

criteria for the fixing of rent following a change of name made by Order in Council 454-94 dated 30 March 1994;

WHEREAS it is expedient to amend the Regulation;

WHEREAS under sections 10 and 11 of the Regulations Act (R.S.Q., c. R-18.1), the draft Regulation to amend the Regulation respecting the criteria for the fixing of rent, attached to this Order in Council, was published in Part 2 of the *Gazette officielle du Québec* of 3 January 1996, with a notice that it could be made by the Government upon the expiry of 45 days following that publication;

WHEREAS it is expedient to make the Regulation without amendments;

IT IS ORDERED, therefore, on the recommendation of the Minister of Municipal Affairs:

THAT the Regulation to amend the Regulation respecting the criteria for the fixing of rent, attached to this Order in Council, be made.

MICHEL CARPENTIER,
Clerk of the Conseil exécutif

Regulation to amend the Regulation respecting the criteria for the fixing of rent

An Act respecting the Régie du logement (R.S.Q., c. R-8.1, s. 108, 1st par., subpars. 3 and 6)

Civil Code of Québec
(1991, c. 64, a. 1953)

1. The Regulation respecting the criteria for the fixing of rent, made by Order in Council 738-85 dated 17 April 1985 and amended by the Regulations made by Orders in Council 1430-85 dated 10 July 1985, 562-86 dated 30 April 1986, 1047-87 dated 30 June 1987, 688-88 dated 11 May 1988, 528-89 dated 12 April 1989, 344-90 dated 21 March 1990, 519-91 dated 17 April 1991, 637-92 dated 29 April 1992, 580-93 dated 28 April 1993, 454-94 dated 30 March 1994, 825-94 dated 8 June 1994 and 505-95 dated 12 April 1995, is further amended by adding the following after paragraph XI of Schedule 1:

“XII. Applications for the fixing of rent in respect of leases expiring between 1 April 1996 and 31 March 1997 and for contestations of adjustment of rent to take effect between 2 April 1996 and 1 April 1997:

Percentage applicable to the cost of electricity subject to the:

domestic rate (D or DM)	-0.3 %
domestic dual energy rate (DT)	-0.4 %
general small power rate (G)	-0.2 %
all other rates	-0.3 %

Percentage applicable to the cost of fuel:

heating oil	-5.6 %
gas and other form of energy	-2.8 %

Percentage applicable to the cost of maintenance: 1.7 %

Percentage applicable to the cost of providing services: 0.1 %

Percentage applicable to management costs: 0.1 %

Percentage applicable to capital expenditure: 8.1 %

Percentage applicable to net revenue: 1.0 %

Where the percentage applicable to the costs of electricity and fuel is not representative for the building concerned, the tribunal, where it has the necessary information, shall take those costs into account by proceeding, in their respect, in the manner provided for in the second paragraph of section 4.”.

2. This Regulation comes into force on the fifteenth day following the date of its publication in the *Gazette officielle du Québec*.

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Gouvernement du Québec

O.C. 709-96, 12 June 1996

An Act respecting the Société de développement industriel du Québec (R.S.Q., c. S-11.01)

Business Financing Assistance Program

Regulation respecting the Business Financing Assistance Program

WHEREAS under section 2 of the Act respecting the Société de développement industriel du Québec (R.S.Q., c. S-11.01), the object of the Corporation is to promote economic development in Québec;

WHEREAS under section 3 of that Act, the Corporation shall grant financial assistance under a financial assistance program;

WHEREAS under section 5 of that Act, the Government may establish, by regulation, financial assistance programs designed to promote economic development in Québec;

WHEREAS under section 47 of that Act, the Government may make regulations to establish criteria to determine which businesses may receive financial assistance, to determine the form of such financial assistance and the conditions a business must fulfil to obtain it, and to determine the cases in which duties or charges are exigible from a business that applies for financial assistance;

WHEREAS under section 12 of the Regulations Act (R.S.Q., c. R-18.1), a proposed regulation may be made without having been published pursuant to section 8 of that Act, if the authority making it is of the opinion that the urgency of the situation requires it;

WHEREAS under section 13 of that Act, the reason justifying the absence of prior publication must be published with the regulation;

WHEREAS under section 18 of that Act, a regulation may come into force within a period shorter than the 15-day period prescribed by section 17 of that Act where the authority that has made it is of the opinion that the urgency of the situation requires it;

WHEREAS the Government is of the opinion that the urgency owing to the following circumstances justifies the absence of prior publication of the Regulation and a shorter period between its publication and coming into force:

(1) new measures specifically promoting exportations cannot be applied until the Regulation respecting the Business Financing Assistance Program has been made;

(2) it is important to enable businesses to benefit as soon as possible from the implementation of the proposed measures;

WHEREAS it is expedient to make the Regulation;

IT IS ORDERED, therefore, on the recommendation of the Minister of State for the Economy and Finance and Minister of Industry, Trade, Science and Technology:

THAT the Regulation respecting the Business Financing Assistance Program, attached to this Order in Council, be made.

MICHEL CARPENTIER,
Clerk of the Conseil exécutif

Regulation respecting the Business Financing Assistance Program

An Act respecting the Société de développement industriel du Québec
(R.S.Q., c. S-11.01, ss. 5 and 47)

DIVISION I OBJECTIVES

1. The objective underlying the Business Financing Assistance Program is to enable the Société de développement industriel du Québec to promote the economic development of Québec by granting financial assistance to businesses carrying on a commercial activity.

2. Any financial assistance granted under this Program shall be used to carry out an investment project, a technological innovation project, a design innovation project, an export project or a strategic business alliance project or to finance tax credits for scientific research and experimental development.

DIVISION II INTERPRETATION

3. Under this Program

(1) “investment” means expenditures for the purpose of obtaining goods and services required to start up a business, for the expansion, upgrading or modernization of production, or for the purposes of certification in respect of a standard;

(2) “strategic business alliance” means the acquisition, grouping or merging of businesses, or any other agreement between businesses for the purposes of enabling them to enhance their competitiveness;

(3) “export” means any activity for the purposes of

(a) marketing, to penetrate new markets or to increase sales or the delivery of services outside Québec;

(b) selling goods, delivering services or executing contracts outside Québec;

(c) acquiring a business or a distribution network for the sale of goods or the delivery of services outside Québec; or

(d) forming a group of businesses for the purpose of selling goods or delivering services outside Québec;

(4) “technological innovation and design innovation” means the development, marketing and transfer of technological innovations and the development and marketing of design innovations;

(5) “lender” means a bank within the meaning of the Bank Act (S.C., 1991, c. 46), a savings and credit union governed by the Savings and Credit Unions Act (R.S.Q., c. C-4.1) or any other legal person legally empowered to grant commercial loans or guarantees;

(6) “net loss” means the balance owing to a lender, that is, the sum of the principle owing at the date the loan and the interest accrued are called in, less the net product from the realization of the securities;

(7) “peripheral region” means a region listed in Schedule I; and

(8) “central region” means a region which is not a peripheral region.

DIVISION III ELIGIBILITY FOR FINANCIAL ASSISTANCE

4. Financial assistance is granted to a business or for the benefit of a business where the business’s financial structure, quality of management, professional and technical staff, and production and marketing organization are such that they will enable the project to be profitable and render the business competitive.

5. Financial assistance must be necessary for carrying out the project in respect of which it is granted, and the cost of financing the project must be reasonable.

6. Financial assistance under this Program may not be granted in respect of a project having received other financial assistance from the Government.

Assistance under this Program may be combined with other Government assistance where such combined assistance is necessary for carrying out a project with strong economic impact.

Such combined financial assistance shall not exceed 50 % of the expenditures directly related to investment projects for production of goods and services or for strategic business alliance projects in the central re-

gions, shall not exceed 65 % of such expenditures in the peripheral regions, and shall not exceed 75 % of the expenditures directly related to the other types of projects.

7. Projects in respect of which financial assistance may be granted must pertain to the activities listed in Schedule II.

DIVISION IV FORM AND AMOUNT OF THE FINANCIAL ASSISTANCE

8. Financial assistance shall be in the form of a guarantee of reimbursement of a percentage of the net loss in relation to a loan, a line of credit, a letter of credit or any other form of financial commitment granted by a lender to a business or for the benefit of a business.

9. As a last resort to ensure the carrying out of a project with strong economic impact, financial assistance may be in the form of a loan granted by the Corporation or in the form of the purchase by the Corporation of the capital stock or shares of a business.

10. A guarantee of reimbursement may vary according to the category, nature and location of a project.

11. A guarantee of reimbursement shall not exceed

(a) 90 % of the net loss for export projects and research and development projects; or

(b) 60 % of the net loss for investment projects and for grouping and strategic business alliance projects, except in peripheral regions, where that percentage may be as high as 75 %.

12. Financial assistance granted under this Program shall not be less than \$50 000.

13. A loan guaranteed or granted by the Corporation shall not exceed 75 % of the expenditures directly related to the project or related to the working capital required to carry it out.

14. The amount of an export credit margin shall be determined on the basis of a business’s short-term financing needs, and a guarantee is granted on the basis of the business’s export activities and the Québec content of the products and services it exports.

15. A loan or credit margin guaranteed by the Corporation to finance tax credits for scientific research and experimental development may not exceed 75 % of such credits.

DIVISION V TERMS AND CONDITIONS OF FINANCIAL ASSISTANCE

16. Any contract concluded under this Program shall contain a clause providing that the Civil Code of Québec is applicable to the contract.

17. The maximum term for financial assistance granted by the Corporation is 10 years or, in the case of a major export project, 15 years.

18. The period for carrying out a project in respect of which financial assistance is granted may not exceed three years from the date of the first disbursement.

19. The beginning of repayment of the principal of a financial commitment may be postponed until no later than two years after the project has been carried out.

20. Sections 18 and 19 do not apply to export projects.

21. The interest rates agreed upon shall be fixed or variable.

22. The payments on the principle of a loan guaranteed or granted under this Program shall be fixed. They may be variable where the funds generated by the business are seasonal or subject to fluctuations.

23. Annual guarantee fees of at least 1 % of the guaranteed financial commitment are payable.

24. Management fees of at least 1 % of the guaranteed financial commitment or of the loan granted by the Corporation are payable by the business.

25. The guarantee fees and management fees may be less than 1 % where they relate to financial assistance of \$5 000 000 or more or to financial assistance in respect of an export project.

26. A premium may be required to offset risks.

27. The Corporation may refuse to grant financial assistance or may suspend assistance where a business no longer meets the conditions or criteria that made it eligible therefor or where it has failed to meet a contractual obligation. The Corporation may also sign any agreement or require any guarantee that it considers necessary where corrective measures are being taken in the case of a business having received financial assistance and experiencing financial difficulties or where the matter of a business having received financial assistance is in the process of being settled.

DIVISION VI GRANTING OF FINANCIAL ASSISTANCE

28. Financial assistance is granted by a decision

(1) of the Corporation, without Government authorization, where the amount is less than \$5 000 000;

(2) of the Minister of Industry, Trade, Science and Technology, without Government authorization, where the amount is \$5 000 000 or more but less than \$10 000 000; or

(3) of the Government, where the amount is \$10 000 000 or more.

DIVISION VII THE LENDER'S CLAIM

29. The lender shall immediately send the Corporation a copy of any document calling in a guaranteed financial commitment.

30. After exhaustion of the remedies pertaining to the recovery of its accounts receivable and the realization of its securities, the lender shall establish its claim and shall serve it on the Corporation.

31. The lender shall include in its net loss any interest accrued during a maximum period of three months following the calling in of the loan or financial commitment. The lender may, with prior authorization from the Corporation, include interest accrued over a longer period, where such a measure would ensure the survival of a business or the realization of securities or guarantees. However, total accrued interest may not exceed 10 % of the balance on the loan or financial commitment at the time it is called in.

32. The lender's claim shall be paid by the Corporation within 30 days of its receipt, except where the Corporation may give a refusal, in which case the Corporation shall so inform the lender within the same period.

DIVISION VIII FINANCIAL PROVISION

33. The Corporation's share in respect of the income and expenditures pertaining to each instance of financial assistance under this Regulation is limited to the first \$10 000 000 of the assistance amount. The income and expenditures pertaining to any assistance in excess of \$10 000 000 shall be charged to the Government.

DIVISION IX TRANSITIONAL AND FINAL

34. The Regulation respecting the programs of the Société de développement industriel du Québec, made by Order in Council 681-92 dated 6 May 1992, does not apply to this Regulation.

35. This Regulation replaces the following regulations:

(1) the Regulation respecting the program to finance tax credits for scientific research and experimental development, made by Order in Council 393-90 dated 28 March 1990;

(2) the Regulation respecting the Program to Promote Investment, made by Order in Council 682-92 dated 6 May 1992;

(3) the Regulation respecting the Program to Promote Technological Development and Design, made by Order in Council 683-92 dated 6 May 1992;

(4) the Regulation respecting the Program to Promote the Grouping or Strategic Alliance of Businesses, made by Order in Council 684-92 dated 6 May 1992;

(5) the Regulation respecting the Financial Assistance Program, made by Order in Council 685-92 dated 6 May 1992;

(6) the Regulation respecting the Program for Export Development, made by Order in Council 687-92 dated 6 May 1992; and

(7) the Regulation respecting the Program to Promote Investment in Tourism, made by Order in Council 1025-92 dated 8 July 1992.

Notwithstanding the foregoing, those replaced regulations remain applicable to any financial assistance granted thereunder prior to the date of coming into force of this Regulation, and to any application for assistance received prior to that date and concerning which a decision has not yet been reached.

36. Section 27 applies to alterations to financial assistance granted under the regulations replaced by this Regulation.

37. This Regulation comes into force on 2 July 1996.

It will cease to have effect five years after coming into force but will remain applicable to financial assistance granted hereunder and to applications received by

the Corporation before that date and concerning which a decision has not yet been reached.

SCHEDULE I

(s. 3)

PERIPHERAL REGIONS

Pursuant to section 3, the peripheral regions are the following administrative regions, described in Order in Council 2000-87 dated 22 December 1987 and respecting the revision of the limits of the administrative regions, as amended:

- (1) Region 11 Gaspésie—Îles-de-la-Madeleine
- (2) Region 01 Bas-Saint-Laurent
- (3) Region 02 Saguenay—Lac-Saint-Jean
- (4) Region 07 Outaouais, except the municipalities of Aylmer, Hull and Gatineau
- (5) Region 08 Abitibi-Témiscamingue
- (6) Region 09 Côte-Nord
- (7) Region 10 Nord-du-Québec

SCHEDULE II

(s. 7)

ACTIVITIES TO WHICH ASSISTANCE MUST PERTAIN

For the purposes of section 7 of this Regulation, projects for which financial assistance may be granted must pertain to the following activities:

- (1) manufacturing;
- (2) contaminated soil remediation services;
- (3) services related to computers, software and software packages or other high value-added services related to information technology;
- (4) the operation of a laboratory;
- (5) any activity pertaining to technological innovation and design and to exportation, except buyer credit;
- (6) central calling services;
- (7) the recycling of

- (a) rubber;
- (b) paper;
- (c) scrap metal;
- (d) mechanical or electrical automobile parts;
- (e) glass;
- (f) plastic;
- (g) bark, sawdust or wood shavings;
- (8) the recovery, sorting and processing or treatment of waste or scrap, for the purpose of making a product or a raw material used in manufacturing;
- (9) tourism, in respect of the following products, where priority is given to offering those products to pleasure tourists or conference tourists, customer groups composed of people who are travelling for the purposes of recreation, a vacation, a conference, a symposium or a seminar and are lodging for those purposes elsewhere than at their main residence:
- (a) accommodation, where the project pertains to
- i. the modernization of existing sleeping-accommodation units; or
 - ii. the addition of sleeping-accommodation units, within the scope of recreational and tourist projects requiring local sleeping-accommodation;
- (b) camping, where more than 40 % of the sites or a minimum of 150 sites, whichever is the lower, are made available exclusively to campers other than seasonal campers;
- (c) cruise excursions on bodies of water within Québec, where animation and interpretation activities are provided;
- (d) hunting and fishing, adventure and outdoor activities, recreational, artistic, craft and scientific activities that are offered as part of a package deal that includes accommodation;
- (e) alpine skiing at a centre that is already developed and has a drop of at least 250 metres, is located in proximity to at least 100 commercial accommodation units or at least 50 % of whose customers come from outside Québec, where the project does not involve expansion of the skiable area or an increase in the centre's capacity;

(f) a cultural, natural, scientific, recreational or other attraction, offered to such tourists on a continuing and recurring basis for at least four months of the year;

(g) the investment required for a major tourist attraction that draws a significant number of tourists from outside Québec.

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Gouvernement du Québec

O.C. 717-96, 12 June 1996

An Act respecting transportation by taxi
(R.S.Q., c. T-11.1)

Transportation by taxi — Amendments

Regulation to amend the Transportation by Taxi Regulation

WHEREAS under subparagraph 18 of the first paragraph of section 60 of the Act respecting transportation by taxi (R.S.Q., c. T-11.1), the Government may, by regulation, determine the conditions and modalities of renewal of a taxi driver's permit;

WHEREAS by Order in Council 1763-85 dated 28 August 1985, the Government made the Transportation by Taxi Regulation;

WHEREAS it is expedient to amend the Transportation by Taxi Regulation;

WHEREAS in accordance with sections 10 and 11 of the Regulations Act (R.S.Q., c. R-18.1), the text of a draft of the Regulation to amend the Transportation by Taxi Regulation was published in Part 2 of the *Gazette officielle du Québec* of 26 April 1995 with a notice that it could be made by the Government upon the expiry of 45 days following the date of its publication;

WHEREAS it is expedient to make the Regulation without amendments;

IT IS ORDERED, therefore, upon the recommendation of the Minister of Transport:

THAT the Regulation to amend the Transportation by Taxi Regulation, attached to this Order in Council, be made.

MICHEL CARPENTIER,
Clerk of the Conseil exécutif