

## Regulations and Other Acts

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Gouvernement du Québec

### **O.C. 645-97, 13 May 1997**

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

#### **Business Financing Assistance Program — Amendments**

Regulation to amend the Regulation respecting the Business Financing Assistance Program

WHEREAS under section 5 of the Act respecting the Société de développement industriel du Québec (R.S.Q., c. S-11.01), 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, in particular to establish criteria to determine which businesses may receive financial assistance, and to determine the form of such financial assistance and the conditions a business must fulfil to obtain it;

WHEREAS by Order in Council 709-96 dated 12 June 1996, the Government made the Regulation respecting the Business Financing Assistance Program;

WHEREAS it is expedient to amend that Regulation in order to implement measures adopted at the Summit on the Economy and Employment, held in the Fall of 1996, and to make it possible to grant financial assistance to adapted work centres as well as support the organization of international conventions;

WHEREAS under section 12 of the Regulations Act (R.S.Q., c. R-18.1), a proposed regulation may be made notwithstanding the publication requirement in 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 18 of that Act, a regulation may come into force on the date of its publication in the *Gazette officielle du Québec* where the authority that has made it is of the opinion that the urgency of the situation requires it;

WHEREAS in the opinion of the Government, the urgency due to the following circumstances justifies the absence of prior publication and such coming into force:

(1) as long as the Regulation to amend the Regulation respecting the Business Financing Assistance Program is not made, new measures beneficial for businesses and announced during the Summit on the Economy and Employment cannot be implemented;

(2) it is important for 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 to amend the Regulation respecting the Business Financing Assistance Program, attached to this Order in Council, be made.

*Clerk of the Conseil exécutif,*  
MICHEL CARPENTIER

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### **Regulation to amend the 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)

**I.** The Regulation respecting the Business Financing Assistance Program, made by Order in Council 709-96 dated 12 June 1996, is amended by substituting the following for Division I:

#### **“DIVISION I OBJECTIVES**

1. The objective underlying this 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, to adapted work centres and to organizers of international conventions.

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, a strategic business alliance project, a new economy project, an international convention organization project or to finance tax credits for scientific research and experimental development.”.

**2.** The following is added after paragraph 8 of section 3:

“(9) “new economy” means the research and development of processes or products, precommercial or commercial development or market development in the areas of activity listed in Schedule III;

(10) “adapted work centre” means a corporation holding a certificate issued by the Office des personnes handicapées du Québec under section 36 of the Act to secure the handicapped in the exercise of their rights (R.S.Q., c. E-20.1);

(11) “starting business” means a business that has been making sales on a regular basis for less than 3 years;

(12) “international convention” means a convention which draws delegates the majority of whom reside outside Québec;

(13) “Québec content” means the portion of a project carried out in Québec with respect to raw materials and their components, labour cost, manufacturing expenses, depreciation expenses, selling expenses, financial and administrative expenses and the potential profit;

(14) “economic impact” means the structuring effects on the economy and the increase in the production and sales of a business with respect to the added value of a project, the number of direct and indirect jobs it may create and the tax revenue that may result therefrom;

(15) “convention organizer” means a legal person that is a party to a contract for the promotion or organization of an international convention or to a contract for the supply of services connected with such convention.”.

**3.** The following is added after section 6:

“**6.1** Notwithstanding section 6, financial assistance granted under this Program may be combined with a wage subsidy granted by the Office des personnes handicapées du Québec under section 38 of the Act to secure the handicapped in the exercise of their rights (R.S.Q., c. E-20.1).”.

**4.** The following is substituted for section 8:

“**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, a financial lease or any other form of financial commitment granted by a lender to a business or for the benefit of a business.”.

**5.** The following is added at the end of section 12:

“; notwithstanding the foregoing, financial assistance granted to an adapted work centre may not be less than \$20 000.”.

**6.** The following is substituted for section 27:

“**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, grant additional benefits 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.”.

**7.** The following Divisions are added after section 27:

**“DIVISION V.1**  
FINANCIAL ASSISTANCE FOR NEW ECONOMY  
PROJECTS

**27.1** Sections 7, 11, 12, 13 and 24 do not apply to financial assistance under this Division.

**27.2** The beginning of repayment of the principal of a guaranteed financial commitment for the carrying out of a new economy project by a starting business shall be postponed until 2 years after the project has been carried out; it may also be postponed until no later than 2 years in the other cases.

**27.3** Financial assistance for the carrying out of a new economy project shall be granted to a business that employs less than 100 persons and whose annual sales volume is less than \$10 000 000.

**27.4** A guarantee of reimbursement granted for the carrying out of a new economy project may not exceed

(a) 90 % of the net loss for the project of a starting business; or

(b) 80 % of the net loss for the project of another business.

**27.5** Financial assistance for the carrying out of a new economy project may neither be less than \$50 000 nor greater than \$500 000.

**27.6** The financial commitment guaranteed by the Corporation for the carrying out of a new economy project may be as much as 90 % of the costs of the project.

**27.7** A creditor of a financial commitment may not require a personal bond or security on the property of a natural person, except for property intended for use in the operation of the debtor business.

#### **DIVISION V.1.1** FINANCIAL ASSISTANCE FOR THE ORGANIZATION OF INTERNATIONAL CONVENTIONS

**27.8** Sections 9, 10 and 11 do not apply to financial assistance for the organization of international conventions.

**27.9** Financial assistance for the promotion or organization of international conventions shall be in the form of a guarantee of reimbursement of a percentage of the net loss in relation to a line of credit granted to the organizer of an international convention.

**27.10** A guarantee of reimbursement of a line of credit granted to the organizer of an international convention may not exceed 80 % of the net loss.”.

**8.** The following is added at the end of Schedule II:

“(h) the organization of international conventions.”.

**9.** The following Schedule is added after Schedule II:

#### **“SCHEDULE III** (s. 3)

##### NEW ECONOMY AREAS OF ACTIVITY

Pursuant to section 3, the new economy areas of activity are the following:

- (1) biotechnology;
- (2) pharmaceutical industry;

(3) information technology, including in particular the activities related to computer hardware, semiconductors, software, computer services and telecommunication;

(4) aeronautics and aerospace technology;

(5) materials engineering;

(6) instrumentation, including in particular optical instruments and lenses, scientific engineering equipment, process control and electronic instrumentation.”.

**10.** This Regulation comes into force on the date of its publication in the *Gazette officielle du Québec*.

1435