

NATIONAL ASSEMBLY

FIRST SESSION

FORTY-FIRST LEGISLATURE

Bill 74

(2016, chapter 7)

An Act respecting mainly the implementation of certain provisions of the Budget Speech of 26 March 2015

Introduced 12 November 2015 Passed in principle 19 November 2015 Passed 17 May 2016 Assented to 18 May 2016

EXPLANATORY NOTES

This Act amends and enacts numerous legislative provisions mainly to implement certain provisions of the Budget Speech of 26 March 2015.

The Act respecting the Ministère des Finances is amended to allow the Minister of Finance to set net result targets for certain state-owned enterprises. Those enterprises will be required to report on the achievement of the targets in their annual report. In addition, the Public Administration Act is amended to allow the Chair of the Conseil du trésor, together with the Minister of Finance, to develop and propose a method to the Conseil du trésor for reducing the expenditures of certain bodies and special funds in order to achieve and maintain a balanced budget. For the fiscal year beginning in 2015, the payment of any performance-based additional remuneration to management personnel of certain government bodies continues to be prohibited.

The Act respecting the Ministère de la Santé et des Services sociaux is amended to abolish the Fund to Finance Health and Social Services Institutions as of 1 April 2017, due to the gradual elimination of the health contribution.

To monitor online gambling, the Consumer Protection Act is amended to require Internet service providers to block access to illegal gambling sites entered on a list drawn up by the Société des loteries du Québec, which must report to the Régie des alcools, des courses et des jeux if service providers fail to comply with the Act. The Régie will be responsible for informing service providers of their non-compliance, and the president and chief executive officer of the Société or a person the latter designates is granted investigation powers to ensure compliance.

The Act respecting liquor permits is amended to introduce a single permit per establishment and by class of permit for the sale of alcoholic beverages for consumption on the premises. Public house or "pub", and tavern permits will be grouped with the "bar permit" class. Provision is also made for a single video lottery machine licence to be issued for each establishment for which the holder has a bar permit. The Act respecting the Société des loteries du Québec is

amended to require the Government to approve the socio-economic criteria the Société applies in selecting the establishments where video lottery machines may be installed.

To simplify penalties for certain offences related to alcoholic beverages, provisions are added to the Act respecting liquor permits for the Régie des alcools, des courses et des jeux to allow the Board to impose administrative monetary penalties on permit holders for certain offences instead of automatically cancelling or suspending a permit, and, for other offences, in addition to suspending a permit.

The Act respecting the Société des loteries du Québec and the Act respecting the Ministère du Conseil exécutif are amended to withdraw the Société's contribution to the Assistance Fund for Independent Community Action.

The Highway Safety Code and the Regulation respecting road vehicle registration are amended to provide for the collection of an acquisition duty on the registration of vehicles with a large engine displacement. A \$30,000,000 amount per fiscal year from the collection of the new acquisition duties and annual additional registration duties on vehicles with a large engine displacement will be paid into the Land Transportation Network Fund.

The Régie du cinéma is abolished and its responsibilities are transferred to the Minister of Culture and Communications. Various measures are introduced to ensure the transition and continuity of functions formerly conferred on the Régie du cinéma, including transferring the persons designated to classify films to the Ministère de la Culture et des Communications, and creating the position of director of classification within the department, under whose authority the designated persons will act. The Act also maintains the recourses against various decisions, including the possibility of applying for the review of a classification decision, in particular through the creation of a classification review committee.

The power of the Autorité des marchés financiers to establish special rules of conduct applicable to its personnel in the Securities Regulation is replaced by an obligation for its personnel's code of conduct to include special rules and sanctions applicable in the case of transactions on securities governed by the Securities Act. The special rules and sanctions must be sent to the Minister of Finance 30 days before they are to be adopted, and the Minister may require the Authority to amend them. The Act also amends the Securities Act so that certain decisions rendered by a provincial or territorial authority and imposing conditions, restrictions or obligations on a

market participant take effect automatically in Québec, and so as to amend the cancellation right of a purchaser of mutual fund shares, to introduce the obligation for dealers having received an order to purchase securities of a fund traded on an exchange to send their client a document providing an overview of the fund, and to add a cancellation right with regard to the purchase of securities of such funds.

Under the Act, the provisions concerning the mining activity management component of the Natural Resources Fund are amended to replace the reference to the financing of activities relating to the application of the Mining Tax Act by a reference to the financing of activities relating to the application of the Act respecting transparency measures in the mining, oil and gas industries.

The Bureau de décision et de révision is renamed the "Financial Markets Administrative Tribunal". Furthermore, the members of the Financial Markets Administrative Tribunal will henceforth be required to take an oath before taking office.

The concept of "officer" provided for in the constituting Acts of the labour-sponsored funds is clarified.

The Deposit Act is replaced by the Act respecting deposits with the Bureau général de dépôts pour le Québec to harmonize the legislative provisions concerning the administration of deposits with the new Code of Civil Procedure, the Civil Code of Québec and the Financial Administration Act as well as current administrative procedures. The new Act confers more responsibilities regarding judicial deposits on the Minister of Justice and specifies the roles of the Minister of Finance and the Bureau général de dépôts pour le Québec.

The Tax Administration Act is amended to specify that when an amount owed under a fiscal law gives rise to a legal hypothec, the notice of registration of the hypothec may either be served on the debtor, or notified to the debtor by registered mail.

The Act to promote workforce skills development and recognition is amended to increase the sums credited to the Workforce Skills Development and Recognition Fund and requires the Commission des partenaires du marché du travail to submit to the Minister of Employment and Social Solidarity and the Minister of Finance an annual asset allocation plan for the sums transferred to the Fund and a report on the allocation of those sums. In addition, the payroll threshold at which enterprises become subject to the Act is increased to \$2,000,000.

The Act respecting financial services cooperatives and, consequently, the Deposit Insurance Act are amended to replace the current obligation imposed on each individual credit union that is a member of a federation to file financial statements by a new obligation, imposed on the federation, to file combined financial statements that comply with international financial information standards.

Lastly, the Act contains consequential and transitional provisions required for its application.

LEGISLATION AMENDED BY THIS ACT:

- Financial Administration Act (chapter A-6.001);
- Tax Administration Act (chapter A-6.002);
- Public Administration Act (chapter A-6.01);
- Deposit Insurance Act (chapter A-26);
- Act respecting the Autorité des marchés financiers (chapter A-33.2);
- Cinema Act (chapter C-18.1);
- Highway Safety Code (chapter C-24.2);
- Act respecting financial services cooperatives (chapter C-67.3);
- Act to promote workforce skills development and recognition (chapter D-8.3);
- Election Act (chapter E-3.3);
- Act to establish Fondaction, le Fonds de développement de la Confédération des syndicats nationaux pour la coopération et l'emploi (chapter F-3.1.2);
- Act to establish the Fonds de solidarité des travailleurs du Québec (F.T.Q.) (chapter F-3.2.1);
- Act respecting offences relating to alcoholic beverages (chapter I-8.1);
- Derivatives Act (chapter I-14.01);

- Act respecting lotteries, publicity contests and amusement machines (chapter L-6);
- Act respecting the Ministère de la Santé et des Services sociaux (chapter M-19.2);
- Act respecting the Ministère des Finances (chapter M-24.01);
- Act respecting the Ministère des Ressources naturelles et de la Faune (chapter M-25.2);
- Act respecting the Ministère du Conseil exécutif (chapter M-30);
- Act respecting liquor permits (chapter P-9.1);
- Public Protector Act (chapter P-32);
- Consumer Protection Act (chapter P-40.1);
- Act respecting the Régie des alcools, des courses et des jeux (chapter R-6.1);
- Act respecting the Société de développement des entreprises culturelles (chapter S-10.002);
- Act respecting the Société des alcools du Québec (chapter S-13);
- Act respecting the Société des loteries du Québec (chapter S-13.1);
- Tobacco Act (chapter T-0.01);
- Securities Act (chapter V-1.1);
- Auditor General Act (chapter V-5.01);
- Act to amend the Securities Act and other legislative provisions (2004, chapter 37);
- Act to implement certain provisions of the Budget Speech of 30 March 2010, reduce the debt and return to a balanced budget in 2013-2014 (2010, chapter 20).

LEGISLATION ENACTED BY THIS ACT:

 Act respecting deposits with the Bureau général de dépôts pour le Québec (2016, chapter 7, section 183).

LEGISLATION AMENDED BY THE LEGISLATION ENACTED BY THIS ACT:

- Sustainable Forest Development Act (chapter A-18.1);
- Act respecting reserved designations and added-value claims (chapter A-20.03);
- Act respecting commercial aquaculture (chapter A-20.2);
- Charter of Ville de Montréal (chapter C-11.4);
- Cities and Towns Act (chapter C-19);
- Code of Penal Procedure (chapter C-25.1);
- Municipal Code of Québec (chapter C-27.1);
- General and Vocational Colleges Act (chapter C-29);
- Act respecting municipal debts and loans (chapter D-7);
- Act respecting explosives (chapter E-22);
- Public Infrastructure Act (chapter I-8.3);
- Education Act (chapter I-13.3);
- Education Act for Cree, Inuit and Naskapi Native Persons (chapter I-14);
- University Investments Act (chapter I-17);
- Act respecting the Ministère des Ressources naturelles et de la Faune (chapter M-25.2);
- Act respecting the marketing of agricultural, food and fish products (chapter M-35.1);
- Act respecting commercial fishing and commercial harvesting of aquatic plants (chapter P-9.01);

- Pesticides Act (chapter P-9.3);
- Food Products Act (chapter P-29);
- Crop Health Protection Act (chapter P-42.1);
- Act respecting health services and social services (chapter S-4.2);
- Act respecting health services and social services for Cree Native persons (chapter S-5);
- Courts of Justice Act (chapter T-16).

LEGISLATION REPEALED BY THE LEGISLATION ENACTED BY THIS ACT:

- Deposit Act (chapter D-5).

REGULATIONS AMENDED BY THIS ACT:

- Regulation respecting the fees for examination and duties payable under the Cinema Act (chapter C-18.1, r. 1);
- Regulation respecting licences to operate premises where films are exhibited to the public, distributor's licences and video material retail dealer's licences (chapter C-18.1, r. 4);
- Regulation respecting stamps for films (chapter C-18.1, r. 6);
- Regulation respecting road vehicle registration (chapter C-24.2, r. 29);
- Regulation respecting the determination of total payroll (chapter D-8.3, r. 4);
- Rules respecting video lottery machines (chapter L-6, r. 3);
- Regulation respecting the signing of certain deeds, documents and writings of the Ministère de la Culture et des Communications (chapter M-17.1, r. 1);
- Regulation respecting duties and costs payable under the Act respecting liquor permits (chapter P-9.1, r. 3).

Bill 74

AN ACT RESPECTING MAINLY THE IMPLEMENTATION OF CERTAIN PROVISIONS OF THE BUDGET SPEECH OF 26 MARCH 2015

THE PARLIAMENT OF QUÉBEC ENACTS AS FOLLOWS:

CHAPTER I

EFFORTS BY PUBLIC BODIES AND CONTROL OF REMUNERATION

ACT RESPECTING THE MINISTÈRE DES FINANCES

- **1.** The Act respecting the Ministère des Finances (chapter M-24.01) is amended by inserting the following sections after section 4:
- "4.1. The Minister may, for the preparation and presentation of the Government's budgetary policies, set net result targets for state-owned enterprises, other than the Caisse de dépôt et placement du Québec, the Commission de la construction du Québec, the Commission des normes, de l'équité, de la santé et de la sécurité du travail and Retraite Québec.

The targets are set jointly with the Chair of the Conseil du trésor if a stateowned enterprise benefits from a transfer, that is, an undertaking under which the Government, a minister or a budget-funded body confers an economic benefit on the enterprise, in the fiscal year in which the target applies, for no consideration in goods or services.

For the purposes of this Act, state-owned enterprises are legal persons the majority of whose members or directors are appointed by the Government, except legal persons qualified as budget-funded bodies, institutions in the health and social services network and institutions in the education network, including Université du Québec and its constituent universities. The Minister shall post a list of the enterprises on the department's website.

- **"4.2.** The net result target is sent to the minister responsible for the state-owned enterprise. The Minister shall, without delay, communicate the target to the enterprise.
- "**4.3.** A state-owned enterprise to which a net result target has been sent in accordance with section 4.2 shall report on the achievement of the target in its annual report.

"**4.4.** For the purposes of sections 4.1 to 4.3, the net result of a state-owned enterprise means the result presented in its own financial statements and established in accordance with the accounting standards applicable to it, and which includes the result of any entity it controls according to these standards."

PUBLIC ADMINISTRATION ACT

- **2.** The Public Administration Act (chapter A-6.01) is amended by inserting the following sections after section 74:
- "**74.1.** The Conseil du trésor may approve the expenditure reduction method proposed by the Chair of the Conseil du trésor, together with the Minister of Finance, under section 77.3.

On being approved, the method is binding on any person responsible for a special fund or any body concerned.

- "**74.2.** A body to which section 74.1 applies shall report on the application of the expenditure reduction method in its annual report whenever it is bound by the method.
- "**74.3.** The expenditure reduction method applicable to a body may provide that any act of the body is, despite any other provision, subject to the authorization or prior approval of the Conseil du trésor, its Chair or a minister designated by the Conseil du trésor.

The Conseil du trésor may, to the extent it determines, authorize the subdelegation of the power of authorization or approval."

- **3.** The Act is amended by inserting the following section after section 77.2:
- **"77.3.** The Chair of the Conseil du trésor shall, together with the Minister of Finance, develop and propose to the Conseil du trésor a method for reducing expenditures, including operating and compensation expenditures, of special funds within the meaning of section 5.1 of the Financial Administration Act (chapter A-6.001) and of bodies whose results are included in the budget balance defined in section 2 of the Balanced Budget Act (chapter E-12.00001). However, for any such bodies conducting trust transactions, the method applies, with regard to those transactions, only to operating and compensation expenditures.

In addition, the method may be developed in accordance with the first paragraph to apply to the operating and compensation expenditures of the Commission de la construction du Québec, the Commission des normes, de l'équité, de la santé et de la sécurité du travail and Retraite Québec.

When developing an expenditure reduction method, the Chair of the Conseil du trésor and the Minister shall take into account, if applicable, how probable it is that a state-owned enterprise to which the first paragraph of section 4.1 of

the Act respecting the Ministère des Finances (chapter M-24.01) applies will achieve the net result target.

The first paragraph does not apply to departments and budget-funded bodies, Hydro-Québec, the Société des loteries du Québec, the Société des alcools du Québec, Investissement Québec, institutions in the health and social services network and institutions in the education network, including Université du Québec and its constituent universities."

ELECTION ACT

4. Section 488.2 of the Election Act (chapter E-3.3) is amended by replacing "74, 75 and 78" in the first paragraph by "74 to 75, 77.3 and 78".

PUBLIC PROTECTOR ACT

5. Section 35.1 of the Public Protector Act (chapter P-32) is amended by replacing "74, 75 and 78" in the first paragraph by "74 to 75, 77.3 and 78".

AUDITOR GENERAL ACT

6. Section 67 of the Auditor General Act (chapter V-5.01) is amended by replacing "74, 75 and 78" in the first paragraph by "74 to 75, 77.3 and 78".

ACT TO IMPLEMENT CERTAIN PROVISIONS OF THE BUDGET SPEECH OF 30 MARCH 2010, REDUCE THE DEBT AND RETURN TO A BALANCED BUDGET IN 2013-2014

- **7.** Section 8 of the Act to implement certain provisions of the Budget Speech of 30 March 2010, reduce the debt and return to a balanced budget in 2013-2014 (2010, chapter 20), amended by section 129 of chapter 16 of the statutes of 2013, section 42 of chapter 25 of the statutes of 2013 and section 7 of chapter 8 of the statutes of 2015, is again amended by replacing "and 2014" in the portion before subparagraph 1 of the first paragraph by ", 2014 and 2015".
- **8.** Section 10.1 of the Act, enacted by section 1 of chapter 2 of the statutes of 2015, is amended by replacing "and 2014" in the first paragraph by ", 2014 and 2015".
- **9.** Section 18 of the Act, amended by section 9 of chapter 8 of the statutes of 2015, is again amended by inserting ", or a fiscal year referred to in section 8" after "section 7, as applicable" in the first paragraph.

CHAPTER II

ABOLITION OF THE FUND TO FINANCE HEALTH AND SOCIAL SERVICES INSTITUTIONS

ACT RESPECTING THE MINISTÈRE DE LA SANTÉ ET DES SERVICES SOCIAUX

10. Sections 11.2 to 11.7 of the Act respecting the Ministère de la Santé et des Services sociaux (chapter M-19.2) are repealed.

SPECIAL TRANSITIONAL PROVISION

- **11.** Where section 11.3 of the Act respecting the Ministère de la Santé et des Services sociaux (chapter M-19.2) applies to the fiscal year 2016–2017, it is to be read
 - (1) by inserting the following paragraph after paragraph 1:
- "(1.1) the money transferred to it by the Minister of Finance, at the intervals that Minister determines, out of the money credited to the general fund and corresponding to the amount by which the money collected by the Minister of Revenue under the Taxation Act (chapter I-3) exceeds the money that would be so collected if section 750 of that Act were read without reference to its paragraph d and if paragraph c of that section were read without reference to "the lesser of \$100,000 and";";
 - (2) by inserting ", 1.1" after "paragraphs 1" in paragraph 5.

CHAPTER III

CONSUMER PROTECTION IN ONLINE GAMBLING

CONSUMER PROTECTION ACT

12. The Consumer Protection Act (chapter P-40.1) is amended by inserting the following after section 260.32:

"TITLE III.4

"ONLINE GAMBLING

- **"260.33.** For the purposes of this Title, "online gambling site" means a website on which a person may make wagers and bets through an interactive mechanism.
- **"260.34.** The Société des loteries du Québec shall oversee the accessibility of online gambling. It shall draw up a list of online gambling sites not authorized under the laws of Québec and provide the list to the Régie des

alcools, des courses et des jeux, which shall notify it to Internet service providers.

- **"260.35.** An Internet service provider that receives the list of unauthorized online gambling sites in accordance with section 260.34 shall, within 30 days after receiving the list, block access to those sites.
- **"260.36.** If the Société des loteries du Québec becomes aware that an Internet service provider is not complying with section 260.35, it shall report the non-compliance to the Régie des alcools, des courses et des jeux.

In such a case, the Régie des alcools, des courses et des jeux shall send a notice to the non-compliant Internet service provider and send a copy of the notice to the Société des loteries du Québec.

- **"260.37.** For the purposes of this Title, the Régie des alcools, des courses et des jeux and the Société des loteries du Québec may enter into an agreement on the frequency at which the list of unauthorized online gambling sites is to be updated and sent and on any other terms relating to the carrying out of this Title."
- **13.** Section 277 of the Act is amended by adding the following paragraph after paragraph g:
 - "(h) contravenes section 260.35."
- **14.** Section 278 of the Act is amended by replacing "g" in the first paragraph by "h".
- **15.** Section 292 of the Act is amended by inserting ", except Title III.4," after "to supervise the application of this Act" in paragraph *a*.
- **16.** Section 305 of the Act is amended by replacing "respecting any Act or regulation the application of which is under the supervision of the Office" in the first paragraph by "under the Office's jurisdiction".
- **17.** Section 352 of the Act is amended by adding ", except Title III.4, the application of which is under the responsibility of the Minister of Public Security if it concerns the responsibilities of the Régie des alcools, des courses et des jeux, and under the responsibility of the Minister of Finance if it concerns the responsibilities of the Société des loteries du Québec" at the end.

ACT RESPECTING THE RÉGIE DES ALCOOLS, DES COURSES ET DES JEUX

18. Section 2 of the Act respecting the Régie des alcools, des courses et des jeux (chapter R-6.1) is amended by inserting "Title III.4 of the Consumer Protection Act (chapter P-40.1)," after "the Act respecting liquor permits (chapter P-9.1)," in the first paragraph.

ACT RESPECTING THE SOCIÉTÉ DES LOTERIES DU QUÉBEC

- **19.** Section 16 of the Act respecting the Société des loteries du Québec (chapter S-13.1) is amended
 - (1) by striking out "also" in the second paragraph;
 - (2) by adding the following paragraph at the end:

"In addition, the company shall perform the duties conferred on it by Title III.4 of the Consumer Protection Act (chapter P-40.1) in relation to online gambling."

- **20.** The Act is amended by inserting the following sections after section 17:
- **"17.1.** The president and chief executive officer, or the person the president and chief executive officer designates for that purpose, may investigate any matter relating to the carrying out of Title III.4 of the Consumer Protection Act (chapter P-40.1).
- **"17.2.** The person who conducts an investigation under section 17.1 of this Act cannot be prosecuted for acts performed in good faith in the exercise of the functions of office."

CHAPTER IV

SINGLE PERMIT FOR THE SALE OF ALCOHOLIC BEVERAGES FOR CONSUMPTION ON THE PREMISES

ACT RESPECTING LIQUOR PERMITS

- **21.** Section 25 of the Act respecting liquor permits (chapter P-9.1) is amended by striking out "public house or "pub" permit, the tavern,".
- **22.** Sections 26 and 27 of the Act are repealed.
- **23.** Section 28 of the Act is amended by striking out ", except draught beer," in the first paragraph.
- **24.** Section 29 of the Act is amended by striking out ", except draught beer and wine on tap," in the first paragraph.
- **25.** Section 30 of the Act is amended by striking out ", except draught beer and wine on tap,".
- **26.** Section 33 of the Act is amended by striking out ", except draught beer or wine on tap,".

- **27.** The Act is amended by inserting the following section after section 35:
- **"35.1.** The board shall issue one permit only for each class of permit that may be used in an establishment. Once issued, the permit covers all the rooms and terraces for which it was applied for."
- **28.** Section 40 of the Act is amended by replacing paragraphs 2 and 2.1 by the following paragraphs:
- "(2) provide the address of the establishment and specify each room and terrace where the permit is to be used,
- "(2.1) file a detailed floor plan of the rooms and terraces where the permit is to be used, and".
- **29.** Section 46.1 of the Act is amended by replacing "in a room or on a terrace" by "in each room and on each terrace".
- **30.** Section 47 of the Act is amended by replacing "in which room or on which terrace" and "to the premises" in the first paragraph by "the rooms and terraces where" and "to each of those places", respectively.
- **31.** Section 50 of the Act is amended by striking out "public house or "pub" permit or tavern permit," in the fifth paragraph.
- **32.** Section 63 of the Act is amended by striking out ", a public house or "pub" permit or a tavern permit" in the second paragraph.
- **33.** Section 66 of the Act is replaced by the following section:
- **"66.** The permit must be posted, in public view, at the main entrance of the establishment covered by the permit.

In the case of a permit to sell alcoholic beverages for consumption on the premises, a price list of the alcoholic beverages sold in the establishment covered by the permit must also be posted in each room or on each terrace where the permit is used. However, the holder of a restaurant sales permit may make the price list available to patrons in another manner.

In the case of a grocery permit, a price list of the beer sold in the establishment covered by the permit must be posted in each room where the permit is used."

- **34.** Section 68 of the Act is amended by replacing ", bar permit, public house or "pub" permit or tavern permit" in the first paragraph by "or bar permit".
- **35.** The Act is amended by inserting the following section after the heading of subdivision 3 of Division IV of Chapter III:

- **"69.1.** Not more than one permit may be used at the same time in any room or on any terrace."
- **36.** Section 74 of the Act is amended by replacing "the room or terrace" in the first paragraph by "each room or terrace".
- **37.** Section 74.1 of the Act is amended by replacing "floor plan of the room or terrace" by "detailed floor plan of the rooms or terraces".
- **38.** Section 82 of the Act is amended
- (1) by replacing "in a place other than that specified in his permit" by "in places other than those specified in his permit";
 - (2) by adding the following paragraph at the end:

"A permit holder who applies for the board's authorization to use his permit in an additional place in his establishment must comply with the conditions provided in sections 39 and 40 that apply to him."

- **39.** Section 83 of the Act is amended by replacing the first paragraph by the following paragraph:
- ****83.** A permit holder who applies to definitively change one place or all the places where he uses his permit must comply with the conditions provided in sections 39 and 40 that apply to him."
- **40.** Section 84 of the Act is amended by replacing "of place of use of a permit" in the first paragraph by "of any of the places covered by a permit".
- **41.** Section 96 of the Act is amended, in the introductory clause of the first paragraph,
- (1) by inserting "an application to add a terrace to a permit," after "application for a permit,";
- (2) by replacing "that place", wherever it appears, by "one of the places covered by a permit".
- **42.** Section 97 of the Act is amended by striking out ", public house or "pub" permit or tavern permit" in paragraph 3.
- **43.** Section 102 of the Act is amended by adding "or for the removal of a place from the list of places covered by a permit" at the end of paragraph 2.

CINEMA ACT

44. Section 92 of the Cinema Act (chapter C-18.1) is amended by striking out "pub, tavern," in paragraph 2.

ACT RESPECTING OFFENCES RELATING TO ALCOHOLIC BEVERAGES

- **45.** Section 83 of the Act respecting offences relating to alcoholic beverages (chapter I-8.1) is amended by replacing "paragraph i" in the introductory clause by "paragraphs i and j".
- **46.** Section 85 of the Act is amended by replacing "the room or on the terrace designated" by "the rooms or on the terraces designated".
- **47.** Section 103.2 of the Act is amended
- (1) by striking out "public house or "pub" permit, tavern permit or" in the first paragraph;
- (2) by replacing "one of these permits" in the introductory clause of the second paragraph by "that permit".
- **48.** Section 103.5 of the Act is amended
 - (1) by striking out "public house or "pub", tavern or";
- (2) by replacing "of one of those establishments" by "of such an establishment".
- **49.** Section 103.6 of the Act is amended by striking out "of a public house or "pub", of a tavern or".
- **50.** Section 103.9 of the Act is amended, in the first paragraph,
- (1) by striking out "public house or "pub", tavern or" in subparagraphs 2 and 3;
- (2) by replacing "one of these establishments" in subparagraph 3 by "that establishment".
- **51.** Section 109 of the Act is amended
- (1) by replacing "his permit authorizes him to sell" in paragraph 1 by "those authorized under the permit";

- (2) by replacing paragraph 5 by the following paragraph:
- "(5) is the holder of a permit, and that permit is not constantly posted in public view at the main entrance of the establishment covered by the permit;";
- (3) by replacing "in the room or on the terrace where he uses it" in paragraph 6 by "in a room or on a terrace covered by the permit".
- **52.** Section 110.2 of the Act is repealed.
- **53.** Section 112 of the Act is amended by striking out paragraphs 5 and 6.
- **54.** Section 113.1 of the Act is amended by striking out ", public house or "pub" permit or tavern permit" in the first paragraph.
- **55.** Section 120 of the Act is repealed.

ACT RESPECTING LOTTERIES, PUBLICITY CONTESTS AND AMUSEMENT MACHINES

- **56.** Section 3 of Schedule I to the Act respecting lotteries, publicity contests and amusement machines (chapter L-6) is amended
 - (1) by replacing the first paragraph by the following paragraph:
- **"3.** The fee for the examination of an application for the issue or the modification of a licence to make video lottery machines available for public use in the establishment for which the licence is issued is \$116.";
- (2) by adding the following sentences at the end of the second paragraph: "An amount corresponding to one-fifth of that amount is added to the duties for each video lottery machine applied for beyond the fifth one. Duties are not refundable if the number of machines installed in the establishment for which the licence is issued is less than the number of machines that the holder applied for.";
- (3) by striking out ", public house or tavern" wherever it appears in the third paragraph;
 - (4) by replacing the fourth paragraph by the following paragraph:

"The total amount of duties payable under this section is rounded down to the nearest dollar if it includes a dollar fraction that is less than \$0.50, or up to the nearest dollar if it includes a dollar fraction that is equal to or greater than \$0.50."

ACT RESPECTING THE SOCIÉTÉ DES ALCOOLS DU QUÉBEC

- **57.** Section 33.2 of the Act respecting the Société des alcools du Québec (chapter S-13) is amended
 - (1) by replacing the first paragraph by the following paragraph:
- **"33.2.** Where a permit holder sells alcoholic beverages pursuant to subparagraph 1 or 2 of the second paragraph of section 24.1 or pursuant to the third paragraph of section 25, the holder is subject to the same requirements as those imposed on the holder of a permit for the sale of alcoholic beverages by sections 59, 62, 66 to 68, 73, 74.1, 75, 77.1 to 78 and 82 to 84.1 of the Act respecting liquor permits (chapter P-9.1). However, the holder of a small-scale production permit or of a brewer's permit, as regards the sale of alcoholic beverages for consumption elsewhere than at the place where they are produced, is subject to section 60 of that Act.";
- (2) by replacing "paragraphs 4 and 5" in the second paragraph by "paragraph 5".

ACT RESPECTING THE SOCIÉTÉ DES LOTERIES DU QUÉBEC

- **58.** The Act respecting the Société des loteries du Québec (chapter S-13.1) is amended by inserting the following section after section 17:
- **"17.0.1.** The Government approves the socio-economic criteria applied by the company in selecting the establishments in which it may install video lottery machines. The establishments are selected from among those for which a licence, issued under the Act respecting lotteries, publicity contests and amusement machines (chapter L-6), authorizes its holder to make such machines available for public use."

TOBACCO ACT

- **59.** Section 2 of the Tobacco Act (chapter T-0.01) is amended by striking out "public house, tavern or" in paragraph 8.2.
- **60.** Section 17 of the Act is amended by striking out "public house, tavern or" in subparagraph 6 of the first paragraph.

RULES RESPECTING VIDEO LOTTERY MACHINES

- **61.** Section 24 of the Rules respecting video lottery machines (chapter L-6, r. 3) is amended
- (1) by replacing "at the disposal of the public, in the establishment for which his licence is delivered, a number of video lottery machines not exceeding the number that the licence authorises" in the first paragraph by "video lottery

machines at the disposal of the public in the establishment for which his licence is delivered":

- (2) by striking out the second paragraph.
- **62.** Section 26 of the Rules is amended
 - (1) by replacing the first paragraph by the following paragraph:
- **"26.** Video lottery machines may be operated in a bar for which a bar permit issued by the board is in force and not suspended.";
- (2) by replacing the introductory clause of the second paragraph by the following:

"Despite the first paragraph, the holder of a bar permit may not put video lottery machines at the disposal of the public in a room in an establishment if the board has not determined the capacity of the room, in particular in the case of a permit issued for sales or service in a room of a hotel establishment or by vending machine in such an establishment, if the capacity specified on the permit for that room is fewer than 15 people or if one of the following is specified in the section entitled "particularité d'exploitation" or the section entitled "localisation" of the permit:";

- (3) by striking out "or when the board has not determined the capacity on the permit such as minibars or distributors of alcoholic beverages operated in an establishment" in the third paragraph.
- **63.** Sections 29 and 29.1 of the Rules are repealed.
- **64.** Section 31 of the Rules is amended by striking out ", brasserie or tavern" in the introductory clause.
- **65.** Section 35 of the Rules is amended by adding the following paragraph at the end:

"The holder of a site operator's licence who wishes to modify the number of video lottery machines in his establishment or modify the place where they are installed must also send the Board such a drawing."

SPECIAL TRANSITIONAL PROVISIONS

66. A person or partnership that, on the date of coming into force of section 21, holds a public house or "pub" permit or a tavern permit is deemed, as of that date, to hold a bar permit.

- **67.** Section 35.1 of the Act respecting liquor permits (chapter P-9.1), enacted by section 27, and section 66 of the Act respecting liquor permits, as amended by section 33, apply from the date of the first renewal of the permit following the coming into force of section 27.
- **68.** A person or partnership that, on the date of coming into force of section 61, holds more than one site operator's licence for the same establishment is deemed, as of that date, to hold a single licence for that establishment.

CHAPTER V

ADMINISTRATIVE MONETARY PENALTIES RELATING TO ALCOHOLIC BEVERAGES

ACT RESPECTING LIQUOR PERMITS

- **69.** Section 53 of the Act respecting liquor permits (chapter P-9.1) is amended
- (1) by replacing "and the amount of such duties" in the first paragraph by ", the amount of such duties and, where such is the case, the amount of any administrative monetary penalty owed";
- (2) by adding "and, where applicable, the amount of any administrative monetary penalty claimed" at the end of the second paragraph.
- **70.** Section 55 of the Act is amended
- (1) by inserting "or if he fails to pay an administrative monetary penalty imposed under section 86 and for which no proceeding has been brought before the Administrative Tribunal of Québec" after "54" in the first paragraph;
 - (2) by replacing the second paragraph by the following paragraph:
- "However, the board may decide that the permit is not cancelled if the holder proves, before the board has officially ascertained the permit's cancellation by operation of law, that he had reasonable grounds for not complying with section 53 or 54 or not paying the amount claimed under section 86 and if he pays the annual duties and the administrative monetary penalty."
- **71.** Section 79 of the Act is amended by replacing "it may impose, as an additional requirement, the payment of additional charge of \$500" in the third paragraph by "an administrative monetary penalty in the amount prescribed by regulation in accordance with section 85.1 is imposed as an additional requirement".

72. The heading of Division VI of Chapter III of the Act is replaced by the following heading:

"PENALTIES".

- **73.** The Act is amended by inserting the following sections after section 85:
- ****85.1.** The board may impose an administrative monetary penalty in an amount prescribed by regulation if
- (1) the permit holder is in contravention of section 72.1 due to a quantity of non-compliant alcoholic beverages not exceeding 3 litres of spirits, 6 litres of wine or 10 litres of beer being found during the same visit;
- (2) the permit holder keeps or allows to be kept in his establishment 10 or fewer containers of alcoholic beverages containing an insect, unless that insect is an ingredient used in making those alcoholic beverages;
- (3) the permit holder has contravened the second paragraph of section 79 by using a liquor permit without having applied for a temporary authorization to use it despite being required to do so;
- (4) the permit holder did not pay the duties payable for the permit within the time limit set out in section 53; or
- (5) the permit holder is guilty of a failure to comply referred to in the regulation made under paragraph 15.2 of section 114.
- **"85.2.** If an administrative monetary penalty is imposed on a holder for a failure to comply under section 85.1, the board notifies a notice of claim to the holder.

Such a notice must state

- (1) the amount claimed and the reasons for it;
- (2) the terms of payment of the amount claimed;
- (3) the way the notice of claim may be contested; and
- (4) that the holder will be convened to a hearing before the board if the holder fails to pay the amount owed and that this failure could result in the cancellation by operation of law of his permit."
- **74.** Section 86 of the Act is amended
 - (1) in the first paragraph,

- (a) by replacing "sections 70 to 72, 73, section 74.1, 75, the second paragraph of section 76 or section 78, 82 or 84.1, or refuses or neglects to comply with the requirements of the board contemplated in section 110" in subparagraph 8 by "section 75 or 78";
 - (b) by adding the following subparagraphs after subparagraph 10:
- "(11) the permit holder contravenes section 72.1, except in the case of a failure to comply for which an administrative monetary penalty is prescribed by regulation;
- "(12) the permit holder keeps or allows to be kept in the establishment more than 10 containers of alcoholic beverages containing an insect, unless that insect is an ingredient used in making those alcoholic beverages; or
- "(13) an administrative monetary penalty was imposed on the permit holder under section 85.1 for the same failure to comply in the preceding three years.";
 - (2) by inserting the following paragraphs after the first paragraph:

"The board may, instead of cancelling or suspending a permit for a reason set out in the first paragraph, impose on the permit holder an administrative monetary penalty in an amount not exceeding \$100,000.

In determining the penalty for contravening section 72.1, the board shall consider in particular the following factors:

- (1) the quantity of alcoholic beverages or the number of video lottery machines involved;
- (2) whether the alcoholic beverages involved are of bad quality or unfit for consumption;
- (3) whether the alcoholic beverages involved were made fraudulently or are adulterated;
- (4) whether the permit holder involved contravened section 72.1 in the preceding five years;
- (5) whether the alcoholic beverages involved are not marketed by the Société des alcools du Québec and are not made, bottled or delivered in accordance with a permit issued under the Act respecting the Société des alcools du Québec (chapter S-13).";
 - (3) in the second paragraph,
- (a) by striking out "public house or "pub" permit, tavern permit or" in subparagraph 1;
 - (b) by striking out subparagraph 4;

- (c) by adding the following subparagraph after subparagraph 5:
- "(6) the permit holder fails to pay the administrative monetary penalty after it is imposed on the holder in accordance with paragraphs 1 to 3 and 5 of section 85.1 and for which the time limit for contesting has expired.";
 - (4) by striking out the third paragraph;
 - (5) by adding the following paragraph at the end:

"The board may add an administrative monetary penalty to a permit suspension for a reason set out in this section. The amount of the penalty may not exceed \$100,000."

75. Section 86.0.1 of the Act is amended by adding the following paragraph at the end:

"The board may, instead of cancelling or suspending an authorization, impose on the permit holder an administrative monetary penalty in an amount not exceeding \$10,000."

- **76.** Section 86.3 of the Act is repealed.
- **77.** Section 87 of the Act is replaced by the following section:
- ****87.** The board may, in addition to imposing an administrative monetary penalty for contravening sections 70 to 73, 74.1, the second paragraph of section 76, section 82 or 84.1 or for refusing or neglecting to comply with the board's requirements under section 110, or instead of imposing an administrative monetary penalty or cancelling or suspending a permit for contravening section 75 or 78, order the permit holder to take the necessary corrective measures within the time it specifies or to restrict, for the period it determines, the hours during which the permit may be used.

The board may also issue an order relating to the necessary corrective measures instead of imposing an administrative monetary penalty or cancelling or suspending a permit for a reason set out in subparagraph 2, 6 or 7 of the first paragraph of section 86."

- **78.** Section 87.1 of the Act is amended
 - (1) by striking out the first paragraph;
- (2) by replacing "such a restriction is imposed" in the introductory clause of the second paragraph by "a restriction on the hours during which a permit may be used is imposed under section 87".
- **79.** Section 89.1 of the Act is amended by replacing "bar permit, public house or "pub" permit or tavern permit" and "the second" in the first paragraph

by "permit authorizing alcoholic beverages to be sold or served for consumption on the premises" and "subparagraph 8 of the first paragraph or in the fourth", respectively.

80. Section 114 of the Act is amended

- (1) by replacing "a room or a terrace thereof" in paragraph 7 by "each room or on each terrace of the establishment":
 - (2) by inserting the following paragraphs before paragraph 16:
- "(15.1) determining the amount of the administrative monetary penalty for each failure to comply provided for in paragraphs 1 to 4 of section 85.1 on the basis of the types of alcoholic beverages and the quantities specified per container or otherwise;
- "(15.2) determining when failure to comply with this Act, the Act respecting offences relating to alcoholic beverages and the regulations made under them may be subject to an administrative monetary penalty and determining the amount of such penalty on the basis of the types of alcoholic beverages and the quantities specified per container or otherwise; and".

ACT RESPECTING THE RÉGIE DES ALCOOLS, DES COURSES ET DES JEUX

- **81.** Section 29 of the Act respecting the Régie des alcools, des courses et des jeux (chapter R-6.1) is amended
- (1) by adding "and impose an administrative monetary penalty for a failure to comply under section 85.1 of the Act respecting liquor permits" at the end of the second paragraph;
- (2) by inserting "except those arising from imposing an administrative monetary penalty under section 85.1 of the Act respecting liquor permits," after "powers," in the third paragraph.

REGULATION RESPECTING DUTIES AND COSTS PAYABLE UNDER THE ACT RESPECTING LIQUOR PERMITS

82. Section 6 of the Regulation respecting duties and costs payable under the Act respecting liquor permits (chapter P-9.1, r. 3) is repealed.

CHAPTER VI

MISSION OF LOTO-QUÉBEC

ACT RESPECTING THE MINISTÈRE DU CONSEIL EXÉCUTIF

- **83.** Section 3.33 of the Act respecting the Ministère du Conseil exécutif (chapter M-30) is amended
 - (1) by striking out subparagraph 1 of the first paragraph;
 - (2) by striking out the second paragraph.

ACT RESPECTING THE SOCIÉTÉ DES LOTERIES DU QUÉBEC

84. Section 22.1 of the Act respecting the Société des loteries du Québec (chapter S-13.1) is repealed.

CHAPTER VII

ACQUISITION DUTY ON ROAD VEHICLES WITH A LARGE ENGINE DISPLACEMENT

HIGHWAY SAFETY CODE

- **85.** Section 21 of the Highway Safety Code (chapter C-24.2) is amended by inserting "and an acquisition duty" after "duty" in subparagraph 6 of the first paragraph.
- **86.** Section 619.5 of the Code is amended by replacing "is payable and fix the amount of the additional duty according to the vehicle's engine displacement or determine the methods to calculate the additional duty" by "and an acquisition duty are payable and fix the amount of each duty according to the vehicle's engine displacement or determine the methods to calculate them".
- **87.** Section 648 of the Code is amended by replacing paragraph 7 by the following paragraph:
- "(7) for each fiscal year of the Government, one-half of the additional duties and acquisition duties collected monthly in respect of road vehicles of a class determined by regulation that are equipped with an engine with a displacement determined by regulation, until the sum paid into the Consolidated Revenue Fund reaches \$30,000,000, and the full amount of the duties for the remainder of the fiscal year;".
- **88.** Section 648.3 of the Code is repealed.

- **89.** Section 648.4 of the Code is amended
 - (1) in the first paragraph,
 - (a) by replacing "and 5" in subparagraph 1 by ", 5 and 6";
- (b) by striking out "and the additional duty fixed by regulation in respect of a road vehicle belonging to a class determined by regulation, equipped with an engine with a displacement determined by regulation" in subparagraph 2;
 - (2) by inserting the following paragraph after the first paragraph:

"Despite subparagraphs 1 and 2 of the first paragraph, the portion of the duties that is not paid into the Consolidated Revenue Fund under paragraph 7 of section 648 is paid to the Société de financement des infrastructures locales du Québec.";

(3) by replacing "the first paragraph" in the second paragraph by "this section".

REGULATION RESPECTING ROAD VEHICLE REGISTRATION

- **90.** Section 2.1.1 of the Regulation respecting road vehicle registration (chapter C-24.2, r. 29) is amended by replacing "is payable" in the first paragraph by "and an acquisition duty are payable".
- **91.** Section 18.2 of the Regulation is amended by inserting "and the acquisition duty" after "additional duty".
- **92.** The Regulation is amended by inserting the following section after section 61.2:
- **"61.3.** In respect of a road vehicle in the category of road vehicles referred to in the first paragraph of section 2.1.1, the following acquisition duty, based on engine displacement, is payable to obtain the registration of the vehicle:
- (1) \$50 for a vehicle equipped with an engine with a displacement of 4 to 4.9 litres;
- (2) \$100 for a vehicle equipped with an engine with a displacement of 5 to 5.9 litres;
- (3) \$200 for a vehicle equipped with an engine with a displacement of 6 litres or more."
- **93.** The Regulation is amended by inserting the following section after section 165.1:

"165.1.1. No reimbursement of the acquisition duty provided for in section 61.3 will be made."

CHAPTER VIII

INTEGRATION OF ACTIVITIES OF THE RÉGIE DU CINÉMA INTO THE MINISTÈRE DE LA CULTURE ET DES COMMUNICATIONS

CINEMA ACT

- **94.** The Cinema Act (chapter C-18.1) is amended by inserting the following after the heading of Division I of Chapter III:
- "§1.—Organization
- **"75.1.** The position of director of classification is created within the Ministère de la Culture et des Communications.
- **"75.2.** The director is appointed in accordance with the Public Service Act (chapter F-3.1.1) and exercises the functions assigned by this Act.

The director may also hold consultations on any subject related to film classification and refer to the Minister any matter that, in the director's opinion, requires the Minister's intervention.

The director may at any time request a print of a film that has already been classified in order to examine it.

"**75.3.** Decisions relating to film classification, other than decisions under sections 77 and 85, are made under the director's authority by the members of the personnel of the department designated for that purpose.

The names of the designated persons are published in the *Gazette officielle du Ouébec*.

"**75.4.** Decisions relating to film classification are rendered in writing, substantiated and immediately sent to the persons concerned. The director may, on request or of the director's own motion, rectify a clerical error, error in computation or other formal error in any of those decisions.

The director shall establish a directory of film classification decisions and determine their form of publication.

- "§2.—Stamps and classification".
- **95.** Section 76.1 of the Act is amended
- (1) by replacing "issued by the Régie" in the first paragraph by "issued by the director";

- (2) by inserting "du cinéma" after "the Régie" in the second paragraph.
- **96.** Section 78 of the Act is amended
- (1) by replacing "to the Régie in accordance with the procedure it determines by regulation" in the first paragraph by "to the director in accordance with the procedure determined by regulation of the Government";
 - (2) by replacing the second paragraph by the following paragraph:

"Every person applying for a stamp shall provide the information determined by regulation of the Government and pay the amount of duties fixed by the regulation.";

- (3) by striking out "to the Régie" in the third paragraph.
- **97.** Section 79 of the Act is amended, in the first paragraph,
 - (1) by replacing "with the Régie" by "with the director";
- (2) by replacing "required by the Régie to attest" by "the director requires to attest".
- **98.** Section 86.2 of the Act is amended by inserting "du cinéma" after "the Régie" in paragraph 4.
- **99.** The Act is amended by inserting the following before Division II of Chapter III:
- "§3.—Review committee
- **"90.1.** A review committee is established to examine and decide review applications sent to it by the director under section 90.11.
- **"90.2.** The committee is to be composed of three members appointed by the Government, on the Minister's recommendation, after consulting with the persons or bodies the Minister considers to be representative of the sectors concerned.

In addition, the Government may, in the same manner, appoint up to three supernumerary members to act in connection with a review file on request by the chair of the committee, in the event that another member is absent or unable to act or when the number of review applications requires it.

"90.3. The committee members are appointed for a term of up to five years.

At the end of their term, they shall remain in office until they are reappointed or replaced.

A committee member may be reappointed only once to serve in that capacity. A supernumerary member may be reappointed up to three times.

"90.4. A vacancy on the committee is filled in accordance with the rules of appointment to the committee.

An unexplained absence from a number of consecutive meetings or repeated refusals to accept mandates, in the cases and circumstances set out in the committee's by-laws, constitutes a vacancy.

"90.5. The Government shall designate a chair and a vice-chair from among the members of the committee.

The chair shall preside at committee meetings and direct proceedings.

The vice-chair shall assist the chair at all times and replace the chair if he is absent or unable to act.

- **"90.6.** If a review application is referred to the committee, three members, including any supernumerary member, as applicable, are a quorum of the committee. Decisions are made by a majority vote.
- **"90.7.** The committee shall meet on the department's premises or any other place that the director authorizes.

A meeting may be held by remote access using any means of communication that allows each participant to speak simultaneously with the others, according to the procedure set out in the committee's by-laws.

The Minister shall make available to the committee the resources required to perform its functions, including departmental personnel to provide the administrative support and organize the committee's proceedings.

"90.8. Subject to this Act and its regulations, the committee shall adopt by-laws to determine, in particular, its framework of operation.

The by-laws and their amendments must be submitted to the Minister, who may approve them with or without amendment.

- **"90.9.** The Government determines the remuneration of the committee members. They are also entitled to the reimbursement of expenses incurred in the exercise of their functions, on the conditions and to the extent determined by the Government.
- **"90.10.** No committee member may be prosecuted by reason of an omission or official act done in good faith in the exercise of his functions.

"§4.—*Review*

"90.11. A person who has submitted a film for classification and who is not satisfied with a decision under section 75.3 may, on payment of the examination fee prescribed by government regulation, apply for a review of the decision.

The review application must be made in writing within 30 days after the date of the decision and contain a statement of the reasons invoked. The application must be sent to the director by registered mail.

The director shall send without delay any validly formulated application to the committee.

"90.12. Before rendering a decision, the committee shall allow the person concerned an opportunity to submit observations.

It may also require any information or document relevant to the consideration of the application.

- **"90.13.** The committee may maintain, quash or amend a classification decision submitted to it for review.
- **"90.14.** The committee's decisions must be rendered in writing, substantiated and sent without delay to the persons concerned. The committee may, on request or of its own motion, rectify a clerical error, error in computation or other formal error in any of its decisions. The second paragraph of section 75.4 applies to committee decisions."

100. Section 92.1 of the Act is amended

- (1) by replacing "shall be issued by the Régie" by "is to be issued by the Minister";
- (2) by replacing "regulation of the Régie and fulfil the other conditions that are prescribed by the Régie" by "regulation of the Government and other regulatory conditions".

101. Section 97 of the Act is amended

- (1) by replacing "to the Régie" in the first paragraph by "to the Minister";
- (2) by replacing the second sentence of the first paragraph by the following sentence: "The report must include any information prescribed by regulation of the Government and must be sent at the intervals fixed in the regulation.";
- (3) by replacing "regulation of the Régie" in subparagraph 7 of the second paragraph by "regulation of the Government";

- (4) by replacing "The Régie" in the third paragraph by "The Minister", with any necessary grammatical adjustments.
- **102.** Section 99 of the Act is amended by replacing "by the Régie" in the first paragraph by "by the director of classification".
- **103.** Section 101 of the Act is amended
 - (1) in the first paragraph,
 - (a) by replacing the portion before subparagraph 2 by the following:
- **"101.** The Minister may refuse to issue or renew an exhibitor's licence or may suspend or revoke it if the person concerned
- (1) or, where the person concerned is a legal person or partnership, any senior executive, director, partner or any stockholder holding more than 10% of the capital stock has been found guilty of an offence under this Act or a regulatory provision referred to in paragraph 11 of section 168 in the last two years, and has not obtained a pardon;
- (1.1) or, where the person concerned is a legal person or partnership, any senior executive, director, partner or any stockholder holding more than 10% of the capital stock has been found guilty, in the two years preceding the application for a licence or the renewal of a licence, of an offence or indictable offence under the Copyright Act (Revised Statutes of Canada, 1985, chapter C-42) or the Criminal Code (Revised Statutes of Canada, 1985, chapter C-46) relating to the operation of premises where films are exhibited to the public, and has not obtained a pardon;";
 - (b) by striking out "if he" in subparagraphs 2 and 4;
- (c) by striking out "if he" in subparagraph 3 and by replacing "from the Régie, he" by "from the Minister, the person";
 - (2) by replacing "The Régie" in the second paragraph by "The Minister".
- **104.** Section 106 of the Act is amended by replacing "therefor" and "the regulations of the Régie and the Government" by "to the Minister for a licence" and "the regulation of the Government", respectively.
- **105.** Section 108 of the Act is amended by replacing "of the Régie and not later than 31 January of each year, transmit to the Régie" in the first paragraph by "of the Government and not later than 31 January of each year, transmit to the Minister".
- **106.** Section 110 of the Act is amended
 - (1) in the first paragraph,

- (a) by replacing the portion before subparagraph 2 by the following:
- **"110.** The Minister may refuse to issue or renew a distributor's licence or may suspend or revoke it if the person concerned
- (1) or, where that person is a legal person or partnership, any senior executive, director, partner or any stockholder holding more than 10% of the capital stock has been found guilty of an offence under this Act or a regulatory provision referred to in paragraph 11 of section 168 in the last two years, and has not obtained a pardon;
- (1.1) or, where that person is a legal person or partnership, any senior executive, director, partner or any stockholder holding more than 10% of the capital stock has been found guilty, in the two years preceding the application for a licence or the renewal of a licence, of an offence or indictable offence under the Copyright Act (Revised Statutes of Canada, 1985, chapter C-42) or the Criminal Code (Revised Statutes of Canada, 1985, chapter C-46) relating to the utilization of films, and has not obtained a pardon;";
- (b) by striking out "if he" in subparagraph 2 and by replacing "from the Régie, he" by "from the Minister, the person";
 - (c) by striking out "if he" in subparagraph 3;
 - (2) by replacing "The Régie" in the second paragraph by "The Minister".
- **107.** Section 118 of the Act is amended, in the first paragraph,
 - (1) by striking out "before the Régie" in the first sentence;
- (2) by replacing the second sentence by the following sentence: "The holder shall file with the Minister any document the Minister requires for that purpose."
- **108.** Section 122.5 of the Act is amended
 - (1) in the first paragraph,
 - (a) by replacing the portion before subparagraph 2 by the following:
- **122.5.** The Minister may refuse to issue or renew a video material retail dealer's licence, suspend it or revoke it if the person concerned
- (1) or, where the person concerned is a legal person or partnership, any senior executive, director, partner or any stockholder holding more than 10% of the capital stock has been found guilty of an offence under this Act or a regulatory provision referred to in paragraph 11 of section 168 in the last two years, and has not been pardoned;

- (1.1) or, where the person concerned is a legal person or partnership, any senior executive, director, partner or any stockholder holding more than 10% of the capital stock has been found guilty, in the two years preceding the application for a licence or the renewal of a licence, of an offence or indictable offence under the Copyright Act (Revised Statutes of Canada, 1985, chapter C-42) or the Criminal Code (Revised Statutes of Canada, 1985, chapter C-46) relating to the utilization of video material or the operation of a video material retail outlet, and has not been pardoned;":
 - (b) by striking out "if he" in subparagraphs 2 and 3;
 - (2) by replacing "The Régie" in the second paragraph by "The Minister".
- **109.** Division V of Chapter III of the Act, comprising sections 123 to 148, is repealed.
- **110.** The Act is amended by inserting the following division after section 148:

"DIVISION V.1

"DECISIONS OF THE MINISTER

"148.1. The Minister's decisions made under Divisions II and IV of Chapter III must be rendered in writing, substantiated and sent to the persons concerned. The Minister may, on request or of his own motion, rectify a clerical error, error in computation or other formal error in any of the Minister's decisions.

The Minister shall establish a directory of his decisions and determine their form of publication."

- **III.** The heading of Division VI of Chapter III of the Act is amended by striking out "REVIEW AND".
- **112.** Subdivision 1 of Division VI of Chapter III, comprising sections 149 to 152, is repealed.
- **113.** The heading of subdivision 2 of Division VI of Chapter III of the Act is struck out.
- **114.** Section 154 of the Act is amended by replacing "by the Régie, except a decision referred to in any of sections 143, 144 and 149 to 152" by "under Divisions I, II and IV of Chapter III, except a decision under any of sections 75.3 and 90.11 to 90.14".
- **115.** Section 167 of the Act is amended
 - (1) by replacing "The Régie" in the introductory clause by "The Government";

- (2) by replacing "under its authority" in paragraph 13 by "under the authority of the Minister, the director of classification or the review committee".
- **116.** Section 168 of the Act is amended
- (1) by replacing "the Régie" in paragraph 1 by "the Minister", with any necessary grammatical adjustments;
 - (2) by replacing "the Régie" in paragraph 5 by "the director of classification";
- (3) by striking out "for every regulation made by the Régie under" in paragraph 11.
- **117.** Section 169 of the Act is repealed.
- **118.** Section 170 of the Act is replaced by the following section:
- **"170.** Before enacting a regulation under section 167, the Government shall publish it in the *Gazette officielle du Québec*, with a notice that on the expiry of not fewer than 60 days from publication, it can be enacted. In the cases provided for in paragraphs 5, 8, 9 and 10 of that section, the Government shall also consult the associations representing the licence holders concerned."
- **119.** Section 175 of the Act is amended by replacing "the president or the secretary of the Régie" by "the Minister".
- **120.** Section 178.1 of the Act is amended
 - (1) by striking out "to the Régie" in paragraph 1;
- (2) by replacing "the Régie" in paragraph 3 by "the director of classification or the Minister, as the case may be";
- (3) by replacing ", and for the use of, the Régie" and "from the Régie" in paragraph 4 by, respectively, "for the use of the director of classification or the Minister" and "from either of them".
- **121.** Section 179 of the Act is amended by striking out "of the Régie".
- **122.** Section 183 of the Act is repealed.
- **123.** Section 184 of the Act is amended by striking out "of the Régie".
- **124.** Sections 195, 197 and 200 to 208 of the Act are repealed, subject to maintaining any remaining effect for persons to whom those sections may still apply.
- **125.** The Act, except the amendments made under sections 96, 100, 101, 104, 105, 115, 116 and 118 of this Act, is amended by replacing every reference

to a regulation of the Régie, wherever it appears, by a reference to a regulation of the Government, with any necessary grammatical adjustments.

- **126.** Division I of Chapter III of the Act, subject to the amendments made under section 125 of this Act and the other amendments made by this Act, is amended by replacing all occurrences of "the Régie", "The Régie" and "to the Régie" by, respectively, "the director of classification", "The director of classification" or "to the director of classification", according to the context and with the necessary grammatical adjustments.
- **127.** Divisions II, IV, VIII and IX of Chapter III of the Act, subject to the amendments made under section 125 of this Act and the other amendments made by this Act, are amended by replacing all occurrences of "The Régie", "the Régie", "to the Régie" and "before the Régie" by, respectively, "The Minister", "to the Minister" or "before the Minister", according to the context and with the necessary grammatical adjustments.

FINANCIAL ADMINISTRATION ACT

128. Schedule 2 to the Financial Administration Act (chapter A-6.001) is amended by striking out "Régie du cinéma".

ACT RESPECTING THE SOCIÉTÉ DE DÉVELOPPEMENT DES ENTREPRISES CULTURELLES

129. Section 35 of the Act respecting the Société de développement des entreprises culturelles (chapter S-10.002) is amended by striking out "or draft by-laws of the Régie du cinéma" in the second paragraph.

REGULATION RESPECTING THE FEES FOR EXAMINATION AND DUTIES PAYABLE UNDER THE CINEMA ACT

- **130.** Section 6 of the Regulation respecting the fees for examination and duties payable under the Cinema Act (chapter C-18.1, r. 1) is amended by striking out "by the Régie du cinéma" in the third paragraph and by replacing "the Régie issues the 51st attestation of that certificate" in that paragraph by "the 51st attestation of that certificate is issued".
- **131.** Section 9 of the Regulation is amended by striking out "by the Régie du cinéma".

REGULATION RESPECTING LICENCES TO OPERATE PREMISES WHERE FILMS ARE EXHIBITED TO THE PUBLIC, DISTRIBUTOR'S LICENCES AND VIDEO MATERIAL RETAIL DEALER'S LICENCES

132. Section 6 of the Regulation respecting licences to operate premises where films are exhibited to the public, distributor's licences and video material retail dealer's licences (chapter C-18.1, r. 4) is amended by replacing "with the head office of the Régie du cinéma or on the date on which it is posted by

- registered or certified mail" by "with the Minister or on the date it is sent by registered mail".
- **133.** Sections 7 to 13, 36 and 41 and Division VI of the Regulation are repealed.
- **134.** Section 22 of the Regulation is amended by replacing the introductory clause by the following introductory clause:
- **"22.** The Minister may require the applicant to provide information, within the time the Minister specifies, when the Minister has reason to believe".
- **135.** Section 39 of the Regulation is amended by replacing "head office of the Régie" by "Minister".
- **136.** Sections 17, 18, 26, 31, 32 and 33 of the Regulation are amended by replacing all occurrences of "the Régie" by "the director of classification".
- **137.** Sections 20, 24, 25, 28, 35, 37 and 40 of the Regulation are amended by replacing all occurences of "the Régie", "to the Régie" and "with the Régie" by, respectively, "the Minister", "to the Minister" and "with the Minister", according to the context and with the necessary grammatical adjustments.

REGULATION RESPECTING STAMPS FOR FILMS

- **138.** Section 6 of the Regulation respecting stamps for films (chapter C-18.1, r. 6) is amended by replacing "with the head office of the Régie du cinéma or on the date on which it is posted by registered or certified mail" by "with the Minister or on the date it is sent by registered mail".
- **139.** Sections 7 to 13, 22 and 23 and Division VI of the Regulation are repealed.
- **140.** Section 24 of the Regulation is amended
- (1) by replacing "of such a request" by "of an application to review the classification of a film";
- (2) by replacing "the Régie shall proceed in the manner prescribed in sections 8 to 13" by "the director of classification shall send the review application to the review committee in accordance with the third paragraph of section 90.11 of the Act".
- **141.** Sections 3, 15, 18, 20 and 21 of the Regulation are amended by replacing all occurrences of "by the Régie", "to the Régie" and "with the Régie" by, respectively, "by the director of classification", "to the director of classification" and "with the director of classification".

REGULATION RESPECTING THE SIGNING OF CERTAIN DEEDS, DOCUMENTS AND WRITINGS OF THE MINISTÈRE DE LA CULTURE ET DES COMMUNICATIONS

142. Section 14 of the Regulation respecting the signing of certain deeds, documents and writings of the Ministère de la Culture et des Communications (chapter M-17.1, r. 1) is amended by striking out paragraph 6.

SPECIAL TRANSITIONAL PROVISIONS

- **143.** The Minister of Culture and Communications replaces the Régie du cinéma, acquires its rights and assumes its obligations.
- **144.** The term of the members of the Régie du cinéma in office on the date preceding the date of coming into force of this section ends on that date. The term of a member who holds the position of president of the Régie ends without any compensation other than the compensation provided for in section 22 of the Règles concernant la rémunération et les autres conditions de travail des titulaires d'un emploi supérieur à temps plein, enacted by Order in Council 450-2007 (2007, G.O. 2, 2723, in French only).
- **145.** The activities of the Régie du cinéma are continued, without further formality, by the Minister. The classification and the review of the classification of films are under the responsibility of the director of classification or the review committee, according to their respective jurisdictions.

However, if the Régie has started to examine an application to review the classification of a film but has not rendered a decision before the date preceding the date of coming into force of this section, the review committee must allow the applicant to submit observations again. If the applicant does not wish to submit observations, the notes or minutes taken while examining the application or any recordings of discussions as well as documents and information the applicant provided to the Régie may serve in lieu of observations.

The applications are decided in accordance with the Cinema Act (chapter C-18.1) and the applicable regulatory provisions as amended by this Act.

- **146.** The Attorney General of Québec becomes, without continuance of suit, a party to any proceedings instituted by or against the Régie du cinéma.
- **147.** The personnel members of the Régie du cinéma become, without further formality, employees of the Ministère de la Culture et des Communications, except those who belong to the class of positions of communications officer, who become employees of the Ministère du Conseil exécutif.
- **148.** The personnel members of the Régie du cinéma who were designated under section 136 of the Cinema Act, as it read before the date of coming into force of section 109, to classify films are the first personnel members assigned

to that duty and are deemed to have been designated in accordance with section 75.3 of that Act, enacted by section 94.

- **149.** Unless the context indicates otherwise, in other Acts and regulations and in any other document, a reference to the Régie du cinéma or its president or secretary is a reference to the Minister of Culture and Communications, the director of classification or the review committee, according to their respective jurisdictions. However, this section does not apply to paragraph 2 of Schedule I to the Act respecting the Civil Service Superannuation Plan (chapter R-12).
- **150.** Stamps, licences, certificates, attestations, authorizations or other titles issued or granted by the Régie du cinéma in force on the date preceding the date of coming into force of this section remain fully valid as if they had been issued or granted by the Minister or the director of classification, according to their respective jurisdictions. The same is true for decisions, orders or resolutions made by the Régie.

The Minister, director and review committee are authorized to use any document, including the documents referred to in the previous paragraph as well as forms and any means of identification already drawn up in the name of the Régie, until they are able to replace them by documents and means of identification drawn up for the Minister, director and review committee.

- **151.** Regulations made by the Régie du cinéma are maintained where not inconsistent with the amendments under this chapter and subject to amendments that this chapter makes to such regulations. They become regulations of the Government until they are amended, repealed or replaced.
- **152.** Within one year after the coming into force of section 143, the Government may, by regulation, adopt any other transitional provision or useful measure for the administration of the Cinema Act and its regulations.

Such a regulation is not subject to the publication requirements prescribed by section 8 of the Regulations Act (chapter R-18.1); in addition, once published and if it so provides, it may apply from any date not prior to the date of coming into force of this section.

153. The sums required for the purposes of Chapters III and IV of the Cinema Act, as amended by this Act, during the fiscal year in which section 109 comes into force are to be taken out of the Consolidated Revenue Fund, to the extent determined by the Government.

CHAPTER IX

MISCELLANEOUS PROVISIONS CONCERNING SECURITIES

ACT RESPECTING THE AUTORITÉ DES MARCHÉS FINANCIERS

154. Section 28 of the Act respecting the Autorité des marchés financiers (chapter A-33.2) is amended by inserting the following paragraphs after the first paragraph:

"Such a by-law must prescribe special rules and sanctions applicable to transactions carried out by personnel members on securities governed by the Securities Act (chapter V-1.1).

The special rules and sanctions must be sent to the Minister not later than 30 days before they are to be adopted. The Minister may, before they are adopted, specify the amendments the Authority must make to them."

SECURITIES ACT

155. Section 29 of the Securities Act (chapter V-1.1) is amended by adding the following paragraph at the end:

"This section does not apply to an order to subscribe for or purchase a security of a mutual fund traded on an exchange or an alternative trading system."

156. The Act is amended by inserting the following after the heading of Title III.1:

"CHAPTER I

"GENERAL PROVISIONS".

- **157.** The Act is amended by inserting the following after section 109.6:
- "**109.6.1.** Any document referred to in this Title that is sent by mail is presumed to have been received by the addressee in the ordinary course of mail.

"CHAPTER II

"SENDING OF DOCUMENTS DURING SUBSCRIPTION FOR OR PURCHASE OF CERTAIN SECURITIES

"**109.7.** A dealer who receives, on behalf of a client, an order to subscribe for or purchase securities of a mutual fund traded on an exchange or an alternative trading system is required to send the document prescribed by regulation to the client within the time set by the regulation.

"CHAPTER III

"RIGHTS OF HOLDERS OF MUTUAL FUND SECURITIES

- **109.8.** A holder of mutual fund securities may unilaterally demand the purchase or repurchase of his securities by sending a notice to that effect
- (1) to the dealer referred to in section 109.7 who sent the notice of execution prescribed by regulation to the holder; or
- (2) to the dealer who sent the notice of execution prescribed by regulation to the holder in any other case.

The notice must be sent to the dealer within two days after receipt of the notice of execution.

This section does not apply to holders who are themselves dealers.

"**109.9.** The purchase or repurchase of securities under section 109.8 is carried out by operation of law on receipt of the holder's notice by the dealer.

The dealer shall pay the holder the price paid for the securities at the time of the subscription or purchase or, if it is less, the securities' net asset value at the time the dealer received the holder's notice. The dealer shall also reimburse the commissions and subscription fees paid by the holder."

- **158.** The heading of Chapter I before section 214 of the Act is amended by replacing "OR CIRCULAR" by ", CIRCULAR OR OTHER DOCUMENT".
- **159.** The Act is amended by inserting the following section after section 214:
- **"214.1.** The holder of mutual fund securities traded on an exchange or an alternative trading system who did not receive the document referred to in section 109.7 may only claim damages from a dealer who is required to send the document to the holder in accordance with that section."
- **160.** Section 265 of the Act is amended by adding the following paragraph at the end:

"Despite the first paragraph of section 318, the Authority may exercise the power conferred on it by the third paragraph without allowing the person to present observations or submit documents to complete the person's record."

161. The heading of Division II before section 308 of the Act is replaced by the following:

"INCORPORATION BY REFERENCE, RECOGNITION AND RECIPROCITY OF CERTAIN DECISIONS OR AGREEMENTS

"§1.—Incorporation by reference and recognition".

- **162.** Section 308.2.1 of the Act is amended by inserting the following paragraph after paragraph 1:
- "(1.1) the status of the issuer or a category of issuer as a reporting issuer is deemed to be revoked in accordance with Title III or a regulation made for the purposes of that Title, including where that status is revoked by an extra-provincial securities commission or under extra-provincial securities laws;".
- **163.** The Act is amended by inserting the following after section 308.2.1:
- "§2.—Reciprocity of certain decisions or agreements
- "**308.2.1.1.** In this subdivision, unless the context indicates otherwise, "securities authority in Canada" means a securities commission or person empowered by law to regulate the securities markets in or to administer and enforce the securities laws of any province or territory of Canada, or a person prescribed by regulation, except a self-regulatory organization, exchange, clearing-house, quotation and trade reporting system or credit rating organization or the body referred to in section 71.1.
- **"308.2.1.2.** If it meets the conditions set out in section 308.2.1.3, a decision rendered by a securities authority in Canada and imposing sanctions, conditions, restrictions or obligations on a person entails, by operation of law, an absolute presumption that a decision having the same effect in Québec was rendered in respect of the person by the Authority or the Tribunal, according to their respective jurisdictions.

If it meets the same conditions, an agreement entered into between a securities authority in Canada and a person and imposing sanctions, conditions, restrictions or obligations on that person entails, by operation of law, an absolute presumption that an agreement having the same effect in Québec was entered into in Québec between the person and the Authority or the Tribunal, according to their respective jurisdictions.

- **"308.2.1.3.** Section 308.2.1.2 applies to a decision or agreement that
- (1) is the result of findings or admissions of contravention of laws governing securities markets or of conduct contrary to the public interest; and
- (2) is not based solely on a decision deemed to have been rendered by another securities authority in Canada or an agreement deemed to have been made with such an authority.
- **"308.2.1.4.** If the decision or agreement that entailed an absolute presumption under section 308.2.1.2 is amended or ceases to have effect, the decision deemed to have been rendered or the agreement deemed to have been made under that section is deemed, as the case may be, to have been amended in the same way or to cease to have effect.

"308.2.1.5. On an application by a person who is subject to sanctions, conditions, restrictions or obligations imposed by the decision or agreement that entailed an absolute presumption under section 308.2.1.2, the Authority or the Tribunal, according to their respective jurisdictions, may clarify the application of that section to that person and thus bind the person as well as the Authority or the Tribunal, as the case may be.

The Authority may also present the application provided for in the first paragraph to the Tribunal.

"308.2.1.6. No one may be required to pay any amount because of the application of this subdivision."

164. Section 318.2 of the Act is amended

- (1) in the introductory clause of paragraph 1,
- (a) by replacing "or section 271 or 272.2 based on a fact referred to in any of paragraphs 1 to 5" by ", section 271, the second paragraph of section 272.1 or section 272.2 based, rather than on any facts referred to in those provisions, on a fact referred to in any of paragraphs 1 to 3";
 - (b) by striking out ", unless they are in regard to the following facts";
 - (2) by replacing paragraphs 1 to 5 by the following:
- "(1) the person was convicted, in Canada or outside Canada, of an indictable offence related to a securities transaction or activity or to conduct involving securities or of an offence under a law governing securities markets;
- "(2) the person contravened, according to a court in or outside Canada, a law governing securities markets;
- "(3) the person is subject to a decision imposing sanctions, conditions, restrictions or obligations that was rendered by one of the persons referred to below, or made an agreement with one of those persons that imposes sanctions, conditions, restrictions or obligations on the person:
- (a) a securities authority in Canada, if the decision or agreement does not meet the conditions set out in paragraph 1 of section 308.2.1.3,
 - (b) a securities authority outside Canada,
 - (c) a self-regulatory organization recognized in Canada, or
 - (d) an exchange in Canada.

However, the Authority may only make a decision under the third paragraph of section 265 in a case of failure to provide disclosure that, had it occurred in Québec, could have been the subject of a decision of the Authority.

For the purposes of the first paragraph, "securities authority outside Canada" means a securities commission, self-regulatory organization, exchange or person or body empowered by law to regulate the securities markets or to administer or enforce securities laws in any jurisdiction outside of Canada."

- **165.** Section 323.8.1 of the Act is amended by replacing "based on a fact referred to in any of paragraphs 1 to 5" in the first paragraph by "based, rather than on any facts referred to in those provisions, on a fact referred to in any of paragraphs 1 to 3".
- **166.** The Act is amended by inserting the following section after section 323.8.1:
- **"323.8.2.** The Tribunal sends a copy of any decision rendered under section 323.8.1 to the person concerned."
- **167.** Section 331 of the Act is amended by striking out subparagraph 8 of the first paragraph.
- **168.** Section 331.1 of the Act is amended
 - (1) by inserting the following paragraph after paragraph 33.6:
- "(33.6.1) determine the cases in and conditions on which the status of an issuer or a category of issuer as a reporting issuer is deemed to be revoked for the purposes of Québec securities laws, including where that status is revoked under extra-provincial securities laws for the purposes of paragraph 1.1 of section 308.2.1;";
 - (2) by inserting the following paragraph after paragraph 33.9:
- "(33.10) prescribe that a person is a securities authority in Canada for the purposes of the definition of "securities authority in Canada" in section 308.2.1.1;".

ACT TO AMEND THE SECURITIES ACT AND OTHER LEGISLATIVE PROVISIONS

169. Section 32 of the Act to amend the Securities Act and other legislative provisions (2004, chapter 37) is amended by striking out section 308.1 of the Securities Act, which it enacts.

CHAPTER X

MINING ACTIVITY MANAGEMENT COMPONENT OF THE NATURAL RESOURCES FUND

ACT RESPECTING THE MINISTÈRE DES RESSOURCES NATURELLES ET DE LA FAUNE

170. Section 17.12.12 of the Act respecting the Ministère des Ressources naturelles et de la Faune (chapter M-25.2) is amended by replacing "Mining Tax Act (chapter I-0.4)" in subparagraph 6 of the first paragraph by "Act respecting transparency measures in the mining, oil and gas industries (chapter M-11.5)".

CHAPITRE XI

FINANCIAL MARKETS ADMINISTRATIVE TRIBUNAL

ACT RESPECTING THE AUTORITÉ DES MARCHÉS FINANCIERS

- **171.** Section 32.2 of the Act respecting the Autorité des marchés financiers (chapter A-33.2) is amended by replacing "the court" by "a court of justice".
- **172.** Section 92 of the Act is amended by replacing "Bureau de décision et de révision" by "Financial Markets Administrative Tribunal".
- **173.** The Act is amended by inserting the following section after section 97:
- **"97.1.** Before taking office, every member shall take an oath, solemnly affirming the following: "I (...) swear that I will exercise the powers and fulfill the duties of my office impartially and honestly and to the best of my knowledge and abilities."

The oath must be taken before the president of the Tribunal. The president shall take the oath before a judge of the Court of Québec.

The writing evidencing the oath must be sent to the Minister."

- **174.** Section 99 of the Act is amended by replacing "chair" by "president" and "deputy chairs" by "vice-presidents".
- **175.** Section 104.3 of the Act is amended by replacing "the court" by "a court of justice".
- **176.** The Act is amended by replacing all occurrences of "chair" and "deputy chair" in sections 100, 101, 103, 104, 104.2, 104.3, 106 and 110 by, respectively, "president" and "vice-president".

DERIVATIVES ACT

- **177.** Section 119 of the Derivatives Act (chapter I-14.01) is amended by replacing "Board" in paragraph 4 by "Financial Markets Administrative Tribunal".
- **178.** Section 127 of the Act is amended, in paragraph 5,
 - (1) by replacing "a court" by "a court of justice";
 - (2) by replacing "Board" by "Financial Markets Administrative Tribunal".

SPECIAL TRANSITIONAL PROVISIONS

- **179.** Unless the context indicates otherwise, in any Act, statutory instrument of such an Act or other document, where the Bureau de décision et de révision is concerned, "Bureau de décision et de révision" is replaced by "Financial Markets Administrative Tribunal", and "Bureau", "Board" and "board" are replaced by "Tribunal".
- **180.** The members of the Bureau de décision et de révision who are in office on 18 July 2016 must, not later than 60 days after that date, take the oath set out in section 97.1 of the Act respecting the Autorité des marchés financiers (chapter A-33.2), as enacted by section 173. If the oath is not taken, the member's term of office ends on the expiry of that period.

CHAPTER XII

LABOUR-SPONSORED FUNDS

ACT TO ESTABLISH FONDACTION, LE FONDS DE DÉVELOPPEMENT DE LA CONFÉDÉRATION DES SYNDICATS NATIONAUX POUR LA COOPÉRATION ET L'EMPLOI

- **181.** Section 4.2 of the Act to establish Fondaction, le Fonds de développement de la Confédération des syndicats nationaux pour la coopération et l'emploi (chapter F-3.1.2) is amended, in subparagraph 1 of the second paragraph,
 - (1) by inserting "or appointed" after "elected" in the introductory clause;
- (2) by replacing ", in the latter case, if the person was chosen by the Fund to be a member of the subsidiary's board of directors" in subparagraph *a* by "if the person is an officer solely because the person is a member of the Fund's or subsidiary's board of directors".

ACT TO ESTABLISH THE FONDS DE SOLIDARITÉ DES TRAVAILLEURS DU QUÉBEC (F.T.Q.)

- **182.** Section 4.1 of the Act to establish the Fonds de solidarité des travailleurs du Québec (F.T.Q.) (chapter F-3.2.1) is amended, in subparagraph 1 of the second paragraph,
 - (1) by inserting "or appointed" after "elected" in the introductory clause;
- (2) by replacing ", in the latter case, if the person was chosen by the Fund to be a member of the subsidiary's board of directors" in subparagraph *a* by "if the person is an officer solely because the person is a member of the Fund's or subsidiary's board of directors".

CHAPTER XIII

ACT RESPECTING DEPOSITS WITH THE BUREAU GÉNÉRAL DE DÉPÔTS POUR LE QUÉBEC

183. The Act respecting deposits with the Bureau général de dépôts pour le Québec, the text of which appears in this chapter, is enacted.

"ACT RESPECTING DEPOSITS WITH THE BUREAU GÉNÉRAL DE DÉPÔTS POUR LE QUÉBEC

"CHAPTER I

"PRELIMINARY PROVISIONS

"L. A general deposit office ("the Office") is established at the Ministère des Finances under the name "Bureau général de dépôts pour le Québec".

The function of the Office is to administer, in accordance with this Act, the following property:

- (1) sums of money, securities or security entitlements deposited with it in accordance with article 1583 of the Civil Code;
- (2) money collected by departments and budget-funded bodies in accordance with section 11 of the Financial Administration Act (chapter A-6.001), and the securities and security entitlements where that property constitutes a security or must be remitted to a right-holder other than a minister or a budget-funded body.

The Office carries on trust activities.

"2. The administration of property varies according to whether the deposit is extrajudicial or judicial.

"Extrajudicial deposits" are deposits of property referred to in subparagraph 1 of the second paragraph of section 1 or, among the property referred to in subparagraph 2 of that paragraph, deposits of property that constitutes a security of which a minister or a budget-funded body is the holder, deposits of property that are made by a surety of a tutor, a curator or another administrator of the property of others for the purpose of providing sufficient security for the suretyship, and deposits of property that must be remitted to a right-holder to be determined.

"Judicial deposits" are deposits of property referred to in subparagraph 2 of the second paragraph of section 1 if that property is received during a proceeding or in the execution of a judgment or an order.

"CHAPTER II

"EXTRAJUDICIAL DEPOSITS

"DIVISION I

"GENERAL PROVISIONS

- **"3.** A writing, in the form determined by the Minister, stating, among other things, the object of the deposit, the act giving rise to the deposit and, if applicable, who is the right-holder, is attached to the deposit.
- **"4.** The deposit of a security or a security entitlement requires that the Minister obtain control over it.
- **"5.** A receipt, in the form determined by the Minister, is issued to the depositor. A duplicate receipt is issued for a deposit made for the payment of a debt which is published by its entry in a register kept by a registry office.

The receipt states, among other things, the name of the depositor, the value of the deposit, the date and the object of the deposit.

In the absence of any evidence to the contrary, the receipt is evidence of the deposit and the facts it purports to certify.

- **"6.** The other terms governing deposits of property and remittances of property by the Office are determined by the Minister.
- "7. The depositor may not withdraw the property deposited if the deposit was made as a tender in a proceeding.
- ****8.** Unless the depositor has requested to withdraw the deposit, the property deposited is remitted, on demand, to the creditor.

Where the deposit concerns a claim that is in dispute, the property is remitted to the claimant, who sends the Office a certified true copy of the judgment

awarding the claimant the right to receive the property and includes a copy of the certificate of no appeal.

"9. A deposit made by a surety to provide sufficient security for the value of the suretyship releases the surety, on filing the receipt, from the payment of the costs of any future proceedings against the surety in relation to the suretyship.

"DIVISION II

"ADMINISTRATION FOR A MINISTER OR A BUDGET-FUNDED BODY

"10. The securities of which a minister or a budget-funded body may be the holder include, in particular, those required to carry on an activity in Québec, such as a suretyship, or to guarantee a tender or the performance of contracts awarded under the Act respecting contracting by public bodies (chapter C-65.1).

Properties to be remitted to a right-holder to be determined are properties received by a department or budget-funded body in cases where a right-holder, which by law may be determined by the Government, a minister or a budget-funded body, has not yet been determined.

- "**11.** The deposits of proceeds from the sale of property authorized by a judge on the application of a person acting under the authority of a minister in the carrying out of a special Act that provides for the deposits to be made with the Office are considered extrajudicial deposits to which this division applies.
- **12.** On the application of the competent authority, the Office remits the property to the beneficiary identified by the authority.

The Office may also transfer a security or security entitlement for sufficient cash consideration for the value of the security and pay that sum to the authority.

"Competent authority" means a member of the personnel of the department or the budget-funded body for which the Office administers the property.

"13. The Office sends the authorities that so request the list of the active files and the balance for each file. In addition, it sends the authorities, if applicable, the statements regarding the security or security entitlement.

"CHAPTER III

"JUDICIAL DEPOSITS

"14. Voluntary deposits made in accordance with articles 664 to 670 of the Code of Civil Procedure (chapter C-25.01) and deposits of the proceeds of the sale of immovables due to failure to pay municipal or school taxes are considered judicial deposits.

- **"15.** Judicial deposits are received by the clerks or other members of the personnel of the Ministère de la Justice on behalf of the Office.
- **"16.** The Minister of Justice determines the terms for making a judicial deposit and the form the deposit must take, the cases in which a receipt must be remitted to the depositor, the form of the receipt and the information to be entered in the judicial file relating to the deposit.

The receipt states, among other things, the value and date of the deposit and the number of the file relating to the deposit. In the absence of any evidence to the contrary, the receipt is evidence of the deposit and the facts it purports to certify.

"17. The property is remitted to the right-holder in accordance with the prescriptions of law, final judgments, out of court transactions, and schemes or orders of collocation.

The person who remits property to the right-holder must inform the Office, in the form and manner it determines.

"18. The Office may give any administrative instructions relating to judicial deposits and request, each year, a statement of the sums of money received as such.

"CHAPTER IV

"ADMINISTRATION BY THE OFFICE

- **"19.** The Office keeps separate accounts for the property it administers.
- **"20.** The property governed by this Act may be seized in the hands of the Minister.
- **"21.** The sums of money received by the Office are paid into the Consolidated Revenue Fund.

Except where the right-holder is a minister or a budget-funded body, the sums constitute advances and are payable to the right-holder on demand.

The Minister is authorized to take out of the Consolidated Revenue Fund the sums required for the payment to the right-holder, plus any interest payable, if applicable.

- **"22.** The Minister may, subject to the terms the Minister determines, set a tariff of fees for extrajudicial deposits and an interest rate payable on the sums of money received as such.
- **"23.** The sums of money advanced to the Consolidated Revenue Fund do not bear interest, except where determined by the Minister under section 22.

"24. The administration by the Office ends when the property is remitted to the right-holder or on the expiry of three years after the date on which the right-holder, other than a minister or a budget-funded body, can claim it.

In the latter case, the Office sends the Minister of Revenue a statement containing a description of the property and the information needed to identify the right-holder. The Unclaimed Property Act (chapter B-5.1) applies, with the necessary modifications, to that property.

"25. The Office sends the Minister of Revenue, in the form and manner determined by that Minister, the information related to the sums of money, from inactive savings and credit union accounts, remitted to the Minister before 1 July 1999 under section 245 of the Savings and Credit Unions Act (chapter C-4.1). The Unclaimed Property Act applies to those sums, with the necessary modifications.

"CHAPTER V

"AMENDING PROVISIONS

"GENERAL AMENDING PROVISIONS

- **"26.** All occurrences of "Minister of Finance", "Minister of Finance in accordance with the Deposit Act (chapter D-5)", "Ministère des Finances", "Ministère des Finances in accordance with the Deposit Act (chapter D-5)", "with the Minister of Finance" and "with a financial institution in accordance with the Deposit Act (chapter D-5)" are replaced by "Bureau général de dépôts pour le Québec", depending on the context and with the necessary grammatical adjustments, in the following provisions:
 - (1) section 215 of the Sustainable Forest Development Act (chapter A-18.1);
- (2) section 43 of the Act respecting reserved designations and added-value claims (chapter A-20.03);
- (3) sections 34 and 40 of the Act respecting commercial aquaculture (chapter A-20.2);
 - (4) article 130 of the Code of Penal Procedure (chapter C-25.1);
 - (5) section 19.1 of the Act respecting explosives (chapter E-22);
- (6) section 307 of the Education Act for Cree, Inuit and Naskapi Native Persons (chapter I-14);
- (7) section 17.12.15 of the Act respecting the Ministère des Ressources naturelles et de la Faune (chapter M-25.2);

- (8) section 45 of the Act respecting commercial fishing and commercial harvesting of aquatic plants (chapter P-9.01);
 - (9) section 33.2.1 of the Food Products Act (chapter P-29);
 - (10) section 17 of the Crop Health Protection Act (chapter P-42.1).
- **"27.** All occurrences of "deposit in the hands of the Minister of Finance, to be managed by him,", "deposit with the Minister of Finance, to be managed by him,", "deposit with the Minister of Finance and the Economy, to be managed by that Minister," and "entrust to the Minister of Finance, to be managed by him," are replaced by "entrust to the Minister of Finance the management of", depending on the context and with the necessary grammatical adjustments, in the following provisions:
- (1) sections 28.1 and 28.2 of the General and Vocational Colleges Act (chapter C-29);
 - (2) section 85 of the Public Infrastructure Act (chapter I-8.3);
 - (3) sections 476 and 477.1 of the Education Act (chapter I-13.3);
 - (4) sections 6.1 and 6.2 of the University Investments Act (chapter I-17);
- (5) sections 468 and 469 of the Act respecting health services and social services (chapter S-4.2);
- (6) sections 178.0.2 and 178.0.3 of the Act respecting health services and social services for Cree Native persons (chapter S-5).

"SPECIAL AMENDING PROVISIONS

"CHARTER OF VILLE DE MONTRÉAL

- **"28.** Section 151 of Schedule C to the Charter of Ville de Montréal (chapter C-11.4) is replaced by the following section:
- **"151.** The deposits to which section 149 applies are considered judicial deposits for the purposes of the Act respecting deposits with the Bureau général de dépôts pour le Québec (2016, chapter 7, section 183)."

"CITIES AND TOWNS ACT

"29. Section 548 of the Cities and Towns Act (chapter C-19) is amended by replacing "to deposit the sinking fund in the office of the Minister of Finance, and the deposit has not been made" in the second paragraph by "to entrust the administration of a sinking fund to the Minister of Finance, but that mandate has not been given".

"MUNICIPAL CODE OF QUÉBEC

- **"30.** Article 963 of the Municipal Code of Québec (chapter C-27.1) is amended by replacing "deposit the same yearly in the office of the Minister of Finance, in the city of Québec" in the second paragraph by "entrust the administration of the same yearly to the Minister of Finance".
- **"31.** Article 1073 of the Code is amended by replacing "deposited yearly in the office of the Minister of Finance" in the second paragraph by "entrusted yearly to the Minister of Finance".

"ACT RESPECTING MUNICIPAL DEBTS AND LOANS

"32. Section 34 of the Act respecting municipal debts and loans (chapter D-7) is amended by replacing the second paragraph by the following paragraphs:

"When such principal is otherwise repayable, the moneys intended for the sinking fund shall be sufficient every year, with the interest accrued thereon, to pay the whole of the capital at maturity. The moneys necessary to make the payments on the dates instalments, if any, fall due are taken out of the fund.

The sinking fund is administered by the Minister of Finance."

- **"33.** Section 35 of the Act is replaced by the following section:
- **"35.** On the report of the Minister of Municipal Affairs and Land Occupancy to the effect that it is not in the interest of the municipality that the sinking fund be administered by the Minister of Finance, the Government may authorize that a fund required to redeem bonds issued or repay a loan contracted by that municipality be otherwise invested."
- **"34.** Section 37 of the Act is amended
- (1) by replacing "deposited" in the first paragraph by "managed by the Minister of Finance":
- (2) by replacing "Ministère des Finances" in the second paragraph by "Minister of Finance".
- **"35.** Section 38 of the Act is amended by replacing "deposited" in the first paragraph by "managed by the Minister of Finance".
- **"36.** Sections 39 and 40 of the Act are repealed.
- **"37.** Section 45 of the Act is amended by replacing "deposited in the office of" in the third paragraph by "entrusted to".

"PUBLIC INFRASTRUCTURE ACT

- ****38.** Section 57 of the Public Infrastructure Act (chapter I-8.3) is replaced by the following section:
- **"57.** The Société assumes payment of the sums the Government is required to pay annually to municipalities, under sections 254 and 257 of the Act respecting municipal taxation (chapter F-2.1), to stand in lieu of
- (1) municipal real estate taxes in respect of an immovable owned by the Société;
- (2) business taxes in respect of a business establishment in which the Société carries on its activities in an immovable owned by the Société; and
- (3) taxes other than real estate taxes, compensations and tariffs imposed by a municipality on the Société as the owner of an immovable.

The sums are paid by the Société in the manner prescribed by the regulation made under subparagraph 2 of the first paragraph of section 262 of the Act respecting municipal taxation."

"EDUCATION ACT FOR CREE, INUIT AND NASKAPI NATIVE PERSONS

"39. Section 220 of the Education Act for Cree, Inuit and Naskapi Native Persons (chapter I-14) is amended by replacing "deposited yearly in the office of the Minister of Finance, at Québec" in subsection 4 by "entrusted yearly to the Minister of Finance".

"ACT RESPECTING THE MARKETING OF AGRICULTURAL, FOOD AND FISH PRODUCTS

"**40.** Section 161 of the Act respecting the marketing of agricultural, food and fish products (chapter M-35.1) is amended by replacing "Deposit Act (chapter D-5)" by "Act respecting deposits with the Bureau général de dépôts pour le Québec (2016, chapter 7, section 183)".

"ACT RESPECTING COMMERCIAL FISHING AND COMMERCIAL HARVESTING OF AQUATIC PLANTS

"41. Section 41 of the Act respecting commercial fishing and commercial harvesting of aquatic plants (chapter P-9.01) is amended by replacing the second paragraph by the following paragraph:

"The proceeds of the sale are deposited with the Bureau général de dépôts pour le Québec."

"PESTICIDES ACT

"42. Section 91 of the Pesticides Act (chapter P-9.3) is amended by replacing the fifth paragraph by the following paragraph:

"The proceeds of the sale are deposited with the Bureau général de dépôts pour le Québec."

"COURTS OF JUSTICE ACT

"43. Section 57 of the Courts of Justice Act (chapter T-16) is repealed.

"CHAPTER VI

"TRANSITIONAL AND FINAL PROVISIONS

- **"44.** The Deposit Act (chapter D-5) is repealed.
- "45. In any Act or statutory instrument and in any other document, a reference to the Deposit Act or any of its provisions is replaced by a reference to this Act or, if applicable, to the corresponding provision of this Act.
- "**46.** The Government may, by a regulation made before 18 May 2017, amend any regulation in order to make it consistent with this Act and to modernize the form and the administration of the securities required by departments and public bodies.
- **"47.** The Minister of Finance is responsible for the administration of this Act."

CHAPTER XIV

SERVICE CONCERNING LEGAL HYPOTHECS

TAX ADMINISTRATION ACT

- **184.** The Tax Administration Act (chapter A-6.002) is amended by inserting the following section after section 12:
- **"12.0.0.1.** If an amount owed under a fiscal law gives rise to a legal hypothec, the notice of registration of the hypothec may either be served on the debtor, or notified to the debtor by registered mail."

CHAPTER XV

WORKFORCE TRAINING

ACT TO PROMOTE WORKFORCE SKILLS DEVELOPMENT AND RECOGNITION

- **185.** Section 27 of the Act to promote workforce skills development and recognition (chapter D-8.3) is amended by inserting the following paragraph after paragraph 1:
- "(1.1) the sums determined by the Government, after consulting with the Minister of Finance, transferred by the Minister out of the appropriations granted for that purpose by Parliament;".
- **186.** The Act is amended by inserting the following section after section 30:
- **"30.1.** Other than the asset allocation plan provided for in section 30, the Commission shall prepare, each year and in the form and manner determined by the Minister and the Minister of Finance, a plan for the allocation of the sums transferred to the Fund under paragraph 1.1 of section 27.

The plan must be submitted for the Ministers' joint approval."

- **187.** The Act is amended by inserting the following section after section 34:
- **"34.1.** The Commission shall annually submit to the Minister and the Minister of Finance, in the form and manner determined by the Ministers, a report on the allocation of the sums transferred to the Fund under paragraph 1.1 of section 27.

The report must be sent to the Minister of Education, Recreation and Sports and the Minister of Higher Education, Research, Science and Technology."

REGULATION RESPECTING THE DETERMINATION OF TOTAL PAYROLL

188. Section 1 of the Regulation respecting the determination of total payroll (chapter D-8.3, r. 4) is amended by replacing "\$1,000,000" by "\$2,000,000".

CHAPTER XVI

FINANCIAL REPORTS AND AUDIT OF BOOKS AND ACCOUNTS OF CERTAIN FINANCIAL SERVICES COOPERATIVES

ACT RESPECTING FINANCIAL SERVICES COOPERATIVES

189. Section 133 of the Act respecting financial services cooperatives (chapter C-67.3) is amended by adding the following paragraphs at the end:

"However, if the cooperative is a credit union that is a member of a federation, the cooperative shall keep the books, registers and accounting records necessary to prepare its financial report and the combined financial statements.

The content of a credit union's financial report is prescribed by a standard of the federation; the combined financial statements present, in a combined form, the financial position of the credit unions that are members of the federation."

190. Section 139 of the Act is amended by replacing the second paragraph by the following paragraph:

"However, the books and accounts of a cooperative that is a credit union that is a member of a federation are not audited; the combined financial statements must nonetheless be audited."

- **191.** Section 140 of the Act is repealed.
- **192.** Section 141 of the Act is amended by inserting the following paragraph after the first paragraph:

"The federation auditor is also responsible for auditing the combined financial statements, unless the federation's board of directors entrusts that audit to another auditor."

- **193.** Section 142 of the Act is amended by replacing "a financial services cooperative" by "a federation or a credit union that is not a member of a federation".
- **194.** Section 144 of the Act is amended
- (1) by replacing "the auditor is to audit" in the first paragraph by "that appointed the auditor";
 - (2) by adding the following paragraph at the end:

"Nor may the auditor responsible for auditing the combined financial statements be an officer, employee or associate of an officer of a credit union that is a member of the federation that appointed the auditor."

195. Section 149 of the Act is amended by adding the following paragraph at the end:

"The auditor responsible for auditing the combined financial statements may exercise the powers under this section in respect of the board of directors, officers, mandataries and employees of the federation or of a credit union that is a member of the federation."

196. Section 150 of the Act is amended

- (1) by replacing "a report on the audit" by "the report referred to in section 151";
 - (2) by adding the following paragraph at the end:

"The auditor responsible for auditing the combined financial statements is not required to prepare such a report for that audit."

197. Section 152 of the Act is amended

- (1) by inserting "; the auditor shall also forward a copy of the written report to the federation, if the auditor is responsible for auditing the combined financial statements" at the end of the first paragraph;
 - (2) by striking out ", to the federation" in the third paragraph;
 - (3) by adding the following paragraph at the end:

"The auditor responsible for auditing the combined financial statements is not required to submit the report described in the second paragraph. However, if, in the normal course of the audit, the auditor becomes aware of activities, operations or transactions that otherwise would have been in the report, the auditor must notify, in writing, the Authority, the federation's board of directors and the board of supervision of the credit union concerned."

198. Section 154 of the Act is amended by adding the following paragraph at the end:

"The first and second paragraphs do not apply to an auditor responsible for auditing the combined financial statements."

199. Section 155 of the Act is amended by adding the following paragraph at the end:

"The first paragraph does not apply to an auditor responsible for auditing the combined financial statements."

- **200.** Section 158 of the Act is amended by replacing the second sentence by the following sentences: "The auditor responsible for auditing the combined financial statements shall submit a report on the audit. They shall transmit their reports to the Authority and, if applicable, to the federation."
- **201.** Section 159 of the Act is amended by adding the following paragraph at the end:

"The opinion required under subparagraph 2 of the first paragraph, when given by the auditor responsible for auditing the combined financial statements,

pertains to those financial statements and not to the statements in an annual report. Similarly, rather than setting out the particulars required under subparagraphs 4 and 5 of that paragraph, the auditor shall indicate in the report whether, in the normal course of the audit, the auditor has become aware of operations, situations or transactions which may lead the auditor to believe that a credit union has not adopted adequate management practices as regards insider trading and conflicts of interest or, if such practices have been adopted, that the credit union is not in compliance with them."

202. Section 160 of the Act is amended

- (1) in the first paragraph,
- (a) by replacing "financial services cooperative" by "federation or a credit union that is not a member of a federation";
 - (b) by inserting "in respect of any financial services cooperative" at the end;
 - (2) by adding the following paragraph at the end:

"Section 144 applies to an auditor appointed by the Authority as if the auditor had been appointed by the cooperative being audited."

203. Section 162 of the Act is amended

- (1) by inserting ", if applicable" at the end of paragraph 7;
- (2) by adding the following paragraph at the end:

"If the cooperative is a credit union that is a member of a federation, the cooperative shall replace the financial statements referred to in subparagraph 4 of the first paragraph by the financial report provided for in the second paragraph of section 133."

- **204.** Section 163 of the Act is amended by inserting "and the combined financial statements" after "paragraph 4 of section 162" in the first paragraph.
- **205.** Section 253.1 of the Act is amended, in the second paragraph,
- (1) by replacing "inspection and audit services" in subparagraph 1 by "inspection service";
- (2) by inserting "or, if the credit union is a member of a federation, the financial report provided for in the second paragraph of section 133" in subparagraph 3 after "audited annual financial statements".

206. Section 259 of the Act is amended

(1) by replacing "in sections 346 and 347" in the first paragraph by "in section 346";

(2) by inserting the following paragraph after the first paragraph:

"The board of supervision shall also adopt rules of ethics and professional conduct setting out the cases in which the auditor appointed by the credit union and the auditor's partners, if any, may contract with the credit union, and the conditions applying to such contracts."

- **207.** Section 345 of the Act is amended by replacing "inspection and audit services" in paragraph 1 by "inspection service".
- **208.** Section 347 of the Act is amended
 - (1) by striking out the first paragraph;
- (2) by replacing "II" in the second paragraph in the French text by "Le conseil d'éthique et de déontologie".
- **209.** The Act is amended by inserting the following section after section 366:
- **"366.1.** The federation is required to prepare the credit unions' financial reports and the combined financial statements provided for in the second paragraph of section 133.

The federation shall determine the procedure for preparing the credit unions' financial reports; the procedure must be submitted for approval to the Authority."

- **210.** Section 369 of the Act is amended
 - (1) by inserting the following paragraph after paragraph 1:
- "(1.1) the content of the financial report provided for in the second paragraph of section 133;";
 - (2) by adding the following paragraph at the end:

"The standard adopted under subparagraph 1.1 of the first paragraph must be submitted for approval to the Authority."

- **211.** Section 386 of the Act is replaced by the following section:
- **"386.** The federation must establish and maintain a credit union inspection service."
- **212.** Section 387 of the Act is replaced by the following section:
- **"387.** The president of the federation shall appoint, for a term of five years, on the recommendation of the board of ethics and professional conduct, a person to be in charge of inspections. The person appointed shall manage the

inspection service, his or her term of office may be renewed, and he or she may only be removed from office by the president of the federation with the Authority's approval.

The president shall appoint a substitute in case the person in charge of inspections is absent or unable to act."

- **213.** Section 392 of the Act is amended by striking out ", to verify the accuracy of its financial statements".
- **214.** Section 399 of the Act is amended by inserting the following paragraph after the first paragraph:

"The inspection report provided for in the first paragraph must, in particular, state whether, in the opinion of the person making the inspection, the management practices adopted by the credit union as regards insider trading and conflicts of interest are adequate and if the credit union is in compliance with them."

- **215.** Section 402 of the Act is repealed.
- **216.** Section 427 of the Act is amended by adding the following paragraph at the end:

"The federation shall also transmit, every year, the combined financial statements provided for in the second paragraph of section 133 to the Authority."

- **217.** Section 497 of the Act is amended
- (1) by striking out ", unless the latter is also responsible for the federation's audits" in subparagraph 1 of the first paragraph;
 - (2) by striking out the second paragraph.
- **218.** Section 550 of the Act is amended by inserting ", if applicable," after "the cooperative and" in the second paragraph.
- **219.** Section 556 of the Act is amended by striking out "the person in charge of audits or" in the second paragraph.
- **220.** Section 602 of the Act is amended by replacing "133," by "the first and second paragraphs of section 133 or section".

DEPOSIT INSURANCE ACT

221. Section 41 of the Deposit Insurance Act (chapter A-26) is amended

- (1) by striking out "; such return shall be accompanied by the financial statements made in the form prescribed by regulation and bearing the certificate of the auditor of the institution";
 - (2) by adding the following paragraph at the end:

"The following must be filed with the return:

- (1) the most recent financial report provided for in the second paragraph of section 133 of the Act respecting financial services cooperatives (chapter C-67.3), if the registered institution is a credit union that is a member of a federation; or
- (2) the financial statements made in the form prescribed by regulation and bearing the certificate of the institution's auditor, for any other institution."

SPECIAL TRANSITIONAL PROVISIONS

- **222.** The provisions of the Act respecting financial services cooperatives (chapter C-67.3), amended by sections 189 to 220 and which, under the Act respecting the Mouvement Desjardins (2000, chapter 77), apply to La Caisse centrale Desjardins du Québec, continue to apply to La Caisse centrale Desjardins du Québec as they read on 17 May 2016.
- **223.** Sections 189 to 222 have effect in respect of any fiscal year of a financial services cooperative that begins after 31 December 2015.

CHAPTER XVII

FINAL PROVISIONS

- **224.** Section 188 has effect from 1 January 2015; sections 181 and 182 have effect from 21 April 2015; sections 7 to 9 have effect from 12 November 2015; and sections 170 and 184 have effect from 1 January 2016.
- **225.** This Act comes into force on 18 May 2016, except
 - (1) sections 161 and 163 to 166, which come into force on 23 June 2016;
 - (2) sections 171 to 180, which come into force on 18 July 2016;
 - (3) section 10, which comes into force on 1 April 2017;
- (4) the provisions of section 12, which come into force on the date or dates to be set by the Government according to the classes it determines;
- (5) sections 13 to 82, 85 to 154 and 167, which come into force on the date or dates to be set by the Government.

ACT RESPECTING MAINLY THE IMPLEMENTATION OF CERTAIN PROVISIONS OF THE BUDGET SPEECH OF 26 MARCH 2015

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