraph *j* of the first paragraph of section 485.3 or any of sections 485.6 to 485.11 and 485.40 is deemed to be a prescribed election;".

(2) Subsection 1 applies to a taxation year that ends after 2 October 2016.

182. Section 1079.7 of the Act is amended by replacing paragraph *a* by the following paragraph:

"(*a*) the name, address and Social Insurance Number or trust account number, within the meaning of subsection 1 of section 248 of the Income Tax Act (Revised Statutes of Canada, 1985, chapter 1, 5th Supplement), of each individual who so acquired or otherwise invested in the tax shelter in the year and who was resident in Québec at the time of the acquisition or investment;".

183. (1) Section 1079.8.15 of the Act is amended by replacing subparagraphs *c* and *d* of the first paragraph by the following subparagraphs:

"(*c*) on or before the day that is six years after the day referred to in subparagraph *a*, if the period for which the Minister could, before the expiry of the time limits provided for in section 1010, make a reassessment or an additional assessment in respect of the particular taxpayer is the first period

referred to either in paragraph *a*.1 of subsection 2 of section 1010 if any of the conditions in subparagraphs i to vii of that paragraph *a*.1 is applicable in respect of the transaction, or in paragraph *a*.1.1 of that subsection 2 if the conditions in that paragraph *a*.1.1 are applicable in respect of the transaction; or

"(*d*) on or before the day that is seven years after the day referred to in subparagraph *a*, if the period for which the Minister could, before the expiry of the time limits provided for in section 1010, make a reassessment or an additional assessment in respect of the particular taxpayer is the second period referred to either in paragraph *a*.1 of subsection 2 of section 1010 if any of the conditions in subparagraphs i to vii of that paragraph *a*.1 is applicable in respect of the transaction, or in paragraph *a*.1.1 of that subsection 2 if the conditions in that paragraph *a*.1.1 are applicable in respect of the transaction."

(2) Subsection 1 applies to a taxation year for which a redetermination of the tax for the year was required to be made in accordance with section 1012 of the Act, or should have been so made if the taxpayer had claimed an amount under that section within the prescribed time limit, in order to take into account a deduction claimed under sections 727 to 737 of the Act in respect of a loss for a subsequent taxation year that ends after 26 February 2018.

184. (1) Section 1079.8.15.1 of the Act is amended by replacing subparagraphs *c* and *d* of the first paragraph by the following subparagraphs:

"(*c*) on or before the day that is six years after the day referred to in subparagraph *a*, if the period for which the Minister could, before the expiry of the time limits provided for in section 1010, make a reassessment or an additional assessment in respect of the particular taxpayer is the first period referred to either in paragraph *a*.1 of subsection 2 of section 1010 if any of the conditions in subparagraphs i to vii of that paragraph *a*.1 is applicable in respect of the transaction, or in paragraph *a*.1.1 of that subsection 2 if the conditions in that paragraph *a*.1.1 are applicable in respect of the transaction; or

"(*d*) on or before the day that is seven years after the day referred to in subparagraph *a*, if the period for which the Minister could, before the expiry of the time limits provided for in section 1010, make a reassessment or an additional assessment in respect of the particular taxpayer is the second period referred to either in paragraph *a*.1 of subsection 2 of section 1010 if any of the conditions in subparagraphs i to vii of that paragraph *a*.1 is applicable in respect of the transaction, or in paragraph *a*.1.1 of that subsection 2 if the conditions in that paragraph *a*.1.1 are applicable in respect of the transaction."

(2) Subsection 1 applies in respect of a nominee contract entered into after 16 May 2019, or before 17 May 2019 where the tax consequences of the transaction in the course of which the nominee contract was entered into continue after 16 May 2019.

185. (1) The Act is amended by inserting the following Part after section 1086.12.16:

"**PART I.3.5**

"TAX IN RESPECT OF ADVANCE PAYMENTS OF THE CREDIT FOR CAREGIVERS

"**1086.12.17.** In this Part,

"balance-due day" has the meaning assigned by section 1;

"individual" has the meaning assigned by section 1;

"taxation year" has the meaning that would be assigned by Part I if it were read without reference to section 779.

"**1086.12.18.** An individual shall pay, for a taxation year, a tax equal to the aggregate of all amounts each of which is an amount paid in advance by the Minister to the individual for that year under section 1029.8.61.96.23.

"**1086.12.19.** An individual shall pay to the Minister, for a taxation year, on or before the individual's balance-due day for the year, the individual's tax under this Part as estimated for the year in accordance with section 1004.

"**1086.12.20.** Unless otherwise provided in this Part, sections 1000 to 1014 and 1037 to 1079.16 apply to this Part, with the necessary modifications."

(2) Subsection 1 applies from the taxation year 2021.

186. (1) Section 1089 of the Act is amended by replacing the fourth paragraph by the following paragraph:

"For the purposes of the first paragraph, the amount that is determined in respect of an individual for a taxation year under the first paragraph is to be increased by the amount that would be included in computing the individual's taxable income for the year under any of sections 726.43 to 726.43.2 if the taxable income were determined under Part I."

(2) Subsection 1 has effect from 10 March 2020. However, where section 1089 of the Act applies before 2 June 2021, it is to be read as if the fourth paragraph were replaced by the following paragraph:

"For the purposes of the first paragraph, the amount that is determined in respect of an individual for a taxation year under the first paragraph is to be increased by the amount that would be included in computing the individual's taxable income for the year under any of sections 726.35 and 726.43 to 726.43.2 and reduced by the amount that the individual could deduct in computing the individual's taxable income for the year under section 726.33, if the taxable income were determined under Part I."

187. (1) Section 1090 of the Act is amended by replacing the fourth paragraph by the following paragraph:

"For the purposes of the first paragraph, the amount that is determined in respect of an individual for a taxation year under the first paragraph is to be increased by the amount that would be included in computing the individual's taxable income for the year under any of sections 726.43 to 726.43.2 if the taxable income were determined under Part I."

(2) Subsection 1 has effect from 10 March 2020. However, where section 1090 of the Act applies before 2 June 2021, it is to be read as if the fourth paragraph were replaced by the following paragraph:

"For the purposes of the first paragraph, the amount that is determined in respect of an individual for a taxation year under the first paragraph is to be increased by the amount that would be included in computing the individual's taxable income for the year under any of sections 726.35 and 726.43 to 726.43.2 and reduced by the amount that the individual could deduct in computing the individual's taxable income for the year under section 726.33, if the taxable income were determined under Part I."

188. Section 1091 of the Act is amended by striking out "726.33," in subparagraph *c* of the first paragraph.

189. (1) The Act is amended by inserting the following Part after section 1129.4.3.51:

"**PART III.1.1.12**

"SPECIAL TAX RELATING TO THE CREDIT TO SUPPORT PRINT MEDIA

"**1129.4.3.52.** In this Part,

"eligible employee" has the meaning assigned by section 1029.8.36.0.3.109;

"qualified expenditure" has the meaning assigned by section 1029.8.36.0.3.109;

"qualified wages" has the meaning assigned by section 1029.8.36.0.3.109;

"recognized activity" has the meaning assigned by the first paragraph of section 1029.8.36.0.3.109;

"transitional period" has the meaning assigned by the first paragraph of section 1029.8.36.0.3.109;

"wages" has the meaning assigned by the first paragraph of section 1029.8.36.0.3.109;

"wholly-owned subsidiary" has the meaning assigned by the first paragraph of section 1029.8.36.0.3.109.

"**1129.4.3.53.** Every corporation that is deemed to have paid an amount to the Minister, under section 1029.8.36.0.3.111, on account of its tax payable under Part I for a particular taxation year, in relation to the qualified wages incurred in the particular year in respect of an eligible employee, shall pay the tax computed under the second paragraph for a subsequent taxation year (in this section referred to as the "repayment year") in which an amount relating to wages included in computing the qualified wages is, directly or indirectly, refunded or otherwise paid to the corporation or allocated to a payment to be made by it.

The tax to which the first paragraph refers is equal to the amount by which the aggregate of all amounts each of which is an amount that the corporation is deemed to have paid to the Minister under section 1029.8.36.0.3.111 or 1029.8.36.0.3.115, in relation to the qualified wages, exceeds the total of

(*a*) the aggregate of all amounts each of which is an amount that the corporation would be deemed to have paid to the Minister under section 1029.8.36.0.3.111 or 1029.8.36.0.3.115, in relation to the qualified wages, if every amount that is, at or before the end of the repayment year, so refunded, paid or allocated, in relation to wages included in computing the qualified wages, had been refunded, paid or allocated in the particular year; and

(*b*) the aggregate of all amounts each of which is a tax that the corporation is required to pay to the Minister under this section for a taxation year preceding the repayment year, in relation to the qualified wages.

Where the corporation's particular taxation year includes all or part of the transitional period and where, in the transitional period or part of that period, the corporation's wholly-owned subsidiary for the particular year carried out work on its behalf in relation to recognized activities, the first and second paragraphs apply to an amount relating to the corporation's qualified expenditure for the particular year that may reasonably be attributed to the wages the wholly-owned subsidiary incurred and paid in respect of its eligible employees and that is, directly or indirectly, refunded or otherwise paid to the corporation or allocated to a payment to be made by it, but are to be read

(*a*) as if "in relation to the qualified wages incurred in the particular year in respect of an eligible employee" and "relating to wages included in computing the qualified wages" in the first paragraph were replaced by "in relation to its qualified expenditure for the particular year" and "attributable to the wages that the wholly-owned subsidiary of the corporation for the particular year incurred and paid in respect of its eligible employees and that are taken into account in computing the qualified expenditure", respectively;

(*b*) as if "in relation to the qualified wages" wherever it appears in the second paragraph were replaced by "in relation to the qualified expenditure"; and

(*c*) as if "in relation to wages included in computing the qualified wages" in subparagraph *a* of the second paragraph were replaced by "in relation to the wages taken into account in computing the qualified expenditure".

For the purposes of this section, an amount is deemed to have been, at a particular time, refunded or otherwise paid to the corporation or allocated to a payment to be made by it if the amount that is attributable to the wages that another corporation that was the corporation's wholly-owned subsidiary for the particular taxation year incurred and paid in the year in respect of its eligible employees was, at that time, refunded or otherwise paid to the other corporation or allocated to a payment to be made by it.

"**1129.4.3.54.** Every corporation that is a member of a partnership and is deemed to have paid an amount to the Minister, under section 1029.8.36.0.3.112, on account of the corporation's tax payable under Part I for a particular taxation year, in relation to the qualified wages incurred by the partnership, in respect of an eligible employee, in the partnership's particular fiscal period that ends in the particular year, shall pay the tax computed under the second paragraph for the taxation year in which ends a subsequent fiscal period of the partnership (in this section referred to as the "fiscal period of repayment") in which an amount relating to wages included in computing the qualified wages is, directly or indirectly, refunded or otherwise paid to the partnership or corporation or allocated to a payment to be made by the partnership or corporation.

The tax to which the first paragraph refers is equal to the amount by which the aggregate of all amounts each of which is an amount that the corporation would be deemed to have paid to the Minister for a taxation year under any of sections 1029.8.36.0.3.112, 1029.8.36.0.3.116 and 1029.8.36.0.3.117, in relation to the qualified wages, if the agreed proportion in respect of the corporation for the partnership's fiscal period that ends in that taxation year were the same as that for the fiscal period of repayment, exceeds the total of

(*a*) the aggregate of all amounts each of which is an amount that the corporation would be deemed to have paid to the Minister under any of sections 1029.8.36.0.3.112, 1029.8.36.0.3.116 and 1029.8.36.0.3.117, for a taxation year, in relation to the qualified wages, if

i. every amount that is, at or before the end of the fiscal period of repayment, so refunded, paid or allocated, in relation to wages included in computing the qualified wages, had been refunded, paid or allocated in the particular fiscal period, and

ii. the agreed proportion in respect of the corporation for the partnership's fiscal period that ends in that taxation year were the same as that for the fiscal period of repayment; and

(*b*) the aggregate of all amounts each of which is a tax that the corporation would be required to pay to the Minister under this section, for a taxation year preceding the taxation year in which the fiscal period of repayment ends, in relation to the qualified wages, if the agreed proportion in respect of the corporation for the partnership's fiscal period that ends in the preceding taxation year were the same as that for the fiscal period of repayment.

For the purposes of the second paragraph, an amount referred to in subparagraph i of subparagraph *a* of that paragraph that is refunded or otherwise paid to the corporation or allocated to a payment to be made by the corporation is deemed to be an amount

(*a*) that is refunded or otherwise paid to the partnership or allocated to a payment to be made by the partnership; and

(*b*) that is determined by multiplying the amount refunded, paid or allocated by the reciprocal of the agreed proportion in respect of the corporation for the fiscal period of repayment.

Where the partnership's particular fiscal period includes all or part of the transitional period and where, in the transitional period or part of that period, the partnership's wholly-owned subsidiary for the particular fiscal period carried out work on its behalf in relation to recognized activities, the first, second and third paragraphs apply to an amount relating to the partnership's qualified expenditure for the particular fiscal period that may reasonably be attributed to the wages the wholly-owned subsidiary incurred and paid in respect of its eligible employees and that is, directly or indirectly, refunded or otherwise paid to the partnership or corporation or allocated to a payment to be made by the partnership or corporation, but are to be read

(*a*) as if "in relation to the qualified wages incurred by the partnership, in respect of an eligible employee, in" and "relating to wages included in computing the qualified wages" in the first paragraph were replaced by "in relation to its qualified expenditure for" and "attributable to the wages that the wholly-owned subsidiary of the partnership for the particular fiscal period incurred and paid in respect of its eligible employees and that are taken into account in computing the qualified expenditure", respectively;

(*b*) as if "in relation to the qualified wages" wherever it appears in the portion of the second paragraph before subparagraph i of subparagraph *a* and in subparagraph *b* of that paragraph were replaced by "in relation to the qualified expenditure"; and

(*c*) as if "in relation to wages included in computing the qualified wages" in subparagraph i of subparagraph *a* of the second paragraph were replaced by "in relation to the wages taken into account in computing the qualified expenditure".

For the purposes of this section, an amount is deemed to have been, at a particular time, refunded or otherwise paid to the partnership or allocated to a payment to be made by it if the amount that is attributable to the wages that a corporation that was the partnership's wholly-owned subsidiary for the particular fiscal period incurred and paid in respect of its eligible employees was, at that time, refunded or otherwise paid to the corporation or allocated to a payment to be made by it.

"**1129.4.3.55.** For the purposes of Part I, except for Division II.6.0.1.12 of Chapter III.1 of Title III of Book IX, the following rules are taken into account:

(*a*) the tax paid at any time by a corporation to the Minister under section 1129.4.3.53 in relation to qualified wages is deemed to be an amount of assistance repaid at that time by the corporation in respect of the wages, pursuant to a legal obligation; and

(*b*) the tax paid at any time by a corporation to the Minister under section 1129.4.3.54 in relation to qualified wages is deemed to be an amount of assistance repaid at that time by the partnership referred to in that section in respect of the wages, pursuant to a legal obligation.

Where the circumstances described in the third paragraph of section 1129.4.3.53 or the fourth paragraph of section 1129.4.3.54 occur, the presumption provided for in subparagraph *a* or *b* of the first paragraph applies, as the case may be, in respect of the tax a corporation pays to the Minister under that section in relation to a qualified expenditure of the corporation or of the partnership of which it is a member.

"**1129.4.3.56.** Unless otherwise provided in this Part, section 6, the first paragraph of section 549, section 564 where it refers to the first paragraph of section 549, sections 1000 to 1024, subparagraph *b* of the first paragraph of section 1027 and sections 1037 to 1079.16 apply to this Part, with the necessary modifications."

(2) Subsection 1 has effect from 1 January 2019.

190. (1) The Act is amended by inserting the following Part after section 1129.45.3.5.20:

"**PART III.10.1.1.5**

"SPECIAL TAX RELATING TO THE CREDIT FOR SMALL AND MEDIUM-SIZED BUSINESSES IN RESPECT OF PERSONS WITH A SEVERELY LIMITED CAPACITY FOR EMPLOYMENT

"**1129.45.3.5.21.** In this Part, "qualified expenditure" has the meaning assigned by section 1029.8.36.59.58.

"**1129.45.3.5.22.** Every corporation that is deemed to have paid an amount to the Minister, under section 1029.8.36.59.59, on account of its tax payable under Part I for a particular taxation year, in relation to its qualified expenditure, shall pay the tax computed under the second paragraph for a subsequent taxation year (in this section referred to as the "repayment year") in which an amount relating to the qualified expenditure is, directly or indirectly, refunded or otherwise paid to the corporation or allocated to a payment to be made by it.

The tax to which the first paragraph refers is equal to the amount by which the aggregate of all amounts each of which is an amount that the corporation is deemed to have paid to the Minister for a taxation year preceding the repayment year under section 1029.8.36.59.59 or 1029.8.36.59.62, in relation to the qualified expenditure, exceeds the total of

(*a*) the aggregate of all amounts each of which is an amount that the corporation would be deemed to have paid to the Minister for a taxation year preceding the repayment year under section 1029.8.36.59.59 or 1029.8.36.59.62, in relation to the qualified expenditure, if every amount that is, at or before the end of the repayment year, so refunded, paid or allocated, in relation to the qualified expenditure, were refunded, paid or allocated in the particular taxation year; and

(*b*) the aggregate of all amounts each of which is a tax that the corporation is required to pay to the Minister under this section for a taxation year preceding the repayment year, in relation to the qualified expenditure.

"**1129.45.3.5.23.** Every corporation that is a member of a partnership and is deemed to have paid an amount to the Minister, under section 1029.8.36.59.59 on account of the corporation's tax payable under Part I for a particular taxation year, in relation to a qualified expenditure of the partnership for the partnership's particular fiscal period that ends in that particular year, shall pay the tax computed under the second paragraph for the taxation year in which ends a subsequent fiscal period of the partnership (in this section referred to as the "fiscal period of repayment") in which an amount relating to the qualified expenditure is, directly or indirectly, refunded or otherwise paid to the partnership or corporation or allocated to a payment to be made by the partnership or corporation.

The tax to which the first paragraph refers is equal to the amount by which the aggregate of all amounts each of which is an amount that the corporation would be deemed to have paid to the Minister for a taxation year in which a fiscal period of the partnership preceding the fiscal period of repayment ends under any of sections 1029.8.36.59.59, 1029.8.36.59.63 and 1029.8.36.59.64, in relation to the qualified expenditure, if the agreed proportion in respect of the corporation for that preceding fiscal period were the same as that for the fiscal period of repayment, exceeds the total of

(*a*) the aggregate of all amounts each of which is an amount that the corporation would be deemed to have paid to the Minister under any of sections 1029.8.36.59.59, 1029.8.36.59.63 and 1029.8.36.59.64, for a taxation year in which a fiscal period of the partnership preceding the fiscal period of repayment ends, in relation to the qualified expenditure, if

i. every amount that is, at or before the end of the fiscal period of repayment, so refunded, paid or allocated, in relation to the qualified expenditure were refunded, paid or allocated in the particular fiscal period, and

ii. the agreed proportion in respect of the corporation for that preceding fiscal period were the same as that for the fiscal period of repayment; and

(*b*) the aggregate of all amounts each of which is a tax that the corporation would be required to pay to the Minister under this section, for a taxation year preceding the taxation year in which the fiscal period of repayment ends, in relation to the qualified expenditure, if the agreed proportion in respect of the corporation for the partnership's fiscal period that ends in the preceding taxation year were the same as that for the fiscal period of repayment.

For the purposes of the second paragraph, an amount referred to in subparagraph i of subparagraph *a* of that paragraph that is refunded or otherwise paid to the corporation or allocated to a payment to be made by the corporation is deemed to be an amount

(*a*) that is refunded or otherwise paid to the partnership or allocated to a payment to be made by the partnership; and

(*b*) that is determined by multiplying the amount refunded, paid or allocated by the reciprocal of the agreed proportion in respect of the corporation for the fiscal period of repayment.

"**1129.45.3.5.24.** For the purposes of Part I, except Division II.6.5.9 of Chapter III.1 of Title III of Book IX, the following rules are taken into consideration:

(*a*) tax paid to the Minister by a corporation at any time, under section 1129.45.3.5.22, in relation to its qualified expenditure, is deemed to be an amount of assistance repaid by the corporation at that time in respect of that expenditure, pursuant to a legal obligation; and

(*b*) tax paid to the Minister by a corporation at any time, under section 1129.45.3.5.23, in relation to the qualified expenditure of a partnership referred to in that section, is deemed to be an amount of assistance repaid by the partnership at that time in respect of that expenditure, pursuant to a legal obligation.

"**1129.45.3.5.25.** Unless otherwise provided in this Part, section 6, the first paragraph of section 549, section 564 where it refers to the first paragraph of section 549, sections 1000 to 1024, subparagraph *b* of the first paragraph of section 1027 and sections 1037 to 1079.16 apply to this Part, with the necessary modifications."

(2) Subsection 1 applies to a taxation year that ends after 31 December 2019.

191. (1) The Act is amended by inserting the following Part after section 1129.45.41.18.12:

"**PART III.10.9.2.3**

"SPECIAL TAX CONCERNING THE CREDIT RELATING TO INVESTMENT AND INNOVATION

"**1129.45.41.18.13.** In this Part, "specified expenses" and "specified property" have the meaning assigned by section 1029.8.36.166.60.36.

"**1129.45.41.18.14.** Every corporation that is deemed to have paid an amount to the Minister, under section 1029.8.36.166.60.48, on account of its tax payable under Part I for a particular taxation year, in relation to its specified expenses for the year in respect of a specified property, shall pay the tax computed under the second paragraph for a subsequent taxation year (in this section referred to as the "repayment year") in which an amount relating to the specified expenses is, directly or indirectly, refunded or otherwise paid to the corporation or allocated to a payment to be made by the corporation.

The tax to which the first paragraph refers is equal to the amount by which the aggregate of all amounts each of which is an amount that the corporation is deemed to have paid to the Minister for a taxation year preceding the repayment year under any of sections 1029.8.36.166.60.48, 1029.8.36.166.60.51, 1029.8.36.166.60.52 and 1029.8.36.166.60.60, in relation to its specified expenses for the particular year, exceeds the total of

(*a*) the aggregate of all amounts each of which is an amount that the corporation would be deemed to have paid to the Minister for a taxation year preceding the repayment year under any of sections 1029.8.36.166.60.48, 1029.8.36.166.60.51, 1029.8.36.166.60.52 and 1029.8.36.166.60.60, in relation to the specified expenses, if every amount that is, at or before the end of the repayment year, so refunded, paid or allocated, in relation to the specified expenses, were refunded, paid or allocated in the particular year; and

(*b*) the aggregate of all amounts each of which is a tax that the corporation is required to pay to the Minister under this section for a taxation year preceding the repayment year, in relation to the specified expenses.

However, no tax is payable under this section, in relation to the specified expenses in respect of a property referred to in the first paragraph, if section 1129.45.41.18.16 applies in respect of the property for the repayment year or applied in respect of the property for a preceding taxation year.

"**1129.45.41.18.15.** Every corporation that is a member of a partnership and is deemed to have paid an amount to the Minister, under section 1029.8.36.166.60.49, on account of the corporation's tax payable under Part I for a particular taxation year, in relation to the partnership's specified expenses, in respect of a specified property, for the partnership's particular fiscal period that ends in that particular year, shall pay the tax computed under the second paragraph for the taxation year in which ends a subsequent fiscal period of the partnership (in this section referred to as the "fiscal period of repayment") in which an amount relating to the specified expenses is, directly or indirectly, refunded or otherwise paid to the partnership or corporation or allocated to a payment to be made by the partnership or corporation.

The tax to which the first paragraph refers is equal to the amount by which the aggregate of all amounts each of which is an amount that the corporation would be deemed to have paid to the Minister for a taxation year in which a fiscal period of the partnership preceding the fiscal period of repayment ends under any of sections 1029.8.36.166.60.49, 1029.8.36.166.60.51, 1029.8.36.166.60.52, 1029.8.36.166.60.61 and 1029.8.36.166.60.62, in relation to the partnership's specified expenses for the particular fiscal year, if the agreed proportion in respect of the corporation for that preceding fiscal period were the same as that for the fiscal period of repayment, exceeds the total of

(*a*) the aggregate of all amounts each of which is an amount that the corporation would be deemed to have paid to the Minister under any of sections 1029.8.36.166.60.49, 1029.8.36.166.60.51, 1029.8.36.166.60.52, 1029.8.36.166.60.61 and 1029.8.36.166.60.62, for a taxation year in which a fiscal period of the partnership preceding the fiscal period of repayment ends, in relation to the specified expenses, if

i. every amount that is, at or before the end of the fiscal period of repayment, so refunded, paid or allocated, in relation to the specified expenses, were refunded, paid or allocated in the particular fiscal period, and

ii. the agreed proportion in respect of the corporation for that preceding fiscal period were the same as that for the fiscal period of repayment; and

(*b*) the aggregate of all amounts each of which is a tax that the corporation would be required to pay to the Minister under this section, for a taxation year preceding the taxation year in which the fiscal period of repayment ends, in relation to the specified expenses, if the agreed proportion in respect of the corporation for the partnership's fiscal period that ends in the preceding taxation year were the same as that for the fiscal period of repayment.

For the purposes of the second paragraph, an amount referred to in subparagraph i of subparagraph *a* of that paragraph that is refunded or otherwise paid to the corporation or allocated to a payment to be made by the corporation is deemed to be an amount

(*a*) that is refunded or otherwise paid to the partnership or allocated to a payment to be made by the partnership; and

(*b*) that is determined by multiplying the amount refunded, paid or allocated by the reciprocal of the agreed proportion in respect of the corporation for the fiscal period of repayment.

However, no tax is payable under this section, in relation to the specified expenses in respect of a property referred to in the first paragraph, if section 1129.45.41.18.17 applies in respect of the property for the taxation year in which the fiscal period of repayment ends or applied in respect of the property in a preceding taxation year.

"**1129.45.41.18.16.** Every corporation that, in relation to its specified expenses in respect of a specified property, is deemed to have paid an amount to the Minister, under any of sections 1029.8.36.166.60.48, 1029.8.36.166.60.51 and 1029.8.36.166.60.52, for any taxation year, shall pay, for a particular taxation year, the tax computed under the second paragraph where, at any time after the corporation's filing-due date for the taxation year preceding the particular year and during the period described in the third paragraph, the property ceases, otherwise than by reason of its loss, of its involuntary destruction by fire, theft or water, or of a major breakdown of the property, to be used, where the property is referred to in subparagraph v of paragraph *b* of the definition of "specified property" in the first paragraph of section 1029.8.36.166.60.36, mainly in Québec or, in any other case, solely in Québec, to earn income from a business carried on

(*a*) by the first purchaser of the property, where the first purchaser owns it at the time referred to in the portion before this subparagraph; or

(*b*) by a subsequent purchaser of the property that acquired it in any of the circumstances in which section 130R149 of the Regulation respecting the Taxation Act (chapter I-3, r. 1) applies, where the subsequent purchaser owns it at the time referred to in the portion before subparagraph *a*.

The tax to which the first paragraph refers is equal to the amount by which the aggregate of all amounts each of which is an amount that the corporation is deemed to have paid to the Minister under any of sections 1029.8.36.166.60.48, 1029.8.36.166.60.51, 1029.8.36.166.60.52 and 1029.8.36.166.60.60, in relation to its specified expenses in respect of the specified property for a taxation year preceding the particular year, exceeds the aggregate of all amounts each of which is a tax that the corporation is required to pay under section 1129.45.41.18.14, in relation to those specified expenses, for a taxation year preceding the particular year.

The period to which the first paragraph refers is the period that begins on the particular day on which the property begins to be used by its first purchaser or by a subsequent purchaser that acquired the property in any of the circumstances in which section 130R149 of the Regulation respecting the Taxation Act applies and ends on the earlier of

(*a*) the 730th day following the particular day; and

(*b*) the corporation's filing-due date for the particular taxation year.

"**1129.45.41.18.17.** Every corporation that is a member of a partnership and is deemed to have paid an amount to the Minister, under any of sections 1029.8.36.166.60.49, 1029.8.36.166.60.51 and 1029.8.36.166.60.52, for any taxation year in relation to the partnership's specified expenses in respect of a specified property for a fiscal period of the partnership that ends in that taxation year, shall pay, for a particular taxation year, the tax computed under the second paragraph where, at any time after the last day of the six-month period following the end of the partnership's fiscal period that ends in the taxation year preceding the particular year and during the period described in the third paragraph, the property ceases, otherwise than by reason of its loss, of its involuntary destruction by fire, theft or water, or of a major breakdown of the property, to be used, where the property is referred to in subparagraph v of paragraph *b* of the definition of "specified property" in the first paragraph of section 1029.8.36.166.60.36, mainly in Québec or, in any other case, solely in Québec, to earn income from a business carried on

(*a*) by the first purchaser of the property, where the first purchaser owns it at the time referred to in the portion before this subparagraph; or

(*b*) by a subsequent purchaser of the property that acquired it in any of the circumstances in which section 130R149 of the Regulation respecting the Taxation Act (chapter I-3, r. 1) applies, where the subsequent purchaser owns it at the time referred to in the portion before subparagraph *a*.

The tax to which the first paragraph refers is equal to the amount by which the aggregate of all amounts each of which is an amount that the corporation is deemed to have paid to the Minister under any of sections 1029.8.36.166.60.49, 1029.8.36.166.60.51, 1029.8.36.166.60.52, 1029.8.36.166.60.61 and 1029.8.36.166.60.62, in relation to the partnership's specified expenses in respect of the specified property for a taxation year preceding the particular year, exceeds the aggregate of all amounts each of which is a tax that the corporation is required to pay under section 1129.45.41.18.15, in relation to those specified expenses, for a taxation year preceding the particular year.

The period to which the first paragraph refers is the period that begins on the particular day on which the property begins to be used by its first purchaser or by a subsequent purchaser that acquired the property in any of the circumstances in which section 130R149 of the Regulation respecting the Taxation Act applies and ends on the earlier of

(*a*) the 730th day following the particular day; and

(*b*) the last day of the six-month period following the end of the partnership's fiscal period that ends in the particular year.

"**1129.45.41.18.18.** For the purposes of Part I, except Division II.6.14.2.3 of Chapter III.1 of Title III of Book IX, the following rules must be taken into account:

(*a*) tax paid to the Minister by a corporation at any time, under section 1129.45.41.18.14 or 1129.45.41.18.16, in relation to specified expenses, in respect of a specified property, is deemed to be an amount of assistance repaid by the corporation at that time in respect of those expenses, pursuant to a legal obligation; and

(*b*) tax paid to the Minister by a corporation at any time, under section 1129.45.41.18.15 or 1129.45.41.18.17 in relation to specified expenses, in respect of a specified property, of a partnership referred to in that section, is deemed to be an amount of assistance repaid by the partnership at that time in respect of those expenses, pursuant to a legal obligation.

"**1129.45.41.18.19.** Unless otherwise provided in this Part, section 6, the first paragraph of section 549, section 564 where it refers to the first paragraph of section 549, sections 1000 to 1024, subparagraph *b* of the first paragraph of section 1027 and sections 1037 to 1079.16 apply to this Part, with the necessary modifications."

(2) Subsection 1 has effect from 11 March 2020.

192. (1) Section 1137 of the Act is amended by inserting the following paragraph after paragraph *b*.0.1:

"(*b*.0.2) the provision for the redemption of retractable or mandatorily redeemable shares issued at the end of the taxation year, provided the redemption value of those shares was included in that computation;".

(2) Subsection 1 applies in respect of a taxation year that begins after 31 December 2019.

193. (1) Section 1159.1 of the Act is amended

(1) by replacing paragraph *a* of the definition of "maximum amount subject to tax" by the following paragraph:

"(*a*) in the case of a bank, a loan corporation (other than an independent loan corporation), a trust corporation (other than an independent trust corporation) or a corporation trading in securities (other than an independent corporation trading in securities), $1,100,000,000;";

(2) by inserting the following paragraph after paragraph *b* of the definition of "maximum amount subject to tax":

"(*b*.1) in the case of an independent loan corporation, an independent trust corporation or an independent corporation trading in securities,

i. where the year begins after 31 March 2020, $275,000,000, and

ii. where the year ends after 31 March 2020 and includes that date,

(1) for the purposes of subparagraph i of subparagraph *a*.1 of the first paragraph of section 1159.3, enacted by subparagraph *a*.1 of the first paragraph of section 1159.3.3.3, the product obtained by multiplying $275,000,000 by the proportion that the number of days in the year that follow 31 March 2020 is of 365, and

(2) for the purposes of subparagraphs ii and iii of subparagraph *a*.1 of the first paragraph of section 1159.3, enacted by subparagraph *a*.1 of the first paragraph of section 1159.3.3.3, the product obtained by multiplying $1,100,000,000 by the proportion that the number of days in the year that precede 1 April 2020 is of 365; and";

(3) by replacing paragraph *c* of the definition of "maximum amount subject to tax" by the following paragraph:

"(*c*) in the case of a person who is referred to in neither paragraph *b*.1 nor any of subparagraphs *a* to *d*.1 of the first paragraph of section 1159.3 and who made, with a person referred to in any of those subparagraphs *a* to *d*.1, an election under subsection 1 of section 150 of the Excise Tax Act that is in effect in the year, $275,000,000;";

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

""independent trust corporation" means a trust corporation that, in a taxation year, is not associated, within the meaning of Part I, with a bank, a credit union or an insurance corporation;";

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

""independent loan corporation" means a loan corporation that, in a taxation year, is not associated, within the meaning of Part I, with a bank, a credit union or an insurance corporation;";

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

""independent corporation trading in securities" means a corporation trading in securities that, in a taxation year, is not associated, within the meaning of Part I, with a bank, a credit union or an insurance corporation;".

(2) Subsection 1 has effect from 1 April 2020.

194. (1) Section 1159.1.0.0.2 of the Act is amended by adding the following paragraph at the end:

"The first paragraph does not apply for the purpose of determining the maximum amount subject to tax of an independent trust corporation, an independent loan corporation or an independent corporation trading in securities for its taxation year that ends after 31 March 2020 and includes that date."

(2) Subsection 1 has effect from 1 April 2020.

195. (1) Section 1159.3.3.3 of the Act is amended

(1) by replacing the portion of subparagraph *a* of the first paragraph of section 1159.3 of the Act before subparagraph i, enacted by subparagraph *a* of the first paragraph of that section 1159.3.3.3, by the following:

""(*a*) in the case of a bank, a loan corporation (other than an independent loan corporation), a trust corporation (other than an independent trust corporation) or a corporation trading in securities (other than an independent corporation trading in securities), subject to subparagraph *d*, the aggregate of";

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

"(*a*.1) the first paragraph of section 1159.3 is to be read as if the following subparagraph were inserted after subparagraph *a*:

"(*a*.1) in the case of an independent loan corporation, an independent trust corporation or an independent corporation trading in securities, the aggregate of

i. 1.32% of the lesser of its maximum amount subject to tax for the year, determined in accordance with subparagraph i of paragraph *b*.1 of the definition of "maximum amount subject to tax" in section 1159.1 or in accordance with subparagraph 1 of subparagraph ii of that paragraph *b*.1, as the case may be, and the amount paid as wages in the part of the year that follows 31 March 2020,

ii. 4.22% of the lesser of the amount by which its maximum amount subject to tax for the year, determined, if the year includes 31 March 2020, in accordance with subparagraph 2 of subparagraph ii of paragraph *b*.1 of the definition of "maximum amount subject to tax" in section 1159.1, exceeds the amount paid as wages in the part of the year that precedes 1 April 2019 and the amount paid as wages in the part of the year that follows 31 March 2019 and precedes 1 April 2020, and

iii. 4.29% of the lesser of its maximum amount subject to tax for the year, determined, if the year includes 31 March 2020, in accordance with subparagraph 2 of subparagraph ii of paragraph *b*.1 of the definition of "maximum amount subject to tax" in section 1159.1, and the amount paid as wages in the part of the year that precedes 1 April 2019;";";

(3) by replacing subparagraph *a* of the second paragraph of section 1159.3 of the Act, enacted by subparagraph *a* of the second paragraph of that section 1159.3.3.3, by the following subparagraph:

"“(*a*) in the case of a bank, a loan corporation (other than an independent loan corporation), a trust corporation (other than an independent trust corporation) or a corporation trading in securities (other than an independent corporation trading in securities), subject to subparagraph *d*, the aggregate of 4.14% of the amount paid as wages in the part or parts of the year, as the case may be, during which the person was a financial institution that follow 31 March 2020, 4.22% of the amount paid as wages in the part or parts of the year, as the case may be, during which the person was a financial institution that follow 31 March 2019 and precede 1 April 2020 and 4.29% of the amount paid as wages in the part or parts of the year, as the case may be, during which the person was a financial institution that precede 1 April 2019;”;";

(4) by inserting the following subparagraph after subparagraph *a* of the second paragraph:

"(*a*.1) the second paragraph of section 1159.3 is to be read as if the following subparagraph were inserted after subparagraph *a*:

"(*a*.1) in the case of an independent loan corporation, an independent trust corporation or an independent corporation trading in securities, the aggregate of 1.32% of the amount paid as wages in the part or parts of the year, as the case may be, during which the person was a financial institution that follow 31 March 2020, 4.22% of the amount paid as wages in the part or parts of the year, as the case may be, during which the person was a financial institution that follow 31 March 2019 and precede 1 April 2020 and 4.29% of the amount paid as wages in the part or parts of the year, as the case may be, during which the person was a financial institution that precede 1 April 2019;”;".

(2) Subsection 1 has effect from 1 April 2020.

(3) In addition, in applying subparagraph i of subparagraph *a* of the first paragraph of section 1027 of the Act, subparagraph 1 of subparagraph iii of that subparagraph *a* and subparagraph *a* of the third paragraph of that section 1027, enacted by paragraph *b* of section 1027.0.3 of the Act, for the purpose of computing the amount of a payment that an independent loan corporation, an independent trust corporation or an independent corporation trading in securities is required to make under subparagraph *a* of the first paragraph of that section 1027 for a taxation year that ends after 31 March 2020 and includes that date, and in applying section 1038 of the Act for the purpose of computing the interest provided for in that section that the corporation is required to pay, if applicable, in respect of that payment, the following rules apply:

(1) the corporation's estimated tax or tax payable, as the case may be, for that taxation year must, in respect of a payment that the corporation is required to make before 1 April 2020, be determined without reference to this section; and

(2) the total of the payments that the corporation is required to make before 1 April 2020, with reference to the presumption provided for in paragraph 1, does not exceed the corporation's tax payable for the year determined without reference to this subsection.

196. (1) Section 1159.3.4 of the Act is amended

(1) by replacing the portion of subparagraph *a* of the first paragraph of section 1159.3 of the Act before subparagraph i, enacted by subparagraph *a* of the first paragraph of that section 1159.3.4, by the following:

""(*a*) in the case of a bank, a loan corporation (other than an independent loan corporation), a trust corporation (other than an independent trust corporation) or a corporation trading in securities (other than an independent corporation trading in securities), subject to subparagraph *d*, the aggregate of";

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

"(*a*.1) the first paragraph of section 1159.3 is to be read as if the following subparagraph were inserted after subparagraph *a*:

"(*a*.1) in the case of an independent loan corporation, an independent trust corporation or an independent corporation trading in securities, the aggregate of

i. 0.9% of the lesser of the amount by which its maximum amount subject to tax for the year exceeds the amount paid as wages in the part of the year that precedes 1 April 2022 and the amount paid as wages in the part of the year that is included in the temporary contribution period, and

ii. 1.32% of the lesser of its maximum amount subject to tax for the year and the amount paid as wages in the part of the year that precedes 1 April 2022;";";

(3) by replacing subparagraph *a* of the second paragraph of section 1159.3 of the Act, enacted by subparagraph *a* of the second paragraph of that section 1159.3.4, by the following subparagraph:

""(*a*) in the case of a bank, a loan corporation (other than an independent loan corporation), a trust corporation (other than an independent trust corporation) or a corporation trading in securities (other than an independent corporation trading in securities), subject to subparagraph *d*, the aggregate of 2.8% of the amount paid as wages in the part or parts of the year, as the case may be, during which the person was a financial institution that are included in the temporary contribution period and 4.14% of the amount paid as wages in the part or parts of the year, as the case may be, during which the person was a financial institution that precede 1 April 2022;";";

(4) by inserting the following subparagraph after subparagraph *a* of the second paragraph:

"(*a*.1) the second paragraph of section 1159.3 is to be read as if the following subparagraph were inserted after subparagraph *a*:

"(*a*.1) in the case of an independent loan corporation, an independent trust corporation or an independent corporation trading in securities, the aggregate of 0.9% of the amount paid as wages in the part or parts of the year, as the case may be, during which the person was a financial institution that are included in the temporary contribution period and 1.32% of the amount paid as wages in the part or parts of the year, as the case may be, during which the person was a financial institution that precede 1 April 2022;";".

(2) Subsection 1 has effect from 1 April 2020.

197. (1) Section 1175.28.0.3 of the Act is amended by inserting ", 1029.8.36.166.60.36" after "1029.8.36.166.40".

(2) Subsection 1 has effect from 11 March 2020.

198. (1) The Act is amended by inserting the following Part after section 1175.28.0.4:

"**PART VI.3.0.2**

"SPECIAL TAX RELATING TO THE INCENTIVE DEDUCTION FOR THE COMMERCIALIZATION OF INNOVATIONS IN QUÉBEC

"**1175.28.0.5.** In this Part,

"legal protection" means a protection described in any of the definitions of "protected invention", "protected plant variety" and "protected software" in section 737.18.43;

"qualified intellectual property asset" has the meaning assigned by section 737.18.43;

"taxation year" has the meaning assigned by Part I.

"**1175.28.0.6.** Where a corporation has deducted an amount in computing its taxable income under section 737.18.44 and where, in a particular taxation year, any of the events described in section 1175.28.0.7 occurs, the corporation shall pay, for that particular year, a tax equal to the amount by which the amount determined in accordance with the second paragraph is exceeded by the aggregate of all amounts each of which is the amount by which the tax payable by the corporation under Part I for a preceding taxation year for which it deducted an amount in computing taxable income under section 737.18.44 is exceeded by the tax it would have had to pay under Part I for that preceding year if

(*a*) such an amount had not been deducted in relation to any qualified intellectual property asset in respect of which an event described in any of paragraphs *a* to *c* of section 1175.28.0.7 occurs in the particular year or in a preceding taxation year; and

(*b*) section 737.18.44 had applied, in relation to any qualified intellectual property asset in respect of which an event described in paragraph *d* of section 1175.28.0.7 occurs in the particular year or in a preceding taxation year, with reference only to the expenditures referred to in subparagraphs *e* and *f* of the third paragraph of section 737.18.44 that were not reduced by a redetermination by the Minister.

The amount to which the first paragraph refers is equal to the aggregate of all amounts each of which is the tax that the corporation shall pay under this section for a taxation year preceding the particular year.

"**1175.28.0.7.** The events to which section 1175.28.0.6 refers, in respect of a corporation, are the following:

(*a*) the application for legal protection in respect of a qualified intellectual property asset of the corporation is denied and that decision can no longer be appealed;

(*b*) the application for legal protection in respect of a qualified intellectual property asset of the corporation has not resulted in the issue of the relevant document by the competent authority within five years after the day on which the application was made, unless the corporation is able to show that the additional delays are not mainly attributable to it;

(*c*) the legal protection in respect of a qualified intellectual property asset of the corporation was invalidated in accordance with the procedure provided for in the relevant legislation; and

(*d*) a redetermination by the Minister reduces the expenditures referred to in subparagraphs *e* and *f* of the third paragraph of section 737.18.44 for the purpose of determining the amount deductible by the corporation under that section for a taxation year.

"**1175.28.0.8.** The tax paid at any time in a taxation year by a corporation to the Minister under section 1175.28.0.6 is deemed, for the purposes of the definition of "total taxes" in the first paragraph of sections 1029.8.36.166.40 and 1029.8.36.166.60.36, a tax paid by the corporation under Part I for the taxation year.

"**1175.28.0.9.** Unless otherwise provided in this Part, section 6, the first paragraph of section 549, section 564 where it refers to the first paragraph of section 549, sections 1000 to 1024, subparagraph *b* of the first paragraph of section 1027 and sections 1037 to 1079.16 apply to this Part, with the necessary modifications."

(2) Subsection 1 applies from 1 January 2021.

199. (1) Section 1175.28.14 of the Act is amended

(1) by inserting ", 1029.8.36.166.60.36" after "1029.8.36.166.40" in paragraphs *a* and *a*.1;

(2) by replacing "of section" in paragraph *b* by "of sections 1029.8.36.166.60.36 and".

(2) Subsection 1 has effect from 11 March 2020.

ACT RESPECTING THE SECTORAL PARAMETERS OF CERTAIN FISCAL MEASURES

200. (1) Section 1.1 of Schedule A to the Act respecting the sectoral parameters of certain fiscal measures (chapter P-5.1) is amended by adding the following paragraph at the end:

"(18) the tax credit to support print media provided for in sections 1029.8.36.0.3.109 to 1029.8.36.0.3.119 of the Taxation Act."

(2) Subsection 1 has effect from 1 January 2019.

201. (1) Section 5.4 of Schedule A to the Act is amended by replacing the portion of the fourth paragraph before subparagraph 1 by the following:

"For the purposes of subparagraph 3 of the first paragraph, a title is controlled by software allowing interactivity if the user participates in all or substantially all of the action of the title. In determining whether that condition is met, the following elements must be taken into account:".

(2) Subsection 1 applies to a taxation year that begins after 10 March 2020, in respect of a title for which an application for a qualification certificate is made after that date.

202. (1) Section 6.4 of Schedule A to the Act is amended by replacing the portion of the fourth paragraph before subparagraph 1 by the following:

"For the purposes of subparagraph 2 of the first paragraph, a title is controlled by software allowing interactivity if the user participates in all or substantially all of the action of the title. In determining whether that condition is met, the following elements must be taken into account:".

(2) Subsection 1 applies in respect of a corporation for which an application for a certificate is filed after 10 March 2020 for a taxation year that begins after that date.

203. (1) Section 13.11 of Schedule A to the Act is amended, in the first paragraph,

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

"(2) the development or integration of information systems or of technology infrastructures, as well as, to the extent that it is incidental to such a development or integration activity carried on by the corporation, any activity relating to the maintenance or evolution of such information systems or such technology infrastructures or to the design or development of e-commerce solutions allowing a monetary transaction between the person on behalf of whom the design or development is carried out and that person's customers; and";

(2) by striking out subparagraph 3.

(2) Subsection 1 applies to a taxation year that begins after 10 March 2020.

204. (1) Section 16.2 of Schedule A to the Act is amended by replacing the third paragraph by the following paragraph:

"Despite the second paragraph, Investissement Québec may not accept an application for a certificate, in respect of a contract, filed with Investissement Québec before 27 March 2015 or after 10 March 2020, unless

(*a*) the contract was the subject of a written prior agreement, made before 11 March 2020, that meets the conditions of section 16.4; and

(*b*) the application is filed before 1 July 2020."

(2) Subsection 1 has effect from 10 March 2020.

205. (1) Section 16.4 of Schedule A to the Act is amended by replacing "1 January 2020" in the portion before paragraph 1 by "11 March 2020".

(2) Subsection 1 has effect from 10 March 2020.

206. (1) Schedule A to the Act is amended by adding the following chapter at the end:

"**CHAPTER XIX**

"SECTORAL PARAMETERS OF TAX CREDIT TO SUPPORT PRINT MEDIA

"**DIVISION I**

"INTERPRETATION AND GENERAL RULES

"**19.1.** In this chapter,

"tax credit to support print media" means the fiscal measure provided for in Division II.6.0.1.12 of Chapter III.1 of Title III of Book IX of Part I of the Taxation Act, under which a corporation is deemed to have paid an amount to the Minister of Revenue on account of its tax payable under that Part for a taxation year;

"transitional period" means the calendar year 2019;

"wholly-owned subsidiary" of a corporation or partnership has the meaning assigned by the first paragraph of section 1029.8.36.0.3.109 of the Taxation Act.

"**19.2.** To benefit from the tax credit to support print media, a corporation or, if it claims the tax credit as a member of a partnership, the partnership must obtain the following certificates from Investissement Québec:

(1) a certificate in respect of a print media business carried on by the corporation or partnership (in this chapter referred to as a "business certificate"); and

(2) a certificate in respect of each individual for whom the corporation claims the tax credit (in this chapter referred to as an "employee certificate").

The certificates must be obtained for each taxation year for which the corporation intends to benefit from the tax credit or for each fiscal period of the partnership of which the corporation is a member that ends in such a taxation year.

Where a corporation or a partnership has a wholly-owned subsidiary, it must also obtain from Investissement Québec, for a taxation year or a fiscal period, as the case may be, that includes all or part of the transitional period, a certificate (in this chapter referred to as an "employee certificate") in respect of each individual who works for the wholly-owned subsidiary and whose wages are taken into account in computing the portion of the consideration in respect of which the corporation or a corporation that is a member of the partnership claims the tax credit.

"**19.3.** Despite section 9.1 of this Act, the time limit within which a corporation or a partnership may apply for a certificate for a taxation year or a fiscal period, as the case may be, may not, for the purposes of this chapter, end before 16 September 2020.

"**DIVISION II**

"BUSINESS CERTIFICATE

"**19.4.** A business certificate issued to a corporation or a partnership for a taxation year or a fiscal period, as the case may be, certifies that, in the year or fiscal period, the corporation or partnership produced and disseminated a print media that is recognized as an eligible media. The name of that media and the address of the establishment in which its newsroom is located are specified in the certificate.

"**19.5.** A print media may be recognized as an eligible media if

(1) the media consists in the daily or periodic production and dissemination, by means of a print publication, an information website or a mobile application dedicated to information, of original information content that is specifically intended for the Québec public and pertains to general interest news covering at least three eligible themes; and

(2) the newsroom of that media is located in an establishment, situated in Canada, of the corporation or partnership that publishes it and brings together journalists responsible for original information content.

A print media published on a periodic basis is considered to be an eligible media only if it is produced and disseminated at least 10 times per year.

A corporation or a partnership must, to obtain a first business certificate, establish to Investissement Québec's satisfaction that the print media that is referred to in the application for the certificate has been produced and disseminated during a period of at least 12 months before the application was filed.

"**19.6.** Original information content includes a news report, profile, interview, analysis, column, investigative report or editorial. Only written content may be recognized as original information content.

However, none of the following contents are considered to be original information content:

(1) content from a press agency or another media;

(2) specialized content pertaining to a type of personal, recreational or professional activity and geared specifically towards a group, association or category of persons;

(3) content for which a compensation is paid by a third person or a partnership;

(4) content of an advertising or promotional nature, such as an advertorial; and

(5) theme-based content on, for example, hunting and fishing, decoration or science.

A print media that includes, on an incidental basis, excluded content described in the second paragraph may nevertheless be recognized as an eligible media.

"**19.7.** Each of the following topical themes constitutes an eligible theme:

(1) business and the economy;

(2) culture;

(3) international sector;

(4) municipal affairs;

(5) miscellaneous news items;

(6) local interest news; and

(7) politics.

"**DIVISION III**

"EMPLOYEE CERTIFICATE

"**19.8.** An employee certificate issued to a corporation or partnership certifies that the individual referred to in the certificate is recognized as an eligible employee of the corporation or partnership for, as the case may be, the taxation year or fiscal period for which the application for the certificate was made or for the part of that year or fiscal period that is specified in the certificate.

However, where the corporation's taxation year or the partnership's fiscal period includes all or part of the transitional period and the individual works for a wholly-owned subsidiary of the corporation or partnership, the employee certificate issued to the corporation or partnership in respect of the individual certifies that the individual is recognized as an eligible employee of the corporation's or partnership's wholly-owned subsidiary for, as the case may be, the taxation year or fiscal period or for the part of that year or fiscal period that is specified in the certificate.

"**19.9.** An individual may be recognized as an eligible employee of a corporation or partnership, if

(1) the individual works full-time for the corporation or partnership, that is, at least 26 hours per week, for an expected minimum period of 40 weeks; and

(2) at least 75% of the individual's duties consist in undertaking or directly supervising activities consisting in producing original information content intended for publication in a print media or information technology activities related to the production or dissemination of such contents.

For the purpose of determining whether an individual is recognized as an eligible employee of a corporation that is a wholly-owned subsidiary of another corporation or a partnership, for the purposes of subparagraph 2 of the first paragraph, only the activities that the individual undertakes or supervises on behalf of the other corporation or the partnership and that are information technology activities related to the production or dissemination of original information content intended for publication in a print media of the other corporation or the partnership are taken into account.

An individual's tasks that relate to digital conversion activities or that are administrative tasks are not to be considered as part of duties consisting in undertaking or directly supervising activities to which subparagraph 2 of the first paragraph refers.

In this section,

"administrative tasks" include tasks relating to operations management, accounting, finance, legal affairs, public relations, communications, contract solicitation, and human and physical resources management;

"digital conversion activity" means an activity described in the first or second paragraph of section 18.12;

"print media" of a corporation or partnership means a print media whose name is specified in a business certificate that has been issued to the corporation or partnership, as the case may be.

"**19.10.** Activities consisting in producing original information content include researching, collecting information, verifying facts, photographing, writing, editing, designing and any other content preparation activity.

"**19.11.** The following activities are information technology activities:

(1) the management or operation of a computer system, an application or a technological infrastructure;

(2) the operation of a computerized customer relations management service;

(3) the management or operation of a marketing information system designed to raise the visibility of a print media and promote it to an existing or potential clientele; or

(4) any other information system management or operation activity carried on to produce or disseminate a print media.

"**19.12.** Where an individual is temporarily absent from work for reasons it considers reasonable, Investissement Québec may, for the purpose of determining whether the individual meets the conditions for recognition as an eligible employee of a corporation or partnership, consider that the individual continued to perform his or her duties throughout the period of absence exactly as he or she was performing them immediately before the beginning of that period."

(2) Subsection 1 has effect from 1 January 2019.

207. Section 11.2 of Schedule C to the Act is amended by replacing "1 January 2024" in the second paragraph by "11 March 2020".

208. (1) Section 8.3.1 of Schedule E to the Act is amended by replacing "31 December 2020" in the first paragraph by "31 December 2024".

(2) Subsection 1 has effect from 10 March 2020.

209. (1) Section 8.3.2 of Schedule E to the Act is amended by replacing subparagraph 2 of the second paragraph by the following subparagraph:

"(2) 1 January 2025."

(2) Subsection 1 has effect from 10 March 2020.

210. (1) Section 3.14.1 of Schedule H to the Act is amended by replacing the portion of paragraph 1 before subparagraph *b* by the following:

"(1) in the case of a film whose primary market is the television market or the online broadcasting market,

(*a*) a licence for adaptation in Québec was issued in respect of the film, which is derived from an audiovisual concept designed and arranged especially for television or online broadcasting, as the case may be, and is created outside Québec, and".

(2) Subsection 1 applies in respect of a film for which an application for an advance ruling or, in the absence of such an application, an application for a qualification certificate is filed with the Société de développement des entreprises culturelles after 10 March 2020.

211. (1) Section 3.18 of Schedule H to the Act is amended by replacing paragraph 2 by the following paragraph:

"(2) in the case of a film intended for the television market or the online broadcasting market, it is written and developed in French, its financial structure includes 51% or more French-language television broadcasting or online broadcasting licences in dollar terms, and its initial broadcast in Québec is in French."

(2) Subsection 1 applies in respect of a film for which an application for an advance ruling or, in the absence of such an application, an application for a qualification certificate is filed with the Société de développement des entreprises culturelles after 10 March 2020.

ACT RESPECTING THE RÉGIE DE L'ASSURANCE MALADIE DU QUÉBEC

212. (1) Section 33 of the Act respecting the Régie de l'assurance maladie du Québec (chapter R-5) is amended

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

""specified expenditure" of a designated employer, in relation to an employee, means the aggregate of all amounts each of which is the amount paid by the employer under the first paragraph of section 34 that is attributable to the employee's specified wages for a week included in a specified period;";

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

""designated employee" means an individual employed by a designated employer in a specified period, other than, if the specified period begins before 5 July 2020, an employee who receives no remuneration from the employer for at least 14 consecutive days included in that period;";

(3) by inserting the following definition in alphabetical order in the first paragraph:

""designated employer" for a year means an employer who has an establishment in Québec in the year and is a qualifying entity for a specified period included in the year;";

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

""qualifying entity" for a specified period means an entity that, for the specified period, is a qualifying entity for the purposes of section 125.7 of the Income Tax Act (Revised Statutes of Canada, 1985, chapter 1, 5th Supplement) and, if the specified period begins after 4 July 2020, in respect of which the necessary conditions for an overpayment to be deemed to arise are met, in the specified period, under subsection 2 of that section 125.7 for the taxation year in which the specified period ends;";

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

""specified period" means

(*a*) the period that begins on 15 March 2020 and ends on 11 April 2020;

(*b*) the period that begins on 12 April 2020 and ends on 9 May 2020;

(*c*) the period that begins on 10 May 2020 and ends on 6 June 2020;

(*d*) the period that begins on 7 June 2020 and ends on 4 July 2020;

(*e*) the period that begins on 5 July 2020 and ends on 1 August 2020;

(*f*) the period that begins on 2 August 2020 and ends on 29 August 2020;

(*g*) the period that begins on 30 August 2020 and ends on 26 September 2020;

(*h*) the period that begins on 27 September 2020 and ends on 24 October 2020;

(*i*) the period that begins on 25 October 2020 and ends on 21 November 2020;

(*j*) the period that begins on 22 November 2020 and ends on 19 December 2020;

(*k*) the period that begins on 20 December 2020 and ends on 16 January 2021;

(*l*) the period that begins on 17 January 2021 and ends on 13 February 2021;

(*m*) the period that begins on 14 February 2021 and ends on 13 March 2021;

(*n*) the period that begins on 14 March 2021 and ends on 10 April 2021;

(*o*) the period that begins on 11 April 2021 and ends on 8 May 2021;

(*p*) the period that begins on 9 May 2021 and ends on 5 June 2021; or

(*q*) a prescribed period;";

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

""specified wages" of an employee means the wages paid, allocated, granted or awarded to the employee by the employee's designated employer for a week in which the employee is on leave with pay and that is included in a specified period during which the employee is a designated employee and the designated employer is a qualifying entity;";

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

"Where an employee's wages are paid on or before 31 December 2020 in respect of a week included in the period described in paragraph *k* of the definition of "specified period" in the first paragraph, the definition of "specified wages" in the first paragraph is to be read as follows, in respect of those wages:

""specified wages" of an employee means the wages paid, allocated, granted or awarded to the employee by the employee's designated employer for a week in which the employee is on leave with pay and that is included in a specified period during which the employee is a designated employee and the designated employer would be a qualifying entity if that specified period ended on 31 December 2020;"."

(2) Subsection 1 has effect from 15 March 2020.

213. (1) Section 34.1.5 of the Act is amended by replacing "section 726.43" in paragraph *e* by "any of sections 726.43 to 726.43.2".

(2) Subsection 1 has effect from 10 March 2020.

214. (1) Section 34.1.12 of the Act is amended by replacing subparagraph *a* of the first paragraph by the following subparagraph:

"(*a*) the aggregate of all amounts each of which is the amount by which the qualified wages paid or deemed to be paid by the specified employer in the particular year to an eligible employee exceed the portion of such qualified wages that constitutes the specified wages the specified employer pays, allocates, grants or awards to that employee for the year;".

(2) Subsection 1 has effect from 15 March 2020.

215. (1) The Act is amended by inserting the following subdivision after section 34.1.18:

"§3.4. — *Credit in respect of employees on paid leave*

"**34.1.18.1.** A designated employer for a year who encloses the documents and information described in the second paragraph with the information return referred to in section 3 of the Regulation respecting contributions to the Québec Health Insurance Plan (chapter R-5, r. 1) that the employer is required to file for the year is, subject to the third paragraph, deemed, on the date on or before which the employer is required to file the information return for the year, to have made an overpayment to the Minister of Revenue, for the purposes of this division and in respect of the year, of an amount equal to the aggregate of all amounts each of which is the employer's specified expenditure in relation to an employee for the year.

The documents and information to which the first paragraph refers are, in addition to a copy of the documents filed in accordance with paragraph *a* of the definition of "qualifying entity" in subsection 1 of section 125.7 of the Income Tax Act (Revised Statutes of Canada, 1985, chapter 1, 5th Supplement), those that allow the Minister of Revenue to establish the amount of the overpayment referred to in the first paragraph.

For the purpose of computing the payments that a designated employer referred to in the first paragraph is required to make after 30 April 2020, under subparagraph *a* of the first paragraph of section 34.0.0.0.1, the employer is deemed to have made an overpayment to the Minister of Revenue, for the purposes of this division and in respect of the year, on the date on or before which each payment is required to be made, equal to the amount by which the amount that would be determined under the first paragraph for the year if the year ended at that date exceeds the aggregate of all amounts each of which is the portion of that amount that may reasonably be considered to be deemed under this paragraph to be an overpayment made to the Minister of Revenue in the year but before that date.

The Minister of Revenue shall refund to the designated employer the amount by which the amount determined in respect of the employer under the first paragraph as an overpayment in respect of the year exceeds the aggregate of all amounts each of which is an amount deemed under the third paragraph to be an overpayment made to the Minister of Revenue during the year.

For the purposes of this subdivision,

(*a*) the expression "person" in the definition of "employer" in the first paragraph of section 33 is deemed to include a partnership; and

(*b*) wages paid or deemed to be paid by an employer as a member of a partnership are deemed to be paid by the partnership and not by the employer.

"**34.1.18.2.** The Minister of Revenue shall, with dispatch, examine the documents and information described in the second paragraph of section 34.1.18.1 that are filed with the Minister of Revenue by an employer, determine the amount that the employer is deemed to have overpaid under the first paragraph of that section and send the employer a notice of determination.

Paragraph *f* of section 312 of the Taxation Act (chapter I-3), paragraph *e* of section 336 of that Act and the provisions of Book IX of Part I of that Act and of Chapters III.1 and III.2 of the Tax Administration Act (chapter A-6.002), as they relate to an assessment or a reassessment and to a determination or redetermination of tax, apply, with the necessary modifications, to a determination or redetermination of the amount of the overpayment referred to in the first paragraph of section 34.1.18.1."

(2) Subsection 1 has effect from 15 March 2020.

216. (1) Section 37.4 of the Act is amended, in subparagraph *a* of the first paragraph,

(1) by replacing subparagraphs i to iv by the following subparagraphs:

"i. $16,660 where, for the year, the individual has no eligible spouse and no dependent child,

"ii. $27,010 where, for the year, the individual has no eligible spouse but has one dependent child,

"iii. $30,540 where, for the year, the individual has no eligible spouse but has more than one dependent child,

"iv. $27,010 where, for the year, the individual has an eligible spouse but has no dependent child, and";

(2) by replacing subparagraphs 1 and 2 of subparagraph v by the following subparagraphs:

"(1) $30,540 where the individual has one dependent child for the year, or

"(2) $33,800 where the individual has more than one dependent child for the year; and".

(2) Subsection 1 applies from the year 2020. In addition, where section 37.4 of the Act applies to the year 2019, it is to be read as if, in subparagraph *a* of the first paragraph,

(1) subparagraphs i to iv were replaced by the following subparagraphs:

"i. $16,460 where, for the year, the individual has no eligible spouse and no dependent child,

"ii. $26,670 where, for the year, the individual has no eligible spouse but has one dependent child,

"iii. $30,140 where, for the year, the individual has no eligible spouse but has more than one dependent child,

"iv. $26,670 where, for the year, the individual has an eligible spouse but has no dependent child, and"; and

(2) subparagraphs 1 and 2 of subparagraph v were replaced by the following subparagraphs:

"(1) $30,140 where the individual has one dependent child for the year, or

"(2) $33,345 where the individual has more than one dependent child for the year; and".

217. Section 37.7 of the Act is amended by striking out "or receives an allowance under the second paragraph of section 67 of the Social Aid Act (1969, chapter 63)," in paragraph *e*.

ACT RESPECTING THE QUÉBEC PENSION PLAN

218. (1) The Act respecting the Québec Pension Plan (chapter R-9) is amended by inserting the following section after section 59.1:

"**59.2.** For the purposes of this Act, an amount deducted by an employer under section 59 for a particular year after the year 2015 in respect of an excess payment that was paid by the employer to an employee—as a result of an administrative, clerical or system error—as remuneration in respect of pensionable employment is deemed, to the extent provided for in the second paragraph, not to have been deducted if

(*a*) before the end of the third year that follows the year in which the amount was deducted,

i. the employer elects to have this section apply in respect of the amount, and

ii. the employee has repaid, or made an arrangement to repay, the employer;

(*b*) before making the election referred to in subparagraph i of subparagraph *a*, the employer has not filed an information return correcting for the excess payment; and

(*c*) any additional conditions determined by the Minister are met.

The amount that is deemed under the first paragraph not to have been deducted is the lesser of the amount that was deducted by the employer under section 59 for the particular year in respect of the excess payment and the amount by which the aggregate of all amounts each of which is an amount that was deducted by the employer under that section as the employee's contributions for the particular year exceeds the aggregate of all amounts each of which is an amount that would have been so deducted by the employer as such contributions for the particular year had the employer not made the excess payment."

(2) Subsection 1 applies in respect of an excess payment of remuneration made after 31 December 2015.

219. (1) The Act is amended by inserting the following section before section 79:

"**78.2.** Where an amount paid to the Minister by an employer is deemed under section 59.2 not to have been deducted, the Minister may refund that amount to the employer if the employer applies to the Minister for the refund within four years after the end of the year for which the amount was paid."

(2) Subsection 1 applies in respect of an excess payment of remuneration made after 31 December 2015.

ACT RESPECTING THE QUÉBEC SALES TAX

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

(1) by replacing paragraph 1 of the definition of "taxi business" by the following paragraph:

"(1) a business carried on in Québec of transporting passengers by taxi or other similar vehicle for fares that are regulated by the Act respecting remunerated passenger transportation by automobile (chapter T-11.2); or";

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

""emission allowance" means

(1) an allowance, credit or similar instrument (other than a prescribed allowance, credit or instrument) that

(*a*) is issued or created by, or on behalf of,

i. a government, a government of a foreign country, a government of a political subdivision of a country, a supranational organization or an international organization (each of which is in this definition referred to as a "regulator"),

ii. a board, commission or other body established by a regulator, or

iii. an agency of a regulator,

(*b*) can be used to satisfy a requirement under

i. a scheme or arrangement implemented by, or on behalf of, a regulator to regulate greenhouse gas emissions, or

ii. a prescribed scheme or arrangement, and

(*c*) represents a specific quantity of greenhouse gas emissions expressed as carbon dioxide equivalent; or

(2) a prescribed property;".

(2) Paragraph 1 of subsection 1 has effect from 10 October 2020.

(3) Paragraph 2 of subsection 1 has effect from 27 June 2018. It also applies in respect of a supply made before 27 June 2018 if an amount of tax payable under section 16 of the Act in respect of the supply was not collected before that date.

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

(1) by striking out subparagraph *a* of paragraph 3;

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

"(*b*) the recipient gives to another registrant a certificate described in subparagraph 4 of the first paragraph of section 327.2 in respect of an acquisition of physical possession of the property by the recipient, and";

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

"(3.1) a supply, other than a prescribed supply, of corporeal movable property made by way of sale by a person not resident in Québec who is not registered under Division I of Chapter VIII to a recipient who is a registrant where

(*a*) the recipient gives to another registrant a certificate described in subparagraph *a* of subparagraph 3 of the first paragraph of section 327.2.1 in respect of an acquisition of physical possession of the property by a third person, and

(*b*) the property

i. is not acquired by the recipient for consumption, use or supply exclusively in the course of commercial activities of the recipient, or

ii. is a passenger vehicle that the recipient is acquiring for use in Québec as capital property in the course of commercial activities of the recipient and in respect of which the capital cost to the recipient exceeds the amount deemed under paragraph *d*.3 or *d*.4 of section 99 of the Taxation Act to be the capital cost of the passenger vehicle to the recipient for the purposes of that Act;";

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

"(4) a supply, other than a prescribed supply, of corporeal movable property made by way of sale at a particular time by a person not resident in Québec who is not registered under Division I of Chapter VIII to a recipient who is a registrant where

(*a*) the recipient acquires physical possession of the property as the recipient of another supply of the property made by way of lease, licence or similar arrangement and

i. gives to another registrant a certificate described in subparagraph 4 of the first paragraph of section 327.2 in respect of that acquisition of physical possession of the property, or

ii. claims an input tax refund in respect of tax that is deemed to have been paid by the recipient under subparagraph 1 of the first paragraph of section 327.7 in respect of the property, and

(*b*) either

i. the recipient is not acquiring, as the recipient of the taxable supply, the property for consumption, use or supply exclusively in the course of commercial activities of the recipient, or

ii. the property is a passenger vehicle that the recipient is acquiring for use in Québec as capital property in the course of commercial activities of the recipient and in respect of which the capital cost to the recipient exceeds the amount deemed under paragraph *d*.3 or *d*.4 of section 99 of the Taxation Act to be the capital cost of the passenger vehicle to the recipient for the purposes of that Act;".

(2) Paragraphs 1, 2 and 4 of subsection 1 apply in respect of a supply made after 14 December 2017.

(3) Paragraph 3 of subsection 1 applies in respect of a supply made after 22 July 2016. However, where section 18 of the Act applies in respect of a supply made before 15 December 2017, it is to be read as if "in subparagraph *a* of subparagraph 3" in subparagraph *a* of paragraph 3.1 were replaced by "in subparagraph *a* of subparagraph 5".

222. (1) Section 22.6 of the Act is amended by replacing "327.2 and 327.3" by "327.2 to 327.3".

(2) Subsection 1 applies in respect of a supply made after 22 July 2016. It also applies in respect of a supply made before 23 July 2016 in respect of which, before that date, no amount was charged, collected or remitted as or on account of tax under Title I of the Act.

223. (1) Section 81 of the Act is amended

(1) by replacing paragraph 7 by the following paragraph:

"(7) goods to the supply of which any of Divisions I to IV of Chapter IV, except paragraph 3.1 of section 178, or any of sections 198.1, 198.2 and 198.4 to 198.6 applies;";

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

"(8.0.1) goods, other than prescribed goods for the purposes of paragraph 8, that are transported by courier if

(*a*) the goods are imported into Canada from the United States or Mexico, as determined in accordance with the Customs Tariff, and

(*b*) the goods have a value of not more than $40;";

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

"(16) an in vitro embryo, as defined in section 3 of the Assisted Human Reproduction Act (Statutes of Canada, 2004, chapter 2)."

(2) Paragraph 2 of subsection 1 has effect from 1 July 2020.

(3) Paragraph 3 of subsection 1 has effect from 20 March 2019.

224. (1) The Act is amended by inserting the following section after section 114.3:

"**114.4.** A supply of a service is exempt if all or substantially all of the consideration for the supply is reasonably attributable to two or more particular services, each of which meets the following conditions:

(1) the particular service is rendered in the course of making the supply; and

(2) a supply of the particular service would be a supply referred to in any of sections 112 to 114.3, if the particular service were supplied separately."

(2) Subsection 1 applies in respect of a supply made after 19 March 2019.

225. (1) Section 174 of the Act is amended by adding the following paragraph at the end:

"(5) a supply of an ovum, as defined in section 3 of the Assisted Human Reproduction Act (Statutes of Canada, 2004, chapter 2)."

(2) Subsection 1 has effect from 20 March 2019.

226. (1) Section 175 of the Act is replaced by the following section:

"**175.** For the purposes of this division, "specified professional" means

(1) in respect of a supply referred to in any of paragraphs 22, 23.1 and 34 of section 176,

(*a*) a physician within the meaning of the Medical Act (chapter M-9), including a person who is entitled under the laws of another province, the Northwest Territories, the Yukon Territory or Nunavut to practise the profession of medicine;

(*b*) a person who is entitled under the Professional Code (chapter C-26) to practise the profession of physiotherapy or occupational therapy, including a person who is entitled under the laws of another province, the Northwest Territories, the Yukon Territory or Nunavut to practise that profession;

(*c*) a nurse who is entitled under the laws of Québec, another province, the Northwest Territories, the Yukon Territory or Nunavut to practise that profession; or

(*d*) a podiatrist within the meaning of the Podiatry Act (chapter P-12), including a person who is entitled under the laws of another province, the Northwest Territories, the Yukon Territory or Nunavut to practise the profession of podiatry or chiropody; or

(2) in respect of any other supply, a person described in any of subparagraphs *a* to *c* of paragraph 1."

(2) Subsection 1 applies in respect of a supply made after 19 March 2019.

227. (1) Section 183 of the Act is amended by adding the following paragraph at the end:

"(3) a supply described in any of paragraphs 4 to 6 of section 23 that is made in Québec by the person, if the person is referred to in that paragraph."

(2) Subsection 1 applies in respect of a service that relates to a supply made after 31 December 2018.

(3) Where a person has paid an amount as or on account of tax in respect of the supply of a service and, because of the application of subsection 1, the supply is a zero-rated supply, the person may apply for a rebate of that amount if the person files an application for a rebate with the Minister of Revenue on or before 2 June 2023.

(4) Where, in determining the amount of any fees, interest and penalties for which a person is liable under the Act, the Minister of Revenue took into consideration, in computing the person's net tax for any reporting period of the person, an amount as or on account of tax that was not collected in respect of the supply of a service and, because of the application of subsection 1, the supply is a zero-rated supply, the person is entitled to request in writing, on or before 2 June 2023, that the Minister make an assessment or reassessment for the purpose of taking into account that the supply is a zero-rated supply and, on receipt of the request, the Minister shall with all due dispatch

(1) consider the request; and

(2) make an assessment or reassessment concerning the person's net tax, for any reporting period of the person, as well as the person's interest, penalties or other obligations, but only to the extent that the assessment or reassessment may reasonably be regarded as relating to that amount.

228. (1) Sections 327.1 and 327.2 of the Act are replaced by the following sections:

"**327.1.** The rules set out in the second paragraph apply if

(1) a registrant

(*a*) makes a taxable supply in Québec of particular corporeal movable property by way of sale to a non-resident person,

(*b*) makes a taxable supply in Québec of a service of manufacturing or producing particular corporeal movable property to a non-resident person,

(*c*) acquires physical possession of particular corporeal movable property (other than property of a person that is resident in Québec) for the purpose of making a taxable supply in Québec of a commercial service in respect of the particular property to a non-resident person, or

(*d*) acquires—as the recipient of a supply of particular corporeal movable property made by way of lease, licence or similar arrangement by a non-resident person—physical possession of the particular property and either

i. gives a certificate described in subparagraph 4 of the first paragraph of section 327.2 in respect of the acquisition of physical possession of the particular property, or

ii. claims an input tax refund in respect of tax that is deemed to have been paid by the registrant under subparagraph 1 of the first paragraph of section 327.7 in respect of the particular property;

(2) the registrant, at a particular time, causes physical possession of the particular property to be transferred, at a place in Québec, to a third person (in this section referred to as the "consignee") or to the non-resident person; and

(3) the non-resident person is not a consumer of the particular property.

The rules to which the first paragraph refers are as follows:

(1) the registrant is deemed to have made a taxable supply in Québec of the particular property to the non-resident person and the non-resident person is deemed to have received the taxable supply from the registrant;

(2) the taxable supply is deemed to have been made for consideration, that becomes due and is paid at the particular time, equal to

(*a*) except where subparagraph *b* applies, the fair market value of the particular property at the particular time, and

(*b*) where the registrant has caused physical possession of the particular property to be transferred to a consignee that is acquiring physical possession of the particular property as the recipient of a supply made by the non-resident person by way of sale for no consideration, nil; and

(3) the registrant is deemed not to have made the taxable supply referred to in any of subparagraphs *a* to *c* of subparagraph 1 of the first paragraph in respect of the particular property to the non-resident person, unless that supply is a supply of a service of storing the particular property.

"**327.2.** The second paragraph of section 327.1 does not apply to a taxable supply referred to in subparagraph *a* of subparagraph 1 or to an acquisition referred to in subparagraph *b* of that subparagraph 1, if

(1) subparagraphs 1 to 3 of the first paragraph of section 327.1 apply to

(*a*) a taxable supply in respect of particular corporeal movable property that is made by a registrant and is referred to in any of subparagraphs *a* to *c* of subparagraph 1 of the first paragraph of section 327.1, or

(*b*) an acquisition by a registrant of physical possession of particular corporeal movable property that is referred to in subparagraph *d* of subparagraph 1 of the first paragraph of section 327.1;

(2) the transfer referred to in subparagraph 2 of the first paragraph of section 327.1 of physical possession of the particular property is to a person (in this section referred to as the "consignee") that is registered under Division I of Chapter VIII;

(3) the consignee is acquiring physical possession of the particular property

(*a*) as the recipient of a taxable supply of the particular property made by a non-resident person,

(*b*) for the purpose of making a taxable supply in Québec of a service of manufacturing or producing other corporeal movable property to a non-resident person that is not a consumer of the other property, if the particular property

i. is transformed or incorporated into, attached to, or combined or assembled with, the other property in the manufacture or production of the other property, or

ii. is directly consumed or used in the manufacture or production of the other property,

(*c*) if the particular property is not property of a person that is resident in Québec, for the purpose of making a taxable supply in Québec of a commercial

service in respect of the particular property to a non-resident person that is not a consumer of the particular property, or

(*d*) for the purpose of making a taxable supply in Québec of a commercial service in respect of other corporeal movable property (other than property of a person that is resident in Québec) to a non-resident person that is not a consumer of the other property, if the particular property

i. is incorporated into, attached to, or combined or assembled with, the other property in the provision of the commercial service, or

ii. is directly consumed or used in the provision of the commercial service; and

(4) the consignee gives to the registrant, and the registrant retains, a certificate that

(*a*) states the consignee's name and registration number assigned under section 415 or 415.0.6,

(*b*) acknowledges that the consignee is acquiring physical possession of the particular property as the recipient of a supply referred to in subparagraph *a* of subparagraph 3 or for a purpose referred to in any of subparagraphs *b* to *d* of subparagraph 3, and

(*c*) acknowledges that the consignee is assuming liability to pay or remit any amount that is or may become payable or remittable by the consignee

i. under section 18 in respect of the particular property, or

ii. under this Title in respect of a supply, deemed under subparagraph 1 of the second paragraph of section 327.1 to have been made by the consignee, of the particular property or of the other property referred to in subparagraph *b* or *d* of subparagraph 3.

Where subparagraph *a* of subparagraph 1 of the first paragraph applies, the taxable supply referred to in that subparagraph *a* is deemed to have been made outside Québec."

(2) Subsection 1 applies in respect of a supply made after 14 December 2017.

(3) In addition,

(1) where section 327.1 of the Act applies in respect of a supply made after 22 July 2016 and before 15 December 2017, it is to be read as if the portion before subparagraph *a* of subparagraph 1 of the first paragraph were replaced by the following:

"**327.1.** Where a registrant, under an agreement between the registrant and a non-resident person, makes a taxable supply in Québec of corporeal movable property to the non-resident person by way of sale, or a taxable supply in Québec of a service of manufacturing or producing corporeal movable property, to the non-resident person, or acquires physical possession of corporeal movable property, other than property of a person who is resident in Québec, for the purpose of making a taxable supply in Québec of a commercial service in respect of the property to the non-resident person and where, under the agreement, the registrant at any time causes physical possession of the property to be transferred, at a place in Québec, to a third person (in this section referred to as the "consignee") or to the non-resident person, the following rules apply:

(1) the registrant is deemed to have made in Québec to the non-resident person, and the non-resident person is deemed to have received from the registrant, a taxable supply of the property which is deemed to have been made for consideration, that becomes due and is paid at that time, equal to";

(2) where section 327.2 of the Act applies in respect of a supply made after 22 July 2016 and before 15 December 2017, it is to be read

(*a*) as if "in Québec" were inserted after "for the purpose of making a taxable supply" in subparagraph *a* of subparagraph 1 of the first paragraph;

(*b*) as if the following subparagraph were inserted after subparagraph 2 of the first paragraph:

"(2.1) the consignee is acquiring physical possession of the property

(*a*) as the recipient of a taxable supply of the property made by a non-resident person,

(*b*) for the purpose of making a taxable supply in Québec of a service of manufacturing or producing other corporeal movable property to a non-resident person who is not a consumer of the service, if the property

i. is transformed or incorporated into, attached to, or combined or assembled with, the other corporeal movable property in the manufacture or production of the corporeal movable property, or

ii. is directly consumed or used in the manufacture or production of the other corporeal movable property,

(*c*) if the property is not property of a person who is resident in Québec, for the purpose of making a taxable supply in Québec of a commercial service in respect of the property to a non-resident person who is not a consumer of the service, or

(*d*) for the purpose of making a taxable supply in Québec of a commercial service in respect of other corporeal movable property (other than property of a person who is resident in Québec) to a non-resident person who is not a consumer of the service, if the property

i. is incorporated into, attached to, or combined or assembled with, the other corporeal movable property in the provision of the commercial service, or

ii. is directly consumed or used in the provision of the commercial service; and";

(*c*) as if subparagraph *b* of subparagraph 3 of the first paragraph were replaced by the following subparagraph:

"(*b*) acknowledges that the consignee is acquiring physical possession of the property as the recipient of a supply referred to in subparagraph *a* of subparagraph 2.1 or for a purpose referred to in any of subparagraphs *b* to *d* of that subparagraph 2.1, and"; and

(*d*) as if the following subparagraph were added at the end of the first paragraph:

"(*c*) acknowledges that the consignee, on taking physical possession of the property, is assuming liability to pay or remit any amount that is or may become payable or remittable by the consignee

i. under section 18 in respect of the property, or

ii. under this Title in respect of a supply, deemed under subparagraph 1 of the first paragraph of section 327.1 to have been made by the consignee, of the property or of the other corporeal movable property referred to in subparagraph *b* or *d* of subparagraph 2.1."; and

(3) in respect of a supply made before 23 July 2016 in respect of which, before that date, an amount was charged, collected or remitted as or on account of tax under Title I of the Act, it is to be read as if the provisions in subparagraphs *b* to *d* of subparagraph 2 were taken into account.

229. (1) The Act is amended by inserting the following section after section 327.2:

"**327.2.1.** The second paragraph of section 327.1 does not apply to a taxable supply referred to in subparagraph *a* of subparagraph 1 or to an acquisition referred to in subparagraph *b* of subparagraph 1, if

(1) subparagraphs 1 to 3 of the first paragraph of section 327.1 apply to

(*a*) a taxable supply in respect of particular corporeal movable property that is made by a registrant and is referred to in any of subparagraphs *a* to *c* of subparagraph 1 of the first paragraph of section 327.1, or

(*b*) an acquisition by a registrant of physical possession of particular corporeal movable property that is referred to in subparagraph *d* of subparagraph 1 of the first paragraph of section 327.1;

(2) the transfer referred to in subparagraph 2 of the first paragraph of section 327.1 of physical possession of the particular property is to a person (in this section referred to as the "consignee") that is not entitled, under section 327.2, to give to the registrant a certificate described in subparagraph 4 of the first paragraph of section 327.2 in respect of that transfer;

(3) either

(*a*) the particular property is, immediately after the particular time referred to in subparagraph 2 of the first paragraph of section 327.1, property of a particular person that is registered under Division I of Chapter VIII and that is neither the registrant nor the consignee, and the registrant retains a certificate that

i. is given to the registrant by the particular person,

ii. states the particular person's name and registration number assigned under section 415 or 415.0.6,

iii. acknowledges that the particular property is, immediately after the particular time, property of the particular person, and

iv. where the particular property was acquired by the particular person by way of sale from a non-resident person, acknowledges that the particular person is assuming liability to pay any amount that is or may become payable by the particular person under section 18 in respect of the particular property, or

(*b*) a particular person, other than the registrant, that is registered under Division I of Chapter VIII makes a taxable supply by way of sale of the particular property to the consignee before the particular time, the consignee is acquiring physical possession of the particular property at the particular time as the recipient of that taxable supply, and the registrant retains a certificate that

i. is given to the registrant by the particular person, or by the consignee insofar as the consignee is registered under Division I of Chapter VIII,

ii. states the particular person's name and registration number assigned under section 415 or 415.0.6,

iii. if the certificate is given by the consignee, states the consignee's name and registration number assigned under section 415 or 415.0.6, and

iv. acknowledges that the particular person made a taxable supply by way of sale of the particular property to the consignee before the particular time and that the consignee acquired physical possession of the particular property at the particular time as the recipient of that taxable supply; and

(4) where subparagraph *a* of subparagraph 1 of the first paragraph of section 327.1 applies, the property is delivered or made available to the particular person referred to in subparagraph *a* or *b* of subparagraph 3, after the property is delivered or made available to the non-resident person referred to in subparagraph *a* of subparagraph 1 of the first paragraph of section 327.1 under the agreement for the taxable supply referred to in that subparagraph *a*.

Where subparagraph *a* of subparagraph 1 of the first paragraph applies, the taxable supply referred to in that subparagraph *a* is deemed to have been made outside Québec."

(2) Subsection 1 applies in respect of a supply made after 14 December 2017. It also applies

(1) in respect of a supply made after 22 July 2016 and before 15 December 2017, in which case section 327.2.1 of the Act is to be read as follows:

"**327.2.1.** Section 327.1 does not apply to a supply referred to in subparagraph 1, if

(1) a registrant, under an agreement between the registrant and a non-resident person,

(*a*) makes a taxable supply in Québec of corporeal movable property by way of sale to the non-resident person,

(*b*) makes a taxable supply in Québec of a service of manufacturing or producing corporeal movable property to the non-resident person, or

(*c*) acquires physical possession of corporeal movable property (other than property of a person that is resident in Québec) for the purpose of making a taxable supply in Québec of a commercial service in respect of the property to the non-resident person;

(2) under the agreement, the registrant causes, at a particular time, physical possession of the property to be transferred, at a place in Québec, to a third person (in this section referred to as the "consignee");

(3) the non-resident person is not a consumer of the property or service supplied by the registrant under the agreement;

(4) the consignee is not entitled, under section 327.2, to give to the registrant a certificate described in subparagraph 3 of the first paragraph of section 327.2 in respect of the transfer of physical possession of the property to the consignee; and

(5) as the case may be,

(*a*) the property is, immediately after the particular time, property of a particular person that is registered under Division I of Chapter VIII and that is neither the registrant nor the consignee, and the registrant retains a certificate that

i. is given to the registrant by the particular person,

ii. states the particular person's name and registration number assigned under section 415 or 415.0.6,

iii. acknowledges that the property is, immediately after the particular time, property of the particular person, and

iv. where the property was acquired by the particular person by way of sale from a non-resident person, acknowledges that the particular person is assuming liability to pay any amount that is or may become payable by the particular person under section 18 in respect of the property,

(*b*) a particular person, other than the registrant, that is registered under Division I of Chapter VIII makes a taxable supply by way of sale of the property to the consignee before the particular time, the consignee is acquiring physical possession of the property at the particular time as the recipient of that taxable supply, and the registrant retains a certificate that

i. is given to the registrant by the particular person, or by the consignee provided that the consignee is registered under Division I of Chapter VIII,

ii. states the particular person's name and registration number assigned under section 415 or 415.0.6,

iii. if the certificate is given by the consignee, states the consignee's name and registration number assigned under section 415 or 415.0.6, and

iv. acknowledges that the particular person made a taxable supply by way of sale of the property to the consignee before the particular time and that the consignee acquired physical possession of the property at the particular time as the recipient of that taxable supply, or

(*c*) where subparagraph *a* of subparagraph 1 applies, the property is delivered or made available to the particular person referred to in subparagraph *a* or *b* of subparagraph 5, after the property is delivered or made available to the non-resident person under the agreement.

Where the first paragraph applies, any supply made by the registrant and referred to in subparagraph 1 of the first paragraph is deemed to have been made outside Québec, except in the case of a supply of a service of shipping the property.";

(2) in respect of a supply made before 23 July 2016 in respect of which, before that date, no amount has been charged, collected or remitted as or on account of tax under Title I of the Act, in which case section 327.2.1 of the Act is to be read, subject to paragraph 3, as follows:

"**327.2.1.** Section 327.1 does not apply to a supply referred to in subparagraph 1, if

(1) a registrant, under an agreement between the registrant and a non-resident person,

(*a*) makes a taxable supply in Québec of corporeal movable property by way of sale to the non-resident person,

(*b*) makes a taxable supply in Québec of a service of manufacturing or producing corporeal movable property to the non-resident person, or

(*c*) acquires physical possession of corporeal movable property (other than property of a person that is resident in Québec) for the purpose of making a taxable supply in Québec of a commercial service in respect of the property to the non-resident person;

(2) under the agreement, the registrant causes, at a particular time, physical possession of the property to be transferred, at a place in Québec, to a third person (in this section referred to as the "consignee");

(3) the non-resident person is not a consumer of the property or service supplied by the registrant under the agreement;

(4) a particular person, other than the registrant, that is registered under Division I of Chapter VIII makes a taxable supply of the property to the consignee;

(5) the consignee is acquiring physical possession of the property at the particular time as the recipient of the taxable supply referred to in subparagraph 4; and

(6) the registrant retains a certificate that

(*a*) is given to the registrant by the particular person, or by the consignee provided that the consignee is registered under Division I of Chapter VIII,

(*b*) states the particular person's name and registration number assigned under section 415 or 415.0.6, and

(*c*) if the certificate is given by the consignee, states the consignee's name and registration number assigned under section 415 or 415.0.6.

Where the first paragraph applies, any supply made by the registrant and referred to in subparagraph 1 of the first paragraph is deemed to have been made outside Québec, except in the case of a supply of a service of shipping the property."; and

(3) in respect of a supply made before 19 June 2014 in respect of which no amount has been charged, collected or remitted as or on account of tax under Title I of the Act, in which case section 327.2.1 of the Act is to be read as if "under section 415 or 415.0.6" in subparagraphs *b* and *c* of subparagraph 6 of the first paragraph were replaced by "under section 415".

230. (1) Sections 327.3 to 327.5 of the Act are replaced by the following sections:

"**327.3.** The second paragraph of section 327.1 does not apply to a taxable supply described in subparagraph *a* of subparagraph 1, nor to an acquisition described in subparagraph *b* of subparagraph 1, if

(1) subparagraphs 1 and 3 of the first paragraph of section 327.1 apply to

(*a*) a taxable supply in respect of particular corporeal movable property that is made by a registrant and is referred to in any of subparagraphs *a* to *c* of subparagraph 1 of the first paragraph of section 327.1, or

(*b*) an acquisition by a registrant of physical possession of particular corporeal movable property that is referred to in subparagraph *d* of subparagraph 1 of the first paragraph of section 327.1; and

(2) either

(*a*) the registrant

i. causes physical possession of the particular property to be transferred at a place outside Québec,

ii. ships the particular property to a destination outside Québec that is specified in the contract for carriage of the particular property,

iii. causes physical possession of the particular property to be transferred to a common carrier or consignee that has been retained to ship the particular property to a destination outside Québec, or

iv. sends the particular property by mail or courier to an address outside Québec, or

(*b*) the following conditions are met:

i. the registrant causes physical possession of the particular property to be transferred at a place in Québec to a person (in this subparagraph *b* referred to as the "shipper"),

ii. after that transfer, the shipper ships the particular property outside Québec as soon as is reasonable having regard to the circumstances surrounding the shipping outside Québec and, if applicable, the normal business practices of the shipper and of the owner of the particular property,

iii. the particular property has not been acquired by any owner of the particular property for consumption, use or supply in Québec at any time after that transfer and before the particular property is shipped outside Québec,

iv. after that transfer but before the particular property is shipped outside Québec, the particular property is not further processed, transformed or altered except to the extent reasonably necessary or incidental to its transportation, and

v. the registrant maintains evidence satisfactory to the Minister of the shipping outside Québec of the particular property or, if the shipper is authorized under section 427.3, the shipper provides the registrant with a certificate in which the shipper certifies that the particular property will be shipped outside Québec in the circumstances described in subparagraphs ii to iv.

Where subparagraph *a* of subparagraph 1 of the first paragraph applies, the supply referred to in subparagraph *a* is deemed to have been made outside Québec.

For the purposes of subparagraph iii of subparagraph *b* of subparagraph 2 of the first paragraph, if the only use of railway rolling stock after physical possession of it is transferred as described in that subparagraph iii and before it is next shipped outside Québec is for the purpose of transporting corporeal movable property or passengers in the course of its shipment outside Québec and that shipment occurs within 60 days after the day on which the transfer takes place, that use of the rolling stock is deemed to take place entirely outside Québec.

"**327.4.** The rules set out in the second paragraph apply if

(1) a particular registrant makes a particular taxable supply in Québec of particular corporeal movable property by way of sale to a particular non-resident person that is not a consumer of the particular property; and

(2) the particular registrant or another registrant has physical possession of the particular property at the particular time at which the particular property is delivered or made available to the particular non-resident person under the agreement for the particular taxable supply and retains physical possession of the particular property after the particular time

(*a*) solely for the purpose of transferring physical possession of the particular property to the particular non-resident person, a person (in this section referred to as a "subsequent purchaser") that subsequently acquires ownership of the particular property or a person designated by the particular non-resident person or a subsequent purchaser,

(*b*) for the purpose of making another taxable supply in Québec of a commercial service in respect of the particular property to the particular non-resident person or a subsequent purchaser,

(*c*) for the purpose of making another taxable supply in Québec of a service of manufacturing or producing other corporeal movable property to the particular non-resident person or to another non-resident person, if the particular non-resident person or the other non-resident person, as the case may be, is not a consumer of the other property and if the particular property

i. is transformed or incorporated into, attached to, or combined or assembled with, the other property in the manufacture or production of the other property, or

ii. is directly consumed or used in the manufacture or production of the other property,

(*d*) for the purpose of making another taxable supply in Québec of a commercial service in respect of other corporeal movable property (other than property of a person that is resident in Québec) to the particular non-resident person or to another non-resident person, if the particular non-resident person or the other non-resident person, as the case may be, is not a consumer of the other property and if the particular property

i. is incorporated into, attached to, or combined or assembled with, the other property in the provision of the commercial service, or

ii. is directly consumed or used in the provision of the commercial service, or

(*e*) where section 327.6.2 does not apply in respect of the particular taxable supply, as the recipient of another supply of the particular property made by the particular non-resident person, by a subsequent purchaser or by a lessee or sub-lessee of a subsequent purchaser.

The rules to which the first paragraph refers are as follows:

(1) where the particular registrant has physical possession of the particular property at the particular time,

(*a*) for the purposes of this Title, the particular taxable supply is deemed to have been made outside Québec,

(*b*) if any of subparagraphs *a* to *d* of subparagraph 2 of the first paragraph applies, the particular registrant is deemed for the purposes of this division

i. except if subparagraph ii applies, to have acquired, at the particular time, physical possession of the particular property for the purpose of making a taxable supply in Québec to the particular non-resident person of a commercial service in respect of the particular property that is not a storage service, or

ii. if subparagraph *b* of subparagraph 2 of the first paragraph applies and the other taxable supply referred to in that subparagraph *b* is to be made to the particular non-resident person or to a non-resident subsequent purchaser that is not a consumer of the particular property or if subparagraph *c* or *d* of subparagraph 2 of the first paragraph applies, to have acquired, at the particular time, physical possession of the particular property for the purpose referred to in any of subparagraphs *b* to *d* of subparagraph 2 of the first paragraph, and

(*c*) if subparagraph *e* of subparagraph 2 of the first paragraph applies, for the purposes of this division and of section 18,

i. the particular registrant is deemed to have acquired physical possession of the particular property, as the recipient of the other supply referred to in that subparagraph *e*, from another person that is a registrant,

ii. that acquisition of physical possession of the particular property is deemed to have occurred at the time when, and at the place where, the particular property is delivered or made available to the particular registrant under the agreement for that other supply, and

iii. the particular registrant is deemed to have given to the other person referred to in subparagraph i the certificate described in subparagraph 4 of the first paragraph of section 327.2 in respect of that acquisition of physical possession of the particular property; and

(2) where another registrant has physical possession of the particular property at the particular time, for the purposes of this division and of section 18,

(*a*) if subparagraph *a* of subparagraph 2 of the first paragraph applies and the other registrant gives to the particular registrant a certificate that contains the information set out in subparagraph 4 of the first paragraph of section 327.2 in respect of the particular property,

i. the particular registrant is deemed to have caused, at the particular time, physical possession of the particular property to be transferred at a place in Québec to the other registrant,

ii. the other registrant is deemed to have acquired, at the particular time, physical possession of the particular property for the purpose of making a taxable supply in Québec to the particular non-resident person of a commercial service in respect of the particular property that is not a storage service, and

iii. the certificate is deemed to be a certificate described in subparagraph 4 of the first paragraph of section 327.2 in respect of the transfer referred to in subparagraph i and the acquisition referred to in subparagraph ii,

(*b*) if any of subparagraphs *b* to *d* of subparagraph 2 of the first paragraph applies,

i. the particular registrant is deemed to have caused physical possession of the particular property to be transferred at a place in Québec to the other registrant,

ii. the other registrant is deemed to have acquired physical possession of the particular property from the particular registrant for the purpose referred to in any of those subparagraphs *b* to *d*, and

iii. the particular registrant is deemed to have caused that transfer, and the other registrant is deemed to have so acquired physical possession of the particular property, at the particular time or at the time specified in the third paragraph, as the case may be, and

(*c*) if subparagraph *e* of subparagraph 2 of the first paragraph applies,

i. the particular registrant is deemed to have caused physical possession of the particular property to be transferred to the other registrant,

ii. the other registrant is deemed to have acquired physical possession of the particular property from the particular registrant as the recipient of the other supply referred to in that subparagraph *e*, and

iii. the particular registrant is deemed to have caused that transfer, and the other registrant is deemed to have so acquired physical possession of the particular property, at the time when, and at the place where, the particular property is delivered or made available to the other registrant under the agreement for that other supply.

The time to which subparagraph iii of subparagraph *b* of subparagraph 2 of the second paragraph refers is, if subparagraph *b* of subparagraph 2 of the first paragraph applies and the other taxable supply referred to in that subparagraph *b* is to be made to a subsequent purchaser that is registered under Division I of Chapter VIII, the time at which the particular property is delivered or made available to the subsequent purchaser.

"**327.5.** For the purposes of this division and of section 18, where a registrant at a particular time transfers physical possession of corporeal movable property to a depositary solely for the purpose of storing or shipping the property and the depositary has not, at or before that particular time, given the registrant a certificate described in subparagraph 4 of the first paragraph of section 327.2 in respect of the transfer of physical possession of the property, the following rules apply:

(1) where, under the agreement with the depositary for storing or shipping the property, the depositary is required to transfer physical possession of the property to another person, other than the registrant, that is named at the particular time in the agreement,

(*a*) the registrant is deemed not to have caused physical possession of the property to be transferred to the depositary and the depositary is deemed not to have acquired physical possession of the property,

(*b*) the registrant is deemed to have caused physical possession of the property to be transferred to the other person at the particular time and at the place where physical possession of the property is transferred to the other person by the depositary,

(*c*) the other person is deemed to have acquired physical possession of the property from the registrant for the purpose for which the other person is acquiring physical possession of the property from the depositary, and

(*d*) that acquisition of physical possession of the property is deemed to have occurred at the particular time and at the place where physical possession of the property is transferred to the other person by the depositary; and

(2) where, under the agreement with the depositary for storing or shipping the property, the depositary is required to transfer physical possession of the property to the registrant or to another person (in this section referred to as the "consignee") that is to be identified after the particular time,

(*a*) the registrant is deemed to retain physical possession of the property, and the depositary is deemed not to have acquired physical possession of the property, throughout the period beginning at the particular time and ending at another time that is the earliest of

i. the time at which the depositary transfers physical possession of the property to the registrant,

ii. the time at which the registrant gives to the consignee sufficient documentation to enable the consignee to require the depositary to transfer physical possession of the property to the consignee,

iii. the time at which the registrant directs the depositary in writing to transfer physical possession of the property to the consignee,

iv. the time at which the depositary transfers physical possession of the property to the consignee, and

v. where the depositary is acquiring physical possession of the property for the purpose of storing the property, the time at which the depositary gives to the registrant a certificate that contains the information set out in subparagraph 4 of the first paragraph of section 327.2 in respect of the property,

(*b*) if the other time referred to in subparagraph *a* is described in any of subparagraphs ii to iv of subparagraph *a*,

i. the registrant is deemed to have caused physical possession of the property to be transferred to the consignee at the other time and at the place where physical possession of the property is transferred to the consignee by the depositary,

ii. the consignee is deemed to have acquired physical possession of the property from the registrant for the purpose for which the consignee is acquiring physical possession of the property from the depositary, and

iii. that acquisition of physical possession of the property is deemed to have occurred at the other time and at the place where physical possession of the property is transferred to the consignee by the depositary, and

(*c*) if the other time referred to in subparagraph *a* is described in subparagraph v of subparagraph *a,*

i. the transfer of physical possession of the property by the registrant to the consignee, and the acquisition of physical possession of the property by the consignee from the registrant, are deemed to have occurred at the other time and not at the particular time, and

ii. the certificate referred to in that subparagraph v is deemed to be the certificate described in subparagraph 4 of the first paragraph of section 327.2 in respect of that transfer and that acquisition."

(2) Subsection 1 applies in respect of a supply made after 14 December 2017.

(3) In addition,

(1) where section 327.3 of the Act applies in respect of a supply made after 22 July 2016 and before 15 December 2017, it is to be read as if "in Québec" were inserted after "taxable supply" in subparagraph *c* of subparagraph 1 of the first paragraph;

(2) where section 327.4 of the Act applies

(*a*) in respect of a supply made after 22 July 2016 and before 15 December 2017, it is to be read

i. without reference to "of subparagraph 3 of the first paragraph" in the portion before subparagraph 1 of the first paragraph;

ii. as if subparagraphs 1 and 2 of the first paragraph were replaced by the following subparagraphs:

"(1) where the particular registrant so retains physical possession of the property after that time,

(*a*) the particular registrant is deemed, under the agreement, to have caused, at that time, physical possession of the property to be transferred at a place in Québec to another person that is a registrant,

(*b*) the other person referred to in subparagraph *a* is deemed to have given to the particular registrant the certificate described in subparagraph 3 of the first paragraph of section 327.2 in respect of the transfer,

(*c*) if subparagraph 1 or 2 of the second paragraph applies, the particular registrant is deemed

i. except if subparagraph ii applies, to have acquired, at that time, under the agreement, physical possession of the property for the purpose of making a taxable supply in Québec to the non-resident person of a commercial service in respect of the property that is not a storage service, or

ii. if subparagraph 2 of the second paragraph applies and the supply referred to in that subparagraph 2 is to be made to the non-resident person or to a non-resident subsequent purchaser that is not a consumer of the commercial service referred to in that subparagraph 2, to have acquired, at that time, under the agreement for that supply, physical possession of the property for the purpose referred to in that subparagraph 2, and

(*d*) if subparagraph 3 of the second paragraph applies,

i. the particular registrant is deemed to have acquired physical possession of the property, as the recipient of the supply under the agreement referred to in that subparagraph 3, from another person that is a registrant and that made a taxable supply of the property in Québec by way of sale to a non-resident person,

ii. that acquisition of physical possession of the property is deemed to have occurred at the time when, and at the place where, under the agreement referred to in that subparagraph 3, the property is delivered or made available to the particular registrant, and

iii. the particular registrant is deemed to have given to the other person referred to in subparagraph i the certificate described in subparagraph 3 of the first paragraph of section 327.2 in respect of that acquisition of physical possession of the property; and

"(2) where another registrant so retains physical possession of the property after that time,

(*a*) if subparagraph 1 or 2 of the second paragraph applies, the particular registrant is deemed, under the agreement, to have caused, at that time, physical possession of the property to be transferred at a place in Québec to the other registrant and the other registrant is deemed

i. except if subparagraph ii applies, to have acquired, at that time, under an agreement entered into with the other registrant and the non-resident person, physical possession of the property for the purpose of making a taxable supply in Québec to the non-resident person of a commercial service in respect of the property that is not a storage service, or

ii. if subparagraph 2 of the second paragraph applies and the supply referred to in that subparagraph 2 is to be made to the non-resident person or to a non-resident subsequent purchaser that is not a consumer of the commercial service referred to in that subparagraph 2, to have acquired, at that time, physical possession of the property under the agreement for that supply for the purpose referred to in that subparagraph 2, and

(*b*) if subparagraph 3 of the second paragraph applies,

i. the particular registrant is deemed, under the agreement, to have caused physical possession of the property to be transferred to the other registrant,

ii. the other registrant is deemed to have acquired physical possession of the property from the particular registrant as the recipient of the supply under the agreement, and

iii. the particular registrant is deemed to have caused that transfer, and the other registrant is deemed to have so acquired physical possession of the property, at the time when, and at the place where, under the agreement, the property is delivered or made available to the registrant."; and

iii. as if subparagraphs 1 and 2 of the second paragraph were replaced by the following subparagraphs:

"(1) transferring physical possession of the property to the non-resident person, a person (in this section referred to as a "subsequent purchaser") that subsequently acquires ownership of the property or a person designated by the non-resident person or a subsequent purchaser;

"(2) making a taxable supply in Québec of a commercial service in respect of the property to the non-resident person or a subsequent purchaser; or"; or

(*b*) in respect of a supply made before 23 July 2016 in respect of which, before that date, an amount was charged, collected or remitted as or on account of tax under Title I of the Act, it is to be read as if the provisions in subparagraphs ii and iii of subparagraph *a* were taken into account; and

(3) where section 327.5 of the Act applies in respect of a supply made after 22 July 2016 and before 15 December 2017, it is to be read as if "of subparagraph 3 of the first paragraph" in the portion before subparagraph 1 of the first paragraph were struck out.

231. (1) Section 327.6 of the Act is amended by striking out "of subparagraph 3 of the first paragraph" in the portion before paragraph 1.

(2) Subsection 1 applies in respect of a supply made after 22 July 2016.

232. (1) The Act is amended by inserting the following sections after section 327.6:

"**327.6.1.** For the purposes of this division and of section 18, the rules set out in the second paragraph apply if

(1) a registrant (in this section referred to as the "lessee")

(*a*) is the recipient of a particular taxable supply of corporeal movable property made by way of lease, licence or similar arrangement by a particular non-resident person, and

(*b*) is not deemed under subparagraph i of subparagraph *b* of paragraph 1 of section 327.6.2 or subparagraph *b* of paragraph 2 of section 327.6.2 to have acquired physical possession of the property as the recipient of the particular taxable supply;

(2) either

(*a*) immediately before the particular time at which the property is delivered or made available to the lessee under the agreement for the particular taxable supply, another registrant has possession or use of the property as the recipient of another taxable supply of the property made by way of lease, licence or similar arrangement by the particular non-resident person or by another non-resident person, or

(*b*) the following conditions are met:

i. subparagraph *a* does not apply,

ii. another registrant has physical possession of the property immediately after the particular time, and

iii. the lessee did not have possession or use of the property immediately before the particular time as the recipient of another taxable supply of the property made by way of lease, licence or similar arrangement by the particular non-resident person or by another non-resident person; and

(3) it is not the case that a person that is a registrant acquired physical possession of the property before the particular time for the purpose of making a taxable supply in Québec of a commercial service in respect of the property to the particular non-resident person or to another non-resident person and continues to retain physical possession of the property until a time that is after the particular time.

The rules to which the first paragraph refers are as follows:

(1) the other registrant referred to in subparagraph *a* or *b* of subparagraph 2 of the first paragraph, as the case may be, is deemed to have transferred physical possession of the property to the lessee at the particular time and at the place where the property is delivered or made available to the lessee under the agreement for the particular taxable supply;

(2) the lessee is deemed to have acquired physical possession of the property from the other registrant as the recipient of the particular taxable supply; and

(3) that acquisition of physical possession of the property is deemed to have occurred at the particular time and at the place where the property is delivered or made available to the lessee under the agreement for the particular taxable supply.

"**327.6.2.** Where a particular registrant makes a particular taxable supply in Québec of corporeal movable property by way of sale to a particular non-resident person that is not a consumer of the property and where at the particular time at which the property is delivered or made available to the particular non-resident person under the agreement for the particular taxable supply, the particular registrant or another registrant is, or is intended to be, the recipient of another supply of the property made by way of lease, licence or similar arrangement by the particular non-resident person or by another non-resident person, the following rules apply:

(1) where the particular registrant is, or is intended to be, at the particular time the recipient of the other supply,

(*a*) for the purposes of this Title, the particular taxable supply is deemed to have been made outside Québec, and

(*b*) for the purposes of this division and of section 18,

i. the particular registrant is deemed to have acquired physical possession of the property, as the recipient of the other supply, from another person that is a registrant,

ii. that acquisition of physical possession of the property is deemed to have occurred at the time when, and at the place where, the property is delivered or made available to the particular registrant under the agreement for the other supply, and

iii. the particular registrant is deemed to have given to the other person referred to in subparagraph i a certificate described in subparagraph 4 of the first paragraph of section 327.2 in respect of that acquisition of physical possession of the property; and

(2) where another registrant is, or is intended to be, at the particular time the recipient of the other supply, for the purposes of this division and of section 18,

(*a*) the particular registrant is deemed to have caused physical possession of the property to be transferred to the other registrant,

(*b*) the other registrant is deemed to have acquired physical possession of the property, as the recipient of the other supply, from the particular registrant, and

(*c*) the particular registrant is deemed to have caused that transfer, and the other registrant is deemed to have acquired physical possession of the property, at the time when, and at the place where, the property is delivered or made available to the other registrant under the agreement for the other supply.

"**327.6.3.** For the purposes of this division and of section 18, where a registrant (in this section referred to as the "lessee") acquires—as the recipient of a particular taxable supply of corporeal movable property made by way of lease, licence or similar arrangement by a particular non-resident person—physical possession of the property at a particular time and either of the conditions of the second paragraph applies, the lessee is deemed to retain physical possession of the property at all times throughout the period that begins at the particular time and ends at the earliest of

(1) the time at which the lessee causes physical possession of the property to be transferred to another registrant that

(*a*) is acquiring physical possession of the property for the purpose of making a taxable supply in Québec of a commercial service in respect of the property to the particular non-resident person or to another non-resident person, and

(*b*) retains physical possession of the property during a part of the period during which possession or use of the property is provided to the lessee under the arrangement;

(2) the time at which the lessee causes physical possession of the property to be transferred to the particular non-resident person or to another non-resident person; and

(3) the time at which the lessee causes physical possession of the property to be transferred to a person that is not referred to in subparagraphs 1 and 2, if that time is not included in

(*a*) the period during which possession or use of the property is provided to the lessee under the arrangement, or

(*b*) another period during which the lessee has possession or use of the property as the recipient of another taxable supply of the property made by way of lease, licence or similar arrangement by the particular non-resident person or by another non-resident person.

The conditions to which the first paragraph refers are as follows:

(1) the lessee gives a certificate described in subparagraph 4 of the first paragraph of section 327.2 in respect of the acquisition of physical possession of the property; and

(2) the lessee claims an input tax refund in respect of tax that is deemed to have been paid by the registrant under subparagraph 1 of the first paragraph of section 327.7 in respect of the property.

"**327.6.4.** For the purposes of this division and of section 18, the rules set out in the second paragraph apply if

(1) a registrant (in this section referred to as the "lessee") is the recipient of a particular taxable supply of corporeal movable property made by way of lease, licence or similar arrangement by a particular non-resident person;

(2) another registrant acquires physical possession of the property at a particular time for the purpose of making a taxable supply in Québec of a commercial service in respect of the property to the particular non-resident person or to another non-resident person; and

(3) the other registrant retains physical possession of the property during a part of the particular period during which possession or use of the property is provided to the lessee under the arrangement.

The rules to which the first paragraph refers are as follows:

(1) where a third person other than the lessee causes physical possession of the property to be transferred to the other registrant at the particular time, where the particular time is during the particular period and where the third person is not a registrant that acquires and retains physical possession of the property in the circumstances described in subparagraphs 2 and 3 of the first paragraph,

(*a*) the third person is deemed not to have caused that transfer of physical possession of the property, and

(*b*) the lessee is deemed to have caused, at the particular time, physical possession of the property to be transferred to the other registrant at the place where the other registrant acquires physical possession of the property; and

(2) where the other registrant causes, at a later time that is after the particular time but during the particular period, physical possession of the property to be transferred at a particular place to a third person other than the lessee and the third person is not a registrant that acquires and retains physical possession of the property in the circumstances described in subparagraphs 2 and 3 of the first paragraph,

(*a*) the other registrant is deemed to have caused, at the later time, physical possession of the property to be transferred to the lessee at the particular place,

(*b*) the lessee is deemed to have acquired physical possession of the property as the recipient of the particular taxable supply at the later time and at the place where the property is delivered or made available to the lessee under the arrangement, and

(*c*) the other registrant is deemed not to have caused physical possession of the property to be transferred to the third person, and the third person is deemed not to have acquired physical possession of the property.

"**327.6.5.** For the purposes of this division and of section 18, the rules set out in the second paragraph apply if

(1) a registrant (in this section referred to as the "lessee") is the recipient of a particular taxable supply of corporeal movable property made by way of lease, licence or similar arrangement by a particular non-resident person;

(2) a particular person other than the lessee has physical possession of the property immediately after the particular time that is at the end of the period during which possession or use of the property is provided to the lessee under the arrangement;

(3) where the particular person is a registrant, the particular person did not acquire physical possession of the property before the particular time for the purpose of making a taxable supply in Québec of a commercial service in respect of the property to the particular non-resident person or to another non-resident person;

(4) the lessee does not retain possession or use of the property after the particular time as the recipient of a taxable supply of the property made by way of lease, licence or similar arrangement by the particular non-resident person or by another non-resident person; and

(5) another registrant does not have possession or use of the property immediately after the particular time as the recipient of a taxable supply of the property made by way of lease, licence or similar arrangement by the particular non-resident person or by another non-resident person.

The rules to which the first paragraph refers are as follows:

(1) the lessee is deemed to have caused, at the particular time, physical possession of the property to be transferred to the particular person at the place where the particular person has physical possession of the property immediately after the particular time;

(2) where the particular person is a registrant and has physical possession of the property immediately after the particular time as the recipient of a supply referred to in subparagraph *a* of subparagraph 3 of the first paragraph of section 327.2, the particular person is deemed to have acquired, at the particular time and at the place referred to in subparagraph 1, physical possession of the property as the recipient of that supply; and

(3) where the particular person is a registrant and has physical possession of the property immediately after the particular time for the purpose of making a supply referred to in any of subparagraphs *b* to *d* of subparagraph 3 of the first paragraph of section 327.2, the particular person is deemed to have acquired, at the particular time and at the place referred to in subparagraph 1, physical possession of the property for that purpose."

(2) Subsection 1 applies in respect of a supply made after 14 December 2017.

233. (1) Section 327.7 of the Act is amended

(1) by inserting "(other than property of a person that is resident in Québec)" after "physical possession of corporeal movable property" in the portion before subparagraph 1 of the first paragraph;

(2) by inserting "in Québec" after "for the purpose of making a taxable supply" in subparagraph 2 of the second paragraph.

(2) Subsection 1 applies in respect of a supply made after 22 July 2016.

234. (1) Section 400 of the Act is amended by adding the following paragraph at the end:

"(5) the amount paid is in respect of a supply of an emission allowance, unless the person paid the amount to the Minister or unless prescribed circumstances exist or prescribed conditions are met."

(2) Subsection 1 has effect from 27 June 2018. However, it does not apply in respect of an amount that was, before that day, paid as or on account of, or taken into account as, tax, net tax, penalty, interest or other obligation under Title I of the Act.

235. (1) The Act is amended by inserting the following section after section 423:

"**423.1.** A supplier (other than a prescribed supplier) that makes a taxable supply of an emission allowance is not required to collect tax under section 16 payable by the recipient in respect of the supply."

(2) Subsection 1 has effect from 27 June 2018. It also applies in respect of a supply of an emission allowance made before 27 June 2018 if an amount of tax under section 16 of the Act that is payable in respect of the supply was not collected before that day, in which case section 423.1 of the Act is to be read as follows in respect of the supply:

"**423.1.** A supplier (other than a prescribed supplier) that makes a taxable supply of an emission allowance is not required to collect an amount of tax under section 16 that is payable by the recipient in respect of the supply and that was not collected before 27 June 2018."

236. (1) Section 438 of the Act is amended

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

"**438.** Where tax under section 16 is payable by a person in respect of a supply of a property that is an immovable or an emission allowance and the supplier is not required to collect the tax and is not deemed to have collected the tax,";

(2) by replacing "produire" in paragraph 2 in the French text by "présenter".

(2) Paragraph 1 of subsection 1 has effect from 27 June 2018. It also applies in respect of a supply of an emission allowance made before 27 June 2018 if an amount of tax under section 16 of the Act that is payable in respect of the supply was not collected before that day, in which case section 438 of the Act is to be read as follows in respect of the supply:

"**438.** Where a supply of an emission allowance is made to a person, the following rules apply in respect of the tax under section 16 that is payable in respect of the supply and that was not collected before 27 June 2018 (in this section referred to as the "uncollected tax"):

(1) to the extent that the uncollected tax became payable before 27 June 2018,

(*a*) if the person is a registrant and acquired the emission allowance for use or supply primarily in the course of commercial activities of the person, the person shall, on or before the day on which the person's return for the reporting period that includes 27 June 2018 is required to be filed, pay the uncollected tax to the Minister and report the uncollected tax in that return, and

(*b*) in any other case, the person shall, on or before 31 July 2018, pay the uncollected tax to the Minister and file with the Minister in the manner determined by the Minister a return in respect of the uncollected tax in prescribed form containing prescribed information; and

(2) to the extent that the uncollected tax became payable after 26 June 2018,

(*a*) if the person is a registrant and acquired the emission allowance for use or supply primarily in the course of commercial activities of the person, the person shall, on or before the day on which the person's return for the reporting period in which the uncollected tax became payable is required to be filed, pay the uncollected tax to the Minister and report the uncollected tax in that return, and

(*b*) in any other case, the person shall, on or before the last day of the month following the calendar month in which the uncollected tax became payable, pay the uncollected tax to the Minister and file with the Minister in the manner determined by the Minister a return in respect of the uncollected tax in prescribed form containing prescribed information."

237. (1) The Act is amended by inserting the following section after section 477.6:

"**477.6.1.** A supplier to whom the first paragraph of section 477.6 applies and a person to whom the third paragraph of that section applies are not required to collect the tax payable by a specified Québec consumer under section 16 in respect of a taxable supply of an emission allowance."

(2) Subsection 1 has effect from 1 January 2019.

238. (1) Section 677 of the Act, amended by section 567 of chapter 14 of the statutes of 2019, is again amended, in the first paragraph,

(1) by inserting the following subparagraph after subparagraph 3.1:

"(3.2) determine, for the purposes of the definition of "emission allowance" in section 1, the prescribed allowances, the prescribed credits, the prescribed instruments, the prescribed schemes and the prescribed arrangements for the purposes of its paragraph 1 and which property is prescribed property for the purposes of its paragraph 2;";

(2) by replacing subparagraph 5 by the following subparagraph:

"(5) determine, for the purposes of section 18, which supplies are prescribed supplies for the purposes of its paragraphs 1, 2, 3, 3.1 and 4;";

(3) by inserting the following subparagraph after subparagraph 41.0.1:

"(41.0.2) determine, for the purposes of section 400, the prescribed circumstances and the prescribed conditions;";

(4) by inserting the following subparagraph after subparagraph 43:

"(43.1) determine, for the purposes of section 423.1, the prescribed suppliers;".

(2) Paragraphs 1 and 4 of subsection 1 have effect from 27 June 2018. They also apply in respect of a supply of an emission allowance made before 27 June 2018 if an amount of tax payable under section 16 of the Act in respect of the supply was not collected before that date.

(3) Paragraph 2 of subsection 1 applies in respect of a supply made after 22 July 2016.

(4) Paragraph 3 of subsection 1 has effect from 27 June 2018. However, it does not apply in respect of an amount that was, before that day, paid as or on account of, or taken into account as, tax, net tax, penalty, interest or other obligation under Title I of the Act.

ACT RESPECTING REMUNERATED PASSENGER TRANSPORTATION BY AUTOMOBILE

239. (1) Section 37 of the Act respecting remunerated passenger transportation by automobile (chapter T-11.2) is amended by replacing "Minister of Finance" in the first paragraph by "Minister of Revenue".

(2) Subsection 1 has effect from 10 October 2020.

240. (1) Section 38 of the Act is amended by replacing "Minister of Finance" in subparagraph 1 of the second paragraph by "Minister of Revenue".

(2) Subsection 1 has effect from 10 October 2020.

REGULATION RESPECTING THE TAXATION ACT

241. (1) Section 92.11R1.1 of the Regulation respecting the Taxation Act (chapter I-3, r. 1) is amended by replacing "subparagraph *f*" in the portion of the fifth paragraph before subparagraph *a* by "subparagraph *c*".

(2) Subsection 1 has effect from 16 December 2014.

242. (1) Section 92.19R3 of the Regulation is amended, in the first paragraph,

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

"(*a*) in the case of a life insurance policy issued before 1 January 2017, a separate exemption test policy is deemed, subject to section 92.19R6.1, to have been issued in respect of the life insurance policy";

(2) by replacing subparagraph ii of subparagraph *a* by the following subparagraph:

"ii. on each policy anniversary of the life insurance policy on which the amount of the death benefit under the life insurance policy exceeds 108% of the amount of the death benefit under the life insurance policy on the later of the life insurance policy's date of issue and the date of the life insurance policy's preceding policy anniversary, if any; and";

(3) by replacing the portion of subparagraph *b* before subparagraph 1 of subparagraph i by the following:

"(*b*) in the case of a life insurance policy issued after 31 December 2016, a separate exemption test policy is deemed, subject to section 92.19R6.1, to be issued in respect of each coverage under the life insurance policy

"i. on any of the following dates:";

(4) by replacing subparagraph ii of subparagraph *b* by the following subparagraph:

"ii. on each policy anniversary of the life insurance policy on which the amount of the death benefit under the coverage on that policy anniversary exceeds 108% of the amount of the death benefit under the coverage, on the later of the coverage's date of issue and the date of the life insurance policy's preceding policy anniversary (or, if there is no preceding policy anniversary, the coverage's date of issue), and";

(5) by replacing the portion of subparagraph iii of subparagraph *b* before the formula by the following:

"iii. on each policy anniversary of the life insurance policy—except to the extent that another exemption test policy has been issued on that date under this subparagraph iii in respect of a coverage under the life insurance policy—on which an excess amount is determined by the formula".

(2) Subsection 1 has effect from 14 December 2017.

243. (1) Section 92.19R4 of the Regulation is amended by replacing the portion before subparagraph *a* of the first paragraph by the following:

"**92.19R4.** For the purpose of determining whether the condition in subparagraph *a* of the first paragraph of section 92.19R1 is met on a policy anniversary of a life insurance policy, each exemption test policy issued in respect of the life insurance policy, or in respect of a coverage under the life insurance policy, is deemed".

(2) Subsection 1 has effect from 14 December 2017.

244. (1) Section 92.19R5 of the Regulation is amended by replacing the portion before paragraph *a* by the following:

"**92.19R5.** The following rules apply for the purpose of determining the amount of a death benefit under an exemption test policy issued in respect of".

(2) Subsection 1 has effect from 14 December 2017.

245. (1) Section 92.19R6 of the Regulation is amended by replacing paragraph *b* by the following paragraph:

"(*b*) the accumulating fund (computed without regard to any amount payable in respect of a policy loan) in respect of the policy at that time exceeds 250% of

i. in the case where the particular time at which the policy is issued is determined under section 967.1 of the Act and the policy's third preceding policy anniversary is before the particular time, the accumulating fund (computed without regard to any amount payable in respect of a policy loan and as though the policy were issued after 31 December 2016) in respect of the policy on that third preceding policy anniversary, or

ii. in any other case, the accumulating fund (computed without regard to any amount payable in respect of a policy loan) in respect of the policy on its third preceding policy anniversary; and".

(2) Subsection 1 has effect from 14 December 2017.

246. (1) Section 92.19R6.1 of the Regulation is amended by replacing paragraph *b* by the following paragraph:

"(*b*) the date on which it was deemed under section 92.19R3 or 92.19R6.4 to be issued (determined immediately before the particular time)."

(2) Subsection 1 has effect from 14 December 2017.

247. (1) Section 92.19R6.4 of the Regulation is replaced by the following section:

"**92.19R6.4.** Despite sections 92.19R3 and 92.19R4, where a life insurance policy is issued for any purpose at a particular time determined under section 967.1 of the Act, for the purposes of this division (other than this section and section 92.19R6.3) and Division II in respect of the life insurance policy, the following rules apply at and after the particular time:

(*a*) in respect of each coverage issued before the particular time under the life insurance policy, a separate exemption test policy is deemed to be issued in respect of a coverage under the life insurance policy

i. on the date of issue of the life insurance policy, and

ii. on each policy anniversary that ends before the particular time and on which the amount of the death benefit under the life insurance policy exceeds 108% of the amount of the death benefit under the life insurance policy on the later of the life insurance policy's date of issue and the date of the life insurance policy's preceding policy anniversary, if any;

(*b*) in respect of each coverage issued before the particular time under the life insurance policy, section 92.19R3 does not apply to deem an exemption test policy to be issued in respect of the policy, or in respect of a coverage under the policy, at any time before the particular time;

(*c*) in respect of each exemption test policy the date of issue of which is determined under subparagraph i of paragraph *a*, subparagraph iii of subparagraph *a* of the first paragraph of section 92.19R4 and paragraph *b* of section 92.19R5 are to be read as if "subparagraph i of subparagraph *b* of the first paragraph of section 92.19R3" were replaced by "subparagraph i of paragraph *a* of section 92.19R6.4";

(*d*) in respect of each exemption test policy the date of issue of which is determined under subparagraph ii of paragraph *a*, subparagraph iv of subparagraph *a* of the first paragraph of section 92.19R4 is to be read as follows:

"iv. if the date on which the exemption test policy is issued is determined under subparagraph ii of paragraph *a* of section 92.19R6.4 at a time before a particular time, the portion of the amount that would be determined, at the time immediately before the particular time, under subparagraph ii if the exemption test policy were issued in respect of the policy on the same date as the date determined for it under subparagraph ii of paragraph *a* of section 92.19R6.4 that can be reasonably allocated to the coverage in the circumstances (an allocation being considered not to be reasonable if the total of the amounts determined under subparagraphs *a* and *b* of the second paragraph is less than the amount determined under subparagraph *c* of that paragraph in respect of the exemption test policy the date of issue of which is determined under subparagraph i of paragraph *a* of section 92.19R6.4 in respect of the coverage), or"; and

(*e*) section 92.19R5 is to be read as if "at a particular time" in the portion of paragraph *b* before subparagraph i were replaced by "at a time that is at or after the particular time referred to in section 92.19R6.4 in respect of the life insurance policy"."

(2) Subsection 1 has effect from 14 December 2017.

248. (1) Section 251R1 of the Regulation is replaced by the following section:

"**251R1.** For the purposes of section 251 of the Act, proceeds of disposition of a property do not include an amount deemed to be a dividend paid to a taxpayer or, if the taxpayer is a partnership, to a member of the partnership, under subsection 1.1 of section 212.1 of the Income Tax Act (Revised Statutes of Canada, 1985, chapter 1, 5th Supplement) or subsection 2 of section 212.2 of that Act."

(2) Subsection 1 applies in respect of a disposition that occurs after 21 March 2016. However, where section 251R1 of the Regulation applies in respect of a disposition that occurs before 27 February 2018, it is to be read without reference to "to a taxpayer or, if the taxpayer is a partnership, to a member of the partnership,".

249. (1) Section 976.1R1 of the Regulation is amended by replacing "subparagraph *f*" in subparagraph ii of subparagraph *f* of the second paragraph by "subparagraph *c*".

(2) Subsection 1 has effect from 16 December 2014.

250. (1) Section 1086R5 of the Regulation is amended by replacing subparagraph ii of paragraph *b* by the following subparagraph:

"ii. money on loan or on deposit or property of any kind deposited or placed with a corporation, association, organization, institution, partnership or trust,".

(2) Subsection 1 applies from the taxation year 2018.

251. Section 1086R78 of the Regulation is amended by replacing subparagraph *b* of the first paragraph by the following subparagraph:

"(*b*) the name, address and, as the case may be, the Social Insurance Number or trust account number, within the meaning of subsection 1 of section 248 of the Income Tax Act (Revised Statutes of Canada, 1985, chapter 1, 5th Supplement), of each member of the partnership who is entitled to a share referred to in subparagraph *c* or *d* for the fiscal period;".

TRANSITIONAL AND FINAL PROVISIONS

252. For the purposes of the Act respecting parental insurance (chapter A-29.011), the Mining Tax Act (chapter I-0.4), the Act respecting the legal publicity of enterprises (chapter P-44.1), the Act respecting the Régie de l'assurance maladie du Québec (chapter R-5) and the Act respecting the Québec Pension Plan (chapter R-9), the following dates are deferred to 30 September 2020:

(1) the date of 30 April 2020 on or before which an amount would otherwise have been required to be paid by a natural person as a premium under Chapter IV of the Act respecting parental insurance as a self-employed worker or a person responsible for an intermediate resource or a family-type resource, as a contribution under subdivision 3 of Division I of Chapter IV of the Act respecting the Régie de l'assurance maladie du Québec or Division I.1 of that Chapter IV, as a contribution under Title III of the Act respecting the Québec Pension Plan in respect of self-employed earnings or earnings as an intermediate resource or a family-type resource, or as an annual registration fee for registration in the enterprise register under Division II of Chapter V of the Act respecting the legal publicity of enterprises; and

(2) the date, included in the period that begins on 17 March 2020 and ends on 29 September 2020, on or before which an amount would otherwise have been required to be paid by an operator under Division III of Chapter VI of the Mining Tax Act, or on or before which an annual registration fee for registration in the enterprise register under Division II of Chapter V of the Act respecting the legal publicity of enterprises would otherwise have been required to be paid by a corporation, a trust or a SIFT entity, within the meaning assigned to those expressions by the Taxation Act (chapter I-3).

For the purposes of the Taxation Act, the following rules apply:

(1) the filing-due date for the fiscal return of an individual, other than a trust, for the taxation year 2019 that would otherwise have been 30 April 2020 is deferred to 1 June 2020;

(2) the filing-due date for the fiscal return of a trust, other than a SIFT trust, for the taxation year 2019 that would otherwise have been 30 March 2020 is deferred to 1 May 2020; and

(3) the following dates are deferred to 30 September 2020:

(*a*) the balance-due day of an individual, other than a trust, for the taxation year 2019 that would otherwise have been 30 April 2020,

(*b*) the balance-due day of a trust, that of a corporation and that of a SIFT partnership, that would otherwise have been after 16 March 2020 and before 30 September 2020,

(*c*) the dates of 15 June 2020 and 15 September 2020 on or before which a payment would otherwise have been required to be made by an individual under section 1026 of the Taxation Act,

(*d*) the date included in the period that begins on 17 March 2020 and ends on 29 September 2020 on or before which a payment would otherwise have been required to be made by a corporation or a SIFT trust under section 1027 of the Taxation Act or by a SIFT partnership under section 1129.75 of that Act, where that section 1129.75 refers to that section 1027, and

(*e*) the date included in the period that begins on 17 March 2020 and ends on 29 September 2020 on or before which an amount would otherwise have been required to be paid by a taxpayer under Part VII of the Taxation Act.

Where a taxpayer's balance-due day for a taxation year that is determined in accordance with subparagraph *a* or *b* of subparagraph 3 of the second paragraph is subsequent to the taxpayer's filing-due date for the year, the first paragraph of section 1045 of the Taxation Act is to be read as follows, in respect of the taxpayer for that taxation year:

"Every person who fails to file, for a taxation year, a fiscal return under section 1000 in the prescribed form and within the prescribed time incurs a penalty equal to 5% of the tax unpaid on the taxpayer's balance-due day for the taxation year and an additional penalty of 1% of that unpaid tax for each complete month, not exceeding 12 months, in the period that begins on that balance-due day and ends at the time the fiscal return is actually filed."

253. For the purposes of the Act respecting the Québec sales tax (chapter T-0.1), the following rules apply:

(1) the date, included in the period that begins on 27 March 2020 and ends on 1 June 2020, on or before which the remittance of the net tax, the designated net tax or a provisional account would otherwise have been required to be made by a person in accordance with Chapter VIII or VIII.1 of Title I of the Act respecting the Québec sales tax, as the case may be, is deferred to 30 June 2020; and

(2) the deadline for filing a return under Chapter III of Title IV.2 of the Act respecting the Québec sales tax and remitting the related tax payable that would otherwise have been 30 April 2020 is deferred to 31 July 2020.

254. This Act comes into force on 2 June 2021.

NATIONAL ASSEMBLY OF QUÉBEC

FIRST SESSION FORTY-SECOND LEGISLATURE

Bill 82
(2021, chapter 15)

An Act respecting mainly the implementation of certain provisions of the Budget Speech of 10 March 2020

Introduced 11 December 2020
Passed in principle 17 February 2021
Passed 27 May 2021
Assented to 2 June 2021

Québec Official Publisher
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EXPLANATORY NOTES

This Act amends or enacts various legislative provisions mainly to implement certain measures contained in the Budget Speech delivered on 10 March 2020.

In order to fight against tax evasion and abusive tax avoidance in sectors presenting specific problems,

(1) the requirements concerning mainly the holding of a certificate from the Agence du revenu du Québec by personnel placement agencies and recruitment agencies for temporary foreign workers are strengthened;

(2) the powers of police forces and of the Agence du revenu du Québec with respect to the fight against tobacco smuggling are increased; and

(3) additional inspection and examination powers to inspectors in the remunerated passenger transportation sector are granted.

The Agence du revenu du Québec is entrusted with the administration of the dues to be paid by customers per trip under the Act respecting remunerated passenger transportation by automobile and the Regulation respecting the dues provided for in section 287 of the Act respecting remunerated passenger transportation by automobile is enacted.

The Tax Administration Act is amended to ensure that automated interventions during the recovery of a tax debt may be subject to fees for a first intervention.

Certain time limits in taxation matters are suspended or extended.

The Individual and Family Assistance Act is amended to entrust the Government with the power to recognize, by regulation, for the purposes of eligibility for enhanced benefits under the Social Solidarity Program, the periods in which a person had a severely limited capacity for employment that in all likelihood prevented the person from acquiring economic self-sufficiency permanently or indefinitely or a handicap requiring exceptional care.

The amount taken annually from the proceeds of the tobacco tax to finance the Sports and Physical Activity Development Fund is increased.

With respect to corporate transparency, securities issued by business corporations, such as warrants or stock options, are required to be in registered form.

The Act respecting the Ministère des Ressources naturelles et de la Faune is amended to ensure that the management and development activities of the land are funded by the Territorial Information Fund and that all the income from such activities is credited to the fund.

Certain monetary administrative penalties issued by the Régie des alcools, des courses et des jeux are adjusted.

The Act respecting lotteries, publicity contests and amusement machines is amended to relax the rules applicable to international publicity contests that include contestants from Québec.

The Act to establish Fondaction, le Fonds de développement de la Confédération des syndicats nationaux pour la coopération et l'emploi and the Act to establish the Fonds de solidarité des travailleurs du Québec (F.T.Q.) are amended to streamline the administrative process concerning prescription of certain formalities and to allow the transfer of investments to a former spouse.

The Institut de la statistique du Québec is entrusted, among other things, with the mission to ensure that researchers attached to a public body have better access, for research purposes, to information held by public bodies.

The Hydro-Québec Act is amended to defer until after the end of the fiscal year the transmission of information relating to the annual payments of financial assistance under the Financial Assistance for Investment Program.

The Act respecting deposits with the Bureau général de dépôts pour le Québec is amended so that a tax refund allocated to stand in lieu of a guarantee required under the Mining Act can be administered by the Bureau général de dépôts pour le Québec.

The Civil Code is amended mainly to confer on the Government the power to determine by regulation categories of insurance contracts that may depart from certain applicable rules respecting liability insurance and classes of insureds that may take out such contracts.

Various relieving measures applicable from 1 April to 30 September 2020 to persons with student debt under the loans and bursaries system are proposed.

The Act respecting the Société de développement et de mise en valeur du Parc olympique is amended in order to subject that body to the new provisions governing the budget estimates of bodies other than budget-funded bodies that come into effect on 1 April 2021.

The Deposit Institutions and Deposit Protection Act is amended to confer on the Minister of Finance the power to determine that that Act temporarily applies to a money deposit that would not otherwise be covered and to allow the application of the guarantee of the Autorité des marchés financiers to money deposits in a foreign currency.

The Act provides that proceedings for an offence under the Act respecting remunerated passenger transportation by automobile may be instituted before a municipal court and that the related costs belong to the municipality to which the court is attached, except in certain cases.

The Financial Administration Act and the Act respecting subsidies for the payment in capital and interest of loans of public or municipal bodies and certain other transfers are amended by striking out the provisions currently limiting the amounts that may be recorded as expenditures by the Government and as revenue by the recipients of the subsidies to those authorized by Parliament.

The Insurers Act is amended to provide that life insurance contracts currently in force that include an option to deposit sums into a side account are deemed to provide that those sums may not exceed 125% of the total of the expected premiums payable throughout the term of the contract, including certain costs, and that, where the sums already exceed that percentage, they are deemed not to exceed it.

Under certain conditions, home childcare providers recognized by a home childcare coordinating office will not be required to count their school-aged children and those of the persons who assist them or ordinarily live with them among the maximum number of children to whom they may provide home childcare services.

The Securities Act is amended to provide specifically for the designation of benchmarks and of the administrators of those benchmarks and to introduce new regulatory powers regarding the obligations of persons who provide data or information for the establishment of benchmarks.

Lastly, the Act contains transitional and consequential provisions required for its application.

LEGISLATION AMENDED BY THIS ACT:

– Civil Code of Québec;

– Financial Administration Act (chapter A-6.001);

– Tax Administration Act (chapter A-6.002);

– Individual and Family Assistance Act (chapter A-13.1.1);

– Health Insurance Act (chapter A-29);

– Insurers Act (chapter A-32.1);

– Act respecting deposits with the Bureau général de dépôts pour le Québec (chapter D-5.1);

– Act to establish Fondaction, le Fonds de développement de la Confédération des syndicats nationaux pour la coopération et l'emploi (chapter F-3.1.2);

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

– Act to establish the Sports and Physical Activity Development Fund (chapter F-4.003);

– Hydro-Québec Act (chapter H-5);

– Tobacco Tax Act (chapter I-2);

– Taxation Act (chapter I-3);

– Act respecting the Institut de la statistique du Québec (chapter I-13.011);

– Deposit Institutions and Deposit Protection Act (chapter I-13.2.2);

– Act respecting lotteries, publicity contests and amusement machines (chapter L-6);

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

– Act respecting labour standards (chapter N-1.1);

– Act respecting liquor permits (chapter P-9.1);

– Act respecting the Financial Assistance for Investment Program and establishing the Special Contracts and Financial Assistance for Investment Fund (chapter P-30.1.1);

– Educational Childcare Act (chapter S-4.1.1);

– Act respecting health services and social services (chapter S-4.2);

– Business Corporations Act (chapter S-31.1);

– Act respecting subsidies for the payment in capital and interest of loans of public or municipal bodies and certain other transfers (chapter S-37.01);

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

– Act respecting remunerated passenger transportation by automobile (chapter T-11.2);

– Securities Act (chapter V-1.1);

– Act respecting the Société de développement et de mise en valeur du Parc olympique (2020, chapter 10).

REGULATIONS AMENDED BY THIS ACT:

– Regulation respecting fiscal administration (chapter A-6.002, r. 1);

– Regulation respecting personnel placement agencies and recruitment agencies for temporary foreign workers (chapter N-1.1, r. 0.1);

– Regulation respecting liquor permits (chapter P-9.1, r. 5);

– Educational Childcare Regulation (chapter S-4.1.1, r. 2);

– Regulation respecting the Québec sales tax (chapter T-0.1, r. 2);

– Regulation respecting remunerated passenger transportation by automobile (chapter T-11.2, r. 4).

REGULATION ENACTED BY THIS ACT:

– Regulation respecting the dues provided for in section 287 of the Act respecting remunerated passenger transportation by automobile (2021, chapter 15, section 35).

Bill 82

AN ACT RESPECTING MAINLY THE IMPLEMENTATION OF CERTAIN PROVISIONS OF THE BUDGET SPEECH OF 10 MARCH 2020

THE PARLIAMENT OF QUÉBEC ENACTS AS FOLLOWS:

CHAPTER I

FIGHT AGAINST TAX EVASION AND ABUSIVE TAX AVOIDANCE

DIVISION I

PERSONNEL PLACEMENT AGENCIES AND RECRUITMENT AGENCIES FOR TEMPORARY FOREIGN WORKERS

TAX ADMINISTRATION ACT

1. Section 69.1 of the Tax Administration Act (chapter A-6.002) is amended by adding the following subparagraph at the end of the second paragraph:

"(*z*.8) the Commission des normes, de l'équité, de la santé et de la sécurité du travail, in respect of information necessary for the purposes of subdivision 1 of Division VIII.2 of Chapter IV of the Act respecting labour standards (chapter N-1.1)."

TAXATION ACT

2. Title II of Book X.3 of Part I of the Taxation Act (chapter I-3), comprising sections 1079.8.25 to 1079.8.34, is repealed.

3. Section 1079.8.36 of the Act is amended by striking out "1079.8.30 to 1079.8.32,".

4. Section 1079.8.39 of the Act is amended by striking out "1079.8.30 to 1079.8.32," in the introductory clause.

5. Section 1079.8.41 of the Act is amended by striking out "For the purposes of this Book," and "in accordance with Title I or II of this Book,".

ACT RESPECTING LABOUR STANDARDS

6. The Act respecting labour standards (chapter N-1.1) is amended by inserting the following sections after section 92.7:

"**92.7.1.** To obtain, maintain or renew a licence, a personnel placement agency or a recruitment agency for temporary foreign workers must hold a valid certificate issued by the Agence du revenu du Québec.

The certificate shows that the agency has filed the returns and reports required under fiscal laws and that it has no overdue amount payable to the Minister of Revenue, in particular where recovery of such an amount has been legally suspended or arrangements have been made to ensure payment of the amount and the agency has not defaulted on the payment arrangements.

The certificate is valid until the end of the three-month period following the month in which it was issued.

An application for a certificate must be made in the manner provided for in section 1079.8.19 of the Taxation Act (chapter I-3).

"**92.7.2.** The Agence du revenu du Québec shall send the Commission any information required for the purposes of this subdivision."

REGULATION RESPECTING PERSONNEL PLACEMENT AGENCIES AND RECRUITMENT AGENCIES FOR TEMPORARY FOREIGN WORKERS

7. Section 8 of the Regulation respecting personnel placement agencies and recruitment agencies for temporary foreign workers (chapter N-1.1, r. 0.1) is amended by replacing paragraph 2 by the following paragraph:

"(2) a valid certificate from Revenu Québec referred to in section 92.7.1 of the Act respecting labour standards (chapter N-1.1); or".

8. Section 15 of the Regulation is amended

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

"A licence holder wishing to renew the licence must apply to the Commission using the form provided by the Commission. The licence holder must also send to the Commission a new declaration reporting any decision, order or de facto situation provided for in sections 10 and 11.";

(2) by inserting "and that the licence holder holds a valid certificate from Revenu Québec" after "up-to-date" in the second paragraph.

9. Section 40 of the Regulation is amended by adding the following paragraph at the end:

"(4) the licence holder fails to comply with the obligation provided for in section 92.7.1 of the Act respecting labour standards (chapter N-1.1)."

DIVISION II

TOBACCO SMUGGLING

TAX ADMINISTRATION ACT

10. Section 40.1 of the Tax Administration Act (chapter A-6.002) is amended

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

"In addition, a member of the Sûreté du Québec or a member of a municipal police force who enters and searches a place under the third paragraph of section 40.1.0.1 may seize and remove, in addition to what is provided for in that paragraph, any thing which the member believes, on reasonable grounds, constitutes evidence of the commission of an offence against the Tobacco Tax Act (chapter I-2) or a regulation made by the Government under that Act or is used or has been used in the commission of the offence.";

(2) by replacing "granted the written authorization provided for in section 40" in the second paragraph by "authorized the search";

(3) by replacing "with this section" in the third paragraph by "with the first or second paragraph, as the case may be".

11. Section 40.1.1 of the Act is amended

(1) by inserting "in particular concerning its execution," after "circumstances," in the sixth paragraph;

(2) by striking out the ninth paragraph.

12. Section 40.1.3 of the Act is amended

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

"When the order applied for concerns an inquiry relating to an offence against the Tobacco Tax Act (chapter I-2) or a regulation made by the Government under that Act, the application may also be made following an information laid in writing and under oath by a member of the Sûreté du Québec or a member of a municipal police force.";

(2) by replacing "named in the order" in the second paragraph by "of the Agency, the member of the Sûreté du Québec or the member of a municipal police force named in the order";

(3) by inserting ", a member of the Sûreté du Québec or a member of a municipal police force" after "Agency" in the fifth paragraph.

13. Section 40.5 of the Act is amended by striking out the third and fourth paragraphs.

14. Section 40.5.1 of the Act is amended by replacing the first paragraph by the following paragraph:

"Despite section 40.5, where a thing seized is a package of tobacco that is not identified in accordance with section 13.1 of the Tobacco Tax Act (chapter I-2), the Minister may destroy that thing or cause it to be destroyed as of the 30th day following the notification by registered mail or the service of a prior notice to the person from whom the thing was seized and to the persons who claim to have a right in the thing, if their identity is known, unless, before that day, any of those persons applies to a judge of the Court of Québec to establish that right to the possession of the thing and serves on the Minister a prior notice of not less than three clear days of the application."

TOBACCO TAX ACT

15. Section 13.3.2 of the Tobacco Tax Act (chapter I-2) is amended

(1) by striking out "road";

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

"In addition, in the cases covered by the third paragraph of section 13.3 or the second paragraph of section 13.3.1, a member of the Sûreté du Québec, a member of a municipal police force or a person authorized by the Minister for such purposes may also cause a stopped vehicle to be removed and impounded in the nearest suitable place."

DIVISION III

INSPECTIONS IN THE REMUNERATED PASSENGER TRANSPORTATION SERVICES SECTOR

ACT RESPECTING THE QUÉBEC SALES TAX

16. Section 350.64 of the Act respecting the Québec sales tax (chapter T-0.1) is amended by replacing "in sections 350.61 to 350.63" by "in any of sections 350.61 to 350.63 and 350.68 to 350.70".

17. The Act is amended by inserting the following sections after section 350.67:

"**350.68.** A person referred to in section 350.62 must display in the prescribed manner, in any vehicle the person uses in the course of carrying on the person's taxi business, a document showing the registration number that the Minister assigned to that person under section 415 or 415.0.6, in such a manner that the document can be read by a passenger seated in the rear seat.

However, that obligation does not apply if the person supplies only passenger transportation services that are organized or coordinated through an electronic platform or system that allows recipients to read the registration number once the conditions of the trip have been agreed to in writing.

"**350.69.** A person referred to in section 350.62 must enter the prescribed information in a document, sign the document and, where applicable, have it signed by any other driver who uses a vehicle to supply services in the course of carrying on the person's business and provide a copy to the driver.

Every driver must keep the original or a copy of the document, as the case may be, in the vehicle the driver uses to supply a passenger transportation service.

"**350.70.** Every driver referred to in section 350.69 must, at the request of a person authorized for that purpose by the Minister, either display a report containing the prescribed information on a device that is part of the equipment described in section 350.61 or provide the authorized person with a printed copy of the report or send it to the authorized person by a technological means.

"**350.71.** Where a person authorized for that purpose by the Minister believes that a vehicle is being used to supply services in the course of carrying on a business referred to in section 350.62 or has reasonable grounds to believe that an offence under section 350.78 has been committed, the person may require the driver or the person who has the care or control of the vehicle to produce as identification either of the following documents that the Société de l'assurance automobile du Québec issued to that driver or that person:

(1) the permit referred to in section 18 of the Act respecting remunerated passenger transportation by automobile (chapter T-11.2); or

(2) where that driver or that person does not hold the permit mentioned in paragraph 1 and despite the second paragraph of section 61 of the Highway Safety Code (chapter C-24.2), the driver's or the person's driver's licence.

"**350.72.** Where a person authorized for that purpose by the Minister believes that a vehicle is being used to supply services in the course of carrying on a business referred to in section 350.62, the person may require the driver of the vehicle to stop the vehicle, at any place and at any reasonable time, so that an examination can be carried out to determine whether the obligations set out in this division are complied with. The driver must comply with such a requirement without delay.

The authorized person may also order that the vehicle not be moved if, as the case may be,

(1) the driver or the person who has the care or control of the vehicle refuses the examination provided for in the first paragraph;

(2) the document mentioned in the first paragraph of section 350.68 is not displayed in the prescribed manner or in accordance with what is provided for in that paragraph, or, where the second paragraph of that section applies, the electronic platform or system did not allow the recipient to read the registration number;

(3) the driver has not signed the document mentioned in section 350.69, has not kept the original or a copy of the document in the vehicle or refuses to produce it in accordance with section 350.74;

(4) the driver refuses either to display the report mentioned in section 350.70 or to provide a copy of the report or send it in the manner provided for in that section;

(5) the driver or the person who has the care or control of the vehicle refuses to produce identification in accordance with section 350.71;

(6) the driver produces or displays a document or report, required under any of sections 350.68 to 350.78, that contains inaccurate or incomplete information; or

(7) the person has reasonable grounds to believe that an offence under section 350.78 is being or has been committed.

Unless the authorized person decides otherwise, the vehicle must not be moved until the examination, which must be made with all due dispatch, is completed.

"**350.73.** Where a person authorized for that purpose by the Minister has reasonable grounds to believe that an offence under section 350.78 is being or has been committed, the person may require the driver of a vehicle to stop the vehicle, at any place and at any reasonable time, so that an examination can be carried out to determine whether the obligations set out in this division are complied with. The driver must comply with such a requirement without delay.

The authorized person may also, in such a case or in any of the situations described in subparagraphs 1 to 6 of the second paragraph of section 350.72, order that the vehicle not be moved.

Unless the authorized person decides otherwise, the vehicle must not be moved until a judge rules on the application referred to in section 40 or 40.1.0.1 of the Tax Administration Act (chapter A-6.002). The application must be made with all due dispatch.

"**350.74.** Where a person authorized by the Minister carries out a verification or an examination under any of sections 350.71 to 350.73, the person may require that the driver produce for examination the document or copy mentioned in section 350.69.

"**350.75.** In a case described in section 350.72 or 350.73, the authorized person may cause a vehicle stopped in contravention of Division II of Chapter II of Title VIII of the Highway Safety Code (chapter C-24.2) to be removed and impounded in the nearest suitable place.

In addition, in the case described in the third paragraph of section 350.73, the authorized person may also cause the vehicle to be removed and impounded in the nearest suitable place.

"**350.76.** The following commit an offence and are liable to a fine of not less than $1,000 nor more than $10,000:

(1) any person referred to in section 350.62 who

(*a*) neglects or fails to display, in a vehicle referred to in section 350.68, the document mentioned in the first paragraph of that section, in the prescribed manner or in accordance with what is provided for in that paragraph, or, where the second paragraph of that section applies, to ensure that the electronic platform or system allows recipients to read the registration number, or

(*b*) neglects or fails to fill out or sign the document mentioned in section 350.69 or to provide a copy of the document to any driver who acts on behalf of the person in the course of carrying on the person's business;

(2) any driver referred to in section 350.69 who

(*a*) unless the driver is a person referred to in section 350.62, neglects or fails to sign the document mentioned in section 350.69,

(*b*) neglects or fails to keep in the vehicle the document or copy mentioned in section 350.69 or refuses to provide it in accordance with section 350.74, or

(*c*) refuses either to display the report mentioned in section 350.70 or to provide a copy of the report or send it in the manner provided for in that section; and

(3) any driver of a vehicle, or any person who has the care or control of the vehicle, who refuses to produce identification in accordance with section 350.71.

"**350.77.** A person commits an offence and is liable to a fine of not less than $2,500 nor more than $250,000, if the person

(1) neglects or fails to obey the signals or orders of an authorized person to whom section 350.72 or 350.73 refers; or

(2) produces or displays a document or report, required under any of sections 350.68 to 350.78, that contains inaccurate or incomplete information.

"**350.78.** The offences referred to in section 350.71, subparagraph 7 of the second paragraph of section 350.72 and the first paragraph of section 350.73 are the following:

(1) an offence under section 60.3 of the Tax Administration Act (chapter A-6.002) where it refers to section 350.63;

(2) an offence under section 60.4 of that Act where it refers to paragraph 2 of section 350.62; and

(3) an offence under section 61.0.0.1 of that Act where it refers to section 350.61 or paragraph 1 of section 350.62."

18. Section 677 of the Act is amended by inserting the following subparagraphs after subparagraph 33.9 of the first paragraph:

"(33.10) determine, for the purposes of the first paragraph of section 350.68, subparagraph 2 of the second paragraph of section 350.72 and subparagraph *a* of paragraph 1 of section 350.76, the prescribed manner;

"(33.11) determine, for the purposes of sections 350.69 and 350.70, the prescribed information;".

REGULATION RESPECTING THE QUÉBEC SALES TAX

19. The Regulation respecting the Québec sales tax (chapter T-0.1, r. 2) is amended by inserting the following sections after section 350.63R2:

"**350.68R1.** A document referred to in the first paragraph of section 350.68 of the Act is displayed in the prescribed manner when the registration number shown on the document meets the following conditions:

(1) it is in black type on a white background;

(2) Arial typeface is used and the text, sized at least 48 points, is in bold;

(3) the minimum type height is 12 millimeters and the minimum width is 5 millimeters for the number 1 and 8 millimeters in any other case; and

(4) it is centered horizontally and arranged as follows:

(*a*) on the first line, the first two digits are followed by a single space and the following eight digits are arranged in two four-digit groups separated by a single space, and

(*b*) on the next line, the letters "TQ" are followed by the last four digits.

"**350.69R1.** The information that the person referred to in section 350.62 of the Act must enter in a document for the purposes of section 350.69 of the Act is the following:

(1) the name under which the person carries on a taxi business, which must, if the person is a registrant within the meaning of the Act respecting the legal publicity of enterprises (chapter P-44.1), correspond to the name that is recorded in the enterprise register;

(2) the registration number assigned to that person under section 415 or 415.0.6 of the Act;

(3) the name of the driver of the vehicle used to supply services in the course of carrying on the person's taxi business; and

(4) the capacity in which the driver acts, namely as a business operator or on behalf of a business operator.

"**350.70R1.** The following information must be included in the report referred to in section 350.70 of the Act that must be displayed or sent by the driver of a vehicle used in the course of carrying on a taxi business or a copy of which must be provided by the driver:

(1) the name under which the person referred to in section 350.62 of the Act carries on that business, which must, if the person is a registrant within the meaning of the Act respecting the legal publicity of enterprises (chapter P-44.1), correspond to the name that is recorded in the enterprise register;

(2) the registration number assigned to that person under subsection 1 or 1.5 of section 241 of the Excise Tax Act (Revised Statutes of Canada, 1985, chapter E-15);

(3) the registration number assigned to that person under section 415 or 415.0.6 of the Act;

(4) the name of the driver;

(5) the number identifying the last transaction for which information was transmitted by the sales recording system used by the driver as well as the total amount for the supply that consists of the tax paid or payable, the goods and services tax paid or payable and the value of the consideration paid or payable in respect of the supply;

(6) an indication that the last invoice was printed or sent by a technological means, or was both printed and sent by such a means;

(7) if the invoice was sent by a technological means, either the first four characters of the recipient's email address followed by six asterisks ("*") or six asterisks ("*") followed by the last four digits of the recipient's telephone number;

(8) the date, hour, minute and second, appearing on the invoice, at which the information referred to in paragraph 1 of section 350.62 of the Act was transmitted to the Minister;

(9) the number assigned to the transaction that appears on the invoice;

(10) the date, hour, minute and second at which the Minister processed that last transaction;

(11) the driver's sales summary beginning on 1 January of the year, which includes

(*a*) an indication of the year concerned,

(*b*) the total number of transactions,

(*c*) the number of transactions corresponding to the production of a closing receipt,

(*d*) the total value of all consideration paid or payable in respect of the supplies,

(*e*) the total of the goods and services tax paid or payable in respect of the supplies,

(*f*) the total of the tax paid or payable in respect of the supplies, and

(*g*) the total amount for the supplies that consists of the tax paid or payable, the goods and services tax paid or payable and the value of all consideration paid or payable in respect of the supplies;

(12) the unique identifier, assigned by the Minister, of the device referred to in section 350.70 of the Act;

(13) the unique identifier, assigned by the Minister, of the sales recording system used;

(14) the sales recording system's version identifier that is assigned by the designer and that corresponds to the parent version update;

(15) the date, hour, minute and second at which the driver connected to his user account;

(16) the date, hour, minute and second of the production of the report;

(17) a two-dimensional barcode (QR code format) that must include

(*a*) the information provided for in subparagraphs 2, 3, 5 and 8, subparagraphs *b* to *g* of subparagraph 11 and subparagraphs 12 to 16,

(*b*) the digital signature generated by the sales recording system in respect of the report, and

(*c*) the digital fingerprint of the digital certificate assigned by the Minister.

For the purposes of the first paragraph,

"goods and services tax paid or payable" means the tax that has become payable or, if it has not become payable, has been paid under Part IX of the Excise Tax Act (Revised Statutes of Canada, 1985, chapter E-15);

"sales recording system" means a device that includes software which the Minister certified beforehand and of which the version used is allowed by the Minister;

"tax paid or payable" means the tax that has become payable or, if it has not become payable, has been paid.

"**350.70R2.** Despite section 350.70R1, the information provided for in subparagraphs 9 and 10 of the first paragraph of that section does not need to be provided if, for a reason beyond the driver's control, the sales recording system was unable to receive that information when the last invoice was produced, in which case the missing information must be replaced by the mention "problème de communication"."

CHAPTER II

DUES FOR REMUNERATED PASSENGER TRANSPORTATION

DIVISION I

AMENDING PROVISIONS

TAX ADMINISTRATION ACT

20. Section 12.0.3.1 of the Tax Administration Act (chapter A-6.002) is amended by replacing "or section 1015 of the Taxation Act (chapter I-3)" in the second paragraph by ", section 1015 of the Taxation Act (chapter I-3) or section 288 of the Act respecting remunerated passenger transportation by automobile (chapter T-11.2)".

21. Section 25.1.1 of the Act is amended by inserting "or section 288 of the Act respecting remunerated passenger transportation by automobile (chapter T-11.2)" after "(chapter T-0.1)".

22. Section 25.1.2 of the Act is amended by replacing "the Act respecting the Québec sales tax (chapter T-0.1) or to a refund to which the particular person may be entitled under that Act" in the second paragraph by "the Act respecting the Québec sales tax (chapter T-0.1) or section 288 of the Act respecting remunerated passenger transportation by automobile (chapter T-11.2), or to a refund to which the particular person may be entitled under that Act or because of the application of that section".

23. The Act is amended by inserting the following section after section 30.6:

"**30.7.** Sections 30.5 and 30.6 apply, with the necessary modifications, in order to make an assessment in respect of an amount for which a person is liable under section 288 of the Act respecting remunerated passenger transportation by automobile (chapter T-11.2) or to determine a refund because of the application of that section 288, as the case may be."

24. The Act is amended by inserting the following section after section 59.0.0.4:

"**59.0.0.5.** Every person who fails to send the form referred to in section 4 of the Regulation respecting the dues provided for in section 287 of the Act respecting remunerated passenger transportation by automobile (2021, chapter 15, section 35) in the manner set out in section 5 of that Regulation incurs a penalty equal to

(*a*) $10 for each day, not exceeding 100, during which the failure continues, where the number of business operators concerned is less than 51;

(*b*) $25 for each day, not exceeding 100, during which the failure continues, where the number of business operators concerned is greater than 50 but less than 5,001;

(*c*) $50 for each day, not exceeding 100, during which the failure continues, where the number of business operators concerned is greater than 5,000 but less than 10,001; or

(*d*) $75 for each day, not exceeding 100, during which the failure continues, where the number of business operators concerned is greater than 10,000."

25. Section 59.6 of the Act is amended by replacing ", 59.0.0.3 and 59.0.0.4" by "and 59.0.0.3 to 59.0.0.5".

26. The Act is amended by inserting the following section after section 60.4:

"**60.5.** Every person who fails to collect the dues referred to in section 287 of the Act respecting remunerated passenger transportation by automobile (chapter T-11.2), to keep an account of the dues, to render an account of the dues or to remit the dues to the Minister, in accordance with section 288 of

that Act, is guilty of an offence and is liable to a fine of not less than $200 for each day during which the failure continues."

27. Section 61.0.1 of the Act is amended by inserting "or section 288.3 of the Act respecting remunerated passenger transportation by automobile (chapter T-11.2)" after "(chapter T-0.1)" and "or any person who contravenes section 288.8 of that latter Act" after "requirement".

28. Section 64 of the Act is amended

(1) by inserting "60.5," after both occurrences of "60.2,";

(2) by inserting "59.2," after "59,".

29. Section 69.1 of the Act, amended by section 1, is again amended by adding the following subparagraph at the end of the second paragraph:

"(*z*.9) the Commission des transports du Québec, solely to the extent that the information is necessary for the exercise of its power to suspend or revoke an authorization it granted under the Act respecting remunerated passenger transportation by automobile (chapter T-11.2)."

30. Section 93.2 of the Act is amended by adding the following subparagraph at the end of the first paragraph:

"(*p*) an assessment pursuant to section 288 of the Act respecting remunerated passenger transportation by automobile (chapter T-11.2)."

ACT RESPECTING REMUNERATED PASSENGER TRANSPORTATION BY AUTOMOBILE

31. Section 287 of the Act respecting remunerated passenger transportation by automobile (chapter T-11.2) is amended

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

"Dues of $0.90 per trip must be paid by the customer, in addition to the fare. The dues do not apply to trips made as part of a contract referred to in section 148, made under an agreement referred to in section 149 or made in connection with a transportation service exempted under section 166, nor to the carpooling referred to in section 150.

The dues referred to in the first paragraph are allocated to the financing of a financial assistance program established by the Minister of Transport to compensate, to the extent provided for by the program, the persons or groups holding, on 19 March 2019, a taxi owner's permit issued before 15 November 2000.";

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

"Anyone who makes available to the public the technological means referred to in section 93 is required to see to it that the means allows the person requesting a trip to be informed of the amount of the dues to be paid before agreeing to the maximum fare for the trip.

For the purposes of this section, a trip begins when the first passenger boards the vehicle and ends when the last passenger leaves the vehicle."

32. Section 288 of the Act is replaced by the following sections:

"**288.** A person carrying on a taxi business within the meaning of section 1 of the Act respecting the Québec sales tax (chapter T-0.1) who is required to be registered in accordance with section 407 or 407.1 of that Act or a person referred to in section 288.1 must, as a mandatary of the Minister of Revenue and in accordance with the conditions determined by government regulation,

(1) collect the dues when collecting the fare and keep an account of the dues; and

(2) render an account to the Minister of the dues that the person has collected or should have collected in a reporting period and, on or before the time at which the person must render an account to the Minister for the period, remit to the Minister the amount of the dues.

A person is required to render an account even if no trip giving rise to dues is made in a reporting period.

The dues collected are credited to the Land Transportation Network Fund, established by paragraph 1 of section 12.30 of the Act respecting the Ministère des Transports (chapter M-28), after deduction of any refunds and collection expenses.

"**288.1.** The person to whom the first paragraph of section 288 refers is a transportation system operator, or a service supplier of such an operator, that collects the fares electronically on behalf of a business operator and that entered into an agreement referred to in section 37.

The system operator or service supplier, as the case may be, that acts on behalf of a person who carries on a taxi business and that person are solidarily liable for the obligations set out in section 288.

"**288.2.** A person who is required to collect the dues under section 288 and who is registered under Division I of Chapter VIII of Title I of the Act respecting the Québec sales tax (chapter T-0.1) is registered by the Minister in relation to that obligation. The Minister must assign a registration number to the person and notify the person of the registration number and the effective date of the registration.

"**288.3.** A service supplier of a transportation system operator referred to in section 288.1 that is not registered under Division I of Chapter VIII of Title I of the Act respecting the Québec sales tax (chapter T-0.1) is required to be registered in relation to the supplier's obligation to collect dues under section 288.

An application for registration is to be filed with the Minister in the prescribed form containing prescribed information before the day on which a fare is collected electronically by the supplier on behalf of a business operator for the first time.

The Minister may register the supplier applying for registration and, for that purpose, the Minister must assign a registration number to the supplier and notify the supplier of the registration number and the effective date of the registration.

"**288.4.** If the Minister has reason to believe that a service supplier that is not registered under section 288.3 is required to be registered and that the supplier has failed to apply for registration as and when required under that section, the Minister may send a written notice that the Minister intends to register the supplier under section 288.6.

"**288.5.** A service supplier that receives the notice provided for in section 288.4 must apply for registration under section 288.3 or establish to the satisfaction of the Minister that the supplier is not required to be registered.

"**288.6.** The Minister may register a service supplier if, after 30 days after the day on which the notice provided for in section 288.4 was sent, the supplier has not applied for registration and the Minister is not satisfied that the supplier is not required to be registered, in which case the Minister must assign a registration number to the supplier and notify the supplier of the registration number and the effective date of the registration.

"**288.7.** The Minister may cancel the registration of a person if the Minister is satisfied that the registration is not required. Where the Minister cancels a registration, the Minister must notify the person of the cancellation and its effective date.

"**288.8.** A person who carries on a taxi business for which the fare of trips made by that person is no longer being collected on that person's behalf, in its entirety, by a person referred to in section 288.1 must so inform the Minister in order to be registered in relation to the person's obligation to collect dues under section 288.

"**288.9.** Any regulation made under section 288 comes into force on the date of its publication in the *Gazette officielle du Québec* or on any later date set in the regulation.

Such a regulation may also, once published and if it so provides, take effect from a date prior to its publication but not prior to 1 October 2021.

"**288.10.** The first paragraph of section 287 and sections 288 to 288.9 constitute a fiscal law within the meaning of the Tax Administration Act (chapter A-6.002) and, for the purposes of that Act, the dues provided for in the first paragraph of section 287 are deemed to be duties."

33. Section 307 of the Act is amended by inserting ", except the first paragraph of section 287 and sections 288 to 288.10, the administration of which falls under the responsibility of the Minister of Revenue" at the end.

REGULATION RESPECTING REMUNERATED PASSENGER TRANSPORTATION BY AUTOMOBILE

34. Chapter IX of the Regulation respecting remunerated passenger transportation by automobile (chapter T-11.2, r. 4), comprising sections 85 to 98, is repealed.

DIVISION II

ENACTMENT OF THE REGULATION RESPECTING THE DUES PROVIDED FOR IN SECTION 287 OF THE ACT RESPECTING REMUNERATED PASSENGER TRANSPORTATION BY AUTOMOBILE

REGULATION RESPECTING THE DUES PROVIDED FOR IN SECTION 287 OF THE ACT RESPECTING REMUNERATED PASSENGER TRANSPORTATION BY AUTOMOBILE

35. The Regulation respecting the dues provided for in section 287 of the Act respecting remunerated passenger transportation by automobile, the text of which appears below, is enacted.

"REGULATION RESPECTING THE DUES PROVIDED FOR IN SECTION 287 OF THE ACT RESPECTING REMUNERATED PASSENGER TRANSPORTATION BY AUTOMOBILE

"**DIVISION I**

"INTERPRETATION

"**1.** In this Regulation,

"Act" means the Act respecting remunerated passenger transportation by automobile (chapter T-11.2);

"dues" means the dues payable under section 287 of the Act.

"**DIVISION II**

"COLLECTING, RECORDING AND RENDERING AN ACCOUNT OF THE DUES

"**2.** Every person required to collect dues under section 288 of the Act must indicate the dues separately from the trip fare on any invoice or other document evidencing the trip as well as in the person's registers.

The dues must be referred to on the invoice or other document and in the registers by their name, an abbreviation of their name or a similar designation. No other form of reference to the dues may be used.

"**3.** Where a person has charged to, or collected from, a customer an amount as or on account of dues in excess of the dues that were collectible, the person must adjust, refund or credit the excess amount in accordance with the rules set out in sections 447 and 449 of the Act respecting the Québec sales tax (chapter T-0.1), with the necessary modifications.

Where a person refunds or credits to a customer the entire fare paid for a trip, the person must also refund or credit the dues collected in respect of the trip.

"**4.** A person must render an account under section 288 of the Act in the prescribed form containing prescribed information for each reporting period referred to in the third paragraph in respect of that person.

The rendering of account must be made, where the person is a person referred to in section 288.1 of the Act, at the time for communicating information to Revenu Québec, provided for in the agreement to ensure compliance with government requirements regarding taxation entered into pursuant to section 37 of the Act. In any other case, it must be made at the time at which the person must file the return provided for in Division IV of Chapter VIII of Title I of the Act respecting the Québec sales tax (chapter T-0.1).

For the purposes of the first paragraph, a reporting period referred to in respect of a person is,

(1) where the person is referred to in section 288.1 of the Act, the period provided for, in relation to tax obligations, in the agreement to ensure compliance with government requirements regarding taxation entered into pursuant to section 37 of the Act; or

(2) in any other case, the person's reporting period for the purposes of Title I of the Act respecting the Québec sales tax.

"**5.** A person referred to in section 288.1 of the Act must send to the Minister by way of electronic filing, according to the terms and conditions determined by the Minister, the form provided for in section 4."

DIVISION III

TRANSITIONAL PROVISIONS

36. An amount of dues outstanding on 1 October 2021, in relation to a report that was made to the Minister of Transport in accordance with section 89 of the Regulation respecting remunerated passenger transportation by automobile (chapter T-11.2, r. 4), becomes, on that date, an amount owed to the Minister of Revenue under a fiscal law.

37. Where section 288.3 of the Act respecting remunerated passenger transportation by automobile (chapter T-11.2) applies in respect of a service supplier of a transportation system operator that entered into an agreement referred to in section 37 of that Act before 1 October 2021, that section 288.3 is to be read as if "the day on which a fare is collected electronically by the supplier on behalf of a business operator for the first time" in the second paragraph were replaced by "1 November 2021".

38. From 2 June 2021 to 30 September 2021, the Regulation respecting remunerated passenger transportation by automobile is to be read as if the first paragraph of section 90 were replaced by the following paragraph:

"When a business operator charges to or collects from a customer an amount of dues in excess of the dues that were collectible, the business operator must adjust, refund or credit that excess in accordance with the rules provided for in sections 447 and 449 of the Act respecting the Québec sales tax (chapter T-0.1), with the necessary modifications."

CHAPTER III

RECOVERY FEES FOR A FIRST INTERVENTION IN RELATION TO THE COLLECTION OF A TAX DEBT

TAX ADMINISTRATION ACT

39. Section 12.0.3.1 of the Tax Administration Act (chapter A-6.002), amended by section 20, is again amended by striking out "of an employee of the Agency" in subparagraph *a* of the first paragraph.

REGULATION RESPECTING FISCAL ADMINISTRATION

40. Section 12.0.3.1R1 of the Regulation respecting fiscal administration (chapter A-6.002, r. 1) is amended by replacing paragraph 1 by the following paragraph:

"(1) $48, if a first intervention referred to in that section is made in respect of the person;".

CHAPTER IV

SUSPENSION AND EXTENSION OF CERTAIN TIME LIMITS IN TAXATION MATTERS

41. The following time limits, in taxation matters, are suspended from 13 March 2020 until 31 August 2021:

(1) the prescription periods applicable to an assessment or a determination under a fiscal law and to the recovery of a tax debt; and

(2) the time limit leading to the forfeit of a right provided for in section 1079.8.11 of the Taxation Act (chapter I-3).

42. The time limit to apply for an extension under section 93.1.3 of the Tax Administration Act (chapter A-6.002), which would have expired in the period beginning on 13 March 2020 and ending on 30 December 2020, is extended by six months or until 31 December 2020, if that date precedes the date of expiry of the time limit extended by six months.

CHAPTER V

ELIGIBILITY FOR ENHANCED BENEFITS OF THE SOCIAL SOLIDARITY PROGRAM

DIVISION I

AMENDING PROVISIONS

INDIVIDUAL AND FAMILY ASSISTANCE ACT

43. Section 72 of the Individual and Family Assistance Act (chapter A-13.1.1) is amended by inserting the following paragraph after the first paragraph:

"For the purpose of calculating the elapsed time, the regulation may provide that the periods in which a person had a severely limited capacity for employment that in all likelihood prevented the person from acquiring economic self-sufficiency permanently or indefinitely or a handicap requiring exceptional care are considered, in the cases and on the conditions determined in the regulation."

44. Section 133 of the Act is amended

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

"(2.1) prescribing, for persons referred to in the second paragraph of section 72, the periods that may be considered in calculating the time provided for in the first paragraph of that section and determining the cases in which and the conditions under which such periods are considered; and";

(2) by replacing "second" in paragraph 3 by "third".

DIVISION II

TRANSITIONAL PROVISION

45. For the sole purposes of the second paragraph of section 72 of the Individual and Family Assistance Act (chapter A-13.1.1), as amended by section 43 of this Act, the first regulation made under paragraph 2.1 of section 133 of the Individual and Family Assistance Act, as enacted by section 44 of this Act, may have retroactive effect from 1 October 2021.

CHAPTER VI

SPORTS AND PHYSICAL ACTIVITY DEVELOPMENT FUND

ACT TO ESTABLISH THE SPORTS AND PHYSICAL ACTIVITY DEVELOPMENT FUND

46. Section 5 of the Act to establish the Sports and Physical Activity Development Fund (chapter F-4.003) is amended

(1) by replacing "fiscal year 2019–2020 and $80,000,000 for each of the four subsequent fiscal years" in the first paragraph by "2019–2020 fiscal year, $80,000,000 for the 2020–2021 fiscal year and $90,000,000 for each of the three subsequent fiscal years";

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

"For the 2024–2025 fiscal year, the amount is $89,000,000, for the 2025–2026 fiscal year, it is $88,000,000, and for the 2026–2027 to 2029–2030 fiscal years, it is $10,000,000."

CHAPTER VII

ISSUE OF INSTRUMENTS IN REGISTERED FORM

DIVISION I

AMENDING PROVISION

BUSINESS CORPORATIONS ACT

47. Section 56 of the Business Corporations Act (chapter S-31.1) is amended by adding the following sentence at the end: "Those evidences must be in registered form."

DIVISION II

TRANSITIONAL PROVISION

48. A person who, before the coming into force of section 47, holds an instrument, certificate or other bearer document evidencing an exchange right, option or right to acquire shares that was issued by a business corporation governed by the Business Corporations Act (chapter S-31.1) may request that the corporation replace such a document by a document evidencing an exchange right, option or right to acquire shares that is in registered form; in such a case, the corporation must issue a document in registered form.

CHAPTER VIII

MANAGEMENT AND DEVELOPMENT OF PUBLIC LAND

ACT RESPECTING THE MINISTÈRE DES RESSOURCES NATURELLES ET DE LA FAUNE

49. Section 17.3 of the Act respecting the Ministère des Ressources naturelles et de la Faune (chapter M-25.2) is amended by inserting the following paragraph after paragraph 1:

"(1.1) the sums collected under the Act respecting the lands in the domain of the State (chapter T-8.1) and programs for the development of lands in the domain of the State, other than the portion of those sums that a delegatee may keep under a management delegation agreement entered into under section 17.22;".

50. Section 17.4 of the Act, amended by section 87 of chapter 17 of the statutes of 2020, is again amended, in the first paragraph,

(1) by inserting "2, 6, 6.1," after "subparagraphs";

(2) by striking out "and to finance the costs related to preparing programs for the development of lands in the domain of the State and to planning and drawing up land-use guidelines" at the end.

CHAPTER IX

MONETARY ADMINISTRATIVE PENALTIES FOR LIQUOR PERMIT HOLDERS

ACT RESPECTING LIQUOR PERMITS

51. Section 85.1 of the Act respecting liquor permits (chapter P-9.1) is amended by replacing "3 litres" in paragraph 1 by "4 litres".

REGULATION RESPECTING LIQUOR PERMITS

52. Section 32.1 of the Regulation respecting liquor permits (chapter P-9.1, r. 5) is amended

(1) by replacing "3 litres" in the introductory clause by "4 litres";

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

"(1) $300 if the quantity of alcoholic beverages is

(*a*) 1 litre or less of spirits;

(*b*) 1 litre or less of wine;

(*c*) 1.5 litres or less of beer;

"(1.1) $500 if the quantity of alcoholic beverages is

(*a*) greater than 1 litre of spirits, but not exceeding 2 litres;

(*b*) greater than 1 litre of wine, but not exceeding 2 litres;

(*c*) greater than 1.5 litres of beer, but not exceeding 3 litres;";

(3) by replacing "1 litre" and "2 litres" in subparagraph *a* of paragraph 2 by "2 litres" and "3 litres", respectively;

(4) by replacing "2 litres" and "3 litres" in subparagraph *a* of paragraph 3 by "3 litres" and "4 litres", respectively.

53. Section 32.5 of the Regulation is amended by replacing paragraph 1 by the following paragraphs:

"(1) $300 if the quantity of alcoholic beverages is 1 litre or less;

"(1.1) $500 if the quantity of alcoholic beverages is greater than 1 litre, but not exceeding 2 litres;".

CHAPTER X

PUBLICITY CONTESTS

ACT RESPECTING LOTTERIES, PUBLICITY CONTESTS AND AMUSEMENT MACHINES

54. Section 58 of the Act respecting lotteries, publicity contests and amusement machines (chapter L-6) is amended by striking out paragraph *c*.

55. Section 63 of the Act is amended by inserting "to a publicity contest in which the prizes are offered to a group of contestants including contestants from outside of Canada, even if the group also includes contestants from Québec, nor" after "does not apply".

CHAPTER XI

WORKERS' FUND

ACT TO ESTABLISH FONDACTION, LE FONDS DE DÉVELOPPEMENT DE LA CONFÉDÉRATION DES SYNDICATS NATIONAUX POUR LA COOPÉRATION ET L'EMPLOI

56. Sections 10.1 and 10.2 of the Act to establish Fondaction, le Fonds de développement de la Confédération des syndicats nationaux pour la coopération et l'emploi (chapter F-3.1.2) are amended by replacing all occurrences of "the spouse" by "the spouse or former spouse".

57. Section 11 of the Act is amended by replacing "by a resolution adopted by the board of directors of the Fund" in paragraph 5 by "by the Fund".

58. Section 14.1 of the Act is amended

(1) by inserting ", a request for transfer made under section 10.1 or 10.2" after "section 9";

(2) by replacing "by a resolution adopted by the board of directors of the Fund" by "by the Fund".

59. Section 15 of the Act is amended by replacing "by by-law of the Fund" in the second paragraph by "by the Fund".

60. Section 40 of the Act is amended by replacing "by a resolution adopted by the board of directors of the Fund" by "by the Fund".

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

61. Sections 9.1 and 9.2 of the Act to establish the Fonds de solidarité des travailleurs du Québec (F.T.Q.) (chapter F-3.2.1) are amended by replacing all occurrences of "the spouse" by "the spouse or former spouse".

62. Section 10 of the Act is amended by replacing "by a resolution adopted by the board of directors of the Fund" in paragraph 5 by "by the Fund".

63. Section 11.1 of the Act is amended

(1) by inserting ", a request for transfer made under section 9.1 or 9.2" after "section 8";

(2) by replacing "by a resolution adopted by the board of directors of the Fund" by "by the Fund".

64. Section 12 of the Act is amended by replacing "by by-law of the Fund" in the second paragraph by "by the Fund".

65. Section 32 of the Act is amended by replacing "by a resolution adopted by the board of directors of the Fund" by "by the Fund".

TAXATION ACT

66. Section 776.1.4 of the Taxation Act (chapter I-3) is amended by inserting "or former spouse" after every occurrence of "spouse" in subparagraphs *a*.1 and *b*.1 of the first paragraph.

67. Section 776.1.4.1 of the Act is amended by inserting "or former spouse" after every occurrence of "spouse".

CHAPTER XII

ACCESS TO STATISTICAL DATA FOR RESEARCH PURPOSES

DIVISION I

AMENDING PROVISIONS

ACT RESPECTING THE INSTITUT DE LA STATISTIQUE DU QUÉBEC

68. The Act respecting the Institut de la statistique du Québec (chapter I-13.011) is amended by inserting the following sections after section 2:

"**2.1.** The Institut's mission is also to ensure the communication, for research purposes, of information held by public bodies to researchers attached to a public body, in accordance with Chapter I.2.

"**2.2.** For the purposes of this Act,

(1) a public body is a body referred to in section 3 of the Act respecting Access to documents held by public bodies and the Protection of personal information (chapter A-2.1); and

(2) a researcher is attached to a public body

(*a*) where the researcher conducts research for that public body under a contract of employment or a service contract entered into with the public body,

(*b*) where the public body is an institution to which the Act respecting health services and social services (chapter S-4.2) or the Act respecting health services and social services for Cree Native persons (chapter S-5) applies and the researcher is a physician, dentist or pharmacist practising in a centre operated by that institution, or

(*c*) in any other case the Minister may determine by regulation."

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

"**8.1.** A public body may communicate information for statistical purposes to a statistics body only under an agreement to which the Institut is a party.

The public body must, at the Institut's request, communicate to the Institut the information covered by the agreement, on the terms and conditions stipulated in the agreement.

"**8.2.** A public body that obtains information for statistical purposes from a statistics body must inform the Institut of that fact in writing."

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

"In the pursuit of its mission, the Institut may enter into an agreement with a public body to allow for the collection, exchange, transmission, analysis and distribution of information.

Any public body may communicate to the Institut the personal information necessary for the enforcement of such an agreement. The information is then communicated in accordance with the provisions of the agreement entered into with each public body concerned."

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

"**CHAPTER I.1**

"DESIGNATED INFORMATION

"**13.1.** In addition to the provisions of this Act allowing the Institut to obtain information from a public body, the Government may designate information held by a public body so that it may, in accordance with this Act, be used by the Institut and communicated, for research purposes, to researchers attached to a public body, unless, in the latter case, the Government provides otherwise.

The information is designated by the Government on the joint recommendation of the Minister and the minister responsible for the public body holding the information. The Government shall identify the public body and may specify

the conditions, terms and limits applicable to the use and communication of certain designated information by the Institut, in particular to ensure the protection of personal information.

The Institut shall, as soon as possible, send a copy of the designation document to the Commission d'accès à l'information.

"**13.2.** At the request of the Institut, a public body must communicate to the Institut the designated information that it holds and that is necessary for the purposes of this Act.

The Institut and the public body may enter into an agreement to that end.

"**CHAPTER I.2**

"COMMUNICATION, FOR RESEARCH PURPOSES, OF DESIGNATED INFORMATION TO RESEARCHERS ATTACHED TO A PUBLIC BODY

"**DIVISION I**

"GENERAL PROVISIONS

"**13.3.** This chapter applies to designated information that may be communicated for research purposes by the Institut to a researcher attached to a public body.

"**13.4.** The Institut shall publish on its website a list of the information to which this chapter applies, coupled with each public body holding such information.

"**13.5.** Designated information is communicated for research purposes by the Institut to a researcher attached to a public body, without it being necessary for the researcher to obtain an authorization from the Commission d'accès à l'information.

This section applies despite section 125 of the Act respecting Access to documents held by public bodies and the Protection of personal information (chapter A-2.1).

"**13.6.** Despite the first paragraph of section 13.5, a researcher attached to a public body is not required to obtain from the Institut communication of information to which this chapter applies

(1) where personal information is required as part of a research project requiring a survey with the persons concerned;

(2) where the information is held by a public body to which the researcher is attached; or

(3) in any other case the Minister may determine by regulation.

"**DIVISION II**

"COMMUNICATION REQUEST

"**13.7.** Any researcher attached to a public body who intends to obtain from the Institut communication of designated information for research purposes must request it in writing, in the form determined by the Institut.

Where the information includes personal information, the researcher must show in the request that

(1) the objective of the research project can only be achieved if that personal information is communicated;

(2) it is unreasonable to require that the researcher obtain the consent of the persons concerned;

(3) the communication and use of personal information as part of the researcher's research project are not prejudicial to the persons concerned and that the research project's expected benefits are in the public interest;

(4) the personal information will be used in a manner that will ensure its confidentiality; and

(5) only the personal information necessary for the research project is requested.

"**13.8.** The following documents must be submitted with the communication request provided for in section 13.7:

(1) a document establishing that the researcher is attached to a public body;

(2) a detailed presentation of the research activities;

(3) if applicable, the decision of a research ethics committee relating to the research project concerned; and

(4) any other document the Minister may determine by regulation.

"**DIVISION III**

"COMMUNICATION AGREEMENT

"**13.9.** Once a researcher attached to a public body has provided the documents required under this Act and has shown, in the Institut's opinion, if applicable, that the conditions of the second paragraph of section 13.7 are met, the researcher may enter into a communication agreement with the Institut.

"**13.10.** The communication agreement must, in particular,

(1) provide for measures that ensure the protection of the information;

(2) determine the retention period that applies to information;

(3) provide for the destruction of the information at the expiry of the retention period;

(4) provide that the Institut and the Commission d'accès à l'information must be informed without delay

(*a*) of non-compliance with any condition set out in the agreement,

(*b*) of any failure to comply with the protection measures provided for in the agreement, and

(*c*) of any event that could breach the confidentiality of the information; and

(5) provide for the transmission to the Institut of information needed to maintain the register provided for in section 13.16.

Where the agreement concerns personal information, it must also stipulate that the information

(1) may be made accessible only to persons who need it to exercise their functions and who have signed a confidentiality agreement;

(2) may not be used for purposes other than those specified in the detailed presentation of the research activities;

(3) may not be compared, combined or paired with any other information that has not been provided for in the detailed presentation of the research activities; and

(4) may not be communicated, published or otherwise distributed in a form allowing the persons concerned to be identified.

"**13.11.** The Institut shall send a copy of any communication agreement to the Commission d'accès à l'information and to the public body that communicated to the Institut the information that is covered by the agreement within 30 days after the agreement is entered into.

"**DIVISION IV**

"COMMUNICATION OF DESIGNATED INFORMATION

"**13.12.** The Institut shall communicate the requested designated information to a researcher attached to a public body with whom a communication agreement was entered into and who, where the information had to be compared, combined or paired by the Institut, paid the fees payable for the creation of an information file.

"**13.13.** Information is to be communicated by appropriate means to ensure the protection of personal information that are determined by the Institut.

"**13.14.** The information may only be communicated in a form that does not allow the persons concerned to be identified directly.

"**13.15.** When notified that a case described in any of subparagraphs *a* to *c* of subparagraph 4 of the first paragraph of section 13.10 has occurred, the Institut shall, without delay, so notify the public body that communicated the information concerned to the Institut.

"**DIVISION V**

"REGISTER OF PUBLICATIONS

"**13.16.** The Institut shall keep on its website a register of result publications regarding research projects for which designated information was communicated in accordance with this chapter. The register must contain the following information for each publication:

(1) the title and date of the publication;

(2) the name of the researcher attached to a public body;

(3) the name of each public body to which the researcher is attached; and

(4) any other information considered relevant by the Institut."

72. Section 26 of the Act is amended, in the second paragraph,

(1) by replacing "section 10" in subparagraph 1 by "section 10 or 13.9";

(2) by replacing "director general" in subparagraph 3 by "Chief Statistician".

73. The Act is amended by inserting the following after section 30:

"**CHAPTER III.1**

"REQUESTS FOR, USE OF AND RETENTION OF INFORMATION

"**30.1.** The Institut may request information in accordance with sections 8.1 and 13.2 and use such information as part of its mission and to the extent provided by this Act, only if it is necessary for the purposes of

(1) an agreement entered into with a government department or body;

(2) a communication agreement entered into under section 13.9 with a researcher attached to a public body;

(3) any other agreement that may be entered into by the Institut, under which the public body that communicated to the Institut the information covered by the agreement must authorize its use; or

(4) the carrying out of a mandate referred to in section 13.

Before entering into an agreement referred to in subparagraph 1 of the first paragraph, the Institut must send it, for information purposes, to every public body having communicated information covered by the agreement.

"**30.2.** The Institut shall destroy personal information communicated to it in accordance with sections 8.1 and 13.2 as soon as it is no longer necessary for the purposes of the agreement or mandate for which it was requested.

"**30.3.** The Institut shall establish governance rules regarding designated personal information it holds for the purpose of communicating it to researchers attached to a public body and have them approved by the Commission d'accès à l'information. The rules must, in particular, provide a framework for the protection, retention and destruction of the information and provide for the roles and responsibilities of the members of the personnel of the Institut throughout the life cycle of such information.

The rules must be submitted again to the Commission for approval every three years.

The Institut shall publish the rules on its website, except those that could hinder the protection measures applied to ensure the confidentiality and integrity of the information.

"**CHAPTER III.2**

"OVERSIGHT BY THE COMMISSION D'ACCÈS À L'INFORMATION

"**30.4.** The Commission d'accès à l'information shall oversee the application by the Institut of its governance rules with respect to the designated personal information held by the Institut for the purpose of communicating it to researchers attached to a public body.

"**30.5.** The Institut shall, at the request of the Commission d'accès à l'information, provide it with such information as it may require on the application of the rules referred to in section 30.4.

"**30.6.** After giving the Institut an opportunity to submit written observations, the Commission d'accès à l'information may make a recommendation to the Institut or order it to take the measures the Commission considers appropriate for the application of the rules.

"**30.7.** Sections 123.1 to 123.3, 133 and 134 of the Act respecting Access to documents held by public bodies and the Protection of personal information (chapter A-2.1) apply for purposes of oversight by the Commission d'accès à l'information."

74. Section 41 of the Act is amended by inserting the following paragraphs after paragraph 1:

"(1.1) contravenes a stipulation of a communication agreement referred to in section 13.9 to which the person is a party;

"(1.2) contravenes a confidentiality agreement that the person signed in accordance with subparagraph 1 of the second paragraph of section 13.10;".

75. The Act is amended by inserting the following section after section 42:

"**42.1.** On an application made by the prosecutor and submitted with the statement of offence, the judge may impose on the offender, in addition to any other penalty, a further fine not exceeding the financial benefit realized by the offender as a result of the offence, even if the maximum fine has been imposed."

76. The Act is amended by replacing all occurrences of "director general" and "director general's" by "Chief Statistician" and "Chief Statistician's", respectively.

HEALTH INSURANCE ACT

77. Section 67 of the Health Insurance Act (chapter A-29) is amended by replacing "functions," in the fifth paragraph by "functions. Unless the information is designated in accordance with section 13.1 of that Act, the information is disclosed".

ACT RESPECTING HEALTH SERVICES AND SOCIAL SERVICES

78. Section 19.2 of the Act respecting health services and social services (chapter S-4.2) is amended

(1) in the first paragraph,

(*a*) by inserting "or a researcher attached to a public body" after "a professional";

(*b*) by inserting "or obtain communication of all or part of such a record" after "to examine the record of a user";

(2) by replacing "the professional's project" in the second paragraph by "the project of the professional or of the researcher attached to a public body";

(3) by inserting "or the authorized researcher attached to a public body" after "authorized professional" in the third paragraph;

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

"For the purposes of this Act, a researcher is attached to a public body in the cases described in paragraph 2 of section 2.2 of the Act respecting the Institut de la statistique du Québec (chapter I-13.011)."

79. The Act is amended by inserting the following section after section 19.2:

"**19.3.** When information obtained by a researcher attached to a public body in accordance with section 19.1 or 19.2 must, for the purposes of the researcher's research project, be compared, combined or paired, including, if applicable, with information communicated to the researcher in accordance with Chapter I.2 of the Act respecting the Institut de la statistique du Québec (chapter I-13.011), the researcher may communicate it to the Institut de la statistique du Québec to have the Institut compare, combine or pair it.

The information so communicated to the Institut may only be used for the purposes of that research project and must be destroyed once the project is completed."

DIVISION II

TRANSITIONAL PROVISION

80. Unless the context indicates otherwise, in any Act, regulation or other document, a reference to the director general of the Institut de la statistique du Québec is a reference to the Chief Statistician of the Institut de la statistique du Québec.

CHAPTER XIII

INFORMATION RELATING TO AMOUNTS TO BE PAID INTO THE SPECIAL CONTRACTS AND FINANCIAL ASSISTANCE FOR INVESTMENT FUND

HYDRO-QUÉBEC ACT

81. Section 15.1.2 of the Hydro-Québec Act (chapter H-5) is amended by replacing "must be submitted with the financial data referred to in section 15.1" in the second paragraph by "in respect of each of the Government's fiscal years must be sent to the Minister of Finance by the Company not later than 10 April following the end of the fiscal year concerned".

ACT RESPECTING THE FINANCIAL ASSISTANCE FOR INVESTMENT PROGRAM AND ESTABLISHING THE SPECIAL CONTRACTS AND FINANCIAL ASSISTANCE FOR INVESTMENT FUND

82. Section 25 of the Act respecting the Financial Assistance for Investment Program and establishing the Special Contracts and Financial Assistance for Investment Fund (chapter P-30.1.1) is amended by replacing "must be submitted with the financial data referred to in section 15.1" in the second paragraph of section 15.1.2 of the Hydro-Québec Act (chapter H-5) that it replaces by "in respect of each of the Government's fiscal years must be sent to the Minister of Finance by the Company not later than 10 April following the end of the fiscal year concerned".

CHAPTER XIV

ALLOCATION OF A TAX REFUND

ACT RESPECTING DEPOSITS WITH THE BUREAU GÉNÉRAL DE DÉPÔTS POUR LE QUÉBEC

83. Section 1 of the Act respecting deposits with the Bureau général de dépôts pour le Québec (chapter D-5.1) is amended by inserting "or allocated by the Minister of Revenue in accordance with section 31.1.0.1 of the Tax Administration Act (chapter A-6.002)" after "(chapter A-6.001)" in subparagraph 2 of the second paragraph.

CHAPTER XV

DEPARTURE FROM CERTAIN APPLICABLE RULES RESPECTING LIABILITY INSURANCE

CIVIL CODE OF QUÉBEC

84. Article 2503 of the Civil Code of Québec is amended by adding the following paragraph at the end:

"However, the Government may, by regulation, determine categories of insurance contracts that may depart from those rules and from the rule set out in article 2500, as well as classes of insureds that may be covered by such contracts. The Government may also prescribe any standard applicable to those contracts."

CHAPTER XVI

REIMBURSEMENT OF FINANCIAL ASSISTANCE FOR EDUCATION EXPENSES

85. Despite any inconsistent provision, the rate of interest prescribed in section 73 of the Regulation respecting financial assistance for education expenses (chapter A-13.3, r. 1) applicable to the payment of interest by the person referred to in section 42.1 of the Act respecting financial assistance for education expenses (chapter A-13.3), the rate of interest to be paid by the borrower in default referred to in section 80 of that Regulation and the rate of interest to be paid by the person to whom section 101 of that Regulation applies are 0% for the period from 1 April to 30 September 2020.

In addition, the rate of interest to be applied in respect of an amount of financial assistance for education expenses received, without entitlement, before 1 May 2004, that a person must repay to the Minister of Higher Education, Research, Science and Technology is also 0% for the period referred to in the first paragraph.

86. The Minister of Higher Education, Research, Science and Technology shall pay to the financial institution, on behalf of the borrower, the interest, accrued from 1 April to 30 September 2020, on the balance, including capitalized interest, of the loan made to the borrower under the Act respecting financial assistance for education expenses and in accordance with the terms and conditions determined by the Regulation respecting financial assistance for education expenses, enacted by Order in Council 844-90 dated 20 June 1990 (1990, G.O. 2, 1685), as amended from time to time, at the rate determined under section 68 of that Regulation.

87. The Minister of Higher Education, Research, Science and Technology shall waive the payment of the interest to be paid by the borrower, accrued from 1 April to 30 September 2020, on the balance, including capitalized interest, of a loan made to the borrower under the Student Loans and Scholarships Act (chapter P-21) or under the Act respecting financial assistance for education expenses and in accordance with the terms and conditions determined by the Regulation respecting financial assistance for education expenses, enacted by Order in Council 844-90 dated 20 June 1990 (1990, G.O. 2, 1685), as amended from time to time, and in respect of which judicial proceedings were instituted and ended with a judgment or agreement confirming the exigibility of the balance.

88. Any payment that is either provided for in an agreement entered into for the repayment of amounts owed to a financial institution or the Minister of Higher Education, Research, Science and Technology or agreed to following a judgment and to which the interest referred to in sections 85 to 87 applies is suspended from 1 April to 30 September 2020.

CHAPTER XVII

BUDGET ESTIMATES OF THE SOCIÉTÉ DE DÉVELOPPEMENT ET DE MISE EN VALEUR DU PARC OLYMPIQUE

ACT RESPECTING THE SOCIÉTÉ DE DÉVELOPPEMENT ET DE MISE EN VALEUR DU PARC OLYMPIQUE

89. Section 36 of the Act respecting the Société de développement et de mise en valeur du Parc olympique (2020, chapter 10) is repealed.

CHAPTER XVIII

DEPOSIT INSURANCE

DEPOSIT INSTITUTIONS AND DEPOSIT PROTECTION ACT

90. Section 1.1 of the Deposit Institutions and Deposit Protection Act (chapter I-13.2.2) is amended by adding the following paragraph at the end:

"Despite the preceding paragraphs, the Minister may, exceptionally and for a period determined by the Minister but not exceeding two years, determine that this Act applies to a deposit to which it does not otherwise apply."

91. Section 33.1 of the Act is amended by striking out the second sentence of the second paragraph.

CHAPTER XIX

ADDITIONAL JURISDICTION OF THE MUNICIPAL COURT

ACT RESPECTING REMUNERATED PASSENGER TRANSPORTATION BY AUTOMOBILE

92. Section 215 of the Act respecting remunerated passenger transportation by automobile (chapter T-11.2) is amended by inserting the following paragraph after the second paragraph:

"Proceedings referred to in the first paragraph may be instituted before any municipal court having jurisdiction in the territory in which the offence was committed. The costs relating to proceedings instituted before a municipal court belong to the municipality to which the court is attached, except any part of the costs remitted by the collector to another prosecuting party under article 345.2 of the Code of Penal Procedure (chapter C-25.1) and any costs remitted to the defendant under article 223 of that Code."

93. Penal proceedings instituted under section 215 of the Act respecting remunerated passenger transportation by automobile and in progress on 2 June 2021 are continued before the Court of Québec.

CHAPTER XX

ACCOUNTING FOR MULTI-YEAR TRANSFERS

FINANCIAL ADMINISTRATION ACT

94. Section 24.1 of the Financial Administration Act (chapter A-6.001) is repealed.

ACT RESPECTING SUBSIDIES FOR THE PAYMENT IN CAPITAL AND INTEREST OF LOANS OF PUBLIC OR MUNICIPAL BODIES AND CERTAIN OTHER TRANSFERS

95. The title of the Act respecting subsidies for the payment in capital and interest of loans of public or municipal bodies and certain other transfers (chapter S-37.01) is amended by striking out "AND CERTAIN OTHER TRANSFERS".

96. Section 1.1 of the Act is repealed.

CHAPTER XXI

PAYMENT OF SUMS INTO A SIDE ACCOUNT DETERMINED BY AN INSURANCE CONTRACT

INSURERS ACT

97. The Insurers Act (chapter A-32.1) is amended by inserting the following chapter after section 549:

"**CHAPTER IV**

"PROVISIONS APPLICABLE TO A CONTRACT THAT INCLUDES AN OPTION TO PAY SUMS INTO A SIDE ACCOUNT

"**549.1.** An individual life insurance contract entered into before 2 June 2021 that includes an option to pay sums into a side account determined by the contract is deemed to provide that the total amount of those sums may not exceed 125% of the total of the premiums payable throughout the term of the contract, including taxes, fees or other costs, and determined based on the information obtained from the insured in establishing the premiums for the purpose of entering into the contract. Where applicable, the total of the sums deposited on that date is deemed not to have exceeded that percentage."

CHAPTER XXII

HOME CHILDCARE

EDUCATIONAL CHILDCARE ACT

98. Section 52 of the Educational Childcare Act (chapter S-4.1.1) is amended by replacing paragraphs 1 and 2 by the following paragraphs:

"(1) to up to six children of whom not more than two are under the age of 18 months, or

"(2) to up to six children of whom not more than four are under the age of 18 months, if the person is assisted by another adult,".

99. Section 53 of the Act is amended by replacing the second paragraph by the following paragraph:

"The person may not provide childcare to more than four children under the age of 18 months."

100. The Act is amended by inserting the following section after section 53:

"**53.1.** For the purpose of calculating the number of children to whom childcare may be provided according to sections 52 and 53, the home childcare provider must count, if they are present while the childcare is provided, the home childcare provider's own children under nine years of age and, if applicable, those of the adult assistant as well as the children under nine who ordinarily live with them, except, during the school calendar, if they are admitted to preschool education services or elementary school instructional services within the meaning of the Education Act (chapter I-13.3) and are present, while the childcare is provided, only in the morning before school, at lunch time and in the afternoon after school.

If the childcare is provided on a day outside the school calendar, those same children must be counted, unless they participate, outside of the residence, in an activity beginning in the morning and continuing in the afternoon and they are present, while the childcare is provided, only during the times specified in the previous paragraph, with the necessary modifications."

101. Section 109 of the Act is amended by replacing "or 53" by ", 53 or 53.1".

EDUCATIONAL CHILDCARE REGULATION

102. Section 75 of the Educational Childcare Regulation (chapter S-4.1.1, r. 2) is amended by inserting ", 53.1" after "53" in paragraph 1.

CHAPTER XXIII

PERSON WHO PROVIDES INFORMATION OR DATA APPLIED TO ESTABLISH A BENCHMARK

SECURITIES ACT

103. Section 186.1 of the Securities Act (chapter V-1.1) is amended by striking out the second and third paragraphs.

104. The Act is amended by inserting the following section after section 186.2:

"**186.2.0.1.** The Authority may, in accordance with the criteria and conditions determined by regulation, designate a benchmark and the administrator of that benchmark as being subject to this Act.

In addition, it may, by regulation, prescribe requirements in respect of a person who provides information or data applied to establish a designated benchmark.

Where the Authority's decision concerns the designation of a benchmark, section 318 applies to the administrator of that benchmark."

105. Sections 186.2.1 to 186.4 and 186.6 of the Act are amended by replacing all occurrences of "benchmark administrator subject to this Act" by "designated benchmark administrator".

106. Section 237 of the Act is amended by replacing "a benchmark administrator subject to this Act, a person whose activities are governed by an Act listed in Schedule 1 to the Act respecting the regulation of the financial sector (chapter E-6.1) or by an equivalent Act of another legislative authority in Canada and" in subparagraph 11 of the first paragraph by "a designated benchmark administrator, a person".

107. Section 331.1 of the Act is amended

(1) by replacing "make this Act applicable to a benchmark" in paragraph 9.2.1 by "designate a benchmark and the administrator of that benchmark";

(2) by replacing "benchmark administrators subject to this Act" in paragraph 9.3 by "designated benchmark administrators";

(3) by replacing "under section 186.2.1 in respect of a benchmark administrator subject to this Act" in paragraph 9.5 by "in respect of a designated benchmark administrator or a person who provides information or data applied to establish a designated benchmark".

CHAPTER XXIV

FINAL PROVISIONS

108. The provisions of sections 94 to 96 have effect from 1 April 2020. The provisions of Chapter VIII, comprising sections 49 and 50, and those of section 89 have effect from 1 April 2021.

109. The provisions of this Act come into force on 2 June 2021, except

(1) Chapter III, comprising sections 39 and 40, which comes into force on 1 July 2021;

(2) Division I of Chapter I, comprising sections 1 to 9, which comes into force on 1 September 2021; and

(3) sections 20 to 37, which come into force on 1 October 2021.

Regulations and other Acts

M.O., 2021-09

Order number V-1.1-2021-09 of the Minister of Finance dated 16 July 2021

Securities Act
(chapter V-1.1)

CONCERNING the Regulation to amend Regulation 45-108 respecting Crowdfunding

WHEREAS paragraph 1 of section 331.1 of the Securities Act (chapter V-1.1) provides that the *Autorité des marchés financiers* may make regulations concerning the matters referred to in that paragraph;

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 45-108 respecting Crowdfunding was approved by ministerial order no. 2015-19 dated 7 January 2016 (2016, *G.O.* 2, 47);

WHEREAS there is cause to amend this Regulation;

WHEREAS the draft Regulation to amend Regulation 45-108 respecting Crowdfunding was published for a first consultation in the *Bulletin de l'Autorité des marchés financiers*, vol. 15, no. 35 of 6 September 2018;

WHEREAS the draft Regulation to amend Regulation 45-108 respecting Crowdfunding was published for a second consultation in the *Bulletin de l'Autorité des marchés financiers*, vol. 17, no. 6 of 13 February 2020;

WHEREAS the revised text of the draft Regulation to amend Regulation 45-108 respecting Crowdfunding was published in the *Bulletin de l'Autorité des marchés financiers*, vol. 18, no. 21 of 27 May 2021;

WHEREAS the *Autorité des marchés financiers* made, on 30 June 2021, by the decision no. 2021-PDG-0035, Regulation to amend Regulation 45-108 respecting Crowdfunding;

WHEREAS there is cause to approve this Regulation without amendment;

CONSEQUENTLY, the Minister of Finance approves without amendment the Regulation to amend Regulation 45-108 respecting Crowdfunding appended hereto.

16 July 2021

ERIC GIRARD
Minister of Finance

Regulation to amend Regulation 45-108 respecting crowdfunding

Securities Act
(chapter V-1.1, s. 331.1, par. (1))

1. Form 45-108F1 of Regulation 45-108 respecting Crowdfunding (chapter V-1.1, r. 21.02) is amended by replacing, in Schedule A and under the heading "**Instructions related to financial statement requirements and the disclosure of other financial information**", the last heading and last paragraph with the following:

"**Non-GAAP financial measures and other financial measures**

An issuer that intends to disclose financial measures that are subject to Regulation 52-112 respecting Non-GAAP and Other Financial Measures Disclosure (*insert reference*) in its crowdfunding offering document should refer to the requirements set out in that Regulation.".

2. This Regulation comes into force on August 25, 2021.

105214

M.O., 2021-08

Order number V-1.1-2021-08 of the Minister of Finance dated 16 July 2021

Securities Act
(chapter V-1.1)

CONCERNING the Regulation 52-112 respecting Non-GAAP and Other Financial Measures Disclosure

WHEREAS paragraphs 1, 8, 11 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 draft Regulation 52-112 respecting Non-GAAP and Other Financial Measures Disclosure was published for a first consultation in the *Bulletin de l'Autorité des marchés financiers*, vol. 15, no. 35 of 6 September 2018;

WHEREAS the draft Regulation 52-112 respecting Non-GAAP and Other Financial Measures Disclosure was published for a second consultation in the *Bulletin de l'Autorité des marchés financiers*, vol. 17, no. 6 of 13 February 2020;

WHEREAS the revised text of the draft Regulation 52-112 respecting Non-GAAP and Other Financial Measures Disclosure was published in the *Bulletin de l'Autorité des marchés financiers*, vol. 18, no. 21 of 27 May 2021;

WHEREAS the *Autorité des marchés financiers* made, on 30 June 2021, by the decision no. 2021-PDG-0033, Regulation 52-112 respecting Non-GAAP and Other Financial Measures Disclosure;

WHEREAS there is cause to approve this Regulation without amendment;

CONSEQUENTLY, the Minister of Finance approves without amendment the Regulation 52-112 respecting Non-GAAP and Other Financial Measures Disclosure appended hereto.

16 July 2021

ERIC GIRARD
Minister of Finance

Regulation 52-112 respecting non-GAAP and other financial measures disclosure

Securities Act
(chapter V-1.1, s. 331.1, par. (1), (8), (11) and (34))

PART 1
DEFINITIONS AND APPLICATION

Definitions

1. In this Regulation,

"capital management measure" means a financial measure disclosed by an issuer that

(a) is intended to enable an individual to evaluate an entity's objectives, policies and processes for managing the entity's capital,

(b) is not a component of a line item disclosed in the primary financial statements of the entity,

(c) is disclosed in the notes to the financial statements of the entity, and

(d) is not disclosed in the primary financial statements of the entity;

"earnings release" means a news release that is required to be filed under section 11.4 of Regulation 51-102 respecting Continuous Disclosure Obligations (chapter V-1.1, r. 24);

"entity" includes any of the following

(a) a person other than an individual,

(b) an asset or a group of assets for which financial statements are prepared;

"forward-looking information" has the meaning ascribed to it in Regulation 51-102 respecting Continuous Disclosure Obligations;

"MD&A" has the meaning ascribed to it in Regulation 51-102 respecting Continuous Disclosure Obligations;

"non-GAAP financial measure" means a financial measure disclosed by an issuer that

(a) depicts the historical or expected future financial performance, financial position or cash flow of an entity,

(b) with respect to its composition, excludes an amount that is included in, or includes an amount that is excluded from, the composition of the most directly comparable financial measure disclosed in the primary financial statements of the entity,

(c) is not disclosed in the financial statements of the entity, and

(d) is not a ratio, fraction, percentage or similar representation;

"non-GAAP ratio" means a financial measure disclosed by an issuer that

(a) is in the form of a ratio, fraction, percentage or similar representation,

(b) has a non-GAAP financial measure as one or more of its components, and

(c) is not disclosed in the financial statements of the entity;

"primary financial statements" means, with respect to an entity, any of the following:

(a) the statement of financial position;

(b) the statement of profit or loss and other comprehensive income;

(c) the statement of changes in equity;

(d) the statement of cash flows;

"registered firm" has the meaning ascribed to it in Regulation 31-103 respecting Registration Requirements, Exemptions and Ongoing Registrant Obligations (chapter V-1.1, r. 10);

"reportable segment" means a reportable segment as described in the accounting principles applied to the preparation of an entity's financial statements;

"specified financial measure" means any of the following:

(a) a non-GAAP financial measure;

(b) a non-GAAP ratio;

(c) a total of segments measure;

(d) a capital management measure;

(e) a supplementary financial measure;

"supplementary financial measure" means a financial measure disclosed by an issuer that

(a) is, or is intended to be, disclosed on a periodic basis to depict the historical or expected future financial performance, financial position or cash flow of an entity,

(b) is not disclosed in the financial statements of the entity,

(c) is not a non-GAAP financial measure, and

(d) is not a non-GAAP ratio;

"total of segments measure" means a financial measure disclosed by an issuer that

(a) is a subtotal or total of 2 or more reportable segments of an entity,

(b) is not a component of a line item disclosed in the primary financial statements of the entity,

(c) is disclosed in the notes to the financial statements of the entity, and

(d) is not disclosed in the primary financial statements of the entity.

Application – reporting issuers

2. This Regulation applies to a reporting issuer in respect of its disclosure of a specified financial measure in a document if the document is intended to be, or reasonably likely to be, made available to the public.

Application – issuers that are not reporting issuers

3. This Regulation applies to an issuer that is not a reporting issuer in respect of its disclosure of a specified financial measure in a document if the document is made available to the public and is

(a) subject to Regulation 41-101 respecting General Prospectus Requirements (chapter V-1.1, r. 14),

(b) filed with a regulator, except in Québec, or a securities regulatory authority in connection with a distribution made under section 2.9 of Regulation 45-106 respecting Prospectus Exemptions (chapter V-1.1, r. 21), or

(c) submitted to a recognized exchange in connection with a qualifying transaction, reverse takeover, change of business, listing application, significant acquisition or similar transaction.

Application – exceptions

4. (1) Despite sections 2 and 3, this Regulation does not apply to the following:

(a) an investment fund as defined in Regulation 81-106 respecting Investment Fund Continuous Disclosure (chapter V-1.1, r. 42);

(b) a designated foreign issuer, or an SEC foreign issuer, as defined in Regulation 52-107 respecting Acceptable Accounting Principles and Auditing Standards (chapter V-1.1, r. 25);

(c) an issuer in respect of disclosure required under any of the following:

(i) Regulation 43-101 respecting Standards of Disclosure for Mineral Projects (chapter V-1.1, r. 15);

(ii) section 5.4 of Form 51-102F2;

(iii) Regulation 51-101 respecting Standards of Disclosure for Oil and Gas Activities (chapter V-1.1, r. 23), other than section 5.14 of that Regulation;

(d) an issuer in respect of disclosure in any of the following:

(i) a report prepared by a person other than the issuer or entity that is the subject of the specified financial measure;

(ii) a transcript of an oral statement;

(iii) pro forma financial statements required to be filed under securities legislation;

(iv) a filing required under section 12.1 or 12.2 of Regulation 51-102 respecting Continuous Disclosure Obligations; or subparagraphs 9.1(1)(a)(ii) and 9.2(a)(ii) and section 9.3 of Regulation 41-101 respecting General Prospectus Requirements;

(e) an issuer in respect of disclosure of a specified financial measure that is required under law, or by an SRO of which the issuer is a member, if

(i) the law or the SRO's requirement specifies the composition of the measure and the measure was determined in compliance with that law or requirement, and

(ii) in proximity to the measure, the issuer discloses the law or the SRO's requirement under which the measure is disclosed;

(f) an issuer in respect of disclosure of a specified financial measure if the calculation of the specified financial measure is derived from a financial covenant in a written agreement;

(g) an issuer that is a registered firm in respect of disclosure of a specified financial measure if

(i) the document in which the disclosure is made is intended to be, or is reasonably likely to be, made available to a client or a prospective client of the registered firm, and

(ii) the measure does not relate to the registered firm's financial performance, financial position or cash flow.

(2) Despite sections 2 and 3, this Regulation does not apply to disclosure required under Form 51-102F6 and Form 51-102F6V, except for the information required under paragraph 6(1)(b), clause 6(1)(e)(ii)(C), paragraph 9(c) and clause 10(1)(b)(ii)(C) of this Regulation.

PART 2
INCORPORATING INFORMATION BY REFERENCE

Incorporating information by reference

5. (1) Subject to subsections (3) and (4), an issuer may incorporate by reference the information required under any of the following provisions, if the reference is to the issuer's MD&A:

(a) subparagraph 6(1)(e)(ii);

(b) paragraph 7(2)(d);

(c) subparagraph 8(c)(iii);

(d) paragraph 9(c);

(e) subparagraph 10(1)(b)(ii);

(f) paragraph 11(b).

(2) If, as permitted under subsection (1), an issuer incorporates required information by reference into a document, the issuer must include all of the following in the document:

(a) a statement indicating that the information is incorporated by reference;

(b) a statement that specifies the location of the information in the MD&A;

(c) a statement that the MD&A is available on SEDAR at www.sedar.com.

(3) Despite subsection (1), an issuer must not incorporate by reference the information referred to in subsection (1) in its MD&A if the document that contains the specified financial measure is another MD&A filed by the issuer.

(4) Despite subsection (1), an issuer must not incorporate by reference the information referred to in clause 6(1)(e)(ii)(C), paragraph 7(2)(d) or 9(c) or clause 10(1)(b)(ii)(C) if the document that contains the specified financial measure is in an earnings release filed by the issuer.

PART 3
SPECIFIED FINANCIAL MEASURE DISCLOSURE

Non-GAAP financial measures that are historical information

6. (1) An issuer must not disclose a non-GAAP financial measure that is historical information in a document unless all of the following apply:

(a) the non-GAAP financial measure is labelled using a term that,

(i) given the measure's composition, describes the measure, and

(ii) distinguishes the measure from totals, subtotals and line items disclosed in the primary financial statements of the entity to which the measure relates;

(b) the non-GAAP financial measure is identified as a non-GAAP financial measure;

(c) the document discloses the most directly comparable financial measure that is disclosed in the primary financial statements of the entity to which the measure relates;

(d) the non-GAAP financial measure is presented with no more prominence in the document than that of the most directly comparable financial measure referred to in paragraph (c);

(e) in proximity to the first instance of the non-GAAP financial measure in the document, the document

(i) explains that the non-GAAP financial measure is not a standardized financial measure under the financial reporting framework used to prepare the financial statements of the entity to which the measure relates and might not be comparable to similar financial measures disclosed by other issuers,

(ii) discloses, directly or by incorporating it by reference as permitted under section 5,

(A) an explanation of the composition of the non-GAAP financial measure,

(B) an explanation of how the non-GAAP financial measure provides useful information to an investor and explains the additional purposes, if any, for which management uses the non-GAAP financial measure,

(C) a quantitative reconciliation of the non-GAAP financial measure for its current and comparative period, if disclosed under paragraph (f), to the most directly comparable financial measure referred to in paragraph (c), and that reconciliation is disclosed in the permitted format, and

(D) if the label or composition of the non-GAAP financial measure has changed from what was previously disclosed, an explanation of the reason for the change;

(f) if the non-GAAP financial measure is disclosed in MD&A or in an earnings release of the issuer, the non-GAAP financial measure for a comparative period, determined using the same composition, is disclosed in the document, unless it is impracticable to do so.

(2) For the purpose of clause (1)(e)(ii)(C), a quantitative reconciliation of the non-GAAP financial measure is in the "permitted format" if it

(a) is disaggregated quantitatively in a way that would enable a reasonable person applying a reasonable effort to understand the reconciling items,

(b) explains each reconciling item, and

(c) does not describe a reconciling item as "non-recurring", "infrequent", "unusual", or using a similar term, if a loss or gain of a similar nature is reasonably likely to occur within the entity's 2 financial years that immediately follow the disclosure, or has occurred during the entity's 2 financial years that immediately precede the disclosure.

Non-GAAP financial measures that are forward-looking information

7. (1) In this section,

"equivalent historical non-GAAP financial measure" means a non-GAAP financial measure that is historical information and has the same composition as a non-GAAP financial measure that is forward-looking information;

"SEC issuer" has the meaning ascribed to it in Regulation 52-107 respecting Acceptable Accounting Principles and Auditing Standards.

(2) An issuer must not disclose a non-GAAP financial measure that is forward-looking information in a document unless all of the following apply:

(a) the document discloses an equivalent historical non-GAAP financial measure;

(b) the non-GAAP financial measure that is forward-looking information is labelled using the same label used for the equivalent historical non-GAAP financial measure;

(c) the non-GAAP financial measure that is forward-looking information is presented with no more prominence in the document than that of the equivalent historical non-GAAP financial measure;

(d) in proximity to the first instance of the non-GAAP financial measure that is forward-looking information in the document, the document discloses, directly or by incorporating it by reference as permitted under section 5, a description of any significant difference between the non-GAAP financial measure that is forward-looking information and the equivalent historical non-GAAP financial measure.

(3) Subsection (2) does not apply if the disclosure is made

(a) by an SEC issuer, and

(b) in compliance with Regulation G under the 1934 Act.

Non-GAAP ratios

8. An issuer must not disclose a non-GAAP ratio in a document unless all of the following apply:

(a) the non-GAAP ratio is labelled using a term that, given the non-GAAP ratio's composition, describes the non-GAAP ratio;

(b) the non-GAAP ratio is presented with no more prominence in the document than that of similar financial measures disclosed in the primary financial statements of the entity to which the non-GAAP ratio relates;

(c) in proximity to the first instance of the non-GAAP ratio in the document, the document

(i) explains that the non-GAAP ratio is not a standardized financial measure under the financial reporting framework used to prepare the financial statements of the entity to which the non-GAAP ratio relates and might not be comparable to similar financial measures disclosed by other issuers,

(ii) discloses each non-GAAP financial measure that is used as a component of the non-GAAP ratio,

(iii) discloses, directly or by incorporating it by reference as permitted under section 5, an explanation of

(A) the composition of the non-GAAP ratio,

(B) how the non-GAAP ratio provides useful information to an investor and explains the additional purposes, if any, for which management uses the non-GAAP ratio, and

(C) if the label or the composition of the non-GAAP ratio has changed from what was previously disclosed, an explanation of the reason for the change;

(d) if the non-GAAP ratio is disclosed in MD&A or in an earnings release of the issuer, the non-GAAP ratio for a comparative period, determined using the same means of calculation, is disclosed in the document, unless

(i) the non-GAAP ratio is forward-looking information, or

(ii) it is impracticable to disclose the measure for the comparative period.

Total of segments measures

9. An issuer must not disclose a total of segments measure in a document, other than in financial statements about the entity to which the measure relates, unless all of the following apply:

(a) the document discloses the most directly comparable financial measure disclosed in the primary financial statements of the entity;

(b) the total of segments measure is presented with no more prominence in the document than that of the most directly comparable financial measure referred to in paragraph (a);

(c) in proximity to the first instance of the total of segments measure in the document, the document discloses, directly or by incorporating it by reference as permitted under section 5, a quantitative reconciliation of the total of segments measure for its current and comparative period, if disclosed under paragraph (d), to the most directly comparable financial measure referred to in paragraph (a), in the permitted format referred to in subsection 6(2);

(d) if the total of segments measure is disclosed in MD&A or in an earnings release of the issuer, the total of segments measure for a comparative period, determined using the same composition, is disclosed in the document, unless it has not been previously disclosed.

Capital management measures

10. (1) An issuer must not disclose a capital management measure in a document, other than financial statements about the entity to which the measure relates, unless all of the following apply:

(a) the capital management measure is presented with no more prominence in the document than that of similar financial measures disclosed in the primary financial statements of the entity;

(b) in proximity to the first instance of the capital management measure in the document, the document,

(i) if the capital management measure was calculated using one or more non-GAAP financial measures, discloses each such non-GAAP financial measure;

(ii) discloses, directly or by incorporating it by reference as permitted under section 5,

(A) for any capital management measure that is disclosed in the form of a ratio, fraction, percentage or similar representation, an explanation of its composition,

(B) an explanation of how the capital management measure provides useful information to an investor and explains the additional purposes, if any, for which management uses the capital management measure, and

(C) for any capital management measure that is not disclosed as a ratio, fraction, percentage or similar representation, a quantitative reconciliation of the capital management measure for its current and comparative period, if disclosed under paragraph (c), to the most directly comparable financial measure disclosed in the primary financial statements of the issuer;

(c) if the capital management measure is disclosed in MD&A or in an earnings release of the issuer, the capital management measure for a comparative period, determined using the same composition, is disclosed in the document, unless it has not been previously disclosed.

(2) Subparagraph (1)(b)(ii) does not apply if the disclosure required under that subparagraph is made in the notes to the financial statements of the entity to which the measure relates.

Supplementary financial measures

11. An issuer must not disclose a supplementary financial measure in a document unless both of the following apply:

(a) the supplementary financial measure is labelled using a term that,

(i) given the measure's composition, describes the measure, and

(ii) distinguishes the measure from totals, subtotals and line items disclosed in the primary financial statements of the issuer;

(b) in proximity to the first instance of the supplementary financial measure in the document, the document discloses, directly or by incorporating it by reference as permitted under section 5, an explanation of the composition of the supplementary financial measure.

PART 4
EXEMPTION

Exemption

12. (1) The regulator, except in Québec, or the securities regulatory authority may grant an exemption from this Regulation, in whole or in part, subject to such conditions or restrictions as may be imposed in the exemption.

(2) Despite subsection (1), in Ontario, only the regulator may grant such an exemption.

(3) Except in Alberta and Ontario, an exemption referred to in subsection (1) is granted under the statute referred to in Appendix B of Regulation 14-101 respecting Definitions (chapter V-1.1, r. 3), opposite the name of the local jurisdiction.

PART 5
EFFECTIVE DATE AND TRANSITION

Effective date and transition

13. (1) This Regulation comes into force on August 25, 2021.

(2) In Saskatchewan, despite subsection (1), if this Regulation is filed with the Registrar of Regulations after August 25, 2021, this Regulation comes into force on the day on which it is filed with the Registrar of Regulations.

(3) Despite subsections (1) and (2), this Regulation does not apply to a reporting issuer in respect of documents filed for a financial year ending before October 15, 2021.

(4) Despite subsection (1) and subject to subsection (2), this Regulation does not apply until after December 31, 2021 to an issuer that is not a reporting issuer.

105213

Draft Regulations

Draft Regulation

Environment Quality Act
(chapter Q-2)

Act mainly to ensure effective governance of the fight against climate change and to promote electrification
(2020, chapter 19)

Afforestation and reforestation projects eligible for the issuance of offset credits on privately-owned land

Notice is hereby given, in accordance with sections 10 and 11 of the Regulations Act (chapter R-18.1), that the Regulation respecting afforestation and reforestation projects eligible for the issuance of offset credits on privately-owned land, appearing below, may be made by the Minister of the Environment and the Fight Against Climate Change on the expiry of 45 days following this publication.

The draft Regulation sets the conditions, in concordance with the amendments made by the draft Regulation to amend the Regulation respecting a cap-and-trade system for greenhouse gas emission allowances, on which afforestation and reforestation projects on privately-owned land may be eligible for the issuance of offset credits. It also sets the general conditions governing the implementation of such projects.

The draft Regulation introduces a mechanism for giving notice of a project to inform the Minister that the promoter of an eligible project intends to file an issuance request for offset credits in the future.

The draft Regulation defines the methods used to quantify the greenhouse gas withdrawals attributable to an eligible project and establish a project outcome that leads to the issuance of offset credits under the Regulation respecting a cap-and-trade system for greenhouse gas emission allowances (chapter Q-2, r. 46.1). It also prescribes the contents of the project plan that a promoter must produce when filing a project, as well as the contents of the project report that must be produced for each reporting period. The draft Regulation sets the conditions that apply to the verification of project reports, in particular concerning the accreditation of the verification organization and the independence of the organization, the verifier and the other members of the verification team with respect to the promoter.

Lastly, the draft Regulation includes monetary administrative penalties for failures to comply and penal sanctions for offences.

The draft Regulation will have a limited impact on enterprises since it essentially targets the creation of afforestation and reforestation projects eligible for the issuance of offset credits on private land.

Further information concerning the draft Regulation may be obtained by contacting Pierre Bouchard, coordinator, Direction du marché du carbone, Direction générale de la réglementation carbone et des données d'émission, Ministère de l'Environnement et de la Lutte contre les changements climatiques, Édifice Marie-Guyart, 675, boulevard René-Lévesque Est, boîte 30, Québec (Québec) G1R 5V7; email: pierre.bouchard@environnement.gouv.qc.ca.

Any person wishing to comment on the draft Regulation is requested to submit written comments within the 45-day period to Kim Ricard, Associate Director, Direction du marché du carbone, Direction générale de la réglementation carbone et des données d'émission, Ministère de l'Environnement et de la Lutte contre les changements climatiques, Édifice Marie-Guyart, 675, boulevard René-Lévesque Est, boîte 30, Québec (Québec) G1R 5V7; email: kim.ricard@environnement.gouv.qc.ca.

Benoit Charette
Minister of the Environment and the Fight Against Climate Change

Regulation respecting afforestation and reforestation projects eligible for the issuance of offset credits on privately-owned land

Environment Quality Act

(chapter Q-2, ss. 46.1, 46.5, 46.8.2, 115.27 and 115.34)

Act mainly to ensure effective governance of the fight against climate change and to promote electrification

(2020, chapter 19, s. 21)

TITLE I
OBJECT, SCOPE AND INTERPRETATION

1. The object of this Regulation is, with the aim of mitigating climate change by reducing the atmospheric concentration of greenhouse gases by sequestrating carbon in forest ecosystems, to

(1) determine which afforestation and reforestation projects on privately-owned land are eligible for the issuance of offset credits under section 46.8.2 of the Environment Quality Act (chapter Q-2);

(2) set the conditions and methods applicable to such projects;

(3) determine the information and documents that a person or a municipality responsible for the implementation of an eligible project or a project whose eligibility has yet to be determined must keep or file with the Minister.

2. In this Regulation, unless otherwise indicated by the context,

“afforestation” means the activity of creating forest cover by natural or artificial means on a lot or part of a lot assigned to non-forestry purposes;

“aggregation of projects” means a grouping of several eligible projects under the responsibility of the same promoter;

“anhydrous biomass” means biomass with a moisture level close to 0%;

“baseline scenario” means the scenario based on all the information and data needed to define the annual changes in carbon stock in the carbon reservoirs for a project as it would have been had no project been implemented in accordance with this Regulation;

“biomass” means all organic mass of plant origin present in a project’s carbon reservoir;

“biophysical characteristics” means the information and data gathered during an inventory to define the topography, soil, deposits and drainage, tree population and cover of ligneous and non-ligneous vegetation strata and, where applicable, the category of the fallow land present on a lot or part of a lot used for a project and on an equivalent lot or part of a lot;

“calculation tool” means the calculation tool designed by the Ministère du Développement durable, de l'Environnement et des Parcs to calculate the effect of a project’s GHG flows on radiative forcing and establish the number of offset credits to be issued pursuant to the Regulation respecting a cap-and-trade system for greenhouse gas emission allowances;

“cap-and-trade system for emission allowances” means the cap-and-trade system for greenhouse gas emission allowances established by the Regulation respecting a cap-and-trade system for greenhouse gas emission allowances;

“carbon sequestration” means the process that captures CO_2 from the atmosphere to store carbon in the carbon reservoirs constituted by living aerial biomass and living belowground biomass and then in a project’s other carbon reservoirs;

“CBM-CFS software” means the software used for the Carbon Budget Model of the Canadian Forest Sector, designed by Natural Resources Canada;

“DBH” means diameter at breast height;

“dead biomass” means the biomass present in woody debris, including stems, branches and snags present on the lot or part of a lot used for a project;

“deforestation” means the activity of harvesting trees on a lot or part of a lot assigned to forestry purposes with a long-term view to allowing other land uses;

“DSH” means diameter at stump height;

"early project" means a project that began after 31 December 1989 but before (*insert the date of coming into force of this Regulation*);

"equivalent lot or part of a lot" means a lot or part of a lot that is not used for a project, but has plant or forest characteristics that are equivalent to those found on a lot or part of a lot used for a project before it is implemented, and on which the promoter has conducted a biomass inventory to gather the information and data needed to characterize the baseline scenario for an early project;

"executive officer" means the president, chief executive officer, general manager, chief financial officer or secretary of a legal person or business corporation or any person performing a similar role or designated as such by a resolution of the board of directors;

"fallow grassland" means fallow land characterized by the presence of herbaceous species covering more than 75% of the area to be managed. Some shrubs may be observed;

"fallow land" means a parcel of agricultural land that has been abandoned for at least 5 years after having been cultivated, with no crops planned over the short term (3 to 5 years) but which may, occasionally, be mowed by the owner solely to control invasion by ligneous vegetation. In this Regulation, fallow land is divided into three categories: "fallow grassland", "fallow shrubland", and "fallow woodland";

"fallow shrubland" means fallow land characterized by the presence of herbaceous plants covering less than one-third of the area to be managed. The area covered by shrubs (current height less than 1.5 to 2 metres) is more than two-thirds of the area to be managed;

"fallow woodland" means fallow land characterized by the presence of tree species over 2 metres in height covering less than 25% of the area to be managed;

"forest development activity" means an activity referred to in paragraph 1 of section 4 of the Sustainable Forest Development Act (chapter A-18.1);

"greenhouse gas" or "GHG" means one or more of the greenhouse gases referred to in the second paragraph of section 46.1 of the Environment Quality Act and the second paragraph of section 70.1 du Regulation respecting a cap-and-trade system for greenhouse gas emission allowances (chapter Q-2, r. 46.1), namely carbon dioxide (CO_2), methane (CH_4), nitrous oxide (N_2O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulphur hexafluoruride (SF_6), nitrogen trifluoride (NF_3), chlorofluorocarbons (CFCs) and hydrochlorofluorocarbons (HCFCs);

“initial context for a project” means the information and data gathered during the initial characterization to define the history of land uses and, where applicable, the silvicultural management strategies or natural disturbances that led to the forest characteristics observed prior to the implementation of the project;

“initial inventory” means all the information and data gathered on a lot or part of a lot for a project and, where applicable, on an equivalent lot or part of a lot to determine the carbon stock in the carbon reservoirs for a project at the project start date or, for an early project, at the project filing date;

“issuance inventory” means all the information and data gathered on a lot or part of a lot for a project in order to establish the outcome of the project at the end of a reporting period;

“living aerial biomass” means the biomass present in the tree, shrub, grass and moss vegetation strata. The tree stratum includes the merchantable portion of stem wood, stem bark, leaves on trees, branches, saplings, non-merchantable timber stems, crowns and stumps;

“living below-ground biomass” means the biomass present in the large roots and fine roots of the ligneous species present on the lot or part of a lot used for a project;

“lot or part of a lot assigned to forestry purposes” means a lot or part of a lot where timber production is mandatorily or temporarily possible. This category includes both productive and unproductive forest lots and parts of forest lots;

“lot or part of a lot assigned to non-forestry purposes” means a lot or part of a lot, with or without an ecological characterization, where timber production is mandatorily or temporarily excluded. Such lots or parts of lots, with less than 25% of cover density, are generally assigned to other purposes, such as urban development, industrial activities, mining, agriculture, tourism or vacationing. In addition, they are qualified as agricultural, non-forest or man-made depending on their characteristic degree of disturbance (from little to very disturbed). In these cases, the notion of disturbance is connected to a human activity that changes the physical characteristics of the environment (deposit, deposit depth, drainage, slope) and therefore the resilience of the forest;

“privately-owned land” means land that is neither land in the domain of the State pursuant to the Act respecting the lands in the domain of the State (chapter T-8.1) nor land belonging to a municipality;

"productive forest lot or part of a lot" means a lot or part of a lot able to produce 30 m^3 or more of ligneous matter per hectare in less than 120 years. Such lots or parts of lots are said to be assigned to forestry purposes because they are occupied by forest stands (natural, tended or planted);

"professional" means a professional within the meaning of section 1 of the Professional Code (chapter C-26); "boo" any person authorized by a professional order to perform an activity reserved for the members of that order is deemed to be a professional;

"project outcome" means the net GHG flows resulting from a comparison of the GHG flows for a project scenario with the GHG flows for a baseline scenario in order to define the effect on radiative forcing and determine the number of offset credits to be issued to a promoter pursuant to the Regulation respecting a cap-and-trade system for greenhouse gas emission allowances (chapter Q-2, r. 46.1);

"project scenario" means a scenario based on all the information and data needed to define the annual changes in carbon stock in the carbon reservoirs for a project when a project is implemented in accordance with this Regulation;

"promoter" means a person or municipality responsible for the implementation of a project eligible for the issuance of offset credits;

"radiative forcing" means the variation in radiation (the difference between incoming irradiance and outgoing irradiance, expressed in W/m2) at the tropopause or upper limit of the atmosphere, due to a change in an external climate change factor, such as a change in carbon dioxide concentration or solar radiation;

"reforestation" means the reconstitution of the forest cover by natural or artificial means such as planting or seeding to compensate for one or more problems affecting the density of a forest stand, the distribution of trees within a forest stand or regeneration following a natural disturbance;

"reporting period" means a continuous period, within an eligibility period, during which the GHG withdrawals or offset credits corresponding to GHG withdrawals from the atmosphere attributable to a project eligible for the issuance of offset credits are quantified pursuant to this Regulation for the issue of offset credits;

"snag" means a standing dead tree, whether whole or not, at a given stage of decomposition;

"soil" means the part of the soil composed of organic matter (litter, fibre and humus) and part of the upper layer of the surface mineral horizon;

"timber forest products" means products created through the primary or secondary processing of logs. Timber forest products are subdivided into timber forest products with a short, medium or long lifespan. They include sawwood, particle board, veneer, plywood, pulp and paper, cardboard and energy products (granules, firewood, biofuels, etc.);

"unproductive forest lot or part of a lot" means a lot or part of a lot that is unable to produce 30 m^3 or more of ligneous matter per hectare in less than 120 years. This category includes all lots or parts of lots with a density below 25% and a height that does not exceed 10 m at maturity (120 years). A stand less than 120 years old may be considered as an unproductive forest stand when its density is below 25% and there is no sign that the cover will densify. If a major disturbance has affected a productive forest stand, the stand must have reached at least 40 years of age before being considered an unproductive forest lot or part of a lot.

TITLE II
ELIGIBILITY

CHAPTER I
ELIGIBILITY CONDITIONS

3. A project is eligible for the issuance of offset credits under section 46.8.2 of the Environment Quality Act, for the eligibility period provided for in Chapter II of this Title, if it involves either implementing an afforestation or reforestation activity or implementing a combination of such activities on a single lot or part of a lot and if it meets the following conditions:

(1) the project is implemented by a promoter registered for the cap-and-trade system for greenhouse gas emission allowances in accordance with section 7 or 8 of the Regulation respecting a cap-and-trade system for greenhouse gas emission allowances, if the promoter is domiciled in Québec in the case of a natural person or has an establishment in Québec in other cases;

(2) the GHG withdrawals attributable to the project are realized on the promoter's initiative, without the promoter being required to do so when the project is filed in accordance with Title IV by a law or regulation, an authorization, an order made under a law or regulation, or a court decision.

4. For the purposes of section 3, an afforestation or reforestation project must meet the following conditions

(1) it is implemented in Québec;

(2) it is implemented on privately-owned land;

(3) no credits are received for it for activities under another program to compensate for GHG emissions;

(4) the promoter has completed an initial characterization for the project in accordance with Chapter II of Title III;

(5) the project involves no drainage activity as part of the silvicultural strategy;

(6) when the project includes an afforestation activity, it is carried out on a lot or part of a lot assigned to non-forestry purposes that has not been developed or used for a continuous period of at least 10 years immediately prior to the project;

(7) when the project includes a reforestation activity, it is carried out on a lot or part of a lot assigned to forestry purposes when the project begins;

(8) a reforestation project is not eligible when the reforestation is part of a forest producer's forest development plan;

(9) in an agricultural zone, an afforestation or reforestation project implemented on previously cultivated agricultural land must have received a positive assessment from the Ministère de l'Agriculture, des Pêcheries et de l'Alimentation concerning the potential for agricultural development of the managed area and recommending afforestation or reforestation.

5. An early project must be filed with the Minister for an analysis of its eligibility not later than 36 months following the date of coming into force of this Regulation.

In other cases, a project must be filed not later than two years following the year in which it begins.

6. In the case of an early project, only an afforestation activity is eligible as part of an offset credit project pursuant to this Regulation.

CHAPTER II
ELIGIBILITY PERIOD

7. For the purposes of this Regulation, “eligibility period” means the period during which a project remains eligible, subject to compliance with the eligibility conditions in force on the project filing date provided for in Title IV.

8. The eligibility period corresponds to the actual duration of the project and begins on the project start date.

In the case of an early project, the project start date must be before (*insert here the date of coming into force of this Regulation*). It is either

(1) the year in which site preparation work for the planting of seedlings or sowing of seeds began; or

(2) the year in which site the planting of seedlings or sowing of seeds began, if the project involved no site preparation work.

In other cases, the project start date is the year in which the initial inventory began in accordance with Chapter III of Title III, in other words the year in which the survey plan begins on the lot or part of a lot used for the project.

The project end date is the year in which the rotation of the initial stand ends.

CHAPTER III
GENERAL CONDITIONS APPLICABLE TO THE IMPLEMENTATION OF AN ELIGIBLE PROJECT

9. The promoter must send a notice, within 30 days, to inform the Minister if

(1) the promoter terminates a project or aggregation of projects; or

(2) the promoter transfers responsibility for the implementation of a project or aggregation of projects to another person or municipality.

The notice mentioned in the first paragraph must include the following information and documents:

(1) for the termination of a project or aggregation of projects referred to in subparagraph 1 of the first paragraph:

(a) the date of termination of the project or aggregation of projects;

(b) the reason for terminating the project or aggregation of projects;

(c) the project code;

(d) where applicable, an estimate of the offset credits that will be requested by the promoter for the reporting period during which the termination is planned in accordance with the Regulation respecting a cap-and-trade system for greenhouse gas emission allowances;

(e) a declaration by the promoter or the promoter's representative that all the information provided is accurate and complete;

(2) for a transfer referred to in subparagraph 2 of the first paragraph:

(a) the scheduled date of the transfer of the project or aggregation of projects;

(b) the name of the transferee and all the information needed to identify the transferee, including the number of the general account opened by the Minister for the transferee under section 14 of the Regulation respecting a cap-and-trade system for greenhouse gas emission allowances following the transferee's registration for the cap-and-trade system for emission allowances;

(c) the project code;

(d) where applicable, an estimate of the offset credits that will be requested by the promoter and transferee for the reporting period during which the transfer is planned in accordance with the Regulation respecting a cap-and-trade system for greenhouse gas emission allowances;

(e) a declaration by the promoter and transferee, or their representatives, that all the information provided is accurate and complete.

10. The promoter must use the forms or templates available on the website of the Ministère du Développement durable, de l'Environnement et des Parcs to submit the information or documents required pursuant to this Regulation.

11. The promoter must meet a copy of any information and document required to be submitted pursuant to this Regulation for the duration of the project and for a minimum period of 7 years from the project end date.

The information and documents must be legible, dated and revised as needed and be kept in good condition and in a readily accessible place for the duration of the project.

The promoter must also keep any other information and documents required to quantify the GHG withdrawals attributable to the project for the duration of the project and for a minimum period of 7 years following the project end date.

The documents and information referred to in this section must also be provided to the Minister on request.

TITLE III
DEFINITION OF AN ELIGIBLE PROJECT AND QUANTIFICATION APPROACHES

CHAPTER I
PROJECT BOUNDARIES AND GHG FLOWS ATTRIBUTABLE TO THE PROJECT

12. Tables 1 and 2 below show the carbon reservoirs and the activities and natural processes affecting the content of the reservoirs that must be taken into account by the promoter

(1) when the initial inventory is conducted in accordance with Chapter III of Title III for the filing of the project with the Minister;

(2) when the issuance inventory is conducted in accordance with Chapter III of Title III for the filing of an issuance request for offset credits;

(3) when any other inventory is conducted to update the project.

13. For the purposes of this Regulation,

(1) an annual quantity of carbon cannot contribute beyond a 100-year period following its sequestration to the determination of the number of offset credits to be issued;

(2) the GHG flows associated with the growth of the seedlings planted or seeds sown to replace some or all of the trees from the initial planting of a lot or part of a lot for the project that has been partly or wholly harvested cannot contribute to the project outcome;

(3) GHG flows can only be considered as attributable to an eligible project for the quantification provided for in this Title if they have not already been covered by the issuance of offset credits under the Regulation respecting a cap-and-trade system for greenhouse gas emission allowances or the issuance of credits under another program to compensate for GHG emissions;

(4) in the case of an early project, the promoter may include sequestrations in the project outcome if they are realized after 31 December 1989 but before (*insert here the date of coming into force of this Regulation*).

However, when the issuance of offset credits has already been requested for carbon sequestrations under another program to compensate for GHG emissions, the promoter may include those sequestrations in the project outcome if

(a) when the project is filed with the Minister, the credits for which the promoter intends to consider carbon sequestrations in the project outcome are no longer available to compensate for GHG emissions in the program for which they were issued.

The promoter must cancel the credits and provide proof that they can no longer be used to compensate for GHG emissions under the former program to compensate for GHG emissions if the promoter intends to consider them in the project outcome;

(b) the credits issued, for which the promoter intends to consider carbon sequestrations in the project outcome, must not have been sold or redeemed otherwise than between the person to whom the program to compensate for GHG emissions issued the credits and the promoter of the project implemented pursuant to this Regulation;

(5) for the purposes of this Regulation, in the case of an early project, only the effect of GHG flows on radiative forcing after 31 December 2006 may lead to the issuance of offset credits.

Table 1 – Overview of the approaches used to determine the quantity of carbon present in a project's carbon reservoirs

Carbon reservoir	Approach used to determine the quantity of carbon
Living aerial biomass	The quantity of carbon present in this reservoir is estimated using the measurements made for the initial inventory and the issuance inventory in accordance with Division III of Chapter III of this Title. The information and data from the inventories, which are needed to simulate the annual changes in carbon in the reservoir for the baseline scenario and project scenario, must be entered into the CBM-CFS software.
Living below-ground biomass	The initial quantity of carbon present in this reservoir is estimated using Table 7. The results of the calculations are entered into the CBM-CFS software to simulate carbon changes in the baseline scenario. For the issuance inventory, the quantity of carbon present in this reservoir is determined by the CBM-CFS software based on the information and data used to update the baseline scenario and project scenario.
Dead biomass	The quantity of carbon present in this reservoir is estimated using the measurements made for the initial inventory and the issuance inventory in accordance with Division III of Chapter III of this Title. The information and data from the inventories, which are needed to simulate the annual changes in carbon in the reservoir for the baseline scenario and project scenario, must be entered into the CBM-CFS software.
Soil	The quantity of carbon present in this reservoir is estimated using the measurements made for the initial inventory and the issuance inventory provided for in Division IV of Chapter III of this Title and analyzed in the laboratory in accordance with Schedule C. The information and data from the inventories, which are needed to simulate the annual changes in carbon in the reservoir for the baseline scenario and project scenario, must be entered into the CBM-CFS software. The promoter must include this reservoir in the inventory and quantification when more than 25% of the area of the lot or part of a lot for the project is disturbed by site preparation work to plant seedlings or sow seeds.

Timber forest products	The quantity of carbon present in this reservoir is estimated by the CBM-CFS software using the results from the simulation of annual changes in the carbon contained in the reservoir of merchantable timber in the baseline scenario and project scenario. The promoter must enter the results of this estimated into the calculation tool in accordance with Division III of Chapter IV of this Title to determine the effect of processing the volume of timber into timber forest products on radiative forcing.

Table 2 – Overview of the activities and natural processes to be taken into consideration to determine the project outcome

Activity or natural process	GHG	Description
Construction and maintenance work on a network of trails and roads existing at the project start date or to be developed during the project	CO_2	GHG flows associated with the deforestation of a portion of the lot or part of a lot for the project to maintain the network of trails and roads existing at the project start date or to be developed. Included only when the project has a leak for a reporting period, in accordance with the chapter VII of this Title.
Site preparation work to plant seedlings or sow seeds (for example, scarifying)	CO_2	GHG flows associated with soil disturbances. The promoter must measure the effect of the soil disturbance in accordance with Division IV of this Chapter III and Schedule C. Once the effect of soil disturbance on the carbon reservoir in the soil has been measured, the promoter must enter the result into the CBM-CFS software. Included only when more than 25% of the area of the lot or part of a lot for the project is disturbed by site preparation work to plant seedlings or sow seeds.
Spreading of organic or inorganic nitrogenous fertilizer	N_2O	GHG flows associated with the application of organic or inorganic nitrogenous fertilizer. The promoter must complete equation 8 and enter the result in the calculation tool.

Plantation release as part of plantation maintenance	CO_2	GHG flows associated with the decomposition of competing biomass. The CBM-CFS software applies the silvicultural strategy entered by the promoter and distributes the carbon flows between reservoirs based on the type of treatment.
Precommercial thinning of the plantation as part of precommercial management work	CO_2	GHG flows associated with the decomposition of the saplings removed. The CBM-CFS software applies the silvicultural strategy entered by the promoter and distributes the carbon flows between reservoirs based on the definition of the treatment.
Partial or total harvest of merchantable volumes of timber for processing	CO_2	GHG flows associated with the harvesting of some or all of the trees in the plantation. The CBM-CFS software applies the silvicultural strategy entered by the promoter and distributes the carbon flows between reservoirs based on the definition of the treatment.
Use of fossil fuels for the purposes of the project	CO_2 CH_4 N_2O	GHG flows associated with the combustion of fossil fuels, in particular gasoline and diesel fuel, for the implementation of the silvicultural strategy associated with the project. The promoter must complete equations 9 and 10 and enter the result in the calculation tool.
Carbon leak	CO_2	GHG flows associated with the deforestation of all deforested areas belonging to the owner of the lot or part of a lot for the project. The promoter must determine if there is a leak by completing equations 11 and 12. In the event of a leak, the promoter must calculate the quantity of carbon returned to the atmosphere for the baseline scenario and project scenario using the CBM-CFS software. Included only when the project has a leak for a reporting period, in accordance with Chapter VII of this Title.

Timber forest products	CO_2	GHG flows associated with the transfer of part of the living aerial biomass in timber forest products and their degradation.
Forest growth	CO_2	Flows associated with the transfer of CO_2 from the atmosphere to living biomass in the ecosystem.

Table 3 – Conversion table to be used to determine the quantity of carbon present in the carbon reservoirs for a project

From	**To**
1 t anhydrous biomass	0.5 t carbon
1 t carbon	3.667 t CO_2
1 acre	0.4046 ha
1 ha	10 000 m²

CHAPTER II
INITIAL CHARACTERIZATION OF THE PROJECT

14. Before filing a project with the Minister in accordance with Title IV, the promoter must produce an initial characterization for the project

(1) to define the initial context for the project

(a) by identifying the history of land uses on the lot or part of a lot for the project over a period of at least 10 years immediately preceding the project start date;

(b) where applicable, by defining the history of natural disturbances on the lot for the project over a period of at least 10 years immediately preceding the project start date;

(c) where applicable, by defining the history of all forest development activities on the lot for the project over a period of at least 10 years immediately preceding the project start date in order to establish and differentiate between afforestation and reforestation activities;

(d) where applicable, by defining the silvicultural strategy applied prior to the project start date that resulted in the biological characteristics of the strata observed on the lot or part of a lot for the project, including a list of silvicultural treatments, their description and their effects;

(e) where applicable, by defining the site preparation methods applied prior the planting of seedlings or sowing of seeds and the area treated or scheduled for treatment;

(f) by producing one or more maps of the lot for the project with, as a minimum, the following layers:

i. the outline of the lot for the project and the areas managed for the project;

ii. the road network;

iii. the hydrographic network;

iv. the outline of land assigned to non-forestry purposes, forest stands and adjacent lots;

The geographical entities for the project, such as the outline of each forest stand, must be numbered and described in a table accompanying the map or maps. The table must include, for each entity shown on the map, its number on the map and a summary description (for example, the name of the ecoforest stratum) and its surface area in hectares.

All the maps in the report must have, as the base layer, an aerial photograph or satellite image with a spatial resolution making it possible to distinguish transitions between contrasting geographic entities (for example, between a forest and a road). The resolution of the maps for the project must make it possible to perform a quick analysis of the attributes connected with the project;

(g) by producing two photographs, one of which was taken at least 10 years immediately preceding the start date of the project and the other at a date as close as possible to this date. These photographs must show the boundaries of the lot for the project and the boundaries of adjacent lots.

The photograph must be an interpreted analogical aerial photograph at a scale of 1: 15 000 or better, a digital aerial photograph with a spatial resolution of 30 cm or better, or a satellite image with a spatial resolution of 50 cm or better, in.jpg, .tif or PDF format, and must be accompanied by referencing information and the source of the image in world file format;

(h) a description with the most up-to-date version of a map including a scale, a key, the cardinal points and, where applicable, a cartographic projection showing the land use or the use assigned to the lot or part of a lot for the project and all the lots adjacent to the lot for the project;

(i) in the case of an early project, by determining the context for the forest development practices of the regional agency for private forest development in the region when the project is implemented when the stand was created and the voluntary nature of the action that led to the creation of the stand;

(j) in the case of an afforestation project in an agricultural zone, a summary and a copy of the analysis of agricultural potential for the management area carried out by the Ministère de l'Agriculture, des Pêcheries et de l'Alimentation;

(2) to define the biophysical characteristics observed at the project start date on the or part of a lot for the project and, where applicable, on the equivalent lot, including the definition in the project plan provided for in section 69;

(3) to conduct an initial inventory for the lot or part of a lot for the project and, where applicable, for the equivalent lot using the methodology in Chapter III of this Title;

(4) to determine the initial quantity of carbon present in the carbon reservoirs for the project.

CHAPTER III
INVENTORY

DIVISION I
GENERAL PROVISIONS

15. The aim of the inventory of the lot or part of a lot for the project is to gather the information and data need to create a project and define the baseline scenario and project scenario which, using the CBM-CFS software, will then be used to simulate the annual changes in the carbon stock in accordance with Chapter IV of this Title.

16. Information and data for the inventory of the carbon in living aerial biomass, dead biomass and, where applicable, the soil must be gathered at the following times:

(1) in the case of an early project, at the same time as the activities needed to ensure completeness at the project filing stage in order to determine the initial quantity of carbon in the reservoirs of the lot or part of a lot for the project and of the equivalent lot and thereby establish the starting point for the simulation of the baseline scenario and project scenario provided for in Chapter IV of this Title; or

(2) in other cases, before any site preparation work to plant seedlings or sow seeds in order to determine the initial quantity of carbon in the reservoirs of the lot or part of a lot for the project and thereby establish the starting point for the simulation of the baseline scenario and project scenario provided for in Chapter IV of this Title; and

(3) at the end of each reporting period, within the meaning of section 2, in order to determine annual changes in the quantity of carbon in the reservoirs of the lot or part of a lot used for the project during that period and then to calculate the project outcome as provided for in Chapter VIII of this Title, using data from the report generated by the CBM-CFS software.

17. All measuring and other equipment used for the inventory of the lot or part of a lot for the project pursuant to this Chapter must be used in accordance with the manufacturer's instructions, be maintained in good working order and work reliably when used.

DIVISION II
SURVEY PLAN

§ 1.—*Determination of the required number of sample plots*

18. The number of sample plots in a sampling stratum must allow the achievement of an inventory data precision rate of at least 90% and a confidence level of 90%. (α = 10%).

The number of sample plots is calculated using equations 1 to 5:

Equation 1

$$\mathrm{E}\% = \frac{100(t_{1-\frac{\alpha}{2};n-1} * \sqrt{s^2}}{\overline{x}}$$

Where:

E% = Relative error of the sampling stratum;

$t_{1-\frac{\alpha}{2};n-1}$= Student T value with n-1 degrees of freedom being > 30 with a confidence level of 90%;

α = 10%;

s^2= Weighted variance, calculated using equation 2;

$\bar{x}$= Weighted average of strata, calculated using equation 5.

Equation 2

$$s^2 = \sum_{i=1}^{h} \frac{P_i^2 s_i^2}{n_i}$$

Where:

s² = Weighted variance;

i = Stratum number;

h = Total number of strata;

P_i = Proportion of stratum i compared to the total area;

s_i^2 = Variance of the stratum;

n_i= Total number of sample plots in stratum i, calculated using equation 3.

Equation 3

$$n = \left(\frac{t_{1-\alpha;n-1} * CV}{E_{tol}\%}\right)^2$$

Where:

n = Total number of sample plots;

$t_{1-\frac{\alpha}{2};n-1}$ = Student T value with a significance level of α = 10% and $_{n-1}$ degrees of freedom used for the pre-sampling;

CV = Coefficient of variation corresponding to a measurement of relative dispersion that is the standard deviation for the distribution expressed as a percentage of the average dispersion, calculated using equation 4;

E_{tol}% = Relative error tolerated (10%).

Equation 4

$$CV = \frac{s}{\bar{x}}$$

Where:

CV = Coefficient of variation corresponding to a measurement of relative dispersion that is the standard deviation for the distribution expressed as a percentage of the average dispersion;

s = Weighted standard deviation from the pre-sampling;

$\bar{x}$ = Weighted average of the pre-sampling.

Equation 5

$$\bar{x} = \sum_{i=1}^{h} P_i \bar{x}_i$$

Where:

$\bar{x}$ = Weighted average of all strata;

i = Stratum number;

h = Total number of strata;

P_i = Proportion of the area of stratum i compared to the total area;

$\bar{x}_i$ = Average of stratum i.

19. When the relative error for a stratum is greater than 10%, the number of sample plots required is the difference between the number of pre-sampled sample plots and the result obtained using equation 3.

§ 2.–*Layout of sample plots*

20. The sample plots must be laid out as shown in the diagram in Schedule A.

21. The promoter must establish a network of sample plots for the inventory as follows:

(1) for the initial inventory for an early project, the promoter must establish a network of temporary sample plots on the equivalent lot for the project and a network of permanent sample plots on the lot or part of a lot for the project;

(2) for the initial inventory for other types of projects, the promoter must establish a network of temporary sample plots on the lot or part of a lot for the project when a site preparation treatment is applied before the planting of seedlings or sowing of seeds;

(3) for an issuance or update inventory, the promoter must establish a network of permanent sample plots on the lot or part of a lot for the project.

22. To establish a network of temporary sample plots, the promoter must identify the centre of variable-radius plots and listed micro-plots using a non-permanent peg and label.

To establish any other network of sample plots, the promoter must identify the centre of variable-radius plots and listed micro-plots using a permanent peg and label.

In all cases, the label must indicate the number of the sample route and sample plot, the date and the name of the person responsible for gathering data from each variable-radius plot and micro-plot.

Where applicable, the promoter must also identify the places where a soil sample was taken in micro-plots 4 and 6 of each sample plot with, depending on whether the first or second paragraph applies, a permanent or non-permanent peg and label. In addition to the information listed in the preceding paragraph, the peg must indicate the number of the soil sample.

DIVISION III

INVENTORY OF LIVING AERIAL BIOMASS AND DEAD BIOMASS

§ 1.—*General provisions*

23. The promoter may limit measurements to those needed to estimate the merchantable volume of trees in the plantation, snags and woody debris during the initial inventory of the lot or part of a lot for an early project.

§ 2.—*Data gathering*

24. Data gathering for an inventory of the carbon reservoirs of living aerial biomass and dead biomass must comply with the procedure set out in Tables 4, 5 and 6.

Table 4 – Variables to be measured for the inventory of carbon reservoirs of living aerial biomass

Variable	When measured	Data gathered	Threshold to be respected for data gathering	Data acquisition method
Regeneration	Initial inventory	Distribution coefficient Species	Height > 30 cm	Field inventory Groups of sample plots
Trees	Initial inventory Issuance inventory	Species Number DBH class (2 cm classes) Height Basal area	Height > 1.3 m DBH (1.3 m) DSH (15 cm from ground)	Field inventory Variable-radius plot Biomass Shrub: Schedule B
Shrubs	Initial inventory	Number DSH class, Species	Height > 1.3 m DSH (15 cm from ground) (2 cm class)	Field inventory Groups of sample plots Biomass Shrub: Schedule B
Grasses, mosses, seedlings and shrubs of less than 1.3 m	Initial inventory	Cover class (0-25%, 25-50%, 50-75%, 75-100%) – all heights combined	Height < 1.3 m Height < 50 cm by 25 cm class	Field inventory Groups of plots Default value for 100% cover 7.5 tonnes anhydrous biomass/ha To be multiplied by actual herbaceous cover (ha)

Table 5 – Variables to be measured for the inventory of carbon reservoirs of dead biomass

Variable	When measured	Data gathered	Threshold to be respected for data gathering	Data acquisition method
Woody debris and snags	Initial inventory Issuance inventory	Species Number Snags: DBH Woody debris: average diameter; length Decomposition class At the initial inventory, snags must be marked but not measured At the issuance inventory, only unmarked snags and woody debris must be measured	Height > 1.3 m	<u>Field inventory</u> Variable-radius plot to measure snags caught by the prism Decomposition class: 1. Tree that died recently with twigs but without needles/leaves 2. Tree without twigs but with branches 3. Tree with large branches only 4. Snag without branches Woody debris: measurement taken within the variable-radius plot delimited by the last tree caught by the prism

Table 6 – DBH classes for the inventory of carbon reservoirs of living aerial biomass and dead biomass

DBH class	DBH value
2	1 < DBH ⩽ 3 cm
4	3 < DBH ⩽ 5 cm
6	5 < DBH ⩽ 7 cm
8	7 < DBH ⩽ 9 cm
10	9 < DBH ⩽ 11 cm
…	… < DBH ⩽ ⋯ cm

§ 3.–*Estimate of living below-ground biomass for the initial inventory*

25. The promoter must estimate the initial quantity of living below-ground biomass using data from the initial inventory of living aerial biomass and the equations in Table 7 below. The promoter must enter this information and data into the CBM-CFS software.

Table 7 – Information used to estimate living below-ground biomass during the initial inventory

Variable	**Method used to estimate the initial quantity of biomass**
Tree roots	Calculation Softwoods: Root biomass = 0.222 x tree biomass obtained following compilation of the initial inventory Hardwoods: Root carbon biomass = 1.576 + 0.615 x tree biomass obtained following compilation of the initial inventory
Shrub roots	Calculation Shrubs: root biomass =1.5750 + 0.615 x shrub biomass obtained following compilation of the initial inventory
Grass roots	Default value for 100% cover 15.0 tonnes biomass/ha To be multiplied by the actual herbaceous cover (ha) obtained during the initial inventory

DIVISION IV
SOIL CARBON INVENTORY

§ 1.–*General provisions*

26. A soil carbon inventory of the lot or part of a lot for the project must be conducted during the initial inventory and the issuance inventory when more than 25% of the lot or part of a lot is disturbed by site preparation work to plant seedlings or sow seeds.

§ 2.—*Data collection*

27. Soil sampling must be conducted as follows:

(1) three successive samples of around 10 cm, including surface litter (LFH horizon), must be taken to a depth of about 30 cm around micro-plots 4 and 6 of the plan in Schedule A;

(2) once a sample has been taken and before the next sample is taken, the promoter must measure the depth of the hole to the nearest 0.25 cm, to ascertain the depth of the soil taken for each of the three samples;

(3) the samples must be taken using a volumetric probe with a diameter of at least 5 cm for quantitative sampling. When it is impossible to take a volumetric sample, the soil samples must be taken using a Dutch auger;

(4) the colour of each soil sample must be determined using a Munsell soil colour chart. The promoter must, in particular, enter the route number and sample plot number, the sample number and the soil colour code in the compiled inventory report for the project;

(5) the distance between two samples taken during different sampling campaigns must be at least 1 m.

28. The steps in the soil sampling process and the associated variables used to calculate the quantity of soil carbon in the laboratory are described in the table in Division I of Schedule C.

§ 3.—*Analysis of soil samples*

29. All the soil samples taken must undergo combustion analysis at a laboratory accredited pursuant to section 118.6 of the Environment Quality Act (chapter Q-2) or, if no laboratory is accredited for sample analysis, by a laboratory that is compliant with ISO/CEI 17025, “General requirements for the competence of testing and calibration laboratories” distributed jointly by the International Organization for Standardization and the International Electrotechnical Commission.

30. When analyzing the samples, the laboratory must follow the steps presented in the table in Division II of Schedule C. It must also follow the steps for the analysis of variables used to calculate soil carbon set out in Division III of Schedule C.

CHAPTER IV
SIMULATION OF THE ANNUAL CHANGE IN CARBON STOCK IN THE CARBON RESERVOIRS FOR A PROJECT

DIVISION I
GENERAL CONDITIONS

31. The annual change in carbon stock in the carbon reservoirs for a project must be simulated for the baseline scenario and project scenario using the most recent updated version of the CBM-CFS software and the calculation tool.

The simulation must be consistent with the information and data collected and compiled at the various project stages.

32. The simulation of the annual change in carbon stock in the carbon reservoirs for a project must make it possible to

(1) define and compare the annual change in the carbon stock under the baseline scenario and the project scenario;

(2) produce the data needed to establish the number of offset credits to be issued pursuant to the Regulation respecting a cap-and-trade system for greenhouse gas emission allowances.

33. The simulation of the baseline scenario and project scenario must

(1) when the project is filed, cover a period of at least 100 years from the data collection data for the initial inventory;

(2) at the end of each reporting period, be updated for a simulation period of at least 100 years.

34. When a natural or man-made disturbance occurs during a reporting period, the promoter must

(1) include the effect of the disturbance in the project scenario;

(2) include the effect of the disturbance in the baseline scenario only when it could have occurred if the project had not existed.

The effect of the disturbance must be included in a scenario either during the year in which it occurs or at the end of a reporting period.

35. The baseline scenario for a project cannot be amended after the project's eligibility has been confirmed by the Minister, except in the case of an update needed to include the effect of a natural disturbance mentioned in section 34.

36. The promoter cannot amend the information and data entered into the CBM-CFS software and the calculation tool if they have been used to apply for the issuance of offset credits when including a natural or man-made disturbance or performing an update at the end of a reporting period in the project scenario and, where applicable, in the baseline scenario.

37. The promoter must keep a register of the amendments made to the definition of the baseline scenario and project scenario, including in particular a summary description of the main amendments made to the information and data entered into the CBM-CFS software and the calculation tool for the initial characterization and the updating of the baseline scenario and project scenario.

The information in the register must be kept for a minimum period of 7 years from the project end date and be made accessible, for consultation, by the persons responsible for verifying the project.

DIVISION II
GROWTH CURVE

§ 1.—*Selection of the growth curve for merchantable volume in the baseline scenario*

38. To simulate the baseline scenario, the promoter must

(1) for an afforestation project on a lot or part of a lot assigned to non-forestry purposes, select a growth curve representing the annual change in the merchantable volume of each stratum in the baseline scenario from among those shown in the tables in Division II of Schedule D;

(2) for a reforestation project on a lot or part of a lot assigned to forestry purposes or on a lot or part of a lot assigned to non-forestry purposes, generate or select a growth curve from a growth model for each stratum in the baseline scenario.

The growth curve generated or selected must be representative of the effects of land uses and layouts and the effects of the biophysical characteristics of the lot or part of a lot for the project.

§ 2.—*Selection of the growth curve for merchantable volume in the project scenario*

39. To simulate the project scenario, the promoter must generate or select a growth from a growth model for each stratum in the project scenario.

The growth curve generated or selected must be representative of the effects of land uses and layouts and the effects of the biophysical characteristics of the lot or part of a lot for the project.

§ 3.—*Method used to define the age of the strata in the baseline scenario and project scenario*

40. To position the initial total anhydrous biomass on the growth curve for the baseline scenario, the anhydrous biomass in each plant stratum must be converted into merchantable volume using the information in Schedule E.

41. The age of each stratum in the baseline scenario and project scenario must be defined

(1) in the case of the baseline scenario for a lot or part of a lot assigned to non-forestry purposes, based on the merchantable volume calculated in accordance with section 40 in relation to the growth curve selected to represent the change in the merchantable volume for a stratum; or

(2) in the case of the baseline scenario for a lot or part of a lot assigned to forestry purposes, based on the measurements of dominant height, basal area and number of stems in relation to the growth curve selected to represent the change in the merchantable volume for a stratum; and

(3) in the case of the project scenario, based on the year of the planting of seedlings or sowing of seeds.

42. The promoter must ensure that the measures implemented on the lot or part of a lot for the project are consistent with the age-volume relationship for the selected growth curve. The promoted must also adjust the growth curve if any inconsistency is observed.

DIVISION III
TIMBER FOREST PRODUCTS

43. When the baseline scenario and project scenario are simulated, the promoter must enter into the CBM-CFS software the actual or, if not, the estimated percentage of the volume of timber harvested that will be processed into timber forest products during a reporting period.

The percentage must be determined taking into account the information and data gathered during inventories before and after the treatment and when all stems in the 10 cm and over diameter class are measured.

44. The promoter must enter into the calculation tool the data generated by the CBM-CFS software concerning the reservoir in the merchantable volume.

45. The calculation tool defines the quantity of carbon contained in timber forest products by applying the distribution rate by product and the half-life for timber forest products shown in Division I of Schedule F to the results.

The promoter may use a distribution rate by product that is different from the default in the calculation tool.

46. The carbon stock contained in timber forest products is calculated by the calculation tool using equation 6:

Equation 6

$$C(t+1) = e^{-k} \times C(t) + \frac{1-e^{-k}}{k} \times I(t)$$

Where:

$C_{(t+1)}$ = Residual fraction of a quantity of carbon sequestered in a type of timber forest product;

t = Year after processing;

e = Napier's constant = 2.71828;

k = Constant annual rate at which the quantity of timber forest products degrades and completes its lifecycle. k = ln(2)/t1/2 where t1/2 is the half-life of a timber product for a specific final use;

The value of variables k and e^{-k} to predict the annual change in the quantity of a product category over time is determined in Division II of Schedule F;

C(t) = Quantity of carbon harvested and processed into timber forest products at the start of year t. The product of C(t) and e^{-k} describes the carbon retained in timber products from year t to year t+1;

$I_{(t)}$ = Accumulation of timber products (in mass of carbon) at time t from new harvesting or recycled timber products. The product of the equation corresponds to the carbon contained in $I_{(t)}$ maintained as a timber product at the end of year t after decomposition. The value is determined using the provincial distribution rate table in Division I of Schedule F, except where the promoter provides a different distribution rate as provided for in the second paragraph of section 45.

DIVISION IV
SPECIAL PROVISIONS FOR THE SIMULATION OF THE ANNUAL CHANGE IN CARBON STOCK IN THE CARBON RESERVOIRS FOR AN EARLY PROJECT

§ 1.—*General conditions*

47. The following provisions apply to an early project, in addition to the requirements set out in Divisions I to III of this Chapter that apply to all projects.

48. When an early project is filed, the simulation of the annual change in carbon stock in the baseline scenario and project scenario carried out from data collected during the initial inventory of the equivalent lot or part of a lot must include

(1) a reconstitution period for the annual change in the carbon stock for the project between the year in which the project began and the year in which it is filed;

(2) a period representing the annual change in the carbon stock for the project over 100 years following the year of filing.

§ 2.— *Conditions applicable to the baseline scenario concerning the initial state of the carbon reservoirs, except the soil reservoir*

49. The promoter must determine the initial state of the carbon reservoirs, except the soil reservoir, using the data gathered during the initial inventory, on the basis of an equivalent lot or part of a lot.

50. The equivalent lot or part of a lot must be selected using a comparative photo-interpretation analysis, which must

(1) for the lot or part of a lot for the project, be based on an analogical or digital aerial photograph or a satellite image showing it before the implementation of the project. The photograph or image must be taken at a date as close as possible to the year of planting of seedlings or the sowing of seeds;

(2) for the equivalent lot or part of a lot, be based on an analogical or digital aerial photograph or a satellite image showing the land to be inventoried. The photograph or image must be taken at a date as close as possible to the year in which the comparative photo-interpretation analysis takes place;

(3) define the category of fallow land and the characteristics of the plant strata, in particular the types of species present, their density class and average height on the lot or part of a lot for the project;

(4) show that there is no statistically significant difference between the lot or part of a lot for the project and the equivalent lot or part of a lot with respect to the category of fallow land, within the meaning of this Regulation, and the characteristics of the interpretation strata for the analogical or digital aerial photographs or satellite images compared.

For the purposes of subparagraph 4 of the first paragraph of this section, a difference is "statistically significant" when the value obtained by a chi-squared test is below 0.05.

§ 3.—*Conditions applicable to the baseline scenario and project scenario concerning the initial state of the soil carbon reservoir*

51. The initial quantity of the carbon stock in the soil carbon reservoir is determined using equation 7. The result of the equation must be entered into the CBM-CFS software for the simulation of the baseline scenario and project scenario.

Equation 7

$$C_{SoilRef} = \left(\left(30 - age_{plant}\right) \times 0{,}0167 + 1\right) \times tC_{soilDP/ha}$$

Where:

$C_{SoilRef}$ = Quantity of carbon present in the soil at the start date of an early project;

30 = Number of years needed to stabilize the carbon following site preparation work;

age_{plant} = Age of the plantation at the project filing date;

0.0167 = Annual rate of carbon accumulation in the soil following site preparation work;

1 = Constant;

$tC_{soilDP/ha}$ = Quantity of carbon in the soil carbon reservoir determined using the compiled value of the quantity of carbon obtained following the analysis of soil samples taken during the initial inventory of the lot or part of a lot for the project.

§ 3.—*Conditions applicable to the project scenario*

52. The promoter must determine the initial state of the carbon reservoirs in the project scenario for an early project using the data gathered during the initial inventory on the lot or part of a lot for the project.

53. For the reconstituted portion of the growth curve of merchantable volume in the project scenario, the annual change in the carbon stock in all the carbon reservoirs for the project must be simulated using the information and data gathered during the initial inventory of the lot or part of a lot for the project.

CHAPTER V
CALCULATION OF DIRECT EMISSIONS OF NITROUS OXIDE ATTRIBUTABLE TO THE FERTILIZATION OF THE LOT OR PART OF A LOT FOR THE PROJECT

54. The promoter must calculate the direct emissions of nitrous oxide attributable to the spreading of organic and inorganic nitrogenous fertilizer on the lot or part of a lot for the project at the end of a reporting period using equation 8 to ensure that the result of the calculation is entered into the most recent updated version of the calculation tool:

Equation 8

$$N_2O_{Spreading_i} = (N_{FERTi} \times EC_{BASE}) \times \frac{44}{28}$$

Where:

$N_2O_{Spreading_i}$ = Emissions from the spreading of nitrogenous fertilizer of type *i* (kg N_2O/year);

i = Type of organic or inorganic nitrogenous fertilizer (synthetic fertilizer, manure, slurry or sludge from a paper mill, de-inking mill or sewage works);

N_{FERTi} = Quantity of nitrogen from nitrogenous fertilizer of type *i, kg N spread* (kg N_2O/year);

EC_{BASE}= Base emission coefficient = 0.0168 kg N_2O-N/kg N;

$\frac{44}{28}$= Conversion coefficient, N-N_2O to N_2O.

CHAPTER VI
CALCULATION OF DIRECT CARBON DIOXIDE EMISSIONS ATTRIBUTABLE TO THE USE OF FOSSIL FUELS

55. These GHG flows must be taken into account at the end of a reporting period to ensure that the result of the calculation is entered into the most recent updated version of the calculation tool and considered in the project outcome.

56. The promoter must calculate the direct GHG emissions attributable to the implementation of a silvicultural strategy on the lot or part of a lot for the project using the following equation:

Equation 9

$$FFE=\sum[F_c \times[(EF_{CO2,c}\times10^{-3})+(EF_{CH4,c}\times GWP_{CH4}\times10^{-6})+(EF_{N2O,c}\times GWP_{N2O}\times10^{-6})]]$$

Where:

FFE = Total GHG emissions attributable to the consumption of fossil fuels, in metric tonnes CO_2 equivalent;

c = Type of fossil fuel, gasoline (regular or premium) or diesel;

FF_c = Total quantity of fossil fuel c consumed, in litres;

$EF_{CO2,c}$ = CO2 emission factor for fossil fuel *c* as set out in Table 27-1 of Schedule A.2 QC.27.7 of the Regulation respecting mandatory reporting of certain emissions of contaminants into the atmosphere (chapter Q-2, r. 15), in kilograms of CO2 per litre;

10^{-3} = Conversion factor, grams to metric tonnes;

$EF_{CH4,c}$ = CH4 emission factor for fossil fuel *c* as set out in Table 27-1 of Schedule A.2 QC.27.7 of the Regulation respecting mandatory reporting of certain emissions of contaminants into the atmosphere, in grams of CH_4 per litre;

GWP_{CH4} = Global warming potential of CH_4, taken from Schedule A.1 of the Regulation respecting mandatory reporting of certain emissions of contaminants into the atmosphere;

10^{-6} = Conversion factor, grams to metric tonnes;

$EF_{N2O,c}$= N_2O emission factor for fossil fuel *c* as set out in Table 27-1 of Schedule A.2 QC.27.7 of the Regulation respecting mandatory reporting of certain emissions of contaminants into the atmosphere, in grams of N_2O per litre;

GWP_{N2O} = Global warming potential of CH_4, taken from Schedule A.1 of the Regulation respecting mandatory reporting of certain emissions of contaminants into the atmosphere;

57. The promoter must calculate the quantity of fossil fuels consumed, using the following equation:

Equation 10

$$FFc = \sum CFc \; x \; Surface\ area$$

Where:

FF_c = Total volume of fossil fuel of type *c* used during a reporting period, in litres;

c = Type of fossil fuel, either gasoline or diesel;

y = Number of treatment families;

t = Treatment family in accordance with Schedule H;

CF_c = Consumption factor for fossil fuel of type *c* as set out in the table in Schedule H, in litres/ha;

Surface area = Total surface area on which a treatment family is applied, in ha.

CHAPTER VII
CARBON LEAKS

58. The promoter must determine if a leak has been generated by the project at the end of a reporting period.

59. A carbon leak is generated by a project when, during a reporting period, the deforestation rate for all the lots and parts of lots belonging to the owner of the lot or part of a lot for the project, obtained using equation 11, is greater than the deforestation rate for private land in the municipality where the project is implemented at the end of a reporting period, obtained using equation 12.

60. At the start of each reporting period, the promoter must define the surface area of all privately-owned lots or parts of lots assigned to forestry purposes in the municipality where the project is implemented.

The promoter must indicate the result in the project plan and, if applicable, in the project report and indicate the sources and approach used to quantify the result.

61. When a carbon leak is generated during a reporting period, the promoter must quantify, into the CBM-CFS software, the effect of deforestation of all deforested area on the carbon reservoirs of the project of the lots belonging to the owner of the lot or part of a lot for the project. He must integrate this result into the project report.

62. When it is impossible to establish the deforestation rate for private land in the municipality where the project is implemented at the end of a given reporting period using equation 12, the minimum deforestation rate for the lots belonging to the owner of the lot or part of a lot that is applicable to an issuance period is 2%.

Equation 11

$$R_{p=\frac{(Aps-Ape)}{Aps}*100}$$

Where:

R_p = Deforestation rate for lots belonging to the owner of the lot or part of a lot for the project;

Aps = At the start of a reporting period, total surface areas of lots or parts of lots assigned to forestry purposes that are located on lots or parts of lots belonging to the owner of the lot or part of a lot for the project implemented pursuant to this Regulation;

Ape = At the end of a reporting period, total surface areas of the lots or parts of lots assigned to forestry purposes that are located on lots or parts of lots belonging to the owner of the lot or part of a lot for the project implemented pursuant to this Regulation.

Equation 12

$$R_{m=\frac{(Ams-Ame)}{Ams}*100}$$

Where:

R_m = Deforestation rate for private land in the municipality where the project is implemented at the end of a given reporting period;

Ams = At the start of a reporting period, surface area of the lots or parts of lots assigned to forestry purposes on private land in the municipality where the project is implemented pursuant to this Regulation;

Ame = At the end of a reporting period, surface area of the lots or parts of lots assigned to forestry purposes on private land in the municipality where the project is implemented pursuant to this Regulation.

CHAPTER VIII
PROJECT OUTCOME

63. The promoter must enter into the most recent updated version of the calculation tool the information and data obtained pursuant to Title III to determine the project outcome.

64. For an update to the project outcome and an issuance request, the promoter must keep the data obtained pursuant to Title III and entered into the calculation tool that are covered by the issuance request. In addition, the promoter may not modify the data at a later date.

65. The project outcome is determined by the calculation tool by subtracting the results for the project scenario obtained using equations 13 to 18 below from the results for the baseline scenario obtained using the same equations:

Equation 13

$$BER_{co2eq}(k \rightarrow l) = RE_SCO_2(k \rightarrow l) + RE \quad _EGHG(k \rightarrow l)$$

Where:

$BER_{co2eq}(k \rightarrow l)$ = Net effect of GHG flows based on radiative forcing during a reporting period ($k \rightarrow l$) in metric tonnes CO_2 equivalent;

$RE_sCO_2(k \rightarrow l)$ = Residual effect of CO_2 captured during a reporting period ($k \rightarrow l$) (negative value), calculated using equation 14;

$RE_EGHG(k \rightarrow l)$ = Residual effect of GHG emitted during a reporting period ($k \rightarrow$) (positive value), calculated using equation 16;

k = Start of reporting period;

l = End of reporting period.

Equation 14

$$RE_sCO_2(k \rightarrow l) = \sum_{j=k}^{l} \left(m_SCO_2\ (j)\right) * (F_S(j)_{k \rightarrow l})$$

Where:

$REsCO_2(k \rightarrow l)$ = Residual effect of CO_2 captured during a reporting period on radiative forcing ($k \rightarrow l$);

m_s = Mass of CO_2 captured during a reporting period;

$Fs(j)_{k \rightarrow l}$= Fraction of the sequestration effect of one tonne of CO_2 on radiative forcing during a reporting period from k to l ($k \rightarrow l$) calculated using equation 15;

j = Year of carbon sequestration, by default the year begins at 0 with the planting of seedlings or sowing of seeds;

k = Start of reporting period;

l = End of reporting period.

Equation 15

$$F_S(j)_{k\to l} = \frac{\int_{t=k-j\ ou\ t=0}^{l-j} a_{co_2} * C_{co_2}(t)dt}{\int_{t=0}^{100} a_{co_2} * C_{co_2}(t)dt}$$

Where:

$Fs(j)_{k\to l}$ = Fraction of the sequestration effect of one tonne of CO_2 on radiative forcing during a reporting period from k to l (k→l);

a_{co2} = Instantaneous radiative forcing by unit mass of a CO_2 flow present in the atmosphere, the value of variable a_{co2} being 5.35 W m^{-2} kg^{-1};

C_{co2} (t) = Atmospheric mass loading of a CO_2-type GHG or residual fraction of a type x GHG flow as a function of period *t*;

j = Year of carbon sequestration, by default the year begins at 0 with the planting of seedlings or sowing of seeds;

k = Start of reporting period;

l = End of reporting period;

t = Period of time from the start of the GHG flow to the end of the reporting period (sequestration) or 100 years (emission).

Equation 16

$$ER_EGES(k \rightarrow l) = \sum_{j=k}^{l} \left(m_E GES\,(j)\right) * \left(F_E(j)_{k \rightarrow l}\right)$$

Where:

$RE_EGHG(k \rightarrow l)$= Residual effect of GHG emitted during a reporting period ($k \rightarrow l$) (positive value);

$m_{EGES(j)}$ = Mass of GHG emitted during year j in metric tonnes;

$F_E(j)_{k \rightarrow l)}$ = Fraction of the effect of the emission of one tonne of GHG of type *x* on radiative forcing during a reporting period from k to l ($k \rightarrow l$) calculated using equation 17;

j = Year of carbon sequestration. By default, the year begins at 0 with the planting of seedlings or sowing of seeds;

k = Start of reporting period;

l = End of reporting period.

Equation 17

$$F_E(j)_{k \rightarrow l} = \frac{\int_{t=k-j\ ou\ t=0}^{l-j} a_{GHG} * C_{GHG}(t)dt}{\int_{t=0}^{100} a_{CO_2} * C_{CO_2}(t)dt}$$

Where:

$F_E\ (j)_{k \rightarrow l}$ = Fraction of the effect of the emission of one tonne of GHG of type x on radiative forcing during a reporting period from k to l ($k \rightarrow l$);

a_x = Instantaneous radiative forcing by unit mass of GHG of type x (here x= CO_2) present in the atmosphere, the value of variable a_{co2} being 5.35 W m^{-2} kg^{-1};

$C_{GHG}t$) = Atmospheric mass loading of a GHG at time t of type x or residual fraction of a type x GHG flow as a function of period of time t;

$C_{co2}(t)$ = Atmospheric mass loading of a GHG at time t of type CO_2 or residual fraction of a CO_2 type GHG flow as a function of period t, calculated using equation 18;

j = Year of CO_2 sequestration, by default, the year begins at 0 with the planting of seedlings or sowing of seeds;

k = Start of reporting period;

l = End of reporting period;

t = Period of time from the start of the GHG flow to the end of the reporting period (sequestration) or 100 years (emission).

Equation 18

$$C_{CO_2}(t) = k_{CO_2} \int_{-\infty}^{t} E_{CO_2}(t') \cdot \left[f_{CO2,0} + \sum_{S=1}^{n} f_{CO2,S} \cdot e^{\left(-\frac{t-t'}{\tau_{CO2,S}}\right)} \right]_F dt'$$

Where:

C_{co2} (t) = Atmospheric mass loading of a CO_2-type GHG or residual fraction of a type x GHG flow as a function of period *t*;

r = concentration;

k_{CO2}= 0.47 ppmv/GtC, to be added only to adjust the result;

E_{CO2}= Emissions of CO_2 in metric tonnes;

$\tau_{CO2,S}$= Exponential atmospheric degradation time of the Sth fraction of the additional concentration (τ1 = 394.4; τ2 = 36.54; τ3 = 4.304);

$f_{CO2,0}$= First fraction (0.2173);

$f_{CO2,S}$= Respective fractions (0.224; 0.2824; 0.2763).

TITLE IV
PROJECT FILING

CHAPTER I
GENERAL PROVISIONS

66. A promoter must file a project with the Minister after completing the initial stages such as the initial characterization, the initial inventory and the simulation within the time limits set in section 5.

The filing of a project involves the simultaneous transmission of the project notice provided for in Chapter II of this Title, the project plan provided for in Chapter III of this Title and the verification report on the project plan provided for in Chapter III of Title VII.

67. Within 90 days of receiving a complete project the Minister, in a written communication with the promoter, confirms or rejects

(1) the project's eligibility, in accordance with the eligibility conditions set out in Chapter I of Title II;

(2) the validity of the initial inventory and the baseline scenario.

When a project's eligibility is confirmed by the Minister, a project code is assigned and forwarded to the promoter.

CHAPTER II
PROJECT NOTICE

68. The project notice includes, in particular, the following information and documents:

(1) the information needed to identify the promoter and the promoter's representative, if any;

(2) the number of the general account opened by the Minister for the promoter under section 14 of the Regulation respecting a cap-and-trade system for greenhouse gas emission allowances following the promoter's registration for the cap-and-trade system for emission allowances;

(3) the date of the project notice;

(4) information relating to the location of the project, including the regional county municipality, the municipality, the cadastral designation and, where applicable, the street address of the lot;

(5) a brief description of the project including, in particular, the following information:

(a) the project type, whether an afforestation project, a reforestation project, or both;

(b) whether or not the project is an early project;

(c) whether or not the project is part of an aggregation and, if so, the name of the aggregation;

(d) the total surface area of the lot for the project;

(e) the surface area of the lot affected by an afforestation activity, the surface area affected by a reforestation activity and, where applicable, the cumulative area affected when the project involves both types of activity;

(f) the project start date when known or, when not known, an estimate;

(g) the estimated duration of the project;

(h) the estimated start and end dates of the reporting periods for the entire estimated duration of the project;

(i) an estimate of the number of offset credits to be issued for each reporting period and the total number of offset credits for the entire duration of the project;

(6) the information needed to identify the owner of the lot or part of a lot for the project and the relevant information if it belongs to the promoter;

(7) a declaration by the promoter or the promoter's representative that the information and documents provided are accurate.

CHAPTER III
PROJECT PLAN

69. The project plan must include, in particular, the following information and documents:

(1) the information needed to identify the promoter and the promoter's representative, if any;

(2) when the promoter has engaged, or expects to engage, the services of a professional or another person to prepare or implement the project,

(a) the information needed to identify that professional or person;

(b) a summary of the tasks that will be assigned to that professional or person;

(c) where applicable, a declaration by the professional or person that the information and documents provided are complete and accurate;

(3) the date of the project plan;

(4) an exhaustive description of the project including, in particular, the following information:

(a) the project type, whether an afforestation project, a reforestation project, or both;

(b) whether or not the project is an early project;

(c) whether or not the project is part of an aggregation and, if so, the name of the aggregation;

(d) the project objectives in terms of carbon offset and forest development;

(e) the total surface area of the lot for the project including the area assigned to forestry purposes and the area assigned to non-forestry purposes.

(f) the surface area of the lot affected by an afforestation activity, the surface area affected by a reforestation activity and, where applicable, the cumulative area affected when the project involves both types of activity;

(g) the project start date when known or, when not known, an estimate including an indication of how the estimate was determined;

(h) the estimated duration of the project;

(i) the estimated start and end dates of the reporting periods for the entire estimated duration of the project;

(j) the information needed to identify the owner of the lot or part of a lot for the project and the relevant information if it belongs to the promoter;

(k) where applicable, information on the owner's registration as a forest producer associated with the project, if the owner is not the promoter, and the owner's forest producer number;

(5) a demonstration that the project meets the eligibility conditions set out in Chapter I of Title II, including a copy of any relevant document.

(6) information on the initial characterization for the project, including the elements listed in section 14, their justification and a presentation of the initial inventory for the lot or part of a lot for the project, including all relevant elements and their justification;

(7) where applicable, a copy of the report on soil sample analyses for the project prepared by the laboratory responsible for analyzing the samples;

(8) a presentation of the baseline scenario and project scenario and the results from the simulation of annual change in the carbon stock including all relevant information and its justification;

(9) a presentation of the project outcome including all relevant information and its justification;

(10) a copy of the files for the project generated by the CBM-CFS software to simulate the annual change in carbon in the carbon reservoirs under the baseline scenario and project scenario;

(11) a copy of the calculation tool used to define the project outcome including all the data and hypotheses used to simulate the baseline scenario and project scenario, the planned issuance periods and the total number of offset credits to be issued for the project and for each estimated issuance period;

(12) a declaration signed by the promoter or the promoter's representative stating that no offset credits have been issued for the GHG withdrawals targeted by the project plan under the Regulation respecting a cap-and-trade system for greenhouse gas emission allowances and that no credits have been issued under another program to offset GHG emissions or will be issued under such a program;

(13) in addition to the requirements set out in this section, in the case of an early project, the promoter must also provide the information needed to identify the early project as registered for another program to offset GHG emissions including, in particular, the information needed to identify the program. In addition, a promoter who wishes to consider, in the project outcome, GHG withdrawals for which offset credits have been issued under another program to offset GHG emissions must provide the following information:

(a) the start date of the project, as defined in this regulation, and the date of its registration in the program to offset GHG emissions;

(b) the total number of credits issued, by vintage;

(c) the total number of credits issued, by vintage, and the number of GHG withdrawals in tCO2 that will be considered in the project outcome when the project is filed and when applications for issuance are made;

(d) the information needed to identify the credits for which the promoter wishes to consider GHG withdrawals in the project outcome, including the serial number or equivalent and the vintage;

(14) in the case of an early project, when credits have been issued for the GHG withdrawals considered in the project outcome under another program to offset GHG emissions, the promoter must show that

(a) the credits issued to the promoter of the original project and the related GHG withdrawals taken into account in the project outcome have never been used to offset a GHG emission under another program to offset GHG emissions or a voluntary offset initiative.

In this case, the promoter must submit an official document from the authorities responsible for the initial program showing compliance with the obligation. In addition, the authorities for the program to offset GHG emissions must provide a list of the credits concerned with their serial numbers and vintages;

(b) the credits issued to the promoter of the original project have not been sold or purchased otherwise than between the person to whom the program to offset GHG emissions issued the credits and the promoter of the project implemented pursuant to this Regulation.

In this case, the promoter must submit an official document from the authorities responsible for the initial program showing that the current holder is the first and only owner of the carbon credits issued and that they have never been sold or purchased by a person other than the promoter. The authorities for the program to offset GHG emissions must provide a list of the credits concerned with their serial numbers and vintages;

(c) the carbon credits issued to the promoter of the original project and the related GHG withdrawals taken into account in the project outcome pursuant to this Regulation have been withdrawn, cancelled or invalidated in the course of activities under the former carbon credits program and are no longer available to offset a GHG emission under the initial issuance program.

In this case, the promoter must submit an official document from the authorities responsible for the initial program showing compliance with the obligation and specifying the number of credits cancelled and the identification number and vintage of each credit cancelled.

The promoter must report to the Minister all the questions, actions and decisions raised or taken by the authorities responsible for the carbon credits program in connection with the validity of the project or the credits issued in the course of the activities under that program;

(15) when the promoter is not the owner of the lot or part of a lot for the project, a declaration by the owner authorizing the implementation of the project by the promoter and undertaking not to apply, with respect to the GHG withdrawals covered by the project plan, either for offset credits under the Regulation respecting a cap-and-trade system for greenhouse gas emission allowances or for credits under another program to offset GHG emissions;

(16) a declaration signed by the forest engineer responsible for supervising the project plan stating that the information and documents produced under the engineer's responsibility are complete and accurate;

(17) a declaration signed by the promoter or the promoter's representative stating that the project will be implemented in accordance with this Regulation and that the documents and information provided are complete and accurate;

(18) when the environmental impacts of the project have been assessed, a summary of the analysis and its conclusions;

(19) a copy of every authorization needed for the implementation of the project;

(20) the information provided for in paragraph 2 of section 70 concerning financial and fiscal assistance received during the implementation of the project;

(21) the information needed to identify the forest engineers involved in filing the project;

(22) the name and function of each person involved in drawing up the project plan;

(23) the date and the signature of the promoter or the promoter's representative.

When a document signed by a forest engineer is required, it must be accompanied by the information needed to identify the forest consultant and the members of the team concerned.

TITLE V
PROJECT MONITORING

70. The promoter must record the following information and documents in a register of events bearing the title, name and code of the project:

(1) the information and documents relating to a natural or man-made disturbance, including in particular

(a) the actual or estimated date on which the disturbance occurred;

(b) the type of natural or man-made disturbance;

(c) one or more maps of the lot showing and locating the areas disturbed with, as a minimum, the following layers: the outline of the lot and the areas managed for the project, the road network, the hydrographic network, the outline of the disturbed areas, the areas assigned to non-forestry purposes, forest stands and adjacent lots. The geographical entities for the project, such as the outline of each forest stand, must be numbered and described in a table accompanying the map or maps. The table must include, for each entity shown on the map, its number on the map and a summary description including the name of the ecoforest stratum and its surface area in hectares.

All the maps in the report must have, as the base layer, an aerial photograph or satellite image with a spatial resolution making it possible to distinguish transitions between contrasting geographic entities (for example, between a forest and a road). The resolution of the maps for the project must make it possible to perform a quick analysis of the attributes connected with the project;

(d) the number of hectares affected by the disturbance and a description of the methodology used to assess it;

(e) in the case of a natural disturbance, an estimate of the merchantable volume of timber affected in cubic metres and the methodology used;

(f) in the case of a man-made disturbance caused by a forest development activity:

i. the type of forest development activity;

ii. a description of the forest development activity and its effect on the project, in particular on the growth curve;

iii. the documents justifying the forest development activity, including in particular the silvicultural prescriptions and the pre- and post-treatment inventory reports;

iv. an estimate of the merchantable volume of timber, in cubic metres, affected by the forest development activity and the methodology used;

v. the reasons for implementing the forest development activity;

vi. where applicable, a description of the intended use of the harvested timber including proof of sale, the destination of each volume of timber harvested that is not retained, and the provincial distribution rate for the volume of timber harvested by type of timber forest product set out in Division I of Schedule F and information on whether or not it has been modified by the promoter, with the justification;

(g) any other information specifying the consequences of the disturbance for the carbon reservoirs;

(2) information and documents on the financial and fiscal assistance received during the project, including in particular

(a) the type of financial or fiscal assistance;

(b) the amount of the financial or fiscal assistance;

(c) the date on which the financial or fiscal assistance was obtained;

(d) the conditions for receiving the financial or fiscal assistance;

(e) the reason for requesting financial or fiscal assistance;

(f) the information needed to identify each program, organization and donor;

(3) in the case of an early project, information and documents on the program to offset GHG emissions, including in particular

(a) a copy of the project plan or its equivalent as submitted to the authorities for the program to offset GHG emissions, to justify the project's eligibility;

(b) a copy of the project reports or their equivalent as submitted to the authorities for the program to offset GHG emissions, to justify the issuance of carbon credits to the person responsible for the project;

(c) the information and data used for the calculations to establish the number of credits issued under another program to offset GHG emissions;

(4) all the data files used to compile inventories for the carbon reservoirs for the project;

(5) all the data and hypotheses used to simulate the baseline scenario and project scenario and the results of the simulations;

(6) the information needed to identify the person who recorded the information in the register, the person's function, and the date of recording.

TITLE VI
PROJECT REPORT

71. The promoter must file a project report for each reporting period not later than 8 months after the end of the period.

72. The project report must include the following information and documents in particular:

(1) where applicable, updates to the information and documents that have changed since the project was filed or since the last issuance request;

(2) where applicable, a detailed description of all the changes made to the planning and implementation of the project since the project was filed or since the last issuance request;

(3) the project code assigned by the Minister when confirming the project's eligibility;

(4) a presentation of the issuance inventory for the lot or part of a lot for the project, including all relevant elements and their justification;

(5) a copy of the survey plan planned and a copy of the survey plan revised once the issuance inventory for the project has been completed, signed by a forest engineer and including the following information in particular:

(a) information on the survey units for the lot or part of a lot for the project, including the number of routes and sample plots, their location and the starting point for each route;

(b) a copy of the shape file presenting the revised survey plan once the inventory has been conducted and the information needed to identify and locate each route and each sample plot;

(6) a copy of the compilation report from the issuance inventory, signed by a forest engineer and including the following information in particular:

(a) updated information on the location and georeferences for each route, plot and micro-plot inventoried by the promoter;

(b) the results of the compilation of the carbon reservoir inventories for the project;

(7) where applicable, a copy of the report on soil sample analyses for the project prepared by the laboratory responsible for analyzing the samples;

(8) a presentation of the baseline scenario and project scenario and the results of the simulation of the annual change in carbon stock including all relevant elements and their justification;

(9) a presentation of the project outcome including all relevant elements and their justification;

(10) a declaration signed by the promoter or the promoter's representative stating that no offset credits have been issued for the GHG withdrawals and effects mentioned in the project report under the Regulation respecting a cap-and-trade system for greenhouse gas emission allowances and that no credits have been issued under another program to offset GHG emissions or will be issued under such a program;

(11) when the promoter is not the owner of the lot or part of a lot for the project, a declaration by the owner authorizing the implementation of the project by the promoter and undertaking not to apply, with respect to the GHG flows covered by the project plan, either for offset credits under the Regulation respecting a cap-and-trade system for greenhouse gas emission allowances or for credits under another program to offset GHG emissions;

(12) a declaration signed by the promoter or the promoter's representative stating that the promoter still owns the effects of the carbon sequestrations for which the offset credits have been requested;

(13) when a change in owner occurs during the reporting period covered by the project report and when the promoter is not the owner of the lot or part of a lot for the project, a declaration by the new owner authorizing the implementation of the project by the promoter and undertaking not to apply, with respect to the GHG withdrawals and effects covered by the project report, either for offset credits under the Regulation respecting a cap-and-trade system for greenhouse gas emission allowances or for credits under another program to offset GHG emissions;

(14) a declaration signed by the forest engineer responsible for supervising the project report stating that the information and documents produced under the engineer's responsibility are complete and accurate;

(15) a declaration signed by the promoter or the promoter's representative stating that the project has been implemented in accordance with this Regulation and that the documents and information provided are complete and accurate;

(16) when the environmental impacts of the project have been assessed, a summary of the analysis and its conclusions;

(17) a copy of every authorization needed for the implementation of the project;

(18) the information provided for in paragraph 2 of section 70 concerning the financial and fiscal assistance received during the reporting period for the project;

(19) the information needed to identify the forest engineers involved in the implementation of the project during the reporting period covered by the project report;

(20) the name and function of each person involved in drafting the project report;

(21) the date and signature of the promoter or the promoter's representative.

When a document signed by a forest engineer is required, it must be accompanied by the information needed to identify the forest consultant and team members concerned.

TITLE VII
VERIFICATION

CHAPTER I
GENERAL CONDITIONS

73. The promoter must entrust the verification of a project plan or project report to a verification organization accredited under ISO 14065 by an accreditation body belonging to the International Accreditation Forum in Canada or the United States and according to an ISO 17011 program, with respect to the sector of activity for the project.

Despite the first paragraph, the verification of a project plan or project report may be entrusted to a verification organization that is not yet accredited, provided it is accredited in accordance with the first paragraph in the year following the verification of the project plan or project report.

74. The promoter may entrust the verification of a project plan or project report to a verification organization in accordance with section 73 if the organization, the verifier designated by that organization to carry out the verification and the other members of the verification team

(1) have not acted for the promoter, in the 3 preceding years, as a consultant for the purpose of developing the project or calculating the GHG emission reductions attributable to the project;

(2) have not verified project reports covering more than two consecutive reporting periods for the project being verified.

In addition, when the promoter wishes to have the project plan or project report verified by a verification organization other than the organization that verified the report for the preceding reporting period, the verification organization to which the verification is entrusted, the verifier designated by that organization to carry out the verification and the other members of the verification team, must not have verified a project plan or project report covering the three preceding reporting periods for that project.

75. The verifier designated by the verification organization must be a member of the Ordre des ingénieurs forestiers du Québec.

76. The verifier designated must form a verification team to perform tasks under the verifier's supervision. The verification team must have relevant experience in the following sectors: forest operations and management, forest inventories, statistics, and simulation of annual changes in the carbon stock of the biomass in an ecosystem.

77. In addition to the requirements of the standards ISO 14064-3 and ISO 14065 concerning conflicts of interest, the promoter must ensure that none of the following situations exists between the promoter, its officers, the verification organization and the members of the verification team referred to in section 76:

(1) a member of the verification team or a close relative of that member has personal ties with the promoter or one of its officers;

(2) during the 3 years preceding the year of the verification, one of the members of the verification team was employed by the promoter;

(3) during the 3 years preceding the year of the verification, one of the members of the verification team provided the promoter with one of the following services:

(a) the design, development, commissioning or maintenance of a data inventory or data management system for GHG emissions from the establishment or facility of the promoter or, where applicable, for data on electricity or fuel transactions;

(b) the design, planning, implementation or supervision of a forest development project or a project to offset GHG emissions through forest development;

(c) the development of GHG emission factors, or the design and development of other data used for quantification purposes for any GHG emission reductions or withdrawals;

(d) a consultation concerning GHG emission reductions or GHG withdrawals from the atmosphere, in particular the design of an energy efficiency or renewable energy project and the assessment of assets relating to greenhouse gas sources, sinks and reservoirs;

(e) the preparation of manuals, guides or procedures connected with the reporting of the promoter's GHG emissions under the Regulation respecting mandatory reporting of certain emissions of contaminants into the atmosphere;

(f) consultation in connection with a GHG allowances market, including

i. brokerage, with or without registration, while acting as a promoter or subscriber on behalf of the promoter;

ii. advice concerning the suitability of a GHG emissions transaction;

iii. the holding, purchase, sale, negotiation or withdrawal of emission allowances referred to in the second paragraph of section 46.6 of the Environment Quality Act;

(g) a consultation in the field of health and safety and environmental management, including a consultation leading to ISO 14001 certification;

(h) actuarial consulting, bookkeeping or other consulting services relating to accounting documents or financial statements;

(i) a service connected with data management systems for a project of the promoter that is eligible for the issuance of offset credits;

(j) an internal audit of GHG emissions;

(k) a service provided in connection with litigation or an inquiry into GHG emissions;

(l) a consultation for a GHG emissions reduction project or a GHG withdrawal project carried out in accordance with this Regulation or the Regulation respecting a cap-and-trade system for greenhouse gas emission allowances;

(4) the independent verification examiner has previously provided the promoter with a verification service or other services referred to in subparagraph 3 for the reporting periods covered by the verification.

The existence of one of the situations described in the first paragraph or in section 74 is considered to be a conflict of interest that invalidates the verification.

For the purposes of this section, a close relative of a member of the verification team is that person's spouse, child, spouse's child, mother or father, mother's or father's spouse, child's spouse or spouse's child's spouse.

CHAPTER II
CONDUCT OF THE VERIFICATION

78. The verifier carries out the verification of a project when the project is filed and when an issuance request for offset credits is made. The verification must, in particular, allow the verifier to observe

(1) the implementation of the project;

(2) any change made to the initial project with the preceding verification and changes to the project outcome over time;

(3) the occurrence of natural or man-made disturbances, including in particular the completion of forest development activities on the lot or part of a lot for the project since the preceding verification.

79. When the verifier and the verifier's team carry out a project verification, they must visit the lot or part of a lot for the project in the company of the promoter and the owner. In the case of an aggregation of projects, the verifier and the verifier's team must also comply with the parameters in section 99.

80. The verification must include a verification of the measures taken by the promoter during inventories. In the case of an aggregation of projects, the verifier and the verifier's team must also comply with the parameters in section 100.

For the verification of a project plan, the measures taken by the promoter during an inventory must be verified before the planting of seedlings or the sowing of seeds.

81. For the purposes of a project verification, the promoter and, where applicable, the owner of the lot or part of a lot for the project must give the verifier all information and documents needed for the verification and provide access to the lot or part of a lot for the project.

82. In addition to the requirements of ISO 14064-3, the verification of a project plan or project must be carried out in accordance with the conditions and methods set out in this Chapter and in compliance with the provisions of the Professional Code.

83. The verification of a project must

(1) be carried out in accordance with a detailed verification plan including, in particular, a specific survey plan to verify the measures taken by the promoter to estimate the state of the carbon stock in the reservoirs.

The survey plan used by the verifier to verify the measures taken by the promoter to estimate the state of the carbon stock in the reservoirs must provide for the verification of at least 10% of the sample plots for the project or the greater or of at least 3 sample plots, whichever is greater. The sample plots verified must be selected at random and taking the risk of error into account;

(2) the verification of the measures taken by the promoter must make it possible to confirm that the parameters in the table in Schedule G are met;

(3) for each sample plot verified, a label must be attached to the peg indicating the centre of the variable-radius plot of each micro-plot. The label must be weatherproof and specify the date of the verification and the name of the verifier responsible for the verification;

(4) be carried out in a way that ensures that each step in the project is free of significant errors, omissions and inaccuracies;

(5) take into account, when the verification concerns the project plan, all the elements of the plan except the characterization and the simulation of the annual change in the carbon stock for the project scenario and the annual GHG flow outcome for the project.

For the purposes of this this Regulation, “significant errors, omissions and inaccuracies” means any errors, omissions and inaccuracies in the determination of the project outcome that are recorded in the project report for a reporting period that, individually or as an aggregate, result in an over-estimate or under-estimate of withdrawals greater than 5%.

84. Every measurement instrument or other equipment used for verification purposes pursuant to this Chapter must be used in accordance with the manufacturer’s instructions, be maintained in good working order and work reliably when used.

85. The verifier must verify the following elements when verifying the project plan:

(1) a description of the initial context for the project;

(2) the biophysical characteristics of the lot;

(3) the initial inventory of the lot or part of a lot for the project;

(4) a summary description of the baseline scenario;

(5) in the case of an early project, the requirements for the recognition of credits obtained through another program.

The characterization, the simulation of the annual change in the carbon stock for the project scenario and the annual GHG flow outcome for the project are excluded from the verification.

86. When, during the verification, the verifier notes an error, omission or inaccuracy in the quantification of the GHG withdrawals attributable to the project or non-compliance with a condition of this Regulation, the verifier must inform the promoter.

87. If, following the verification of the project plan or project report, as the case may be, the verifier concludes that it meets the conditions of this Regulation and contains no significant errors, omissions or inaccuracies, the verifier gives the promoter a verification notice attesting, with reasonable assurance,

(1) in the first case, that the simulation of the baseline scenario contains no significant errors, omissions or inaccuracies and that the project plan meets the conditions of this Regulation;

(2) in the second case, that the quantification of GHG withdrawals attributable to the project contains no significant errors, omissions or inaccuracies and that the project plan meets the conditions of this Regulation.

88. If, following the verification of the project plan or project report as the case may be, the verifier notes a failure to comply with a condition, the verifier must

(1) in the first case, assess its impact on the eligibility of the project, the validity of the initial inventory and the characterization of the baseline scenario and determine if it leads to significant errors, omissions or inaccuracies;

(2) in the second case and with respect to a condition relating to the quantification of GHG withdrawals that cannot be corrected by the promoter, assess its impact on the GHG withdrawals recorded in the project report and determine if its leads to significant errors, omissions or inaccuracies.

If the failure to comply with a condition relating to the quantification of GHG withdrawals cannot be corrected by the promoter but does not lead to significant errors, omissions or inaccuracies, and if the verifier concludes that the other conditions of the Regulation have been met and that there are no significant errors, omissions or inaccuracies, the verifier gives the promoter a positive verification notice.

CHAPTER III
VERIFICATION REPORT FOR A PROJECT PLAN OR PROJECT REPORT

89. Every verification of a project plan or project report must be recorded in a verification report.

The verification report for a project plan or project report must include the following information and documents in particular:

(1) the information needed to identify the verification organization and the verifier designated to carry out the verification, the other members of the verification team and the independent examiner, and their function in the verification of the project plan or project report;

(2) the information needed to identify the accrediting organization that accredited the verification organization for the verification, the sector of activity covered by the accreditation of the verification organization, and the period of validity of the accreditation;

(3) information on the project, including the information needed to identify the promoter and, where applicable, the project code;

(4) the verification plan and a description of its objectives and the activities completed by the verifier to verify the project plan, along with all exchanges of information between the verifier and the promoter for the purposes of the verification;

(5) the period during which the verification was conducted and the date of any visit to the lot or part of a lot for the project;

(6) the survey plan for the verification of the initial inventory or, as the case may be, the issuance inventory carried out by the verifier;

(7) the percentage of precision of the initial inventory or, as the case may be, the issuance inventory calculated by the verifier;

(8) the results of the verification based on the elements to be taken into consideration during the verification of the measures provided for in Schedule G;

(9) where applicable, the results of the verification of the soil carbon inventory at each sampling point including

(a) the calculations for the carbon stock;

(b) the satellite geolocalization of the sampling points verified;

(c) the 95% Dbm and Dbo confidence interval;

(d) the precision of the values for soil carbon stock on a mass of mineral soil basis (Qcorrigé);

(e) where applicable, a table showing the colour code for each soil sample verified with a description of the sampling point, including the promoter's route number, the micro-plot number and the number of the soil sample taken by the promoter;

(10) a list of all errors, omissions or inaccuracies noted in the quantification of GHG emissions reductions attributable to the project and all failures to comply with a condition of this Regulation, including the following information concerning them:

(a) their description;

(b) the date on which the promoter was informed of them;

(c) where applicable, a description of the action taken by the promoter to correct them and the date on which the action was taken;

(d) in the case of a failure to comply with a condition relating to the quantification of the GHG withdrawals attributable to the project that cannot be corrected by the promoter, an assessment of the impact of each on the quantification of withdrawals and the opinion of the verifier concerning the significant errors, omissions and inaccuracies within the meaning of the second paragraph of section 83 that may have occurred as a result;

(11) where applicable, the version and date of the project plan or project report revised following the verification;

(12) a copy of the verification notice given to the promoter pursuant to sections 87 and 88 along with the justifications for the notice;

(13) a declaration by the verification organization and verifier that the verification was conducted in accordance with this Regulation and ISO 14064-3;

(14) a declaration concerning conflicts of interest, including

(a) the information needed to identify the verification organization, the members of the verification team and the independent examiner, and the sector of activity covered by the accreditation of the verification organization;

(b) a copy of the organization chart for the verification organization;

(c) a declaration signed by a representative of the verification organization attesting that the conditions of sections 74 and 77 have been met and that the risk of conflict of interest is acceptable;

(15) a description of the experience of the members of the verification team in connection with the project;

(16) the name and function of every person involved in the drafting of the verification report;

(17) the date and the signature of the verifier;

(18) in addition to the above requirements, the verification report for a project report which, in the case of an aggregation of projects, may record the verification of several project reports, must include the following information and documents in particular:

(a) the reporting period covered by the verification and the quantity of offset credits to be issued to the promoter that are attributable to the project for the reporting period verified;

(b) where applicable, a notice concerning the accuracy of the percentage of timber harvested entered into the MBC-SCF software;

(c) where applicable, a notice concerning the inclusion in the baseline scenario and project scenario of events entered in the register of events;

(d) where applicable, a notice concerning the accuracy of the results of the calculation used to determine the presence of a leak pursuant to Chapter VII of Title III;

(e) when the verifier concludes that errors, omissions or inaccuracies have occurred in the determination of the project outcome, the determination of the annual and total quantities of GHG flows and the number of offset credits to be issued to the promoter that, in the verifier's opinion, are actually attributable to the project.

TITLE VIII
SPECIAL PROVISIONS CONCERNING AN AGGREGATION OF PROJECTS

90. A promoter who creates an aggregation of projects must submit a summary of the aggregation to the Minister. The summary must include the following information and documents:

(1) the information needed to identify the promoter and the promoter's representative;

(2) a brief description of the aggregation;

(3) a summary of the aggregation including the following information:

(a) the estimated or actual number of projects in the aggregation;

(b) a list of the codes for each project in the aggregation;

(c) the estimated start and end dates of the reporting periods for the estimated duration of the aggregation;

(d) the start and end dates for the aggregation when known, or an estimate. The start date for an agrégation is the start date for a project in the aggregation that is furthest in the past. The end date for an aggregation of projects is the end date for a project in the aggregation that is furthest in the future;

(e) an estimate of the total number of offset credits to be issued for each reporting period and the total number of offset credits for the duration of the aggregation;

(4) the signature of the promoter and, where applicable, the promoter's representative, with the date of signing.

91. A promoter who wishes to add a project to an aggregation whose eligibility has yet to be confirmed by the Minister must file the project in the usual manner set out in Title IV.

Once the eligibility of the project has been confirmed by the Minister, the promoter must submit a project modification notice to the Minister to include the project in the aggregation and update the information in the project notice provided for in section 68 and in the summary of the aggregation provided for in section 90.

92. The promoter must notify the Minister when a project is withdrawn from an aggregation and continued, within 30 days of the withdrawal. The promoter must then submit a notice to the Minister to update the information contained in the project notice provided for in section 68 and in the summary of the aggregation provided for in section 90.

93. The promoter must notify the Minister when a project is terminated, within 45 days of the termination. The promoter must then submit a notice to the Minister including the information prescribed for the notice of termination provided for in section 9 and updating the information contained in the project notice provided for in section 68 and the summary of the aggregation provided for in section 90.

The promoter must include a report on the state of forest stands drawn up by a member of the Ordre des ingénieurs forestiers du Québec when the project has not been verified to ensure the compliance of the measures taken by the promoter in accordance with Schedule G during the inventory for the last issuance of offset credits.

The promoter must also notify the Minister when an aggregation is terminated, within 45 days of the termination. The promoter must include with the notice the report provided for in the second paragraph for projects that have not been verified to ensure the compliance of the measures taken by the promoter in accordance with Schedule G during the inventory for the last issuance of offset credits.

94. The report on the state of forest stands must include the following information and documents in particular:

(1) the date of the report;

(2) the project code;

(3) the information needed to identify the promoter, as entered in the general account opened by the Minister for the transferee under section 14 of the Regulation respecting a cap-and-trade system for greenhouse gas emission allowances following the transferee's registration for the cap-and-trade system for emission allowances, and the name of the person responsible for the project;

(4) the start date and end date of the verification and the date of the visit of the lot or part of a lot for the project;

(5) the name and function of the persons involved in assessing the state of the forest stands;

(6) a description of the activities carried out by the forest engineer to assess the state of the forest stands;

(7) an image interpreted from an analogical aerial photograph at the scale of 1 : 15 000 or better, an image from a digital aerial photograph with a spatial resolution of 30 cm or better, or a satellite image with a spatial resolution of 50 cm or better, taken at a date as close as possible to the date of the notice provided for in the preceding section, showing the boundaries of the lot for the project;

(8) the results of the interpretation of the analogical aerial photograph, digital aerial photograph or satellite image. The interpretation must, in particular, focus on the following elements:

(a) stand density;

(b) tree height;

(c) the presence or absence of natural or man-made disturbances. When a disturbance is noted, the promoter must specify the year and cause of the disturbance and the area affected;

(d) a conclusion as to whether the forest capital on the lot or part of a lot for the project, when the comparative analysis is performed, is sufficient to support the project outcome declared at the last issuance request for offset credits and to ensure the environmental integrity of the credit issued;

(e) the date and the signature of the forest engineer who drew up the report.

95. When the conclusion of the report on the state of the forest stands is positive, the Minister withdraws the project from the aggregation, terminates the project and notifies the promoter.

96. When the conclusion of the report on the state of the forest stands is negative, the Minister notifies the promoter, and the promoter must then conduct a new inventory, draw up a new report on the state of the forest stands and file a new issuance request for offset credits.

The new issuance request must be filed for a period beginning on the start date of the reporting period covered by the preceding issuance request for offset credits and ending on the date of the notice provided for in the first paragraph.

97. The promoter must plan and conduct the initial inventory and issuance inventory for all areas managed for the purposes of the projects covered by an issuance request for offset credits.

The 90% precision threshold for inventories, as provided for in section 18, applies to all areas managed for the purposes of the projects covered by an issuance request for offset credits.

98. When an issuance request for offset credits is filed, the promoter may request the issuance of offset credits for some or all of the projects in an aggregation.

99. When an issuance request is filed, the verifier must visit the lots or parts of lots for at least 30% of the projects covered by the application.

100. When the first issuance request for offset credits is filed, the verifier must verify, in accordance with Schedule G, the measures taken by the promoter for at least 30% of the projects covered by the application.

The verifier must, in the verification report, provide an explanation of the way in which projects were selected to meet the 30% threshold.

101. For each period for the issuance of offset credits following the first issuance request, the verifier must determine the projects to be included to meet the threshold provided for in section 100 by prioritizing the selection of projects among those for which measures were not verified for a preceding issuance request.

102. The verification notice submitted to the Minister following an issuance request for offset credits and its conclusion apply to all the projects in the aggregation covered by the application.

TITLE IX
ADMINISTRATIVE AND PENAL PROVISIONS

CHAPTER I
MONETARY ADMINISTRATIVE PENALTIES

103. A monetary administrative penalty of $500 in the case of a natural person or $2,500 in other cases may be imposed on any person who

(1) in contravention of this Regulation, refuses or fails to file any notice, information, report or other document, or fails to produce it within the required time;

(2) contravenes the first, second and third paragraphs of section 11, the first paragraph of section 73 or section 81;

(3) contravenes any other requirement of this Regulation, if no other monetary administrative penalty is otherwise specified for that contravention by this Title or by the Environment Quality Act.

104. A monetary administrative penalty of $1,000 in the case of a natural person or $5,000 in other cases may be imposed on any person who contravenes the first paragraph of section 17 or section 74.

CHAPTER II
PENAL SANCTIONS

105. Every person who

(1) refuses or fails to file any notice, information, report or other document, or fails to produce it within the required time;

(2) contravenes the first, second and third paragraphs of section 11, the first paragraph of section 73 or section 81;

(3) contravenes any other requirement of this Regulation, if no other monetary administrative penalty is otherwise specified for that contravention by this Title or by the Environment Quality Act

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

106. Every person who contravenes the first paragraph of section 17 or section 74 commits an offence and is liable, in the case of a natural person, to a fine of $6,000 to $250.000 and, in other cases, to a fine of $25,000 to $1,500,000.

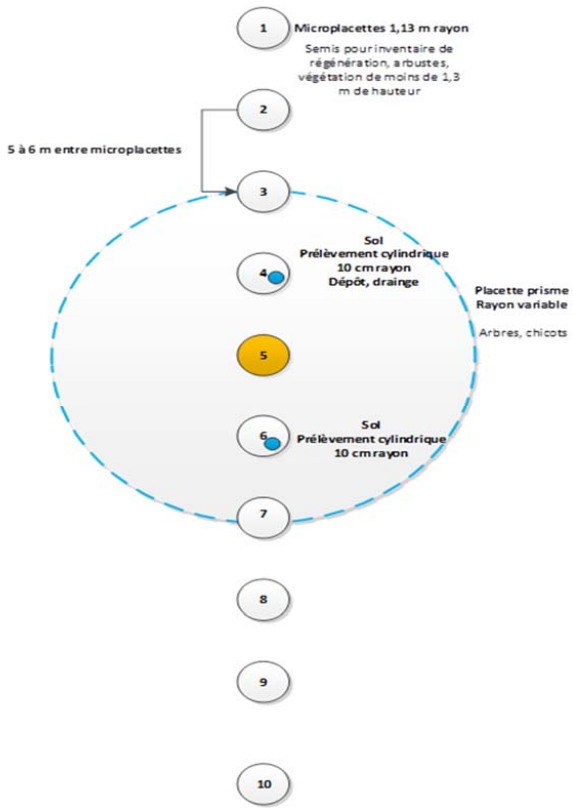
107. Every person who, for the purposes of this Regulation, communicates to the Minister information that is false or misleading commits an offence and is liable, in the case of a natural person, to a fine of $5,000 to $500,000 or, despite article 231 of the Code of penal procedure (chapter C-25.1), to a maximum term of imprisonment of 18 months, and, in other cases, to a fine of $15,000 to $3,000,000.

TITLE X
FINAL PROVISION

108. This Regulation comes into force on the fifteenth day following the date of its publication in the *Gazette officielle du Québec*.

SCHEDULE A – Layout of a sample plot and soil sampling points

(ss. 20 and 27)



Key:

Large dotted circle: variable-radius plot in which the promoter must inventory living aerial biomass and dead biomass in the tree and shrub strata above 1.3 m in height.

Micro-plot 5: centre of the variable-radius plot.

Micro-plots 1 to 10: micro-plots 1.13 m in diameter in which the promoter must inventory aerial biomass in the shrub, grass and moss strata.

Small circles in micro-plots 4 and 6: micro-plots in which a soil sample must be taken when more than 25% of the surface area of lot or part of a lot for the project is disturbed by site preparation work for the planting of seedlings or the sowing of seeds.

SCHEDULE B – Allometric equations used to estimate the aerial biomass certain species present on a sample plot

(s. 24)

Parameter values						
	Equation	b_0	b_1	a_{15}	b_{15}	**Reference**
Abies balsamea	A5, A6	72.715	2.25	0.0684	1.1302	Roussopoulos & Loomis 1979; Ker 1984
Abies balsamea	A1	0.1746	2.1555			Ker 1984
Acer pensylvanicum	A4	-3.518	2.878			Telfer 1969
Acer rubrum	A1	0.197	2.1933			Ker 1984
Acer rubrum	A4	-4.194	2.094			Telfer 1969
Acer saccharum	A1	0.1599	2.3376			Ker 1980
Acer saccharum[1]	A4	-4.194	2.094			Telfer 1969
Acer spicatum	A5, A6	73.182	2.259	0.1645	1.0485	Roussopoulos & Loomis 1979
Acer spicatum	A1	0.204	2.2524			Whittaker & al. 1979
Alnus rugosa	A5, A6	63.28	2.38	0.1409	1.0225	Roussopoulos and Loomis 1979
Alnus rugosa	A1	0.2612	2.2087			Young & al. 1980
Amelanchier sp[2]	A5, A6	71.534	2.391	0.0142	1.1037	Roussopoulos & Loomis 1979
Amelanchier sp.	A1	0.2612	2.2087			Young & al. 1980
Betula alleghaniensis	A2	-1.8337	2.1283			Ker 1980
Betula papyrifera	AS, A6	73.316	2.279	0.713	1.0452	Roussopoulos and Loomis 1979; Ker 1984
Betula papyrifera	A1	0.1545	2.3064			Ker 1984

[1] The equation for *A. rubrum* is used.

[2] The equation for *A. rugosa* is used.

Cornus stolonifera	A5, A6	74.114	2.457	0.0243	1.0828	Roussopoulos & Loomis 1979
Cornus stolonifera[3]	A1	0.0616	2.5094			Perala & Alban 1994
Corylus cornuta	A5, A6	62.819	2.42	o.1894	0.9226	Roussopoulos & Loomis 1979
Crataegus sp.	A5, A6	63.28	2.38	0.1409	1.0225	Roussopoulos & Loomis 1979
Crataegus sp.	A1	0.2612	2.2087			Young & al. 1980
Diervilla lonicera	A5, A6	14.211	1.217	0.1062	0.8818	Roussopoulos & Loomis 1979
Fagus grandifolia	A1	0.1958	2.2538			Ker 1980
Fagus grandifolia	A4	-3.647	2.906			Telfer 1969
Juniperus communis	A3	59.205	2.202			Smith & Brand 1983
Larix laricina	A1	0.0946	2.3572			Ker 1980
Lonicera canadensis	A4	-2.427	2.77			Telfer 1969
Nemopanthus mucronatus	A4	-3.04	2.819			Telfer 1969
Picea abies	A1	0.0777	2.472			Harding and Grigal 1985
Picea glauca	A1	0.0777	2.472			Harding and Grigal 1985
Picea glauca	A5, A6	65.757	2.287	0.0715	1.1241	Roussopoulos & Loomis 1979
Picea abies	A5, A6	65.757	2.287	0.0715	1.1241	Roussopoulos and Loomis 1979
Picea mariana	A1	0.1683	2.1777			Ker 1980
Picea mariana	A3	0.5072	1.9246			Wagner & Ter-Mikaelian 1999
Picea rubens[4]	A1	0.166	2.2417			Freedman et al. 1982
Picea rubensd	A3	0.5072	1.9246			Wagner & Ter-Mikaelian 1999
Pinus banksiana	A1	0.152	2.273			Ker 1980

[3]The equation for *Salix sp*. is used.

[4]The equation for *P.mariana* is used.

Pinus banksiana	A3	0.1694	2.3002			Wagner & Ter-Mikaelian 1999
Pinus resinosa	A1	0.0847	2.3503			Ker 1980
Pinus resinosa	A3	0.1219	2.4618			Wagner & Ter-Mikaelian 1999
Pinus strobus	A1	0.1617	2.142			Ker 1980
Pinus strobus	A3	0.1404	2.2918			Wagner & Ter-Mikaelian 1999
Populus balsamifera[56]	A5, A6	46.574	2.527	0.1294	1.0517	Roussopoulos & Loomis 1979
Populus tremuloides	A1	0.1049	2.391			Ker 1984
Populus tremuloides	A4	-2.92	2.715			Telfer 1969
Prunus pensylvanica	A5, A6	68.041	2.237	0.1151	1.0676	Roussopoulos & Loomis 1979
Prunus pensylvanica	A1	0.1556	2.1948			Young & al. 1980
Prunus sp.	A5, A6	68.041	2.237	0.1151	1.0676	Roussopoulos & Loomis 1979
Prunus virginiana	A1	0.2643	1.7102			Young et & 1980
Prunus virginiana	A3	9.934	2.92			Brown 1976
Quercus rubra	A1	0.1335	2.422			Perala & Alban 1994
Quercus rubra	A4	-2.299	2.649			Telfer 1969
Ribes sp.	A3	49.001	3.112			Brown 1976
Rubus idaeus	A3	43.992	2.86			Brown 1976
Salix sp.	A1	0.0616	2.5094			Perala & Alban 1994
Salix sp.	A4	-1.519	2.325			Telfer 1969
Sorbus americana	A5, A6	44.394	3.253	0.0263	1.1373	Roussopoulos & Loomis 1979
Sorbus americanca[7]	A1	0.1556	2.1948			Young & al. 1980
Thuja occidentalis	A5, A6	68.423	1.863	0.1853	1.0906	Roussopoulos and Loomis

[5] The equation for *Populus* sp. is used.

[6] The equation for *P.mariana* is used.

[7] The equation for *P. pensylvanica* is used.

						1979; Ker 1984
Thuja occidentalis	A1	0.1148	2.1439			Ker 1980
Vaccinium angustifolium	A4	-3.978	3.706			Telfer 1969
Viburnum alnifolium	A4	-4.079	3.243			Telfer 1969
Viburnum cassinoides	A4	-2.613	2.774			Telfer 1969

Explanatory note: six different equations are used to determine the biomass of aerial ligneous vegetation (B) (DBH: diameter at breast height; DSH: diameter at stump height; D15: diameter at height of 15 cm).

[A1] $B = b_0 \text{ X } DBH^{b1}$

[A2] $B = b_0 + b_1 \text{ x log DBH}$

[A3] $B = b_0 \text{ X } DSH^{b1}$

[A4] $B = b_0 + b_1 \text{ x log DSH}$

[A5] $B = b_0 \text{ x } D15^{b1}$

[A6] $D15 = (DSH - a_{15})/b_{15}$

SCHEDULE C – Soil carbon calculation method

(ss. 13, 28 and 30)

DIVISION I
SOIL SAMPLING STEPS AND VARIABLES OBTAINED

Soil sampling step	Variable obtained during sampling
Locate on the ground, using a metal peg, each soil sampling point on sample plot (n = 2, see diagram in Schedule A).	Physical location and geolocation by satellite
Take volumetric samples at 3 depths, for each of the 2 sampling points.	V_t
For each sample taken, measure the depth reached by the probe.	E_h

Assess the overall percentage of soil stoniness, in other words the percentage of the soil comprising stones with a diameter greater than that of the probe. This value should not change from one sample to another.	f_m'
Determine the colour of each soil sample taken using a Munsell soil colour chart.	CodeMunsell

DIVISION II
LABORATORY ANALYSIS STEPS AND VARIABLES OBTAINED

1. The laboratory report must show that the steps in the table below have been completed and described the calibration process for the apparatus used to measure carbon in the soil samples.

Laboratory step	Variable obtained
Crush a fraction of the sample <150 µm (100 Mesh). (Required step for C analysis using a LECO brand device)	---
Note the mass of the initial sample	M
Dry the soil samples at room temperature ($\approx$ 21 °C, $\approx$ 48-72 h).	---
Determine the total mass of the dry sample (g).	M_t
Separate fine soil particles (diam < 2 mm) from coarse soil particles (diam > 2 mm) in each sample by sieving. Crush clay soils to 2.5 mm.	---
Determine the mass of the fine soil sample (g).	M_f
Determine the moisture content of the dry sample (on the basis of the anhydrous mass of the soil at 105ºC).	% H
Determine the mass density of the sample knowing the % H, M_t and the value of the input variables in equation 27 (below)	Db
Determine the percentage of organic matter using the loss-on-ignition method for the sample (%) at 375°C.	F_o
Determine the organic carbon concentration of the sample by ignition (using, for example, a LECO brand device [%; g/kg or mg/kg or ppm; on the basis of the anhydrous mass of the soil at 105ºC]).	C_h

DIVISION III
CALCULATION OF SOIL CARBON

1. Soil carbon is calculated using equation 19:

Equation 19

$$Q = k \sum_{h=1}^{3} (T_{eh} \times D_{bh} \times C_h)$$

Where:

Q = Sum of the content of an element in each soil horizon to the selected depth, by hectare (metric tonnes/ha);

k = Scale factor (k = 0.1 if “C” is expressed in g/kg or k = 0.0001 if “C” is expressed in mg/kg or ppm);

h = Number of horizons (3 for samples taken at 0-10 cm, 10-20 cm and 20-30 cm depth);

T_{eh} = Effective thickness of fine soil (soil without stones or coarse fragments) in horizon h (cm), calculated using equation 20;

D_{bh} = Apparent density of horizon h (g/cm^3), calculated using equation 22 or, in other cases, using equation 23;

C_h = Concentration of carbon in fine soil (g/kg or mg/kg or ppm) of sample h.

Equation 20

$$E_{e_h} = E_h \times (1 - f_m) \times (1 - f_m')$$

Where:

E_{eh} = Effective thickness of fine soil in the sample (cm);

E_h = Measured thickness of the sample (here, the measured thickness of the soil sample (~10 cm));

f'_m= Fraction of the soil composed of stones, assessed in the field (stoniness; 0.00);

f_m = Average fraction by volume of coarse fragments in the volumetric sample (0.00), calculated using equation 21.

Equation 21

$$f_m = \frac{(M_t - M_f)}{\rho_m \times V_t}$$

Where:

f_m = Average fraction by volume of coarse fragments in the volumetric sample (0.00);

M_t = Total dry mass of the volumetric sample (g);

M_f = Dry mass of fine soil (g);

ρm = Density of coarse fragments (presumed to be equal to 2.65 g/cm^3 for stones);

V_t = Total volume of the sample (depending on the probe used, cm^3).

Equation 22

$$D_b = \frac{[(100 - \%H) \times M_f]}{100 \times [V_t (1 - f_m)]}$$

Where:

D_b= Apparent observed density of individual samples taken using a volumetric probe g/cm^3);

%H = Moisture content of the air-dried sample (%);

M_f = Dry mass of fine soil (g);

V_t = Total volume of the sample (depending on the probe used, cm^3);

f_m = Average fraction by volume of coarse fragments in the volumetric sample (0.00), calculated using equation 21.

Equation 23

$$D_b = \frac{D_{bm} D_{bo}}{F_o \ D_{bm} + (1 - F_o) D_{bo}}$$

Where:

D_b = Apparent calculated density of individual samples taken using a Dutch auger g/cm^3);

D_{bm} = Constant: apparent density of mineral soil without organic matter (g/cm^3);

D_{bo} = Constant: apparent density of organic matter without mineral content (g/cm^3);

F_o = Proportion of organic matter observed in individual samples after analysis of the organic matter (0.00);

The values D_{bm} et D_{bo} may be estimated using all the D_b and F_o data for soils from the same plantation and equation 23. The values of the constants D_{bm} and D_{bo} in equation 23 may be calculated using statistical software.

DIVISION IV
CORRECTION OF CARBON STOCK IN SOIL

1. The carbon stock in the soil must be corrected using equation 24 to establish any change during a reporting period.

The average mineral soil mass (M) obtained during the first sampling campaign must be used during subsequent sampling campaigns as a reference to calculate the average variation in carbon stocks and the 90% confidence interval for soil carbon stocks.

Equation 24

$$Q_{corrigé} = Q + k\,(E_a \times D_b \times C_{III})$$

Where:

Q = Sum of the content of an element in each soil horizon to the selected depth, by hectare (metric tonnes/ha), calculated using equation 19;

k = Scale factor (k = 0.1 if “C” is expressed in g/kg or k = 0.0001 if “C” is expressed in mg/kg or ppm);

T_a = Additional thickness (or, if negative, surplus thickness) of the last sample at the base of the soil profile to be added to the carbon stock (cm), calculated using equation 25;

D_b = Apparent observed or calculated density of individual samples (here, the sample is extracted at a depth of 20-30 cm) (g/cm^3);

C_{III} = Concentration of the element in fine soil from the last sample at the base of the soil profile sampled (here, the sample is extracted at a depth of 20-30 cm) (g/kg or mg/kg or ppm).

Equation 25

$$E_a = \frac{(M_0 - M_t) \times 0{,}01}{D_{bIII}}$$

Where:

T_a = Additional thickness (or, if negative, surplus thickness) from the last sample at the base of the soil profile sampled to be added to the carbon stock (cm);

D_{bIII} = Apparent density, measured (equation 22) or calculated (equation 23), of the last sample (~20-30cm) at the base of the soil profile sampled (g/cm^3);

M_0 = Total mass of reference mineral soil at time t = 0 (metric tonnes/ha);

M_t = Total mass of mineral soil from sample point at time t = 20 years or more (metric tonnes/ha).

Equation 26

$$M = D_{bm} \times 100 \sum_{h=1}^{n} E_{eh}$$

Where:

M = Mass of mineral soil to the depth (E_{eh}) selected (metric tonnes/ha);

D_{bm} = Apparent density of mineral soil without organic matter (g/cm^3);

E_{eh} = Effective thickness of fine soil in the sample (cm), calculated using equation 20;

h = number of horizons (3 for samples taken at depths of 0-10, 10-20 and 20-30 cm).

SCHEDULE D – Selection of the growth curve for the baseline scenario and tables showing the annual change in merchantable volume on fallow land by bioclimatic subdomain and potential vegetation groups

(s. 38)

1. The tables in Division II of this Schedule contain the data needed to define the growth curve for the baseline scenario in the MBC-SCF software for a project on a lot without forest cover.

The growth curve selected must be representative of the biophysical characteristics and species present at the time of the initial inventory.

2. For the purposes of this Schedule, a lot without forest cover includes lots used for non-forestry purposes and unproductive forest land.

DIVISION I
POTENTIAL VEGETATION GROUPS

1. The codes FE_ MJ_ MS_ RB_ RS_ RE_ in the tables in Division II of this Schedule represent potential vegetation groups. The composition of the groups is determined in the tables below.

Table 1 – Name and code of stands based on the composition of dominant species in the stand (Hardwood species on rich sites (FE_))

Designation	Code
Red oak stand	FC1
Maple stand with bitternut hickory	FE1
Maple stand with linden	FE2
Maple stand with yellow birch	FE3
Maple stand with yellow birch and beech	FE4
Maple stand with eastern hop-hornbeam	FE5
Maple stand with red oak	FE6

Table 2 – Name and code of stands based on the composition of dominant species in the stand (Hardwood species on mesic sites (MJ_))

Designation	Code
Black ash stands with fir	MF1
Yellow birch stands with fir and sugar maple	MJ1
Yellow birch stands with fir	MJ2
Fir stand with yellow birch	MS1

Table 3 – Name and code of stands based on the composition of dominant species in the stand (Mixed species (MS_))

Designation	Code
Black spruce stand with trembling aspen	ME1
Fir stand with white birch	MS2
Fir stand with red maple	MS3
Fir stand with mountain white birch	MS4
Fir stand with red maple	MS6

Table 4 – Name and code of stands based on the composition of dominant species in the stand (Softwood species on rich sites (RB_))

Designation	Code
White spruce stand or cedar stand resulting from agriculture	RB1
Maritime white spruce stand	RB2
White spruce stand resulting from browsing by white-tailed deer (Anticosti island)	RB5

Table 5 – Name and code of stands based on the composition of dominant species in the stand (Softwood species on mesic sites (RS_))

Designation	Code
Spruce stand with red spruce	RR1
Fir stand with black spruce	RS2
Fir stand with black spruce and sphagnum moss	RS3
Fir stand with mountain black spruce	RS4
Fir stand with red spruce	RS5
Fir stand with maritime black spruce	RS7

Table 6 – Name and code of stands based on the composition of dominant species in the stand (Softwood species on poor sites (RE_))

Designation	Code
Black spruce stand with lichens	RE1
Black spruce stand with moss or heathland	RE2
Black spruce stand with sphagnum moss	RE3
White pine or red pine stand	RP1

Table 7 – Name and code of stands based on the composition of dominant species in the stand (Fir stand with thuya (RS1))

Designation	Code
Fir stand with thuya	RS1

DIVISION II
TABLES SHOWING ANNUAL CHANGE IN MERCHANTABLE VOLUME ON FALLOW LAND BY BIOCLIMATIC SUBDOMAIN AND POTENTIAL VEGETATION GROUPS

1. The data used to create the growth curve for the baseline scenario used in the MBC-SCF software must be selected from the tables in this Division.

Tables 1 to 18 show merchantable volume on fallow woodland, Table 19 shows merchantable volume on fallow shrubland and Table 20 shows merchantable volume on fallow grassland.

2. The table to be used must be selected on the basis of the bioclimatic subdomain and potential vegetation group on the lot used for the project. The potential vegetation group can be deduced from the vegetation in neighbouring forests.

3. In Tables 1 to 4, the percentage coverage provided by the tree stratum and must be assessed to select the data representing the annual change in merchantable volume.

Coverage is

(1) low from 0% to 8%;

(2) medium from more than 8% to 15%;

(3) high from more than 15% to 25%.

4. For the purposes of the tables in this Division, with respect to bioclimatic subdomains,

“1” means maple stands with bitternut hickory;

“2 West” means maple stands with linden, western sector;

“2 East” means maple stands with linden, eastern sector;

“3 West” means maple stands with yellow, western sector;

“3 East” means maple stands with yellow birch, eastern sector;

“4 West” means fir stands with yellow, western sector;

“4 East” means fir stands with yellow birch, eastern sector;

“5 West” means fir stands with moss, western sector;

“5 East” means fir stands with white birch, eastern sector.

Table 1 – Growth curve values (merchantable volume in m³/ha) on fallow woodland with softwood forest cover based on bioclimatic subdomains and potential vegetation groups

Bioclimatic subdomains	**4 East/ 4 West**			**5 East**			**5 West**		
Potential vegetation groups	**RS/RE**			**RS/RE**			**RS/RE**		
	Merchantable volume (m³/ha)			Merchantable volume (m³/ha)			Merchantable volume (m³/ha)		
Age	High	Medium	Low	High	Medium	Low	High	Medium	Low
1	0	0	0	0	0	0	0	0	0
5	0	0	0	1	0	0	1	0	0
10	3	2	0	3	1	0	3	1	0
15	8	5	1	8	2	0	8	3	0
20	15	10	3	15	5	1	15	6	1
25	25	17	6	24	10	3	24	11	3
30	36	25	10	35	17	5	34	19	5
35	49	34	14	46	25	9	47	28	9
40	64	44	20	59	35	14	59	38	14
45	79	55	26	72	46	20	73	49	20
50	94	66	33	86	57	27	87	61	27
55	109	77	40	99	69	35	101	73	36
60	124	89	48	112	80	44	114	85	44
65	138	100	56	125	91	53	128	96	54
70	151	111	64	137	102	63	140	107	64
75	164	122	71	149	112	73	152	116	73
80	175	132	79	160	121	82	163	125	83
85	185	141	87	169	129	91	174	132	92
90	195	150	94	178	136	100	183	139	101
95	203	158	101	187	141	108	191	144	109
100	210	165	107	194	146	115	199	148	116

Table 2 – Growth curve values (merchantable volume in m³/ha) on fallow woodland with mixed forest cover based on bioclimatic subdomains and potential vegetation groups

Bioclimatic subdomains	**4 East / 4 West**			**5 East**		
Potential vegetation groups	**MS_ / RB_**			**MS_ / RB_**		
	Merchantable volume (m³/ha)			Merchantable volume (m³/ha)		
Age	High	Medium	Low	High	Medium	Low
1	0	0	0	0	0	0
5	0	0	0	0	0	0
10	2	2	2	2	2	2
15	7	6	6	5	6	6
20	14	12	11	12	12	11
25	24	19	17	21	19	17
30	36	28	25	33	28	25
35	49	38	33	46	38	33
40	63	49	41	62	49	41
45	78	60	50	78	60	50
50	93	71	59	94	71	59
55	108	82	68	110	82	68
60	122	93	77	125	93	77
65	135	104	85	139	104	85
70	146	114	92	151	114	92
75	157	123	99	162	123	99
80	166	132	105	172	132	105
85	174	139	110	180	139	110
90	181	146	115	186	146	115
95	186	152	119	191	152	119
100	190	158	123	194	158	123

Table 3 – Growth curve values (merchantable volume in m³/ha) on fallow woodland with mixed forest cover based on bioclimatic subdomains and potential vegetation groups

Bioclimatic subdomains	**5 West**		
Potential vegetation groups	**MS_ /RB_**		
	Merchantable volume (m³/ha)		
Age	High	Medium	Low
1	0	0	0
5	0	0	0
10	2	2	0
15	6	5	1
20	14	9	3
25	24	15	5
30	36	23	8
35	50	31	12
40	65	40	17
45	81	50	23
50	96	60	30
55	111	71	37
60	125	81	44
65	137	92	51
70	149	102	59
75	158	112	67
80	167	122	74
85	173	131	81
90	178	140	88
95	182	148	94
100	184	156	100

Table 4 – Growth curve values (merchantable volume in m³/ha) on fallow woodland with hardwood forest cover based on bioclimatic subdomains and potential vegetation groups

Bioclimatic subdomains	**4 East / 4 West 5 East / 5 West**			**4 East /4 West 5 East / 5 West**		
Potential vegetation groups	**MS_**			**RB_**		
	Merchantable volume (m³/ha)			Merchantable volume (m³/ha)		
Age	High	Medium	Low	High	Medium	Low
1	0	0	0	0	0	0
5	2	1	1	2	1	1
10	10	4	3	10	4	3
15	22	10	7	22	10	7
20	37	18	12	37	18	12
25	53	27	19	53	27	19
30	69	38	26	69	38	26
35	84	49	33	84	49	33
40	98	60	41	98	60	41
45	111	71	48	111	71	48
50	122	82	55	122	82	55
55	131	91	62	131	91	62
60	139	99	69	139	99	69
65	145	106	75	145	106	75
70	149	112	80	149	112	80
75	151	117	85	151	117	85
80	152	121	90	152	121	90
85	152	123	93	152	123	93
90	151	125	97	151	125	97
95	149	126	99	149	126	99
100	146	126	101	146	126	101

Table 5 – Growth curve values (merchantable volume in m³/ha) on fallow woodland with softwood, mixed or hardwood forest cover based on bioclimatic subdomains and potential vegetation groups

Bioclimatic subdomains	**1**	**2 East**	**2 West**	**3 East**	**3 West**
Potential vegetation groups	**FE_**	**FE_**	**FE_**	**FE_**	**FE_**
Age	Merchantable volume (m³/ha)			Merchantable volume (m³/ha)	
1	0	0	0	0	0
5	1	1	1	1	1
10	4	4	4	6	5
15	9	9	9	12	12
20	17	16	17	21	20
25	26	26	26	31	31
30	37	37	37	42	42
35	48	49	48	54	54
40	61	62	61	66	66
45	74	75	74	78	79
50	87	89	87	90	91
55	100	103	100	102	104
60	113	116	113	113	115
65	125	130	125	124	126
70	137	142	137	134	137
75	148	154	148	143	146
80	159	165	159	152	155
85	168	176	168	160	163
90	177	185	177	167	170
95	185	194	185	173	177
100	192	202	192	179	182

Table 6 – Growth curve values (merchantable volume in m³/ha) on fallow woodland with softwood, mixed or hardwood forest cover based on bioclimatic subdomains and potential vegetation groups

Bioclimatic subdomains	**4 East**	**4 West**	**5 East**	**5 West**
Potential vegetation groups	**FE_**	**FE_**	**FE_**	**FE_**
Age	Merchantable volume (m³/ha)		Merchantable volume (m³/ha)	
1	0	0	0	0
5	1	1	1	1
10	3	5	4	4
15	8	10	9	9
20	15	18	16	16
25	23	27	24	24
30	33	36	34	34
35	44	46	45	45
40	56	56	56	56
45	69	66	67	67
50	81	76	78	78
55	93	85	90	90
60	106	94	100	100
65	117	102	111	111
70	129	109	120	120
75	139	115	129	129
80	149	121	137	137
85	158	126	145	145
90	166	130	152	152
95	174	134	157	157
100	180	136	163	163

Table 7 – Growth curve values (merchantable volume in m³/ha) on fallow woodland with softwood, mixed or hardwood forest cover based on bioclimatic subdomains and potential vegetation groups

Bioclimatic subdomains	**1**	**2 East**	**2 West**	**3 East**	**3 West**
Potential vegetation groups	**MJ_**	**MJ_**	**MJ_**	**MJ_**	**MJ_**
Age	Merchantable volume (m³/ha)			Merchantable volume (m³/ha)	
1	0	0	0	0	0
5	1	1	1	1	1
10	4	4	4	6	5
15	9	10	9	12	12
20	17	18	17	21	20
25	26	27	26	31	31
30	37	38	37	42	42
35	48	50	48	54	54
40	61	62	61	66	66
45	74	75	74	78	79
50	87	88	87	90	91
55	100	101	100	102	104
60	113	114	113	113	115
65	125	127	125	124	126
70	137	138	137	134	137
75	148	150	148	143	146
80	159	160	159	152	155
85	168	170	168	160	163
90	177	179	177	167	170
95	185	188	185	173	177
100	192	195	192	179	182

Table 8 – Growth curve values (merchantable volume in m³/ha) on fallow woodland with softwood, mixed or hardwood forest cover based on bioclimatic subdomains and potential vegetation groups

Bioclimatic subdomains	**4 East**	**4 West**	**5 East**	**5 West**
Potential vegetation groups	**MJ_**	**MJ_**	**MJ_**	**MJ_**
Age	Merchantable volume (m³/ha)		Merchantable volume (m³/ha)	
1	0	0	0	0
5	1	1	1	1
10	3	5	4	4
15	8	10	9	9
20	14	18	16	16
25	23	27	24	24
30	33	36	34	34
35	44	46	45	45
40	56	56	56	56
45	68	66	67	67
50	80	76	78	78
55	93	85	90	90
60	105	94	100	100
65	117	102	111	111
70	128	109	120	120
75	139	115	129	129
80	149	121	137	137
85	158	126	145	145
90	166	130	152	152
95	173	134	157	157
100	180	136	163	163

Table 9 – Growth curve values (merchantable volume in m³/ha) on fallow woodland with softwood, mixed or hardwood forest cover based on bioclimatic subdomains and potential vegetation groups

Bioclimatic subdomains	**1**	**2 East**	**2 West**	**3 East**	**3 West**
Potential vegetation groups	**MS_**	**MS_**	**MS_**	**MS_**	**MS_**
Age	Merchantable volume (m³/ha)			Merchantable volume (m³/ha)	
1	0	0	0	0	0
5	1	1	1	1	1
10	4	4	4	3	3
15	9	9	9	8	8
20	16	16	16	14	14
25	24	24	24	22	22
30	34	34	34	32	32
35	44	44	44	42	42
40	55	55	55	53	53
45	66	66	66	64	64
50	77	77	77	75	75
55	87	87	87	85	85
60	97	97	97	95	95
65	106	106	106	104	104
70	114	114	114	113	113
75	122	122	122	121	121
80	128	128	128	127	127
85	134	134	134	133	133
90	139	139	139	138	138
95	143	143	143	142	142
100	146	146	146	146	146

Table 10 – Growth curve values (merchantable volume in m³/ha) on fallow woodland with softwood forest cover based on bioclimatic subdomains and potential vegetation groups

Bioclimatic subdomains	**4 East**	**4 West**	**5 East**	**5 West**
Potential vegetation groups	**MS_**	**MS_**	**MS_**	**MS_**
Age	Merchantable volume (m³/ha)		Merchantable volume (m³/ha)	
1	0	0	0	0
5	2	0	0	1
10	6	3	2	4
15	11	7	4	10
20	18	14	9	19
25	25	22	15	28
30	33	32	23	39
35	42	42	31	51
40	51	53	41	63
45	59	64	52	74
50	68	74	63	85
55	77	85	74	95
60	86	94	85	104
65	94	103	96	113
70	102	111	106	120
75	110	118	116	126
80	117	124	125	131
85	124	128	134	135
90	131	132	142	139
95	137	136	149	141
100	143	138	155	142

Table 11 – Growth curve values (merchantable volume in m³/ha) on fallow woodland with softwood, mixed or hardwood forest cover based on bioclimatic subdomains and potential vegetation groups

Bioclimatic subdomains	**1**	**2 East**	**2 West**	**3 East**	**3 West**
Potential vegetation groups	**RB_**	**RB_**	**RB_**	**RB_**	**RB_**
Age	Merchantable volume (m³/ha)			Merchantable volume (m³/ha)	
1	0	0	0	0	0
5	1	1	1	1	1
10	4	4	4	3	3
15	9	9	9	8	8
20	16	16	16	14	14
25	24	24	24	22	22
30	34	34	34	32	32
35	44	44	44	42	42
40	55	55	55	53	53
45	66	66	66	64	64
50	77	77	77	75	75
55	87	87	87	85	85
60	97	97	97	95	95
65	106	106	106	104	104
70	114	114	114	113	113
75	122	122	122	121	121
80	128	128	128	127	127
85	134	134	134	133	133
90	139	139	139	138	138
95	143	143	143	142	142
100	146	146	146	146	146

Table 12 – Growth curve values (merchantable volume in m³/ha) on fallow woodland with softwood forest cover based on bioclimatic subdomains and potential vegetation groups

Bioclimatic subdomains	**4 East**	**4 West**	**5 East**	**5 West**
Potential vegetation groups	**RB_**	**RB_**	**RB_**	**RB_**
Age	Merchantable volume (m³/ha)		Merchantable volume (m³/ha)	
1	0	0	0	0
5	2	0	0	1
10	6	3	2	4
15	11	7	4	10
20	18	14	9	19
25	25	22	15	28
30	33	32	23	39
35	42	42	31	51
40	51	53	41	63
45	59	64	52	74
50	68	74	63	85
55	77	85	74	95
60	86	94	85	104
65	94	103	96	113
70	102	111	106	120
75	110	118	116	126
80	117	124	125	131
85	124	128	134	135
90	131	132	142	139
95	137	136	149	141
100	143	138	155	142

Table 13 – Growth curve values (merchantable volume in m³/ha) on fallow woodland with softwood, mixed or hardwood forest cover based on bioclimatic subdomains and potential vegetation groups

Bioclimatic subdomains	**1**	**2 East**	**2 West**	**3 East**	**3 West**
Potential vegetation groups	**RS_**	**RS_**	**RS_**	**RS_**	**RS_**
Age	Merchantable volume (m³/ha)			Merchantable volume (m³/ha)	
1	0	0	0	0	0
5	0	0	0	0	0
10	2	2	2	1	1
15	5	5	5	4	4
20	10	10	10	7	7
25	16	16	16	13	13
30	24	24	24	19	19
35	32	32	32	27	27
40	42	42	42	35	35
45	52	52	52	44	44
50	62	62	62	54	54
55	73	73	73	64	64
60	83	83	83	75	75
65	94	94	94	85	85
70	104	104	104	95	95
75	114	114	114	105	105
80	123	123	123	114	114
85	132	132	132	123	123
90	140	140	140	132	132
95	148	148	148	140	140
100	155	155	155	147	147

Table 14 – Growth curve values (merchantable volume in m³/ha) on fallow woodland with mixed or hardwood forest cover based on bioclimatic subdomains and potential vegetation groups

Bioclimatic subdomains	**4 East**	**4 West**	**5 East**	**5 West**
Potential vegetation groups	**RS_**	**RS_**	**RS_**	**RS_**
Age	Merchantable volume (m³/ha)		Merchantable volume (m³/ha)	
1	0	0	0	0
5	0	0	0	0
10	2	1	1	1
15	6	3	3	3
20	11	7	6	7
25	18	12	11	13
30	26	19	18	21
35	35	27	26	31
40	45	36	35	43
45	56	46	45	56
50	67	57	56	70
55	78	68	67	84
60	89	79	78	97
65	100	89	90	111
70	110	99	101	123
75	120	109	112	135
80	130	118	122	145
85	138	126	132	154
90	147	133	141	162
95	154	139	149	168
100	161	145	157	173

Table 15 – Growth curve values (merchantable volume in m³/ha) on fallow woodland with softwood, mixed or hardwood forest cover based on bioclimatic subdomains and potential vegetation groups

Bioclimatic subdomains	**1**	**2 East**	**2 West**	**3 East**	**3 West**
Potential vegetation groups	**RE_**	**RE_**	**RE_**	**RE_**	**RE_**
Age	Merchantable volume (m³/ha)			Merchantable volume (m³/ha)	
1	0	0	0	0	0
5	0	0	0	0	0
10	2	2	2	1	1
15	5	5	5	4	4
20	10	10	10	7	7
25	16	16	16	13	13
30	24	24	24	19	19
35	32	32	32	27	27
40	42	42	42	35	35
45	52	52	52	44	44
50	62	62	62	54	54
55	73	73	73	64	64
60	83	83	83	75	75
65	94	94	94	85	85
70	104	104	104	95	95
75	114	114	114	105	105
80	123	123	123	114	114
85	132	132	132	123	123
90	140	140	140	132	132
95	148	148	148	140	140
100	155	155	155	147	147

Table 16 – Growth curve values (merchantable volume in m³/ha) on fallow woodland with mixed or hardwood forest cover based on bioclimatic subdomains and potential vegetation groups

Bioclimatic subdomains	**4 East**	**4 West**	**5 East**	**5 West**
Potential vegetation groups	**RE_**	**RE_**	**RE_**	**RE_**
Age	Merchantable volume (m³/ha)		Merchantable volume (m³/ha)	
1	0	0	0	0
5	0	0	0	0
10	1	1	1	1
15	3	3	3	2
20	6	7	6	6
25	11	12	11	10
30	17	19	18	17
35	24	27	26	25
40	32	36	35	34
45	41	46	45	44
50	50	57	56	55
55	60	67	67	66
60	70	78	78	78
65	80	88	90	89
70	89	98	101	100
75	99	108	112	110
80	108	116	122	120
85	117	124	132	129
90	125	131	141	136
95	132	138	149	143
100	139	143	157	149

Table 17– Growth curve values (merchantable volume in m³/ha) on fallow woodland with softwood, mixed or hardwood forest cover based on bioclimatic subdomains and potential vegetation groups

Bioclimatic subdomains	**1**	**2 East**	**2 West**	**3 East**	**3 West**
Potential vegetation groups	**RS1**	**RS1**	**RS1**	**RS1**	**RS1**
Age	Merchantable volume (m³/ha)			Merchantable volume (m³/ha)	
1	0	0	0	0	0
5	1	1	1	1	1
10	3	5	5	5	5
15	7	13	13	13	13
20	13	25	25	25	25
25	21	39	39	39	39
30	29	56	56	56	56
35	39	75	75	75	75
40	50	95	95	95	95
45	61	116	116	116	116
50	73	138	138	138	138
55	84	160	160	160	160
60	96	181	181	181	181
65	107	202	202	202	202
70	117	222	222	222	222
75	127	241	241	241	241
80	137	259	259	259	259
85	146	276	276	276	276
90	154	292	292	292	292
95	161	306	306	306	306
100	168	318	318	318	318

Table 18 – Growth curve values (merchantable volume in m³/ha) on fallow woodland with softwood, mixed or hardwood forest cover based on bioclimatic subdomains and potential vegetation groups

Bioclimatic subdomains	**4 East**	**4 West**	**5 East**	**5 West**
Potential vegetation groups	**RS1**	**RS1**	**RS1**	**RS1**
Age	Merchantable volume (m³/ha)		Merchantable volume (m³/ha)	
1	0	0	0	0
5	0	0	0	0
10	2	2	1	1
15	5	5	2	2
20	10	10	5	5
25	18	18	9	9
30	27	27	14	14
35	39	39	19	19
40	51	51	25	25
45	64	64	32	32
50	78	78	39	39
55	93	93	46	46
60	107	107	53	53
65	121	121	60	60
70	135	135	67	67
75	147	147	74	74
80	159	159	80	80
85	170	170	85	85
90	180	180	90	90
95	189	189	95	95
100	197	197	99	99

Table 19 – Growth curve values (merchantable volume in m³/ha) on fallow shrubland based on bioclimatic subdomains and potential vegetation groups

Bioclimatic subdomains	**1 / 2 East /2 West / 3 East /3 West/ 4 East / 4 West / 5 East /5 West**
Potential vegetation groups	**FE_/ MJ_/ MS_ /RB_/ RS_ /RE_ /RS1**
Age	Merchantable volume (m³/ha)
1	0
5	0
10	1
15	1
20	2
25	2
30	3
35	4
40	5
45	5
50	6
55	7
60	8
65	9
70	10
75	11
80	12
85	13
90	14
95	15
100	16

Table 20 – Growth curve values (merchantable volume in m³/ha) on fallow grassland based on bioclimatic subdomains and potential vegetation groups

Bioclimatic subdomains	**1 / 2 East /2 West / 3 East /3 West/ 4 East / 4 West / 5 East /5 West**
Potential vegetation groups	**FE_/ MJ_/ MS_ /RB_/ RS_ /RE_ /RS1**
Age	Merchantable volume
1	0
5	1
10	1
15	1
20	1
25	2
30	2
35	2
40	2
45	2
50	2
55	3
60	3
65	3
70	3
75	3
80	3
85	4
90	4
95	4
100	4

SCHEDULE E – Conversion of anhydrous biomass in each plant stratum into merchantable volume

(s. 40)

DIVISION I
TABLE FOR THE CONVERSION OF ANHYDROUS BIOMASS ON FALLOW WOODLAND INTO MERCHANTABLE VOLUME

1. For the purposes of this Division,

"Ecozone 7" and "Ecozone 8" mean the ecozones representing the ecological subdivisions in the MBC- SCF software;

"BOP" means white birch;

"PET" means trembling aspen;

"EPB" means white spruce;

"TMA" means anhydrous metric tonne.

Ecozone 7			**Ecozone 8**			
BOP	**PET**	**EPB**	**BOP**	**PET**	**EPB**	
Biomass (TMA)	Biomass (TMA)	Biomass (TMA)	Biomass (TMA)	Biomass (TMA)	Biomass (TMA)	Merchantable volume m^3/ha
0.0	0.0	0.0	0.0	0.0	0.0	0.0
1.8	1.1	1.5	0.8	1.0	1.5	0.5
3.1	2.0	2.7	1.5	1.9	2.8	1.0
4.3	2.7	3.8	2.2	2.6	4.1	1.5
5.4	3.5	4.8	2.9	3.3	5.9	2.0
6.4	4.2	5.8	3.6	4.0	8.1	2.5
7.3	4.9	6.7	4.2	4.7	10.9	3.0
8.2	5.6	7.7	4.9	5.4	14.0	3.5
9.1	6.3	8.6	5.6	6.1	17.3	4.0
10.0	7.1	9.5	6.2	6.8	20.6	4.5
10.9	7.8	10.4	6.9	7.5	23.8	5.0
11.7	8.6	11.2	7.5	8.3	26.7	5.5
12.5	9.4	12.0	8.1	9.0	29.2	6.0
13.3	10.1	12.9	8.7	9.8	31.3	6.5
14.1	10.9	13.7	9.3	10.5	33.0	7.0
14.9	11.6	14.4	9.9	11.2	34.4	7.5
15.6	12.3	15.2	10.5	11.9	35.3	8.0
16.4	13.0	16.0	11.0	12.6	36.0	8.5
17.1	13.7	16.7	11.6	13.3	36.4	9.0
17.8	14.3	17.5	12.1	13.9	36.7	9.5

18.5	15.0	18.2	12.6	14.6	36.7	10.0
19.3	15.6	19.0	13.2	15.2	36.6	10.5
20.0	16.2	19.7	13.7	15.8	36.4	11.0
20.7	16.8	20.4	14.2	16.4	36.2	11.5
21.3	17.4	21.1	14.7	17.0	35.9	12.0
22.0	18.1	21.9	15.2	17.6	35.7	12.5
22.7	18.7	22.6	15.7	18.2	35.4	13.0
23.4	19.3	23.3	16.2	18.8	35.1	13.5
24.0	19.9	23.9	16.7	19.4	34.9	14.0

DIVISION II
EQUATIONS USED TO CONVERT ANHYDROUS BIOMASS ON FALLOW SHRUBLAND OR GRASSLAND INTO MERCHANTABLE VOLUME

1. The following equations must be used to convert total anhydrous biomass (t) on fallow shrubland or grassland that includes below-ground and epigeal biomass into merchantable volume brut (m³):

$$\text{Équation 1} : Volume_{herbacée}(m^3) = 0.0013x^2 + 0.3253x$$

$$\text{Équation 2} : Volume_{arbustive}\ (m^3) = 0.0032x^2 + 0.6891x$$

Where:

x: anhydrous biomass in metric tonnes

SCHEDULE F – Simulation of the carbon present in timber forest products – determination of the parameters "$I_{(t)}$", "k" and "e^{-k}" in equation 6

(ss. 45, 46)

DIVISION I
VALUE OF PARAMETER "$I_{(t)}$"

1. Unless modified by the promoter, the value of the parameter $I_{(t)}$ in equation 6 is determined using the table below. The parameter corresponds to the provincial distribution rate for the volumes of timber harvested by type of timber forest product.

Value of parameter "$I_{(t)}$" in equation 6											
Timber forest product	**Age of stand**										
	0	10	20	30	40	50	60	70	80	90	100
Sawwood	Na	Na	Na	0.19	0.43	0.49	0.52	0.44	0.60	0.64	0.58
Particle board *	Na	Na	Na	0.02	0.06	0.07	0.07	0.07	0.07	0.07	0.07
Veneer and plywood *	Na	Na	Na	0.02	0.06	0.07	0.07	0.07	0.07	0.07	0.07
Pulp and paper, cardboard	Na	Na	Na	0.68	0.44	0.38	0.35	0.42	0.28	0.25	0.30
Energy products (granules, logs, biofuels, etc.)	Na	Na	Na	0.11	0.07	0.06	0.06	0.07	0.05	0.04	0.05
* The products "particle board" and "plywood" are mutually exclusive. The promoter must determine which of the two matches the reality of the project.											

DIVISION II
VALUE OF PARAMETERS “k” AND “e^{-K} “

1. The value of parameters k and e^{-k} in equation 6 in section 46 is determined using the table below. The parameters are used to define the annual change in carbon stock in various categories of timber forest products.

Value of variables k and e^{-k} in equation 6			
Timber forest product	**k**	**e^{-k}**	**Half-life**
Sawwood	0.02	0.98	35
Particle board	0.03	0.97	20
Plywood	0.03	0.97	20
Pulp and paper	0.28	0.76	2,5
Biomass energy	0.69	0.50	1

SCHEDULE G – Elements to be taken into account when verifying the measures taken by a promoter during the initial inventory and issuance inventory

(ss. 83, 89, 93 and 100)

1. The table in this Schedule presents the elements to be taken into account by the verifier when verifying the project plan and project report with respect to the measures taken during the initial inventory and issuance inventory.

In addition to these elements, the verifier must define the soil colour using a Munsell soil colour chart and a soil sample taken at a distance of 10 centimetres from where the promoter took soil samples. The soil sample must be taken using the methodology prescribed for the taking of samples by the promoter.

2. For the purposes of the table in this Schedule,

"DiN" means the difference between the number of stems inventoried by the promoter (NbtigeP) and the number of stems inventoried by the verifier (NbtigeV), as an absolute value;

"DiE" means the sum of the differences between the number of stems inventoried by the promoter and the number of stems inventoried by the verifier for each species, as an absolute value;

"DiD" means the sum of the differences between the number of stems inventoried by the promoter and the number of stems inventoried by the verifier for diameter class, as an absolute value;

"P" means a promoter;

"V" means a verifier.

Subject	Accepted deviations and errors	Attributed errors	Possible errors	Tolerance limit (%)
Lot / Sample plot				
Surface area of strata (map verification)	Deviation ≤ ± 5% Deviation > ± 5%	0 1	Number of strata	5%
Positioning of sample plot (in the field – with satellite geolocation; if the sample plot has not moved compared to the survey plan)	Distance ≤ ± 10 m Distance > 10 m	0 1	Number of sample plots	9%

Positioning of the sample plot group (in the field with satellite geolocation; if the sample plot has not moved compared to the survey plan)	Distance ≤ ± 50 cm Distance > 50 cm	0 1	Number of sample plots	18%
Regeneration - Coefficient of distribution				
Number of stems	DiN = |NbtigeP – NbtigeV|	DiN	Maximum of total of P or total of V	12%
Number of stems per species	DiE = |NbtigeP – NbtigeV| (by species)	(DiE–DiN) /2	Minimum of total of P or total of V	9%
Trees > 130 cm in height (commercial)				
Number of stems by species	DiE = |NbtigeP – NbtigeV| (by species)	(DiE – DiN) /2	Minimum of total of P or total of V	8%
Height (three (3) dominant, codominant, intermediate trees per sample plot)	<u>In softwoods</u> Deviation ≤ 1 m Deviation > 1 m <u>In hardwoods</u> Deviation ≤ 10% Deviation > 10%	 0 1 0 1	Total number of observations	8%
Number of stems	DiN = |NbtigeP – NbtigeV|	DiN	Maximum of total of P or total of V	8%
Number of stems per DBH class (2 cm classes)	DiD = |NbtigeP – NbtigeV| (per DBH class)	(DiD – DiN) /2	Minimum of total of P or total of V	8%
Shrub strata > 130 cm in height (non-commercial)				
Number of stems	DiN = |NbtigeP – NbtigeV|	DiN	Maximum of total of P or total of V	15%

Number of stems by species	DiE = |NbtigeP – NbtigeV| (by species)	(DiE – DiN) /2	Minimum of total of P or total of V	15%
DSH height (2 cm)	DiD = |NbtigeP – NbtigeV| (per DBH class)	(DiD – DiN) /2	Minimum of total of P or total of V	15%
Stratum of grass, moss, seedling, and trees below 130 cm in height				
Cover class (25% classes)	Same Different	0 1	Total number of observations	10%
Snags				
Number of snags	DiN = |NbtigeP – NbtigeV|	DiN	Maximum of total of P or total of V	15%
Number of snags by condition class	Same Different	0 1	Total number of observations	10%
Soil				
Volume of sample (measured in the laboratory)	More than 100 cm^3 Less than 100 cm^3	1 0	Total number of observations	0%
Stoniness class	Same Different	0 1	Total number of observations	0%
Positioning of sub-sample	Distance ≤ ± 50 cm Distance > 50 cm	0 1	Total number of observations	10%

SCHEDULE H – Fossil fuel consumption factors per hectare based on family of silvicultural treatment

(s. 57 and 70)

Family of silvicultural treatment	Consumption factor (litres/ha)	Fossil fuel
Site preparation	107.6	Diesel
Planting of seedlings	28.5	Gasoline*
Stand tending	34.3	Gasoline*
Commercial thinning of softwoods	504.2	Diesel
Partial cut of hardwoods	420.8	Diesel
Clearcut of hardwoods	796.3	Diesel
Partial cut of softwoods	491.5	Diesel
Clearcut of softwoods	1019.1	Diesel

* “Gasoline” includes both “Regular” and “Premium” gasoline.

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