

Gouvernement du Québec

O.C. 1451-2000, 13 December 2000

Tobacco Tax Act
(R.S.Q., c. I-2)

Taxation Act
(R.S.Q., c. I-3)

An Act respecting the Ministère du Revenu
(R.S.Q., c. M-31)

An Act respecting the Régie de l'assurance maladie du Québec
(R.S.Q., c. R-5)

An Act respecting the Québec Pension Plan
(R.S.Q., c. R-9)

An Act respecting the Québec sales tax
(R.S.Q., c. T-0.1)

Fuel Tax Act
(R.S.Q., c. T-1)

**Various regulations of a fiscal nature
— Amendments**

CONCERNING various regulations to amend regulations of a fiscal nature

WHEREAS in accordance with the Tobacco Tax Act (R.S.Q., c. I-2), the Government may, under paragraph *h* of section 6.1, determine the documents that a person is required to furnish to obtain a permit;

WHEREAS under subparagraphs *e.2* and *f* of the first paragraph of section 1086 of the Taxation Act (R.S.Q., c. I-3), the Government may make regulations to require any person included in one of the classes of persons it determines to file any return it may prescribe relating to any information necessary for the establishment of an assessment provided for in that Act and to send, where applicable, a copy of the return or of a part thereof to any person to whom the return or part thereof relates and to whom it indicates in the regulation, and to generally prescribe the measures required for the application of that Act;

WHEREAS under the first paragraph of section 96 of the Act respecting the Ministère du Revenu (R.S.Q., c. M-31), amended by section 46 of chapter 65 of the statutes of 1999 and by section 283 of chapter 83 of the statutes of 1999, the Government may make regulations in particular to prescribe the measures required to carry out that Act;

WHEREAS under paragraph *b* of section 35 of the Act respecting the Régie de l'assurance maladie du Québec (R.S.Q., c. R-5), the Government may make regulations to generally prescribe the measures for the carrying out of Division I of Chapter IV of that Act;

WHEREAS under paragraph *a* of section 81 of the Act respecting the Québec Pension Plan (R.S.Q., c. R-9), the Government may make regulations prescribing anything that is to be prescribed under Title III of that Act and, under paragraph *j* of that section 81, enacting any measures necessary or useful to carry out that Title III;

WHEREAS under subparagraph 4 of the first paragraph of section 677 of the Act respecting the Québec sales tax (R.S.Q., c. T-0.1), the Government may, by regulation, determine prescribed circumstances and the prescribed manner for the purposes of section 17 of that Act;

WHEREAS under subparagraph 10.1 of the first paragraph of section 677 of that Act, the Government may, by regulation, determine which registrants are prescribed registrants for the purposes of section 41.6 of that Act;

WHEREAS under subparagraphs 12 and 13 of the first paragraph of section 677 of that Act, the Government may, by regulation, determine which purposes and provisions are prescribed purposes and provisions for the purposes of sections 76 and 77 of that Act;

WHEREAS under subparagraph 31.1.1 of the first paragraph of section 677 of that Act, the Government may, by regulation, determine the percentage of the total consideration for the purposes of subparagraph *b* of subparagraph 2 of the first paragraph of section 290 of that Act;

WHEREAS under subparagraphs 31.1.2, 31.1.3, 31.1.4, 31.1.5, 31.1.6 and 31.1.7 of the first paragraph of section 677 of that Act, the Government may, by regulation, determine the prescribed amount for the purposes of sections 300.2, 301.1, 301.3, 323.3, 324.1 and 324.3 of that Act;

WHEREAS in accordance with the Fuel Tax Act (R.S.Q., c. T-1), the Government may, by regulation, under section 10.6, enacted by section 323 of chapter 83 of the statutes of 1999, determine the time, conditions and modalities for the transfer of a reimbursement; under section 27, exempt any person from the requirement to hold a collection officer's permit; and under paragraph *h* of section 27.1, amended by section 62 of chapter 65 of the statutes of 1999, determine which documents a person is required to furnish to obtain a permit;

WHEREAS the Regulation respecting the application of the Tobacco Tax Act (O.C. 1929-86 dated 16 December 1986) was made under the Tobacco Tax Act, the Regulation respecting the Taxation Act (R.R.Q., 1981, c. I-3, r. 1) was made under the Taxation Act, the Regulation respecting fiscal administration (R.R.Q., 1981, c. M-31, r. 1) was made under the Act respecting the Ministère du Revenu, the Regulation respecting tax exemptions granted to certain international governmental organizations and to certain of their employees and members of their families (O.C. 1799-90 dated 19 December 1990) was made under the Act respecting the Ministère du Revenu, the Regulation respecting tax exemptions granted to certain international non-governmental organizations and to certain employees of such organizations and to members of their families (O.C. 1285-87 dated 19 August 1987) was made under the Act respecting the Ministère du Revenu, the Regulation respecting contributions to the Québec Health Insurance Plan (R.R.Q., 1981, c. R-5, r. 1) was made under the Act respecting the Régie de l'assurance maladie du Québec, the Regulation respecting contributions to the Québec Pension Plan (R.R.Q., 1981, c. R-9, r. 2) was made under the Act respecting the Québec Pension Plan, the Regulation respecting the Québec sales tax (O.C. 1607-92 dated 4 November 1992) was made under the Act respecting the Québec sales tax and the Regulation respecting the application of the Fuel Tax Act (R.R.Q., 1981, c. T-1, r. 1) was made under the Fuel Tax Act;

WHEREAS it is expedient to amend the Regulation respecting the Taxation Act, the Regulation respecting fiscal administration, the Regulation respecting contributions to the Québec Health Insurance Plan and the Regulation respecting the Québec sales tax, to give effect primarily to the fiscal measures and terminology-related amendments introduced into the Taxation Act, the Act respecting the Ministère du Revenu, the Act respecting the Régie de l'assurance maladie du Québec and the Act respecting the Québec sales tax by chapters 83 and 86 of the statutes of 1999 and chapter 5 of the statutes of 2000 and announced by the Minister of Finance in the Budget Speeches delivered on 9 May 1995, 25 March 1997, 31 March 1998, 9 March 1999 and 14 March 2000 and in the News Releases issued by the Ministère des Finances in particular on 5 July 1995, 19 December 1996, 24 April 1996, 22 May 1997, 18 December 1997, 23 June 1998, 24 September 1998, 30 June 1999, 26 November 1999, 22 December 1999 and 14 April 2000;

WHEREAS it is expedient to amend the Regulation respecting tax exemptions granted to certain international governmental organizations and to certain of their employees and members of their families and the Regulation respecting tax exemptions granted to certain international non-governmental organizations and to cer-

tain employees of such organizations and to members of their families to change the nomenclature of the schedules thereto;

WHEREAS it is expedient to amend the Regulation respecting contributions to the Québec Pension Plan to make a consequential amendment and to revoke a Division thereof which has become obsolete with the coming into force of chapter 65 of the statutes of 1999, and Tables A and B thereof which are no longer useful since the coming into force of that chapter 65;

WHEREAS it is expedient, with a view to more efficient application of the Tobacco Tax Act and the Fuel Tax Act, to amend the Regulation respecting the application of the Tobacco Tax Act (O.C. 1929-86 dated 16 December 1986) and the Regulation respecting the application of the Fuel Tax Act (R.R.Q., 1981, c. T-1, r. 1) to make various consequential amendments and to revoke the provisions of those Regulations that have become obsolete with the coming into force of chapters 65 and 83 of the statutes of 1999;

WHEREAS it is expedient to amend the Regulation to amend the Regulation respecting the Taxation Act made by Order in Council 1454-99 dated 15 December 1999 to ensure the conformity of its provisions;

WHEREAS under section 12 of the Regulations Act (R.S.Q., c. R-18.1), a proposed regulation may be made without the prior publication prescribed by section 8 of that Act if the authority making it is of the opinion that the fiscal nature of the norms established, amended or revoked in the regulation warrants it;

WHEREAS under section 18 of 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 fiscal nature of the norms established, amended or revoked in the regulation warrants it;

WHEREAS the Government is of the opinion that the fiscal nature of the norms established, amended or revoked by the Regulation warrants the absence of prior publication and such coming into force;

WHEREAS under section 27 of that Act, the Regulations Act does not prevent a regulation from taking effect before the date of its publication in the *Gazette officielle du Québec* where the Act under which it is made expressly provides therefor;

WHEREAS under section 20 of the Tobacco Tax Act, the regulations made under that Act may, once published and if they so provide, apply to a date prior to their publication but not prior to the current year;

WHEREAS under the second paragraph of section 1086 of the Taxation Act, the regulations made under that Act may, once published and if they so provide, apply to a period prior to their publication but not prior to the taxation year 1972;

WHEREAS under the second paragraph of section 97 of the Act respecting the Ministère du Revenu, the regulations made under that Act may, if they so provide, apply to a period prior to their publication;

WHEREAS under section 36 of the Act respecting the Régie de l'assurance maladie du Québec, the regulations made under Division I of Chapter IV of that Act may, if they so provide, take effect on any date subsequent or prior to their publication; in the latter case, however, the date shall not be prior to the effective date of the legislative provisions under which the regulations are made;

WHEREAS under section 82.1 of the Act respecting the Québec Pension Plan, the regulations made under Title III of that Act may, if they so provide, take effect on any date subsequent or prior to their publication; in the latter case, however, the date shall not be prior to the effective date of the legislative provisions under which the regulations are made;

WHEREAS under the second paragraph of section 677 of the Act respecting the Québec sales tax, a regulation made under that Act comes into force on the date of its publication in the *Gazette officielle du Québec*, unless it fixes another date which may in no case be prior to 1 July 1992;

WHEREAS under the first paragraph of section 56 of the Fuel Tax Act, amended by section 327 of chapter 83 of the statutes of 1999, the regulations made under that Act come into force on the date of their publication in the *Gazette officielle du Québec* or on any later date fixed therein; they may also, once published and if they so provide, apply to a date prior to their publication but not prior to the current year;

WHEREAS under the tenth paragraph of section 56 of that Act, as enacted by section 327 of chapter 83 of the statutes of 1999, regulations made in the year 2000 under that Act in respect of the time, conditions and modalities respecting the transfer of a reimbursement under section 10.6 or respecting an exemption under section 27 from the requirement that a person hold a

collection officer's permit may, once published and if they so provide, apply to a date prior to their publication but not prior to 1 April 1998;

IT IS ORDERED, therefore, on the recommendation of the Minister of Revenue:

THAT the Regulations attached hereto and entitled as follows be made:

— “Regulation to amend the Regulation respecting the application of the Tobacco Tax Act”;

— “Regulation to amend the Regulation respecting the Taxation Act”;

— “Regulation to amend the Regulation respecting fiscal administration”;

— “Regulation to amend the Regulation respecting tax exemptions granted to certain international governmental organizations and to certain of their employees and members of their families”;

— “Regulation to amend the Regulation respecting tax exemptions granted to certain international non-governmental organizations and to certain employees of such organizations and to members of their families”;

— “Regulation to amend the Regulation respecting contributions to the Québec Health Insurance Plan”;

— “Regulation to amend the Regulation respecting contributions to the Québec Pension Plan”;

— “Regulation to amend the Regulation respecting the Québec sales tax”;

— “Regulation to amend the Regulation respecting the application of the Fuel Tax Act”; and

— “Regulation to amend the Regulation to amend the Regulation respecting the Taxation Act made by Order in Council 1454-99”.

MICHEL NOËL DE TILLY,
Clerk of the Conseil exécutif

Regulation to amend the Regulation respecting the application of the Tobacco Tax Act*

Tobacco Tax Act
(R.S.Q., c. I-2, s. 6.1, par. *h* and *s.* 20)

1. (1) Section 1.1 of the Regulation respecting the application of the Tobacco Tax Act is revoked.

(2) Subsection 1 has effect from 2 February 2000.

2. (1) Section 1.2 of the Regulation is replaced by the following:

“**1.2.** For the purposes of paragraph *h* of section 6.1 of the Act,

(*a*) a corporation shall furnish a copy of its articles of incorporation, its letters patent or any similar document and, where applicable, its articles of amendment, its articles of amalgamation, its supplementary letters patent or any similar document, except where those documents have been filed with the Inspector General of Financial Institutions;

(*b*) a corporation referred to in paragraph *a* that has been in business for more than one year must, at the time of the corporation’s application, have complied with the provisions of the Act respecting the legal publicity of sole proprietorships, partnerships and legal persons (R.S.Q., c. P-45), where the corporation is incorporated under the laws of Québec;

(*c*) a corporation referred to in paragraph *a* that has been in business for more than one year shall, where the corporation is incorporated under the laws of a jurisdiction other than Québec, furnish any document similar to the attestation that would be issued by the Inspector General of Financial Institutions, if the corporation were incorporated under the laws of Québec, indicating that the corporation is, at the time of the application, in compliance with the Act respecting the legal publicity of sole proprietorships, partnerships and legal persons, provided that the document is issued by the competent authority of that jurisdiction and attests to the corporation’s compliance with the laws of that jurisdiction;

(*d*) a partnership shall furnish a copy of the contract of partnership; and

(*e*) a person referred to in section 7.6 of the Act shall furnish a certificate delivered by the agent designated by that person and confirming the agent’s designation.”

(2) Subsection 1 has effect from 2 February 2000.

3. Section 1.3 of the Regulation is revoked.

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

Regulation to amend the Regulation respecting the Taxation Act*

Taxation Act
(R.S.Q., c. I-3, s. 1086, 1st par., subpar. *e.2* and *f*, and 2nd par.)

1. (1) Section 22R1.1 of the Regulation respecting the Taxation Act is amended

(1) by replacing, in the French text, the words “Aux fins de” by the words “Pour l’application de”;

(2) by replacing “the second paragraph of section 737.15” by “section 737.16”;

(3) by replacing “under section 737.16” by “under section 737.14 or 737.16”.

(2) Paragraphs 1 and 2 of subsection 1 apply to taxation years that begin after 20 December 1999.

(3) Paragraph 3 of subsection 1 applies to taxation years that end after 23 June 1998.

2. (1) Section 22R1.2 of the Regulation is replaced by the following:

“**22R1.2.** For the purposes of section 22R1, where the individual is a person described in the second paragraph, the individual’s income earned in Québec and the individual’s income earned in Québec and elsewhere, computed for a taxation year under that section 22R1, shall be reduced by the amount deducted by the indi-

* The Regulation respecting the application of the Tobacco Tax Act, made by Order in Council 1929-86 dated 16 December 1986 (1986, *G.O.* 2, 3156), was last amended by the Regulation made by Order in Council 1466-98 dated 27 November 1998 (1998, *G.O.* 2, 4610). For previous amendments, see the *Tableau des modifications et Index sommaire*, Éditeur officiel du Québec, 2000, updated to 1 February 2000.

* The Regulation respecting the Taxation Act (R.R.Q., 1981, c. I-3, r.1) was last amended by the Regulation made by Order in Council 1454-99 dated 15 December 1999 (1999, *G.O.* 2, 5207). For previous amendments, see the *Tableau des modifications et Index sommaire*, Éditeur officiel du Québec, 2000, updated to 1 February 2000.

vidual in computing the individual's taxable income for the year under section 737.14, 737.16.1, 737.21, 737.22.0.0.3, 737.22.0.3, 737.25 or 737.28 of the Act.

The person referred to in the first paragraph is a foreign researcher within the meaning assigned by paragraph *a* of section 737.19 of the Act, a foreign researcher on a post-doctoral internship within the meaning assigned by section 737.22.0.0.1 of the Act, a foreign instructor within the meaning assigned by section 737.22.0.1 of the Act or an individual referred to in section 737.14, 737.16.1, 737.25 or 737.28 of the Act.”.

(2) Subsection 1 applies from the taxation year 1998. However, where section 22R1.2 of the Regulation, as amended by subsection 1, applies to taxation years that end before 24 June 1998, it shall be read with “737.14,” struck out.

3. (1) The Regulation is amended by inserting, after section 22R7, the following section:

“**22R7.1.** Where an individual is a member of a partnership that operates an international financial centre, the proportion that the income earned in Québec is of the income earned in Québec and elsewhere by the individual, otherwise determined under this Title, shall be so determined without taking into account the salaries and wages and the gross revenue or loans and deposits, as the case may be, or the net premiums that are attributable to the operations of the international financial centre.”.

(2) Subsection 1 applies to taxation years that end after 23 June 1998.

4. (1) Section 22R15 of the Regulation is amended, in the second paragraph,

(1) by replacing, in subparagraph *a*,

(*a*) “in the second paragraph of section 737.15” by “in section 737.16”;

(*b*) “under section 737.16” by “under sections 737.14 and 737.16”;

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

“(b) where the individual is a foreign researcher within the meaning assigned by paragraph *a* of section 737.19 of the Act, a foreign researcher on a post-doctoral internship within the meaning assigned by section 737.22.0.0.1 of the Act, a foreign instructor within the meaning assigned by section 737.22.0.1 of the Act or

an individual referred to in section 737.14, 737.16.1, 737.25 or 737.28 of the Act, the amount deducted by the individual in computing the individual's taxable income for the year under section 737.14, 737.16.1, 737.21, 737.22.0.0.3, 737.22.0.3, 737.25 or 737.28 of the Act; and”.

(2) Subparagraph *a* of paragraph 1 of subsection 1 applies to taxation years that begin after 20 December 1999.

(3) Subparagraph *b* of paragraph 1 of subsection 1 applies to taxation years that end after 23 June 1998.

(4) Paragraph 2 of subsection 1 applies from the taxation year 1998. However, where subparagraph *b* of the second paragraph of section 22R15, made by paragraph 2 of subsection 1, applies to taxation years that end before 24 June 1998, it shall be read with “737.14,” struck out, wherever it appears.

5. (1) Section 145R1.1 of the Regulation is amended by replacing, in subparagraph 3 of subparagraph *iv* of subparagraph *a* of the second paragraph, “sections 360 to 419.8” by “Chapter X of Title VI of Book III of Part I”.

(2) Subsection 1 has effect from 27 April 1995.

6. (1) Sections 222R1 and 222R2 of the Regulation are revoked.

(2) Subsection 1 applies in respect of work performed by a taxpayer after 27 February 1995, but, for the purposes of section 991 of the Taxation Act (R.S.Q., c. I-3), not in respect of such work performed pursuant to an agreement in writing made by the taxpayer before 28 February 1995.

7. (1) Sections 230.1R1 to 230.1R4 of the Regulation are revoked.

(2) Subsection 1 applies from the taxation year 1995.

8. (1) Section 273R1 of the Regulation is amended by replacing, in paragraph *b*, “in subsection 1” by “in the first paragraph”.

(2) Subsection 1 applies in respect of dispositions that occur after 22 February 1994.

9. (1) Section 360R5.7 of the Regulation is amended

(1) by replacing, in the French text, the portion before paragraph *a* by the following:

“**360R5.7.** Les articles 360R7, 360R16.5, 360R16.13, 360R36 et 360R51 ne s’appliquent pas, selon le cas:”;

(2) by striking out, in the French text, at the end of paragraph *b*, the word “ou”;

(3) by replacing paragraph *c* by the following:

“(c) in respect of a property acquired in any manner whatever from a person who is exempt from tax under Part I of the Act on that person’s taxable income .”.

(2) Paragraph 3 of subsection 1 applies in respect of acquisitions that occur after 26 April 1995, other than acquisitions that were made by a corporation before 1 January 1996 and that the corporation was bound to make pursuant to an agreement in writing made before 27 April 1995.

10. (1) Section 360R7 of the Regulation is amended by replacing, in the portion of subparagraph *i* of subparagraph *a* of the second paragraph before subparagraph 1, “sections 359 to 419.8” by “Chapter X of Title VI of Book III of Part I”.

(2) Subsection 1 has effect from 27 April 1995.

11. (1) Section 360R19.1 of the Regulation is amended by replacing, in paragraph *b.1*, “paragraphs *a*, *a.1*, *b.2*, *c* and *c.1*” by “paragraphs *a*, *a.1*, *b.2* and *c* to *c.2*”.

(2) Subsection 1 has effect from 6 December 1996.

12. (1) Section 360R28.2 of the Regulation is amended by replacing the portion before paragraph *a* by the following:

“**360R28.2.** Where at any time after 12 November 1981 control of a corporation is considered, for the purposes of section 418.26 of the Act, to have been acquired by a person or group of persons or a corporation ceases, on or before 26 April 1995, to be exempt from tax under Part I of the Act on its taxable income, the following rules shall be taken into account for the purposes of sections 360R5.7 to 360R7.2 and 360R17 to 360R28.6:”.

(2) Subsection 1 has effect from 27 April 1995.

13. (1) Section 360R28.2.1 of the Regulation is amended

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

“**360R28.2.1.** The amount referred to in paragraph *c.1* of section 360R28.2 and which shall not be exceeded is the amount equal to the part of the income of the transferor for the year referred to in that paragraph, before any deduction under section 88.4 of the Act respecting the application of the Taxation Act (R.S.Q., c. I-4) or under Chapter X of Title VI of Book III of Part I of the Act, that may reasonably be attributed, as the case may be, to”;

(2) by striking out, in the French text, at the end of paragraph *b*, the word “et”;

(3) by replacing paragraph *c* by the following:

“(c) such processing as is described in subparagraph *ii* or *iii* of paragraph *b* of section 360R12 or in subparagraph *ii* of paragraph *b* of section 360R14 with property owned by the transferor immediately before the time referred to in section 360R28.2.”.

(2) Paragraph 1 of subsection 1, where it replaces “sections 359 to 419.8” by “Chapter X of Title VI of Book III of Part I”, has effect from 27 April 1995.

14. (1) Section 488R1 of the Regulation is amended by replacing paragraph *h* by the following:

“(h) a death benefit paid in the form of an annuity payment under Title II of the Automobile Insurance Act (R.S.Q., c. A-25) in respect of a person who has suffered bodily injury before 1 January 1990, and any other compensation, other than an annuity payment, received under that Title II;”.

(2) Subsection 1 applies from the taxation year 1998.

15. (1) Section 576.1R1 of the Regulation is revoked.

(2) Subsection 1 applies to taxation years of foreign affiliates of taxpayers

(1) that begin after 31 December 1994, except where paragraph 2 applies;

(2) that end after 31 December 1994, where there has been a change in the taxation year of the foreign affiliate in 1994 and after 22 February 1994, unless

(a) the foreign affiliate had requested the change before 22 February 1994 from the income taxation authority of the country in which the foreign affiliate was resident and subject to income taxation, or

(b) the foreign affiliate’s first taxation year that began after 31 December 1994 began at a time that is earlier

than the time at which that taxation year would have begun if the change had not occurred.

16. (1) Section 659R1 of the Regulation is revoked.

(2) Subsection 1 applies to taxation years of trusts that end after 31 March 1998.

17. (1) Section 710R1 of the Regulation is amended by replacing the first paragraph by the following:

“**710R1.** A Canadian amateur athletic association is prescribed for the purposes of subparagraph *ii* of paragraph *a* of section 710 of the Act where it is registered as such with the Minister.”.

(2) Subsection 1 applies to taxation years that begin after 31 December 1997.

18. (1) Section 710R5 of the Regulation is replaced by the following:

“**710R5.** For the purposes of subparagraph *vii* of paragraph *a* of section 710 of the Act, a foreign university listed in Schedule C the student body of which ordinarily includes students from Canada is a prescribed foreign university.”.

(2) Subsection 1 applies to taxation years that begin after 31 December 1997.

19. (1) Sections 710R7 and 710R8 of the Regulation are replaced by the following:

“**710R7.** For the purposes of subparagraph *i* of paragraph *d* of section 710 of the Act, an institution or a public authority referred to in section 232R1 is a prescribed institution or public authority.

“**710R8.** For the purposes of subparagraph *ii* of paragraph *d* of section 710 of the Act, a property described in paragraph *b* of section 232R2, unless it is also described in section 232R1, is a prescribed cultural property.”.

(2) Subsection 1 applies to taxation years that begin after 31 December 1997.

20. (1) Section 712R1 of the Regulation is amended

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

“(a) “recipient”: a person or entity referred to in section 716R1, in any of subparagraphs *iv* to *ix* of paragraph *a* of section 710 of the Act, in subparagraph *ii* of paragraph *c* or in paragraph *d* of that section;”;

(2) by replacing, in paragraph *c*, the words “Minister of National Revenue” by the words “Minister of Revenue of Canada”;

(3) by replacing paragraph *d.1* by the following:

“(d.1) “particular person”: a person or entity referred to in any of subparagraphs *iv* and *vi* to *viii* of paragraph *a* of section 710 of the Act, a registered charity or a Canadian amateur athletic association referred to in section 710R1; and”.

(2) Paragraphs 1 and 3 of subsection 1 apply to taxation years that begin after 31 December 1997.

21. (1) The Regulation is amended by inserting, after section 726.4.17.4R1, the following:

“CHAPTER IV.0.0.3

ADDITIONAL DEDUCTION IN RESPECT OF CERTAIN EXPLORATION EXPENSES INCURRED IN THE NEAR NORTH AND FAR NORTH OF QUÉBEC

726.4.17.22R1. In paragraph *a* of section 726.4.17.22 of the Act, “Canadian exploration and development overhead expenses” has the meaning assigned by paragraph *f.1* of section 360R2.

726.4.17.22R2. An expenditure in respect of which an amount is added to the corporation’s mining exploration depletion, within the meaning of sections 360R16.2 to 360R16.4, or to its depletion for oil and gas exploration, within the meaning of sections 360R16.10 to 360R16.12, is a prescribed expense referred to in paragraph *e* of section 726.4.17.22 of the Act.”.

(2) Subsection 1 applies in respect of exploration expenses incurred after 31 March 1998.

22. (1) Sections 737.13R1 to 737.13R4.1 of the Regulation are revoked.

(2) Subsection 1 applies to taxation years or fiscal periods that begin after 20 December 1999.

(3) In addition, where section 737.13R1 of the Regulation applies

(1) from 1 April 1998, it shall be read

(a) with the definition of “back office activities” replaced by the following:

““back office activities” means the behind-the-scenes administrative tasks associated with front-line financial activities;”;

(b) with the following definition added in alphabetical order:

““underlying interest” means a security, commodity, financial instrument, currency, interest rate, foreign exchange rate, economic indicator, index, basket, agreement, benchmark or any other reference, interest or variable.”;

(c) with “, a” replaced by “or a”, in the definition of “foreign entity”;

(d) with the following definition added in alphabetical order:

““foreign exposure” in relation to a fund, portfolio or financial product means the result of one or, as the case may be, of the total of

(a) the aggregate of one or more actual securities that are qualified securities and are not combined with a financial derivative position; and

(b) the aggregate of one or more financial derivative positions, combined or not with actual securities, the resulting underlying interest of the net position of which is foreign;”;

(e) with the words “or by a resolution of its board of directors” added at the end of the definition of “qualified investment fund”;

(f) with the definition of “financial engineering” struck out;

(g) with the following definition added in alphabetical order:

““financial derivative” means an agreement, instrument or security, the market price, value or payment obligations of which vary on the basis of an underlying interest or the relationship between any of the foregoing;”;

(h) with the following definition added in alphabetical order:

““foreign financial derivative” means a financial derivative the underlying interest of which is foreign;”;

(i) with the definition of “financial consulting services” struck out;

(j) with the definition of “financial assembly services” replaced by the following:

““financial packaging services” means providing advice or other technical assistance for project financing, including the services relating to strategic planning, term financing through private placement, the financial aspect of privatization of operations, the submission of financial information to lenders, the negotiation of short-term credit contracts, the implementation of an international cash management organization and the financial aspect of business acquisitions and mergers;”;

(k) with the following definition added in alphabetical order:

““actual security” means a security other than a financial derivative;”;

(l) with the word “or”, at the end of paragraph c, struck out and the word “or” added at the end of paragraph d;

(m) with the following paragraph added after paragraph d of the definition of “qualified security”:

“(e) a foreign financial derivative;”;

(2) from 24 February 1999, it shall be read with the definition of “insurance broker” struck out;

(3) from 10 March 1999, it shall be read with the following definition added in alphabetical order:

““qualified services in relation to a financial product” means the development of a new financial product or the designing of a customized financial product for a particular customer or situation;”.

(4) In addition, where section 737.13R2 of the Regulation applies

(1) from 1 January 1998, it shall be read with the words “in the first paragraph of section”, in the portion before paragraph a, replaced by the words “in section”;

(2) in respect of international transactions made after 31 March 1998, it shall be read

(a) with paragraph p replaced by the following:

“(p) promotional activities relating to a qualified investment fund the shares of which are to be sold to persons not resident in Canada, or to persons resident in Canada if the fund is established to be exclusively or almost exclusively subject to foreign exposure;”;

(b) with paragraph *q* replaced by the following:

“(q) administrative activities, in relation to the shares of a qualified investment fund, in respect of persons not resident in Canada, or in respect of persons resident in Canada if the fund is established to be exclusively or almost exclusively subject to foreign exposure;”;

(c) with paragraph *r* replaced by the following:

“(r) management activities relating to a qualified investment fund the shares of which are sold to persons not resident in Canada, or to persons resident in Canada if the fund is established to be exclusively or almost exclusively subject to foreign exposure;”;

(d) with paragraph *s* replaced by the following:

“(s) distribution activities relating to the shares of a qualified investment fund and directed at persons not resident in Canada, or at persons resident in Canada if the fund is established to be exclusively or almost exclusively subject to foreign exposure, provided that the promotional activities and the management activities relating to the fund as well as the administrative activities, where related to the shares of the fund, are carried out exclusively or almost exclusively within the territory of Ville de Montréal;”;

(3) to taxation years or fiscal periods that end after 23 June 1998, it shall be read

(a) with the words “or partnerships” added after the word “corporations” in paragraph *f*;

(b) with the words “or partnership” added after the word “corporation”, wherever it appears in subparagraph *i* of paragraph *u*;

(4) from 24 February 1999, with the words “in the capacity of an insurance broker”, in paragraph *k*, replaced by “by a damage insurance broker within the meaning of section 6 of the Act respecting the distribution of financial products and services (R.S.Q., c. D-9.2)”;

(5) in respect of international transactions made after 9 March 1999, it shall be read with the following paragraph added after paragraph *j*:

“(j.1) qualified services in relation to a financial product for or on behalf of a person not resident in Canada, or for or on behalf of a person resident in Canada if the financial product to which those services relate is put together to be exclusively or almost exclusively subject to foreign exposure;”.

(5) In addition, where section 737.13R3 of the Regulation applies in respect of international transactions made after 31 March 1998, it shall be read

(1) with the following subparagraph added after subparagraph 4 of subparagraph *ii* of paragraph *a*:

“(5) a foreign financial derivative;”;

(2) with paragraph *a.1* replaced by the following:

“(a.1) trading in outstanding securities as principal shall be carried out only if the trading is in the securities referred to in any of subparagraphs 1 to 5 of subparagraph *ii* of paragraph *a*.”.

(6) In addition, where section 737.13R4 of the Regulation applies in respect of international transactions made after 31 March 1998, it shall be read with paragraph *b* replaced by the following:

“(b) a person resident in Canada, where the security is one of the securities referred to in subparagraphs 1 to 5 of subparagraph *ii* of paragraph *a* of section 737.13R3 or if the securities portfolio is put together to be exclusively or almost exclusively subject to foreign exposure.”.

23. (1) Section 737.16R1 of the Regulation is revoked.

(2) Subsection 1 applies to taxation years or fiscal periods that begin after 20 December 1999.

(3) In addition, where section 737.16R1 of the Regulation, revoked by subsection 1, applies

(1) from 1 April 1998, the first paragraph of that section shall be read with “48 months” replaced by “60 months”;

(2) from 1 January 1998, subparagraphs *i* and *ii* of subparagraph *b* of the second paragraph of that section shall, subject to subsection 4, be read as follows:

“i. be in the employ of a corporation or partnership operating an international financial centre, or work exclusively or almost exclusively for a person or partnership, in which case the individual’s duties with that person or partnership, as confirmed by the Minister of Finance in the certificate issued under subparagraph *f* of the second paragraph of section 737.15 of the Act for the part of the period that is subsequent to 31 December 1998, must be devoted, in a proportion of at least 75%, to the establishment of such a centre, as the case may be, and

“ii. except where the individual works exclusively or almost exclusively for a person or partnership and the individual’s duties with that person or partnership, as confirmed by the Minister of Finance in the certificate issued under subparagraph *f* of the second paragraph of section 737.15 of the Act for the part of the period that is subsequent to 31 December 1998, are devoted, in a proportion of at least 75%, to the establishment of an international financial centre, satisfy the requirements set out in subparagraphs *d* to *f* of the second paragraph of section 737.15 of the Act.”;

(3) from 1 April 1998,

(a) subparagraph *a* of the third paragraph of that section shall be read as follows:

“(a) prior to 1 April 1994, the first paragraph shall be read with “60 months” replaced by “24 months”; and”;

(b) subparagraphs *i* and *ii* of subparagraph *b* of the third paragraph of that section shall be read as follows:

“i. the period that would be established in respect of the individual under this section but for this paragraph and if the reference to “60 months” in the first paragraph were read as a reference to “24 months”, and

“ii. the part of the period that would be established in respect of the individual but for this paragraph, that is not included in the period referred to in subparagraph *i* and that is neither prior to 1 April 1998 nor later than the day preceding the day that is five years after the particular day.”.

(4) Notwithstanding paragraph 2 of subsection 3, where subparagraphs *i* and *ii* of subparagraph *b* of the second paragraph of section 737.16R1, made by that paragraph 2, apply before 24 June 1998, they shall be read with the words “or partnership” struck out, wherever they appear.

24. (1) The Regulation is amended by inserting, after section 737.21R1, the following section:

“**737.22.0.0.3R1.** For the purposes of section 737.22.0.0.3 of the Act, the eligible employer shall attest, in the manner prescribed in section 1086R8.12.0.0.1, the eligible income for the taxation year of a foreign researcher on a post-doctoral internship.”.

(2) Subsection 1 applies from the taxation year 1998.

25. (1) Section 752.0.11.1R1 of the Regulation is amended by inserting, after paragraph *c.2*, the following paragraph:

“(c.3) an air conditioner acquired for use by an individual to cope with the individual’s severe chronic ailment, disease or disorder, to the extent of the lesser of \$1,000 and 50% of the amount paid for the air conditioner;”.

(2) Subsection 1 applies from the taxation year 1997.

26. (1) Section 771R5.1 of the Regulation is replaced by the following:

“**771R5.1.** Where a corporation or a partnership of which the corporation is a member operates an international financial centre, the proportion that the business carried on in Québec is of the aggregate of the business carried on in Canada or in Québec and elsewhere by the corporation, otherwise determined under this Chapter and Chapters III and IV, shall be so determined without taking into account the salaries and wages and the gross revenue or loans and deposits, as the case may be, or the net premiums that are attributable to the operations of the international financial centre.”.

(2) Subsection 1 has effect from 26 November 1993. However, where section 771R5.1, made by subsection 1, applies to taxation years that end before 24 June 1998, it shall be read with the words “Where a corporation or a partnership of which the corporation is a member operates” replaced by “Where a corporation operates”.

27. The heading of Title XX.1.1 of the Regulation is amended, in the French text, by replacing the words “DE CAPITAL” by the words “À CAPITAL”.

28. Section 771.1.8R1 of the Regulation is amended, in the French text, by replacing the words “société de capital de risque” by the words “société à capital de risque”.

29. Section 785.2R1 of the Regulation is amended

(1) by replacing, in paragraph *c*, the words “of an allowance or benefit described” by the words “of an amount described”;

(2) by replacing paragraph *d* by the following:

“(d) a payment under a registered retirement savings plan, under a new plan referred to in section 914 of the Act or under a registered retirement savings fund;”.

30. (1) The Regulation is amended by inserting, after the heading of Chapter I.2 of Title XXIV, the following section:

“890.15R1. An educational institution referred to in paragraph *d* of the definition of “trust” in section 890.15 of the Act means a university, college or other educational institution in Canada, designated by the Lieutenant Governor in Council of a province as a specified educational institution under the Canada Student Loans Act (Revised Statutes of Canada, 1985, c. S-23), or designated by an appropriate authority under the Canada Student Financial Assistance Act (Statutes of Canada, 1994, c. 28), or designated by the Minister of Education for the purposes of the Act respecting financial assistance for education expenses (R.S.Q., c. A-13.3).”

(2) Subsection 1 has effect from 1 January 1998. However, where section 890.15R1 applies before 1 April 1998, it shall be read with the words “education expenses” replaced by the word “students”.

31. (1) Sections 891R1 and 892R1 of the Regulation are revoked.

(2) Subsection 1 has effect from 1 January 1998.

32. (1) Section 894R1 of the Regulation is revoked.

(2) Subsection 1 has effect from 1 January 1998.

33. (1) Section 895R1 of the Regulation is amended

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

“895R1. For the purposes of this section and paragraphs *f* and *f.1* of section 895 of the Act,”;

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

“i. an educational institution in Canada that is

(1) described in section 890.15R1 ; or”;

(3) by replacing subparagraph *ii* of paragraph *a* by the following:

“ii. an educational institution outside Canada that is a university, college or other institution providing post-secondary education, at which a beneficiary, as defined in section 890.15 of the Act, was enrolled in a course of not less than 13 consecutive weeks;”.

(2) Paragraph 1 of subsection 1 applies in respect of plans the contracts of which are entered into after 20 February 1990.

(3) Paragraphs 2 and 3 of subsection 1 have effect from 1 January 1998.

34. (1) Sections 961.1.5R1 and 961.1.5R2 of the Regulation are revoked.

(2) Subsection 1 applies

(1) from the year 1998 in respect of

(a) retirement income funds the arrangements in connection with which were entered into after 28 February 1986;

(b) retirement income funds revised or amended after 28 February 1986 and before 1 January 1998 and the arrangements in connection with which were entered into before 1 March 1986;

(2) from the year in which a retirement income fund is first revised or amended after 31 December 1997, if the arrangement in connection therewith was entered into before 1 March 1986 and the fund was not revised or amended after 28 February 1986 and before 1 January 1998;

(3) with respect to a retirement income fund that governs a trust that, after 31 July 1997, holds a contract for an annuity, to all years that begin after the first day that is after 31 July 1997 and on which the trust holds such a contract.

35. (1) The Regulation is amended by inserting, after section 961.1.5R2, the following sections:

“961.1.5.0.1R1. For the purposes of subparagraph *b* of the second paragraph of section 961.1.5.0.1 of the Act, the prescribed factor in respect of an individual for a year in connection with a retirement income fund is

(a) where the retirement income fund was a qualifying retirement income fund at the beginning of the year, the prescribed factor determined in accordance with subsection 3 of section 7308 of the Regulations made under the Income Tax Act (Revised Statutes of Canada, 1985, c. 1, 5th Supplement), in respect of the individual for the year in connection with a retirement income fund; or

(b) where the retirement income fund was not a qualifying retirement income fund at the beginning of the year, the prescribed factor determined in accordance with subsection 4 of section 7308 of the Regulations made under the Income Tax Act, in respect of the individual for the year in connection with a retirement income fund.

“961.1.5.0.1R2. For the purposes of this Chapter, a retirement income fund is a qualifying retirement income fund at a particular time if

(a) the arrangement in connection therewith was entered into before 1 January 1993 and the carrier has not accepted any property as consideration under the fund after 31 December 1992 and at or before the particular time; or

(b) the carrier has not accepted any property as consideration under the fund after 31 December 1992 and at or before the particular time, other than property transferred from a retirement income fund that, immediately before the time of the transfer, was a qualifying retirement income fund.

In this section, “carrier” has the meaning assigned by paragraph *b* of section 961.1.5 of the Act.”

(2) Subsection 1 applies

(1) from the year 1998 in respect of

(a) retirement income funds the arrangements in connection with which were entered into after 28 February 1986;

(b) retirement income funds revised or amended after 28 February 1986 and before 1 January 1998 and the arrangements in connection with which were entered into before 1 March 1986;

(2) from the year in which a retirement income fund is first revised or amended after 31 December 1997, if the arrangement in connection therewith was entered into before 1 March 1986 and the fund was not revised or amended after 28 February 1986 and before 1 January 1998;

(3) with respect to a retirement income fund that governs a trust that, after 31 July 1997, holds a contract for an annuity, to all years that begin after the first day that is after 31 July 1997 and on which the trust holds such a contract.”

36. (1) Section 985R1 of the Regulation is revoked.

(2) Subsection 1 applies to taxation years or fiscal periods that begin after 31 December 1998.

37. (1) Section 985.5R1 of the Regulation is amended

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

“985.5R1. Subject to the Minister’s power to refuse or revoke a registration or to change a designation, a charitable organization within the meaning of section 985.1 of the Act, a private foundation or a public foundation is also deemed to be registered with the Minister as a charitable organization, private foundation or public foundation, as the case may be, where it”;

(2) by replacing, in the second paragraph, the words “Minister of National Revenue” by the words “Minister of Revenue of Canada”.

(2) Paragraph 1 of subsection 1 has effect from 1 January 1997.

38. (1) Section 1015R1 of the Regulation is amended

(1) by replacing subparagraph *i* of paragraph *b* of the definition of “personal tax credits” by the following :

“i. would be entitled to deduct from the employee’s tax otherwise payable for the year, under the portion of section 752.0.1 of the Act before paragraph *b*, if the references therein to \$5,900 were read as the greater of the particular amount for the year and the particular amount, determined under this subparagraph, for the preceding taxation year, the particular amount for a taxation year – which, where it is not a multiple of 5, must be rounded to the nearest multiple of 5 or, if it is equidistant from two such multiples, to the higher thereof – being equal to the aggregate of \$5,900 and the following amounts :

(1) the product obtained by multiplying the maximum contributable earnings determined for the preceding taxation year under the Act respecting the Québec Pension Plan (R.S.Q., c. R-9) by half the contribution rate determined for that preceding taxation year under that Act,

(2) the product obtained by multiplying the maximum yearly insurable earnings established for the preceding taxation year under the Employment Insurance Act (Statutes of Canada, 1996, chapter 23) by the employee’s premium rate determined for that preceding taxation year under that Act, and

(3) \$250, or”;

(2) by inserting, after paragraph *f* of the definition of “remuneration”, the following paragraph :

“(f.1) an amount that is described in any of paragraphs *e.2* to *e.4* of section 311 of the Act, except the portion of the amount that relates to child care expenses and tuition costs;”;

(3) by adding, after paragraph *q* of the definition of “remuneration”, the following paragraph:

“(r) a payment out of a registered education savings plan other than

i. a refund of contributions,

ii. an educational assistance payment, or

iii. an amount, up to \$40,000, of an accumulated income payment that is made to a subscriber, as defined in section 1129.63 of the Act, or if there is no such subscriber at that time, that is made to a person that has been the spouse of an individual who was a subscriber, if

(1) that amount is transferred to a registered retirement savings plan in which the annuitant is either the recipient of the payment or the recipient’s spouse, and

(2) it is reasonable for the person making the payment to believe that that portion of the accumulated income payment is deductible for the year under sections 922 and 923 of the Act in computing the recipient’s income;”.

(2) Paragraph 1 of subsection 1 has effect from 1 January 1999.

(3) Paragraph 2 of subsection 1 applies from the taxation year 2000.

(4) Paragraph 3 of subsection 1 applies from the taxation year 1998.

39. (1) Section 1015R2.1 of the Regulation is amended by inserting, after paragraph *f.1*, the following paragraph:

“(f.2) the employee’s remuneration or part of remuneration referred to in section 63 of the Act respecting international financial centres (1999, c. 86), from the employee’s employment with a corporation or partnership operating an international financial centre;”.

(2) Subsection 1 has effect from 1 January 1999. In addition, where paragraph *f.2* of section 1015R2.1 of the Regulation applies before 1 January 2000, it shall be read as follows:

“(f.2) the employee’s remuneration from the employee’s employment with a corporation or partnership operating an international financial centre that is attributable to a period or part of a period for which the conditions set out in subparagraph *iii* of subparagraph *e*

of the second paragraph of section 737.15, as it read for a taxation year subsequent to the taxation year 1997, are satisfied, or the part of the employee’s remuneration from such employment that corresponds to one-third of the employee’s qualified wages, within the meaning assigned by the third paragraph of section 737.16.1, as it read for a taxation year subsequent to the taxation year 1997 and is attributable to a period or part of a period for which the conditions set out in paragraph *c* of the definition of “qualifying period” in the third paragraph of that section 737.16.1 are satisfied;”.

40. (1) Section 1015R2.3 of the Regulation is amended

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

“(a) the amount by which the aggregate of the following amounts exceeds the amount determined pursuant to the third paragraph:”;

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

“The amount to which subparagraph *a* of the second paragraph refers is equal to the amount by which the amount determined for the year pursuant to subparagraph *i* of paragraph *b* of the definition of “personal tax credits” in section 1015R1, in substitution for the amount of \$5,900, exceeds \$5,900.”.

(2) Subsection 1 has effect from 1 January 1999.

41. (1) Section 1015R11 of the Regulation is amended

(1) by replacing, at the end of paragraph *h*, the period by a semicolon;

(2) by adding, after paragraph *h*, the following paragraph:

“(i) a payment referred to in paragraph *r* of the definition of “remuneration” in section 1015R1.”.

(2) Subsection 1 applies from the taxation year 1998.

42. (1) The Regulation is amended by inserting, after section 1015R11, the following section:

“**1015R11.1.** Every person making a payment described in paragraph *r* of the definition of “remuneration” in section 1015R1 shall deduct, in addition to any other amount required to be deducted under section 1015 of the Act on account of the tax payable under Part III.15 of the Act, an amount equal to 8% of the payment.”.

(2) Subsection 1 applies from the taxation year 1998.

43. Section 1015R12.1 of the Regulation is amended by replacing, in subparagraph *b* of the third paragraph, the words “cooperative housing corporation” by the words “housing cooperative”.

44. (1) Section 1029.8.1R0.1 of the Regulation is amended, in paragraph *a*,

(1) by inserting, after subparagraph *i*, the following subparagraph:

“i.1 the Defence Research Establishment Valcartier (DREV);”;

(2) by adding, after subparagraph *iii*, the following subparagraph:

“iv. the Energy Diversification Research Laboratory (CEDRL) in Varennes;”.

(2) Subsection 1 applies in respect of scientific research and experimental development undertaken after 26 November 1999 under an eligible research contract entered into after that date.

45. (1) Section 1029.8.1R0.3 of the Regulation is amended

(1) by replacing, at the end of paragraph *e*, the period by a semicolon;

(2) by adding, after paragraph *e*, the following paragraph:

“(f) the Centre de valorisation des plantes.”.

(2) Subsection 1 applies in respect of scientific research and experimental development undertaken after 14 March 2000 under an eligible research contract entered into after that date.

46. (1) Section 1029.8.1R1 of the Regulation is amended

(1) by replacing, at the end of paragraph *h*, the period by a semicolon;

(2) by adding, after paragraph *h*, the following paragraph:

“(i) the Centre de recherche informatique de Montréal (CRIM).”.

(2) Subsection 1 applies in respect of scientific research and experimental development undertaken after 22 December 1999 under an eligible research contract or a university research contract entered into after that date.

47. (1) Section 1056.4R1 of the Regulation is amended

(1) by replacing, in subparagraph *a* of the first paragraph, “284 or 286.1, the second paragraph of section 299” by “284, 286.1 or 299”;

(2) by inserting, after subparagraph *a* of the first paragraph, the following subparagraph:

“(a.1) in section 7.0.3 of the Act, if the election under that section is submitted to the Minister before the end of the third month following the month that includes 27 December 2000;”;

(3) by replacing, at the end of subparagraph *c* of the second paragraph, the period by a semicolon;

(4) by adding, after subparagraph *c* of the second paragraph, the following paragraph:

“(d) any reference to section 659 of the Act is a reference to that section as it read in respect of an election made for taxation years of a trust that ended before 1 April 1998.”.

(2) Paragraphs 3 and 4 of subsection 1 have effect from 20 December 1999.

48. Section 1079.1R1 of the Regulation is replaced by the following:

“**1079.1R1.** For the purposes of this Title, “promoter” has the meaning assigned by the first paragraph of section 1079.1 of the Act.”.

49. The first paragraph of section 1079.1R2 of the Regulation is replaced by the following:

“**1079.1R2.** For the purposes of the definition of “tax shelter” in the first paragraph of section 1079.1 of the Act, property that is a registered pension plan, a registered retirement savings plan, a deferred profit sharing plan, a registered retirement income fund, a registered education savings plan, a property in respect of which section 241.0.1 of the Act applies or a property described in the second paragraph is a prescribed property in relation to a tax shelter.”.

50. (1) Section 1079.1R3 of the Regulation is amended

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

“**1079.1R3.** For the purposes of the definition of “tax shelter” in the first paragraph of section 1079.1 of the Act, a prescribed benefit in relation to an interest in a property means any amount that may reasonably be expected, having regard to statements or representations made in respect of the interest, to be received or enjoyed by a person, in this section referred to as “the purchaser”, who acquires the interest, or a person with whom the purchaser does not deal at arm’s length, which receipt or enjoyment would have the effect of reducing the impact of any loss that the purchaser may sustain in respect of the interest, and includes the amounts described in the second paragraph, but, subject to subparagraph *ii* of subparagraph *b* of that paragraph, does not include profits earned in respect of the interest.”;

(2) by replacing the words “the tax shelter” by the words “the interest” in the following provisions of the second paragraph:

— subparagraph 1 of subparagraph *ii* of subparagraph *a*;

— subparagraph *ii* of subparagraph *b*;

(3) by replacing, in subparagraph *c* of the second paragraph, the words “the interest in the tax shelter” by the words “the interest”;

(4) by replacing, in subparagraph *d* of the second paragraph, the words “an interest in the tax shelter” by the words “the interest”.

(2) Paragraph 1 of subsection 1 applies to taxation years that end after 5 July 2000, except where it replaces, in the first paragraph of section 1079.1R3 of the Regulation, “For the purposes of subparagraph *b* of the definition of “tax shelter”” by “For the purposes of the definition of “tax shelter””, in which case it has effect from 1 December 1994.

(3) Paragraphs 2 to 4 of subsection 1 apply to taxation years that end after 5 July 2000.

51. (1) Sections 1079.7R1 to 1079.7R4 of the Regulation are revoked.

(2) Subsection 1 has effect, where it revokes sections 1079.7R1 and 1079.7R2, from 2 December 1994 and, where it revokes sections 1079.7R3 and 1079.7R4, from 1 January 1996.

52. (1) Section 1086R1 of the Regulation is amended, in the second paragraph,

(1) by replacing, in the English text, the portion before subparagraph *a* by the following:

“Except as provided in the third and fourth paragraphs, an information return must also be submitted by every person who pays, grants or allocates an amount as”;

(2) by inserting, after subparagraph *b*, the following subparagraph:

“(b.1) an amount that is required to be included by any of paragraphs *e.2* to *e.4* of section 311 of the Act in computing a taxpayer’s income;”;

(3) by replacing, at the end of subparagraph *i*, the period by a semicolon;

(4) by adding, after subparagraph *i*, the following subparagraph:

“(j) a payment made under a registered education savings plan, other than a refund of contributions.”.

(2) Paragraph 2 of subsection 1 applies from the taxation year 2000.

(3) Paragraphs 3 and 4 of subsection 1 apply from the taxation year 1998.

53. (1) Section 1086R8.1.8 of the Regulation is amended

(1) by striking out “within the meaning of sections 222R1 and 222R2”;

(2) by replacing “*c* or *e*” by “*c*, *e*, *g* or *i*”.

(2) Paragraph 1 of subsection 1 applies in respect of work undertaken after 27 February 1995.

(3) Paragraph 2 of subsection 1 applies in respect of scientific research and experimental development undertaken after 31 March 1998 under a contract entered into after that date.

54. (1) Section 1086R8.8 of the Regulation is replaced by the following:

“**1086R8.8.** The Société de l’assurance automobile du Québec shall file an information return, in prescribed form, in respect of compensation paid by it under Title II of the Automobile Insurance Act (R.S.Q., c. A-25), ex-

cept in respect of a death benefit paid in the form of an annuity payment under that Title II in respect of a person who has suffered bodily injury before 1 January 1990 and of an amount paid as compensation under Chapter V of that Title.”.

(2) Subsection 1 applies from the taxation year 1998.

55. (1) The Regulation is amended by inserting, after section 1086R8.12, the following section:

“**1086R8.12.0.0.1.** Every eligible employer shall file a statement of the amount of wages that is eligible income paid in a taxation year to a foreign researcher on a post-doctoral internship by the eligible employer, and deliver two copies of the statement to the foreign researcher, whether in person or by mail to the foreign researcher’s last known address, on or before the last day of February of each year in respect of the preceding calendar year.

In this section, “eligible employer”, “eligible income” and “foreign researcher on a post-doctoral internship” have the meanings assigned by section 737.22.0.0.1 of the Act.”.

(2) Subsection 1 applies from the taxation year 1998.

56. (1) Section 1086R12 of the Regulation is amended by replacing the third paragraph by the following:

“The first paragraph does not require a trust to file an information return for a taxation year at the end of which it is a registered charity or governed by an eligible funeral arrangement, a profit sharing plan, a deferred profit sharing plan, a registered education savings plan or a plan referred to in subsection 15 of section 147 of the Income Tax Act (Revised Statutes of Canada, 1985, c. 1, 5th Supplement) as a revoked plan.”.

(2) Subsection 1 applies from the taxation year 1998.

57. Section 1086R23.1 of the Regulation is amended

(1) by replacing, in the portion before subparagraph *a* of the first paragraph, the words “that period” by the words “that fiscal period”;

(2) by replacing, in the French text of the second paragraph, the words “Aux fins” by the words “Pour l’application”.

58. (1) The Regulation is amended by inserting, after section 1088R6, the following section:

“**1088R6.1.** Where an individual is a member of a partnership that operates an international financial centre, the proportion that the income from carrying on a business and attributable to an establishment in Québec is of all of the individual’s income from the business, otherwise determined under this Title, shall be so determined without taking into account the salaries and wages and the gross revenue or loans and deposits, as the case may be, or the net premiums that are attributable to the operations of the international financial centre.”.

(2) Subsection 1 applies to taxation years that end after 23 June 1998.

59. (1) Section 1088R14 of the Regulation is amended by replacing the second paragraph by the following:

“For the purposes of the first paragraph, the income for a taxation year of an individual is the amount by which the individual’s income, computed without reference to section 1029.8.50 of the Act, that would be determined for the year under section 28 of the Act had the individual been resident in Québec on the last day of the taxation year, exceeds any amount that is deducted under any of sections 726.20.2, 737.14, 737.16, 737.16.1, 737.21, 737.22.0.0.3, 737.22.0.3, 737.25 and 737.28 of the Act by the individual in computing the individual’s taxable income for the year.”.

(2) Subsection 1 applies from the taxation year 1998. However, where the second paragraph of section 1088R14 of the Regulation, made by subsection 1, applies to taxation years that end before 24 June 1998, it shall be read with “737.14,” struck out.

60. (1) The Regulation is amended by inserting, after section 1089R6, the following section:

“**1089R6.1.** Where an individual is a member of a partnership that operates an international financial centre, the proportion that the income from carrying on a business and attributable to an establishment in Québec is of all of the individual’s income from the business, otherwise determined under this Title, shall be so determined without taking into account the salaries and wages and the gross revenue or loans and deposits, as the case may be, or the net premiums that are attributable to the operations of the international financial centre.”.

(2) Subsection 1 applies to taxation years that end after 23 June 1998.

61. (1) Chapter I.2 of Title XXXII of the Regulation is revoked.

(2) Subsection 1 applies to taxation years that begin after 20 December 1999. In addition, where section 1136R1 of the Regulation applies to taxation years that end after 23 June 1998, it shall be read as follows:

“**1136R1.** The amount referred to in paragraph *b.1* of subsection 1 of section 1136 of the Act is, without being greater than the excess determined under the second paragraph, the amount that would be the deficit of the corporation if only the operations of any international financial centre operated by the corporation or a partnership of which the corporation is a member were taken into account.

The excess referred to in the first paragraph is the amount by which the amount that would be the surpluses of the corporation if the operations of any international financial centre operated by the corporation or a partnership of which the corporation is a member were not taken into account, exceeds the amount of the surpluses included by the corporation in computing its paid-up capital under paragraph *b* of subsection 1 of section 1136 of the Act.”.

62. (1) Section 1137R1 of the Regulation is revoked.

(2) Subsection 1 applies to taxation years that end after 31 March 1998.

63. (1) Section 1137R2 of the Regulation is revoked.

(2) Subsection 1 applies to taxation years that begin after 20 December 1999. In addition, where section 1137R2 of the Regulation applies to taxation years that end after 23 June 1998, it shall be read as follows:

“**1137R2.** In computing its paid-up capital, a corporation may also, under paragraph *c* of section 1137 of the Act, deduct the aggregate of

(*a*) the amount by which the amount that would be the deficit of the corporation if the operations of any international financial centre operated by the corporation or a partnership of which the corporation is a member were not taken into account, exceeds the amount deducted by the corporation in computing its paid-up capital under paragraph *a* of section 1137; and

(*b*) any amount included by the corporation in computing its paid-up capital under section 1136 of the Act, other than an amount referred to in paragraph *b.1* of subsection 1 of section 1136, that is attributable to the operations of any international financial centre operated by the corporation or a partnership of which the corporation is a member and that is not otherwise deducted in such computation.”.

64. (1) Chapter II.1 of Title XXXII of the Regulation is revoked.

(2) Subsection 1 applies to taxation years that begin after 20 December 1999. In addition, where sections 1141.1.1R1 and 1141.2R1 of the Regulation apply to taxation years that end after 23 June 1998, they shall be read as follows:

“**1141.1.1R1.** The amount referred to in subparagraph *a* of the first paragraph of section 1141.1.1 of the Act is, without being greater than the excess determined under the second paragraph, the amount that would be the deficit of the corporation if only the operations of any international financial centre operated by the corporation or a partnership of which the corporation is a member were taken into account.

The excess referred to in the first paragraph is the amount by which the amount that would have been included in computing the corporation’s paid-up capital under paragraph *c* of section 1140 or 1141 or paragraph *d* of section 1141.1, as the case may be, of the Act if the operations of any international financial centre operated by the corporation or a partnership of which the corporation is a member were not taken into account, exceeds the amount included by the corporation in such computation under that paragraph.

1141.2R1. In computing its paid-up capital a corporation may, under section 1141.2 of the Act, deduct the aggregate of

(*a*) the amount by which the amount that would be the deficit of the corporation if the operations of any international financial centre operated by the corporation or a partnership of which the corporation is a member were not taken into account, exceeds the amount deducted without reference to this section by the corporation in computing its paid-up capital under section 1141.2; and

(*b*) any amount included by the corporation in computing its paid-up capital under any of sections 1140, 1141 and 1141.1 that is attributable to the operations of any international financial centre operated by the corporation or a partnership of which the corporation is a member and that is not otherwise deducted in such computation.”.

65. (1) Section 1143R1 of the Regulation is amended

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

“**1143R1.** For the purposes of subparagraph *a* of the first paragraph of section 1143 of the Act, prescribed corporations are”;

(2) by adding the following paragraph:

“For the purposes of subparagraph *b* of the first paragraph, a subsidiary wholly-owned corporation of a corporation that is itself a subsidiary wholly-owned corporation of another corporation is deemed to be a subsidiary wholly-owned corporation of that other corporation.”.

(2) Subsection 1 applies to taxation years that end after 31 March 1998.

66. (1) The Regulation is amended

(1) by replacing “stock exchange mentioned in paragraph *a* of section 21.11.20R1” by the words “stock exchange in Canada”, in the following provisions:

— paragraph *a* of section 21.6R2;

— the portion of paragraph *b* of section 21.6R2 before subparagraph *i*;

— the portion of section 21.6R4 before paragraph *a*;

— subparagraphs *i* and *ii* of paragraph *e* of section 159R4;

— the portion of paragraph *a* of section 159R4.1 before subparagraph *i*;

(2) by replacing the words “Minister of National Revenue” by the words “Minister of Revenue of Canada”, in the following provisions:

— section 140.1R3;

— paragraph *c* of section 503.0.1R1;

— paragraph *c* of section 503.2R1;

(3) by striking out the words “or certified”, in the following provisions:

— section 156R1;

— the first paragraph of section 853R1;

(4) by replacing “expenses described in paragraphs *a* to *b.1*, *c* and *c.1*” by “expenses described in paragraphs *a* to *b.1*, *c* to *c.2*”, in the following provisions:

— paragraph *e.1* of section 360R2;

— subparagraph *i* of paragraph *a* of section 360R16.2;

— subparagraph *i* of paragraph *a* of section 360R16.10;

(5) by replacing, in the French text, the words “en la forme prescrite” by the words “au moyen du formulaire prescrit”, in the following provisions:

— section 360R32;

— section 589R1;

— section 851.20R1;

— section 862R1.

(2) Paragraph 1 of subsection 1 has effect from 26 November 1999.

(3) Paragraph 4 of subsection 1 has effect from 6 December 1996.

67. (1) Class 25 of Schedule B to the Regulation is amended by replacing, in the first paragraph, the words “would not apply, and would have applied, but for” by “, as it read before being amended by section 229 of the Act to amend the Taxation Act and other legislative provisions (2000, chapter 5), would have applied but for”.

(2) Subsection 1 has effect from 1 January 1999.

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

Regulation to amend the Regulation respecting fiscal administration*

An Act respecting the Ministère du Revenu (R.S.Q., c. M-31, s. 28, 2nd par. and s. 34, subs. 2, 1st par.; 2000, c. 25, s. 8)

1. Section 34R2 of the Regulation respecting fiscal administration is amended by replacing the portion before paragraph *b* by the following:

“**34R2.** For the purposes of subsection 2 of section 34 of the Act,

* The Regulation respecting fiscal administration (R.R.Q., 1981, c. M-31, r.1) was last amended by the Regulations made by Order in Council 1454-99 dated 15 December 1999 (1999, *G.O.* 2, 5207) and by Order in Council 122-2000 dated 9 February 2000 (2000, *G.O.* 2, 921). For previous amendments, see the *Tableau des modifications et Index sommaire*, Éditeur officiel du Québec, 2000, updated to 1 February 2000.

(a) a prescribed Canadian amateur athletic association means any association prescribed for the purposes of section 710 of the Taxation Act (R.S.Q., c. I-3); and”.

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

Regulation to amend the Regulation respecting tax exemptions granted to certain international governmental organizations and to certain of their employees and members of their families*

An Act respecting the Ministère du Revenu (R.S.Q., c. M-31, s. 96, 1st par, subpar. *b* and s. 97; 1999, c. 65, s. 46 and 1999, c. 83, s. 283)

1. The Regulation respecting tax exemptions granted to certain international governmental organizations and to certain of their employees and members of their families is amended

(1) by replacing “SCHEDULE I” and “Schedule I” respectively by “SCHEDULE A” and “Schedule A”, in the following provisions:

- the first paragraph of section 1;
- the portion of Schedule I before the heading;

(2) by replacing “SCHEDULE II” and “Schedule II” respectively by “SCHEDULE B” and “Schedule B”, in the following provisions:

- the first paragraph of section 8.2;
- the portion of Schedule II before the heading;

(3) by replacing “SCHEDULE III” and “Schedule III” respectively by “SCHEDULE C” and “Schedule C”, in the following provisions:

- subparagraph 1 of the second paragraph of section 8.2;
- the portion of Schedule III before the heading;

— section 1 of Schedule IV;

(4) by replacing “SCHEDULE IV” and “Schedule IV” respectively by “SCHEDULE D” and “Schedule D”, in the following provisions:

- subparagraph 2 of the second paragraph of section 8.2;
- the portion of Schedule IV before the heading.

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

Regulation to amend the Regulation respecting tax exemptions granted to certain international non-governmental organizations and to certain employees of such organizations and to members of their families*

An Act respecting the Ministère du Revenu (R.S.Q., c. M-31, s. 96, 1st par, subpar. *b* and s. 97; 1999, c. 65, s. 46 and 1999, c. 83, s. 283)

1. The Regulation respecting tax exemptions granted to certain international non-governmental organizations and to certain employees of such organizations and to members of their families is amended

(1) by replacing “SCHEDULE I” and “Schedule I” respectively by “SCHEDULE A” and “Schedule A”, in the following provisions:

- the first paragraph of section 1;
- the portion of Schedule I before the heading;

(2) by replacing “SCHEDULE II” and “Schedule II” respectively by “SCHEDULE B” and “Schedule B”, in the following provisions:

- the first paragraph of section 8.2;
- the portion of Schedule II before the heading.

* The Regulation respecting tax exemptions granted to certain international governmental organizations and to certain of their employees and members of their families, made by Order in Council 1799-90 dated 19 December 1990 (1991, *G.O.* 2, 23), was last amended by the Regulation made by Order in Council 1454-99 dated 15 December 1999 (1999, *G.O.* 2, 5207). For previous amendments, see the *Tableau des modifications et Index sommaire*, Éditeur officiel du Québec, 2000, updated to 1 February 2000.

* The Regulation respecting tax exemptions granted to certain international non-governmental organizations and to certain employees of such organizations and to members of their families, made by Order in Council 1285-87 dated 19 August 1987 (1987, *G.O.* 2, 3236), was last amended by the Regulation made by Order in Council 1466-98 dated 27 November 1998 (1998, *G.O.* 2, 4610). For previous amendments, see the *Tableau des modifications et Index sommaire*, Éditeur officiel du Québec, 2000, updated to 1 February 2000.

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

Regulation to amend the Regulation respecting contributions to the Québec Health Insurance Plan*

An Act respecting the Régie de l'assurance maladie du Québec

(R.S.Q., c. R-5, s. 33, s. 34, 1st par., s. 35 and s. 36; 1999, c. 83, s. 284 and 285; 1999, c. 86, s. 100; 1999, c. 89, s. 52; 2000, c. 39, s. 268 and 270)

1. (1) Section 1.1 of the Regulation respecting contributions to the Québec Health Insurance Plan is amended by replacing paragraph *a* by the following:

“(a) the wages paid by a corporation or partnership operating an international financial centre, within the meaning of section 1 of the Taxation Act (R.S.Q., c. I-3), to one of its employees and that are attributable

i. to a period covered by a valid certificate referred to in subparagraph *f* of the second paragraph of section 737.15 or in the second paragraph of section 737.16.1 of that Act, issued in respect of the employee in relation to that employment, or

ii. for any other period, to the employee’s duties with the corporation or partnership that are devoted to the operations of the international financial centre;”.

(2) Subsection 1 applies from the year 1998. However, where paragraph *a* of section 1.1 of the Regulation, made by subsection 1, applies to the year 1998, it shall be read as follows:

“(a) the wages paid by a corporation or partnership operating an international financial centre, within the meaning of section 1 of the Taxation Act (R.S.Q., c. I-3), to one of its employees and that are attributable

i. where a certificate referred to in subparagraph *f* of the second paragraph of section 737.15 or in the second paragraph of section 737.16.1 of that Act, which is valid, has been issued in respect of the employee in relation to that employment,

(1) to a period for which the conditions provided for in subparagraph *ii* of subparagraph *e* of the second paragraph of that section 737.15, or in paragraph *b* of the definition of “qualifying period” in the third paragraph of that section 737.16.1, are met, or

(2) for any other period, to the employee’s duties with the corporation or partnership that are devoted to the operations of the international financial centre, and

ii. in any other case, to the employee’s duties with the corporation or partnership that are devoted to the operations of the international financial centre;”.

2. (1) Section 3 of the Regulation is amended by inserting, after the words “the second paragraph”, the words “or third paragraph”.

(2) Subparagraph 1 has effect from 26 March 1997.

3. (1) The Regulation is amended by inserting, after section 3, the following section:

“3.1. For the purposes of section 34 of the Act, the following employers are prescribed employers:

(a) the Ouje-Bougoumou Development Corporation;

(b) the Ouje-Bougoumou Eenuch Association.”.

(2) Subsection 1 applies in respect of wages paid or deemed paid after 31 December 1991.

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

Regulation to amend the Regulation respecting contributions to the Québec Pension Plan*

An Act respecting the Québec Pension Plan (R.S.Q., c. R-9, s. 59 and s. 81, par. *a* and *j*; 1999, c. 65, s. 48)

1. (1) Section 6 of the Regulation respecting contributions to the Québec Pension Plan is amended by replacing subparagraph *b* of the first paragraph by the following:

* The Regulation respecting contributions to the Québec Health Insurance Plan (R.R.Q., 1981, c. R-5, r.1) was last amended by the Regulation made by Order in Council 1707-97 dated 17 December 1997 (1997, *G.O.* 2, 6398). For previous amendments, see the *Tableau des modifications et Index sommaire*, Éditeur officiel du Québec, 2000, updated to 1 February 2000.

* The Regulation respecting contributions to the Québec Pension Plan (R.R.Q., 1981, c. R-9, r.2) was last amended by Minister’s Order 1999 dated 16 December 1999 (1999, *G.O.* 2, 5259). For previous amendments, see the *Tableau des modifications et Index sommaire*, Éditeur officiel du Québec, 2000, updated to 1 February 2000.

“(b) the amount determined in Table A or B drawn up by the Minister of Revenue under section 59 of the Act for the pay period pertaining to the pensionable salary and wages if such a period is provided therein.”.

(2) Subsection 1 has effect from 13 December 1999.

2. (1) Division VII of the Regulation is revoked.

(2) Subsection 1 has effect from 13 December 1999.

3. (1) Tables A and B of the Regulation are revoked.

(2) Subsection 1 has effect from 13 December 1999.

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

Regulation to amend the Regulation respecting the Québec sales tax*

An Act respecting the Québec sales tax
(R.S.Q., c. T-0.1, s. 677)

1. (1) Section 17R1 of the Regulation respecting the Québec sales tax is amended

(1) by replacing the portion before the definition of “carrier media” by the following:

“**17R1.** For the purposes of sections 17R3 to 17R13, the expression”;

(2) by striking out the definition of “month”;

(3) by adding the following paragraph:

“For the purposes of sections 17R3 to 17R13, the number of months in a period is the number of months that are, in whole or in part, included in the period, determined on the basis that the first day of the first such month is the first day of the period.”.

(2) Subsection 1 has effect from 1 July 1992.

2. (1) Section 17R3 of the Regulation is amended by replacing the first paragraph by the following:

“**17R3.** The bringing into Québec of property described in item 19, 22, 25, 28, 29, 34, 37, 50, 51, 55 or 56, or, where the property is brought by a person not resident in Québec, item 4, 10, 13, 45 or 48 of the Schedule to the Temporary Importation (Excise Levies and Additional Duties) Regulations (SOR 89-427, (1989) 123 Can. Gaz., Part II, 3928) and imported in circumstances where the terms and conditions of those Regulations are met or, where those Regulations do not apply, those terms and conditions, other than any respecting security, would be met if those Regulations applied, is a prescribed circumstance.”.

(2) Subsection 1 applies in respect of the bringing into Québec of property after 26 November 1997. However, in the case of a bringing into Québec of property before 1 January 1998, the first paragraph of section 17R3 of the Regulation, replaced by subsection 1, shall be read with “Temporary Importation (Excise Levies and Additional Duties) Regulations” replaced by “Temporary Importation Regulations”.

3. (1) The Regulation is amended by inserting, after section 17R12, the following section:

“**17R13.** The bringing into Québec, on a particular day, of a bus or aircraft – in this section referred to as “the conveyance” – that is, on that particular day, imported temporarily in Canada by a lessee of the conveyance under a lease with a lessor not resident in Canada with whom the lessee is dealing at arm’s length, is a prescribed circumstance where

(1) the conveyance is exported from Canada on or before the earlier of

(a) the day that is 24 months after the particular day, and

(b) the day on which the lease is terminated;

(2) if the conveyance is imported more than once, the total number of months, each of which is included in the periods throughout which the conveyance is held in Canada by the lessee under a lease with the lessor, does not exceed 24; and

(3) the value of the conveyance is determined in accordance with section 14 of the Value of Imported Goods (GST/HST) Regulations (SOR 91-30, (1991) 125 Can. Gaz. Part II, 117).

The value of the conveyance referred to in the first paragraph is determined by the formula

$$(1/60 \times A \times B) + C.$$

* The Regulation respecting the Québec sales tax (O.C. 1607-92 dated 4 November 1992) was last amended by the Regulation made by Order in Council 1393-99 dated 10 December 1999 (1999, *G.O.* 2, 4679). For previous amendments, see the *Tableau des modifications et Index sommaire*, Éditeur officiel du Québec, 2000, updated to 1 February 2000.

In applying the formula provided for in the second paragraph,

(1) A is the value for duty of the conveyance;

(2) B is the number of months in the period beginning on the day on which the conveyance is brought into Québec and ending on the day the conveyance is first shipped out of Québec after the day it was brought into Québec; and

(3) C is the duties payable in respect of the conveyance.”.

(2) Subsection 1 applies in respect of the bringing into Québec of a conveyance after 30 June 1992.

4. (1) The Regulation is amended by inserting, after section 288.2R2, the following:

“Benefit amount

290R1. For the purposes of subparagraph *b* of subparagraph 2 of the first paragraph of section 290 of the Act, the prescribed percentage of the total consideration is 5.7%.

Specified corporeal movable property

300.2R1. For the purposes of section 300.2 of the Act, the prescribed amount in respect of specified corporeal movable property is

(1) where the property is a drawing, a print, an etching, a sculpture, a painting or other similar work of art, \$2,000, increased by the tax paid or payable under Part IX of the Excise Tax Act (Revised Statutes of Canada, 1985, chapter E-15);

(2) where the property is jewellery, \$2,000, increased by the tax paid or payable under Part IX of the Excise Tax Act (Revised Statutes of Canada, 1985, chapter E-15);

(3) where the property is a rare folio, a rare book, or a rare manuscript, \$2,000, increased by the tax paid or payable under Part IX of the Excise Tax Act (Revised Statutes of Canada, 1985, chapter E-15);

(4) where the property is a stamp, the face value of the stamp, increased by the tax paid or payable under Part IX of the Excise Tax Act (Revised Statutes of Canada, 1985, chapter E-15); and

(5) where the property is a coin, zero.

Specified corporeal movable property

301.1R1. For the purposes of section 301.1 of the Act, the prescribed amount in respect of specified corporeal movable property is the amount prescribed by section 300.2R1 in respect of the property.

Specified corporeal movable property

301.3R1. For the purposes of section 301.3 of the Act, the prescribed amount in respect of specified corporeal movable property is the amount prescribed by section 300.2R1 in respect of the property.

Specified corporeal movable property

323.3R1. For the purposes of section 323.3 of the Act, the prescribed amount in respect of specified corporeal movable property is the amount prescribed by section 300.2R1 in respect of the property.

Specified corporeal movable property

324.1R1. For the purposes of section 324.1 of the Act, the prescribed amount in respect of specified corporeal movable property is the amount prescribed by section 300.2R1 in respect of the property.

Specified corporeal movable property

324.3R1. For the purposes of section 324.3 of the Act, the prescribed amount in respect of specified corporeal movable property is the amount prescribed by section 300.2R1 in respect of the property.”.

(2) Subsection 1, where it makes section 290R1 of the Regulation, applies from the taxation year 1996. However, for the taxation years 1996 and 1997, subsection 1 shall be read with “5.7%” replaced by “5%”.

(3) Subsection 1, where it makes sections 300.2R1, 301.1R1, 301.3R1, 323.3R1, 324.1R1 and 324.3R1 of the Regulation, has effect from 24 April 1996.

5. (1) Schedule I to the Regulation is amended by inserting the following in the alphabetical list of prescribed registrants:

“Directors Guild of Canada, Québec District Council

Société collective de gestion des droits des producteurs de phonogrammes et de vidéogrammes du Québec (SOPROQ)

Société de droits d'auteur des artistes en arts visuels (SODART)".

(2) Subsection 1 has effect

(1) from 1 January 1997, in the case of the Directors Guild of Canada, Québec District Council;

(2) from 1 July 1992, in the case of the Société collective de gestion des droits des producteurs de phonogrammes et de vidéogrammes du Québec (SOPROQ);

(3) from 1 January 1999, in the case of the Société de droits d'auteur des artistes en arts visuels (SODART).

6. (1) Schedule II to the Regulation is amended

(1) by striking out "Section 61 of the Act";

(2) by striking out "Section 73 of the Act";

(3) by replacing "Sections 299 to 301 of the Act" by "Sections 299 to 301.3 of the Act";

(4) by replacing "Sections 321 and 322 of the Act" by "Sections 321 and 323.1 to 323.3 of the Act";

(5) by replacing "Section 324 of the Act" by "Sections 324 to 324.3 of the Act";

(6) by inserting, in numerical order, "Section 28 of the Act", "Sections 297.0.1 and 297.0.2 of the Act", "Sections 302 to 307 of the Act", "Section 309 of the Act", "Sections 310 to 316 of the Act", "Sections 317.1 to 317.3 of the Act" and "Section 350.6 of the Act".

(2) Paragraph 1 of subsection 1 has effect from 24 April 1996.

(3) Paragraphs 2 to 5 of subsection 1 have effect from 1 July 1992.

(4) Paragraph 6 of subsection 1 has effect from 27 November 1997 except as regards the insertion "Section 350.6 of the Act", in which case it has effect from 1 July 1992.

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

Regulation to amend the Regulation respecting the application of the Fuel Tax Act*

Fuel Tax Act

(R.S.Q., c. T-1, ss. 10.6, 25, 27, 32, 53 and 56, 1st and 10th par.; 1999, c. 65, s. 59 and 67; 1999, c. 83, s. 323 and 327; 2000, c. 39, s. 294 and 296)

1. (1) The Regulation respecting the application of the Fuel Tax Act is amended by inserting, after section 10.5R1, the following section:

"**10.6R1.** For the purposes of section 10.6 of the Act, the person referred to in that section must transmit to the Minister the form provided for in section 10.5 of the Act, which must be duly completed. The person must file, with the person's application, for the period covered by the application, the original of each invoice prescribed by section 10.5R1 for the purchase and sale of fuel, which must state the information prescribed by that section. The person must also indicate the name and address of the person from whom the fuel is acquired and the name and address of the person to whom the amount of the reimbursement is transferred in accordance with section 10.6 of the Act.

The application for the transfer of the reimbursement must be filed within fifteen months from the beginning of the period covered by the application. The application for the transfer must relate to the purchases of fuel for a period not exceeding 12 months beginning on the day of the first purchase of fuel covered by the application."

(2) Subsection 1 has effect from 1 April 1998.

2. Sections 16R1 and 16R2 of the Regulation are revoked.

3. Section 16R2.1 of the Regulation is amended by replacing the first paragraph by the following:

"**16R2.1.** For the purposes of section 16 of the Act, the duties to be paid are \$0.15 per kilometre to be travelled in Québec, subject to a minimum of \$75."

4. Section 16R2.2 of the Regulation is revoked.

* The Regulation respecting the application of the Fuel Tax Act (R.R.Q., 1981, c. T-1, r.1) was last amended by the Regulation made by Order in Council 1454-99 dated 15 December 1999 (1999, G.O. 2, 5207). For previous amendments, see the *Tableau des modifications et Index sommaire*, Éditeur officiel du Québec, 2000, updated to 1 February 2000.

5. Section 16R3 of the Regulation is amended by replacing the words “in the second paragraph of” by the word “in”.

6. The heading of Division III.1 of the Regulation is replaced by the following:

“RESTRICTED CERTIFICATE”.

7. (1) Sections 24R1 and 24R2 of the Regulation are revoked.

(2) Subsection 1 has effect from 2 February 2000.

8. Sections 24R3, 24R4 and 25R1 of the Regulation are revoked.

9. (1) Section 27R1 of the Regulation is amended by adding the following paragraph:

“A wholesale dealer who neither is resident nor has a place of business in Québec is exempt from the obligation to hold a collection officer’s permit in respect of fuel that the wholesale dealer sells, delivers or causes to be delivered in Québec where the fuel is delivered in circumstances described in the second paragraph of section 28 of the Act.”.

(2) Subsection 1 has effect from 1 April 1998.

10. (1) Section 27.1R1 of the Regulation is replaced by the following:

“**27.1R1.** For the purposes of paragraph *h* of section 27.1 of the Act,

(*a*) a corporation shall furnish a copy of its articles of incorporation, its letters patent or any similar document and, where applicable, its articles of amendment, its articles of amalgamation, its supplementary letters patent or any similar document, except where those documents have been filed with the Inspector General of Financial Institutions;

(*b*) a corporation referred to in paragraph *a* that has been in business for more than one year must, at the time of the corporation’s application, have complied with the provisions of the Act respecting the legal publicity of sole proprietorships, partnerships and legal persons (R.S.Q., c. P-45), where the corporation is incorporated under the laws of Québec;

(*c*) a corporation referred to in paragraph *a* that has been in business for more than one year shall, where the corporation is incorporated under the laws of a jurisdiction other than Québec, furnish any document similar to

the attestation that would be issued by the Inspector General of Financial Institutions, if the corporation were incorporated under the laws of Québec, indicating that the corporation is, at the time of the application, in compliance with the Act respecting the legal publicity of sole proprietorships, partnerships and legal persons, provided that the document is issued by the competent authority of that jurisdiction and attests to the corporation’s compliance with the laws of that jurisdiction;

(*d*) a partnership shall furnish a copy of the contract of partnership; and

(*e*) a person referred to in section 31.3 of the Act shall furnish a certificate delivered by the agent designated by that person and confirming the agent’s designation.”.

(2) Subsection 1 has effect from 2 February 2000.

11. Sections 32R1 and 32R2 of the Regulation are revoked.

12. (1) Section 53R2 of the Regulation is amended by replacing, in the French text of the portion before paragraph *a*, “d’enregistrement” by “d’inscription”.

(2) Subsection 1 has effect from 2 February 2000.

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

Regulation to amend the Regulation to amend the Regulation respecting the Taxation Act made by Order in Council 1454-99*

Taxation Act
(R.S.Q., c. I-3, s. 1086, 1st par., subpar. *e.2* and *f*)

1. (1) The Regulation to amend the Regulation respecting the Taxation Act, made by Order in Council 1454-99 dated 15 December 1999, is amended by replacing paragraph *c* of section 250.2R1 of the Regulation respecting the Taxation Act (R.R.Q., 1981, c. I-3, r.1), made by subsection 2 of section 31 of the Regulation to amend the Regulation respecting the Taxation Act, by the following:

* The Regulation to amend the Regulation respecting the Taxation Act was made by Order in Council 1454-99 dated 15 December 1999 (1999, *G.O.* 2, 5207).

“(c) a share or a bond, bill, note, hypothec, mortgage or similar obligation that was acquired by the taxpayer from a person with whom the taxpayer does not deal at arm’s length, other than from a person in respect of whom section 250.1 of the Act may apply for the person’s taxation year that includes the time of the acquisition;”.

(2) Subsection 1 has effect from 29 December 1999.

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

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Gouvernement du Québec

O.C. 1457-2000, 13 December 2000

An Act respecting labour standards
(R.S.Q., c. N-1.1)

Labour standards — Amendments

Regulation to amend the Regulation respecting labour standards

WHEREAS, under section 40, paragraph 1 of section 89 and section 91 of the Act respecting labour standards (R.S.Q., c. N-1.1), the Government may, by regulation, fix standards respecting the minimum wage;

WHEREAS the Government made the Regulation respecting labour standards (R.R.Q., 1981, c. N-1.1, r.3);

WHEREAS, in accordance with sections 10 and 11 of the Regulations Act (R.S.Q., c. R-18.1), a draft of the Regulation to amend the Regulation respecting labour standards was published in Part 2 of the *Gazette officielle du Québec* of 25 October 2000 with a notice that it could be made by the Government upon the expiry of 45 days following that publication;

WHEREAS no comments were received on the draft Regulation;

WHEREAS it is expedient to make the Regulation without amendment;

IT IS ORDERED, therefore, upon the recommendation of the Minister of State for Labour and Employment and Minister of Labour:

THAT the Regulation to amend the Regulation respecting labour standards, attached to this Order in Council, be made.

MICHEL NOËL DE TILLY,
Clerk of the Conseil exécutif

Regulation to amend the Regulation respecting labour standards*

An Act respecting labour standards
(R.S.Q., c. N-1.1, ss. 40, 89, par. 1, and 91)

1. Section 3 of the Regulation respecting labour standards is amended by substituting the amount “\$7.00” for the amount “\$6.90”.

2. Section 4 is amended by substituting the amount “\$6.25” for the amount “\$6.15”.

3. Section 5 is amended by substituting the amount “\$280” for the amount “\$271”.

4. This Regulation comes into force on 1 February 2001.

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Gouvernement du Québec

O.C. 1458-2000, 13 December 2000

An Act respecting labour relations, vocational training and manpower management in the construction industry
(R.S.Q., c. R-20)

Commission de la construction du Québec — Levy

CONCERNING the Levy Regulation of the Commission de la construction du Québec

WHEREAS under subparagraph *c* of the first paragraph of section 82 of the Act respecting labour relations, vocational training and manpower management in the construction industry (R.S.Q., c. R-20), amended by

* The Regulation respecting labour standards (R.R.Q., 1981, c. N-1.1, r.3) was last amended by the Regulation made by Order in Council 815-2000 dated 21 June 2000 (2000, *G.O.* 2, 3419). For previous amendments, refer to the *Tableau des modifications et Index sommaire*, Éditeur officiel du Québec, 2000, updated to 1 February 2000.