

(3) by adding, in the third paragraph after the words “does not comply with”, the words “the conditions for using these marks and”.

18. A member who performs an audit engagement, has primary responsibility for the engagement or is on the engagement team or a team within a network partnership or joint-stock company, for a client that is a mutual fund or a reporting issuer not subject to the definition of “listed enterprise” set out in section 36.3 as approved by Order in Council 779-2004 of August 10, 2004, is in compliance with the independence rule contemplated in section 36.4, as amended by section 12, if the member complies with the requirements of sections 36.4 to 36.11 as approved by Order in Council 779-2004 during the period that covers the client’s two subsequent fiscal years beginning on or after (*insert date of coming into force of the regulation*).

A member who acts as the engagement quality control reviewer on an audit engagement for a client referred to in the first paragraph, during the period specified in the first paragraph, is in compliance with the independence rule set out in section 36.4, as amended by section 12, if the member respects paragraph 4 of section 36.9 as approved by the 2004 Order in Council.

A member who is responsible for decision-making on auditing, accounting and reporting matters that affect the performance of the audit engagement for a client referred to in the first paragraph, or who maintains regular contact with the audit committee or management of this client or who provides, during the period of the audit engagement, more than ten hours of assurance services in connection with the annual financial statements or the interim financial information of the client, or who is responsible for an audit engagement for a subsidiary of the client, is in compliance with, for the period specified in the first paragraph, the independence rule contemplated in section 36.4, as amended by section 12, if the member complies with paragraph 5 of section 36.9, as approved by the 2004 Order in Council.

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

9992

Draft Regulation

Professional Code
(R.S.Q., c. C-26)

Psychologists — Practice within a partnership or a joint-stock company

Notice is hereby given, in accordance with sections 10 and 11 of the Regulations Act (R.S.Q., c. R-18.1), that the Regulation respecting the practice of the profession of psychologist within a partnership or a joint-stock company, made by the Ordre des psychologues du Québec, may be submitted to the Government which may approve it, with or without amendment, on the expiry of 45 days following this publication.

The draft Regulation contains specific provisions to set the terms and conditions authorizing the carrying on of professional activities by psychologists within a limited liability partnership or a joint-stock company in accordance with Chapter VI.3 of the Professional Code (R.S.Q., c. C-26), in particular as regards the management of the partnership or joint-stock company and the holding of shares or units.

In accordance with Chapter VI.3 of the Professional Code, the conditions proposed include the obligation to subscribe liability insurance for the partnership or joint-stock company to cover faults or negligence on the part of the psychologists in carrying on their professional activities within the partnership or joint-stock company. The psychologists must also provide the Order with the required information on the partnership or joint-stock company and keep it up-to-date.

The Ordre des psychologues du Québec foresees no impact on enterprises, including small and medium-sized businesses.

Further information may be obtained by contacting Édith Lorquet, legal adviser at the Ordre des psychologues du Québec, 1100, avenue Beaumont, bureau 520, Ville Mont-Royal (Québec) H3P 3H5; telephone: 514 738-1881 or 1 800 363-2644; fax: 514 738-8838.

Any interested person having comments to make is asked to send them, before the expiry of the 45-day period, to the Chair of the Office des professions du Québec, 800, place D’Youville, 10^e étage, Québec (Québec) G1R 5Z3. The comments will be sent by the Office to the Minister of Justice; they may also be sent to the professional order that made the Regulation and to interested persons, departments and bodies.

JEAN PAUL DUTRISAC,
*Chair of the Office des
professions du Québec*

Regulation respecting the practice of the profession of psychologist within a partnership or a joint-stock company

Professional Code
(R.S.Q., c. C-26, s. 93, pars. *g* and *h*, and s. 94, par. *p*)

CHAPTER I GENERAL

1. Psychologists are authorized to carry on their professional activities within a limited liability partnership or a joint-stock company within the meaning of Chapter VI.3 of the Professional Code (R.S.Q., c. C-26), subject to the conditions provided for in this Regulation.

If any of those conditions, or any condition set out in Chapter VI.3 of the Professional Code, is no longer met, the psychologist must, within 15 days after he or she becomes aware of the non-compliance, take the necessary measures to comply, failing which, the psychologist is no longer authorized to carry on activities within the partnership or joint-stock company.

2. Psychologists may carry on their professional activities within a partnership or joint-stock company if the following conditions are met:

(1) more than 50% of the voting rights attached to the company shares or partnership units are held:

(*a*) by psychologists, persons legally authorized to practise the profession outside Québec or other professionals governed by the Professional Code;

(*b*) by legal persons, partnerships or joint-stock companies, or any other enterprises whose voting rights attached to shares or partnership units are held entirely by one or more of the persons referred to in subparagraph *a*;

(*c*) by trusts where the trustees are one or more of the persons mentioned in subparagraph *a*; or

(*d*) at the same time by persons, enterprises or trusts referred to in subparagraphs *a*, *b* or *c*;

(2) a majority of the directors of the board of directors of the joint-stock company, the partners or, if applicable, the directors appointed by the partners to manage the affairs of the limited liability partnership are the persons referred to in subparagraph *a* of subparagraph 1 of the first paragraph; they must constitute the majority of the quorum of the board of directors or internal management board.

Psychologists must ensure that those conditions appear in the articles of the joint-stock company or in the written contract of the limited liability partnership and that the documents also provide that the partnership or joint-stock company is constituted for the purposes of carrying on professional activities.

3. Where a psychologist carries on professional activities within a joint-stock company, the income derived from the professional services rendered within and on behalf of the company belongs to the company, unless it has been agreed otherwise.

CHAPTER II PROFESSIONAL LIABILITY COVERAGE

4. Psychologists carrying on professional activities within a partnership or joint-stock company must furnish and maintain, for the partnership or company, by means of an insurance or suretyship contract, or by joining a group plan contract entered into by the Order, security against the professional liability of the partnership or company that may arise from fault on the part of the psychologists in carrying on professional activities within the partnership or joint-stock company.

5. The security must include:

(1) an undertaking by the insurer or surety to pay in lieu of the partnership or joint-stock company, over and above the amount of the security to be furnished by the psychologist pursuant to the Règlement sur l'assurance de la responsabilité professionnelle des membres de l'Ordre des psychologues du Québec, approved by the Office des professions du Québec on 8 February 2001 (2001, *G.O.* 2, 1456), any sum that the partnership or joint-stock company may be legally bound to pay to a third person on a claim filed during the coverage period and arising from fault on the part of the psychologist in carrying on professional activities within the partnership or joint-stock company;

(2) an undertaking by the insurer or surety to take up the cause of the partnership or joint-stock company and defend it in any action against it and to pay, in addition to the amounts covered by the security, all legal costs of actions against the partnership or joint-stock company, including the costs of the inquiry and defence and interest on the amount of the security;

(3) an undertaking that the security extends to all claims submitted in the 5 years after the date on which a psychologist in the partnership or joint-stock company dies, withdraws from the partnership or joint-stock company or ceases to be a member of the Order, in order to maintain coverage for the partnership or joint-stock company for fault on the part of the psychologist while carrying on professional activities within the partnership or joint-stock company;

(4) an amount of at least \$1,000,000 per claim and \$3,000,000 for all claims filed against the partnership or joint-stock company within a 12-month coverage period; and

(5) an undertaking by the insurer or surety to provide the secretary of the Order with a 30-day notice of intent to cancel the insurance or suretyship contract, to amend a condition of this section or not to renew the contract.

6. The suretyship contract must be with a bank, savings and credit union, trust or insurance company domiciled in Canada and having and maintaining sufficient property in Québec to meet the coverage required under this Chapter.

The institution referred to in the first paragraph must undertake to provide the coverage in accordance with the conditions set out in this Chapter and must waive the benefit of division and discussion.

CHAPTER III COMMUNICATION OF INFORMATION

7. If more than one psychologist carries on professional activities within a partnership or joint-stock company referred to in section 1, one representative must be designated to satisfy the terms and conditions in sections 8 to 10 on behalf of the partnership or joint-stock company.

The representative is also mandated to reply to requests made, pursuant to this Regulation, by a syndic, an inspector, an investigator or any other representative of the Order and provide, where applicable, any other document the psychologists are required to submit. The representative is also mandated to receive all forms of communications from the Order addressed to the partnership or joint-stock company.

The representative must be a psychologist and carry on professional activities in Québec within the partnership or joint-stock company.

The representative must ensure the accuracy of the information provided to the Order.

8. Psychologists who wish to carry on professional activities within a partnership or joint-stock company must, before carrying on those activities, provide the Order with

(1) the declaration referred to in section 9, with the fees set by the board of directors of the Order;

(2) a written document from a competent authority certifying that the partnership or joint-stock company is covered by security in compliance with Chapter II;

(3) if the psychologist carries on professional activities within a joint-stock company, a written document from a competent authority certifying the existence of the joint-stock company;

(4) a written document from a competent authority certifying that the partnership or joint-stock company is duly registered in Québec;

(5) a written document from a competent authority certifying that the partnership or joint-stock company has an establishment in Québec;

(6) where applicable, a certified true copy of the declaration to the competent authority stating that the general partnership has been continued as a limited liability partnership;

(7) an irrevocable written authorization from the partnership or joint-stock company within which the psychologist carries on professional activities allowing a person, committee, disciplinary body or tribunal referred to in section 192 of the Professional Code to require disclosure of and obtain any document listed in section 11 from any person or to obtain a copy of such a document;

(8) a written document certifying that the shares or units held and the rules of administration of the partnership or joint-stock company comply with the conditions set out in this Regulation; and

(9) a written undertaking from the partnership or joint-stock company that its shareholders having voting rights, its partners, directors and officers, as well as the members of its staff who are not psychologists are aware of and comply with the Code of ethics of psychologists.

A psychologist is exempt from satisfying those conditions if a representative of the partnership or joint-stock company within which the psychologist is to practise has already satisfied the conditions.

9. The declaration referred to in subparagraph 1 of the first paragraph of section 8 must be made on the form supplied by the Order and contain the following information:

(1) the psychologist's name, home address and professional address, and status within the partnership or joint-stock company;

(2) the partnership or joint-stock company name and any other names used in Québec by every partnership or joint-stock company within which the psychologist carries on professional activities and the business number assigned by the competent authority;

(3) the legal form of the partnership or joint-stock company;

(4) if the psychologist carries on professional activities within a limited liability partnership, the address of the establishments of the partnership in Québec, specifying the address of the principal establishment; and

(5) if the psychologist carries on professional activities within a joint-stock company, the address of the head office of the company and of its establishments in Québec.

10. To retain the right to carry on professional activities within a partnership or joint-stock company, a psychologist or representative must

(1) immediately inform the Order of any amendment or cancellation of the insurance coverage required by Chapter II, the striking off, dissolution, assignment of property, bankruptcy, voluntary or forced liquidation of the partnership or joint-stock company or any other cause likely to prevent the partnership or joint-stock company from carrying on its activities and any change in the information given in the declaration referred to in section 9 that is contrary to the conditions set out in section 2; and

(2) update, before 31 March of each year, the declaration prescribed in section 9 and pay the fees fixed by the board of directors.

CHAPTER IV ADDITIONAL INFORMATION

11. The documents for which the psychologist must obtain an authorization from the partnership or joint-stock company to communicate or obtain copies pursuant to subparagraph 7 of the first paragraph of section 8 are the following:

(1) if the psychologist carries on professional activities within a joint-stock company,

(a) an up-to-date register of the articles and by-laws of the joint-stock company;

(b) an up-to-date register of the securities of the joint-stock company;

(c) an up-to-date register of the shareholders of the joint-stock company;

(d) an up-to-date register of the directors of the joint-stock company;

(e) any shareholders' agreement and voting agreement, and amendments;

(f) the declaration of registration of the joint-stock company and any update; and

(g) the names and home addresses of the company's principal officers;

(2) if the psychologist carries on professional activities within a limited liability partnership,

(a) the declaration of registration of the partnership and any update;

(b) the partnership contract and amendments;

(c) an up-to-date register of the partners of the partnership;

(d) if applicable, an up-to-date register of the directors of the partnership; and

(e) the names and home addresses of the partnership's principal officers.

CHAPTER V TRANSITIONAL AND FINAL PROVISIONS

12. Psychologists who carry on professional activities within a joint-stock company constituted for that purpose before the date of coming into force of this Regulation must comply with the Regulation not later than one year after that date.

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