

Gouvernement du Québec

**O.C. 994-2018, 3 July 2018**

Consumer Protection Act  
(chapter P-40.1)

**Regulation**  
— **Amendment**

Regulation to amend the Regulation respecting the application of the Consumer Protection Act

WHEREAS, under paragraphs *a*, *b*, *l*, *n* and *r* of section 350 of the Consumer Protection Act (chapter P-40.1), the Government may make regulations

—determining the content and physical presentation and the terms and conditions of distribution or remittance of all contracts, statements of account or other documents contemplated by the laws and regulations the application of which is under the supervision of the Office de la protection du consommateur;

—establishing models for contracts or other documents contemplated by the laws and regulations the application of which is under the supervision of the Office;

—determining in particular the cases where security may be required, the form, terms and conditions and amount of the security;

—determining in particular the qualifications required of any person applying for a permit or the renewal of a permit, the conditions he must fulfil, the information and documents he must furnish and the duties he must pay;

—exempting, in whole or in part, from the application of the Act, any class of persons, goods, services or contracts that it determines and fixing conditions for that exemption;

WHEREAS the Act mainly to modernize rules relating to consumer credit and to regulate debt settlement service contracts, high-cost credit contracts and loyalty programs (2017, chapter 24) was assented to on 15 November 2017;

WHEREAS that Act amends the Consumer Protection Act in particular by introducing sections 103.2, 103.4, 150.3.1, 187.8, 187.9 and 214.25, by introducing, in section 350, paragraphs *g.1* to *g.7*, and by amending paragraph *l.2* of section 350 of the Act;

WHEREAS, under paragraphs *g.1* to *g.7* of section 350 of the Consumer Protection Act, as introduced, the Government may make regulations

—determining the threshold beyond which a credit contract is presumed to constitute an excessive, harsh or unconscionable obligation within the meaning of section 8 of the Act;

—determining the information a merchant must take into account to benefit from the presumption provided for in the second paragraph of sections 103.2 and 150.3.1 of the Act, as introduced;

—determining, for the purposes of section 103.4 of the Act, as introduced, the method for calculating the debt ratio;

—determining, for the purposes of section 103.4 of the Act, as introduced, the characteristics a credit contract must have to be considered a high-cost credit contract;

—determining, for the purposes of section 187.8 of the Act, as introduced, the cases or circumstances in which a stipulation may prescribe that the exchange units may expire at a set date or by the lapse of time;

—identifying, for the purposes of section 187.9 of the Act, as introduced, the elements of a contract relating to a loyalty program that a merchant may not amend unilaterally, and the time limit for sending a consumer a notice of unilateral amendment of an essential element of the contract;

—setting, for the purposes of section 214.25 of the Act, as introduced, conditions and limits for the charges and fees a debt settlement service merchant may claim from a consumer;

WHEREAS, under paragraph *l.2* of section 350 of the Act, as amended, the Government may make regulations establishing the form, the conditions and the manner in or on which a merchants association may act as surety for its members;

WHEREAS the Government made the Regulation respecting the application of the Consumer Protection Act (chapter P-40.1, r. 3);

WHEREAS, in accordance with sections 10 and 11 of the Regulations Act (chapter R-18.1), a draft Regulation to amend the Regulation respecting the application of the Consumer Protection Act was published in Part 2 of the *Gazette officielle du Québec* of 18 April 2018 with a notice that it could be made by the Government on the expiry of 45 days following that publication;

WHEREAS it is expedient to make the Regulation with amendments;

IT IS ORDERED, therefore, on the recommendation of the Minister responsible for Consumer Protection and for Housing:

THAT the Regulation to amend the Regulation respecting the application of the Consumer Protection Act, attached to this Order in Council, be made.

ANDRÉ FORTIER,  
*Clerk of the Conseil exécutif*

## Regulation to amend the Regulation respecting the application of the Consumer Protection Act

Consumer Protection Act  
(chapter P-40.1, s. 350; 2017, chapter 24, s. 66)

**1.** The Regulation respecting the application of the Consumer Protection Act (chapter P-40.1, r. 3) is amended by replacing section 2 by the following:

“**2.** Contracts concerning a loan granted as part of a program administered by La Financière agricole du Québec under the Act respecting La Financière agricole du Québec (chapter L-0.1) are exempt from the application of the Act.”

**2.** Section 3.4 is revoked.

**3.** The following is inserted after section 3.4:

“**3.5.** Holders of a brokerage or agency permit issued under the Real Estate Brokerage Act (chapter C-73.2) are exempt from the application of the Act where they carry out activities covered by the Act.”

**4.** Section 6.4. is amended by striking out “, contracts for the sale or long-term lease of a used car or motorcycle”.

**5.** The following is inserted after section 6.4:

“**6.4.1.** Contracts entered into by debt settlement service merchants for a service provided at a distance are exempt from the application of sections 27 to 32 and 54.8 to 54.16 of the Act and section 26 of this Regulation.

**6.4.2.** A long-term contract of lease entered into on the making of or in relation to a contract involving sequential performance for a service provided at a distance provided the goods leased are necessary to the use of the service is exempt from the application of sections 150.3.1 and 245.2 of the Act.”

**6.** Section 7 is amended by inserting “of a building” after “exterior wall covering”.

**7.** The following is inserted after section 12.1:

“**12.2.** Merchants who have entered into a contract for the loan of money secured by a movable hypothec with delivery or a contract deemed to constitute a contract for the loan of money under the first paragraph of section 115.1 of the Act, where the amount of the net capital of the contract and any other contract for the loan of money of the same type entered into during a period of 30 days preceding the entering into of the contract does not exceed \$500 are exempt from the application of the second paragraph of section 73, sections 94, 103.2, 103.3, 103.4, except the third paragraph, sections 105 and 245.2 of the Act, paragraph *b* of section 31.1 and the first two paragraphs of the fourth paragraph of section 33.

Section 103.5 of the Act does not apply to a contract that meets the conditions prescribed in the first paragraph.”

**8.** Section 14 is revoked.

**9.** Section 18 is amended

(1) by adding “or a high-cost credit contract” at the end of the portion before paragraph *a*;

(2) by revoking paragraph *d*;

(3) by inserting the following after paragraph *f*:

“(g) a person, partnership or association governed by the Insurance Act (chapter A-32).”

**10.** Section 21 is replaced by the following:

“**21.** A contract in which credit extended to a consumer is or must be secured by an immovable hypothec ranking first is exempt from the application of sections 12, 14 and 15, Chapter II of Title I, Divisions I.1, II and III of Chapter III of Title I, except sections 103.2 to 103.5 and 115.2, and Title II of the Act, except section 245.2, on the following conditions:

(a) the credit contract is the contract for which the consumer has agreed to grant a hypothec;

(b) the act constituting the hypothec identifies the contract secured by the hypothec;

(c) if the hypothec secures a credit contract other than the contract referred to in subparagraph *a*, the act constituting the hypothec provides that the consumer must agree, in that other contract, that it be secured by the hypothec.

The exemption also applies to a credit contract to amend, renew or replace the credit contract referred to in subparagraph *a* of the first paragraph.

The exemption does not apply to an open credit contract entered into for the use of a credit card.”

**11.** Section 22 is replaced by the following:

“**22.** A contract in which credit extended to a consumer is or must be secured by an immovable hypothec other than an immovable hypothec ranking first is exempt from the application of sections 12, 14 and 15, Chapter II of Title I, Divisions I.1, II and III of Chapter III of Title I, except sections 81, 86, 98, 99, 100.1, 101 to 103, 103.2 to 103.5 and 115.2, and Title II of the Act, except section 245.2, on the following conditions:

(a) at least 2 days before the act constituting a hypothec is entered into, the merchant must indicate to the consumer in writing, in dollars and cents, the credit charges determined in accordance with the Act;

(b) a copy of the writing must be attached to the act constituting a hypothec;

(c) the contract must stipulate that if, on the expiry of the contract, an amount exceeding the amount of one periodic payment is outstanding, the merchant may not demand payment thereof before 30 days after the merchant has given a notice in writing of the merchant’s intention to the consumer, except in the case of default by the consumer.

The conditions set out in subparagraphs *a*, *b* and *c* of the first paragraph of section 21 and the second and third paragraphs of that section apply, with the necessary modifications, to the contract for which credit extended to the consumer is or must be secured by an immovable hypothec other than an immovable hypothec ranking first.”

**12.** Section 23 is revoked.

**13.** Section 24 is amended by replacing “annexée” in the second paragraph of the French text by “jointe”.

**14.** Section 26 is amended

(1) by replacing “or 214.2” in the first paragraph by “, 214.2 or 214.16”;

(2) by replacing the second paragraph by the following:

“The contract must be evidenced on good quality white paper.”

**15.** Section 28.1 is revoked.

**16.** Section 29 is amended by replacing “and 45.2” in the first paragraph by “, 45.2 and 50.0.1”.

**17.** The following is inserted after the heading of Division II of Chapter IV:

“**§0.1. High-cost credit contract**

**31.1.** The compulsory clauses provided for in sections 33 and 39 must, where the contracts referred to in those sections are high-cost contracts, include the following modifications:

(a) by adding “High-cost” before “Contract for the loan of money” or “Contract involving credit” in the portion in parentheses;

(b) by replacing the words “2 days” wherever they appear in the compulsory clause by “10 days”.

**31.2.** The compulsory clauses provided for in sections 35 and 36 must, where the contracts referred to in those sections are high-cost contracts, include the following modifications:

(a) by adding “High-cost” before “Open credit contract for the use of a credit card” or “Open credit contract other than that entered into for the use of a credit card” in the portion in parentheses;

(b) the clause must include, in addition to what is provided for section 35 or 36, as the case may be, immediately before paragraph 1, the following paragraph:

“(0.1) A consumer may resolve, free of cost, this contract within 10 days after the date on which each party takes possession of a duplicate of the contract.

To resolve the contract, the consumer must

(a) remit the part of the granted credit that the consumer used to the merchant or the merchant’s representative if the credit has been granted at the time each party took possession of a duplicate of the contract;

(b) send a written notice to that effect or remit the part of the granted credit that the consumer used to the merchant or the merchant’s representative if the credit has not been granted at the time each party takes possession of a duplicate of the contract.

The contract is resolved, without other formality, as soon as the consumer remits the part of the credit that the consumer used or sends the notice.”;

(c) by adding “73, 74, 76,” after “It is in the consumer’s interest to refer to sections” in the last paragraph.

**18.** Section 32 is replaced by the following:

“**32.** If subscription to or participation in an insurance is a condition for entering into a credit contract or a long-term contract of lease of goods, the contract must contain the following compulsory clause:

“Clause required under the Consumer Protection Act.

(Insurance)

Before entering into this contract, the merchant requires the consumer to hold an insurance (indicate the type of insurance required).

A consumer may meet that requirement

(a) either by subscribing to or participating in the insurance that may be recommended by the merchant;

(b) by subscribing to or participating in an insurance with an insurer and the insurance representative chosen by the consumer; or

(c) with an insurance the consumer already holds.

The merchant may not refuse the insurance chosen or held by the consumer without reasonable grounds.

It is in the consumer’s interest to refer to sections 111 and 112 of the Consumer Protection Act (chapter P-40.1) and, if further information is necessary, to contact the Office de la protection du consommateur.”.

**19.** Section 33 is replaced by the following:

“**33.** In addition to the clauses prescribed by sections 61.0.7 and 61.0.8, a contract for the loan of money must also contain the following compulsory clause:

“Clause required under the Consumer Protection Act.

(Contract for the loan of money)

(1) The consumer may cancel this contract without charge within 2 days following that on which each party takes possession of a duplicate of the contract.

To cancel the contract, the consumer must

(a) return the money to the merchant or the merchant’s representative, if the consumer received the money at the time each party took possession of a duplicate of the contract;

(b) send a notice in writing to that effect, or return the money to the merchant or the merchant’s representative if the money was not returned to the merchant or the merchant’s representative at the time each party took possession of a duplicate of the contract.

The contract is cancelled, without further formality, as soon as the consumer returns the money or forwards the notice.

(2) If the consumer uses all or part of the net capital to make full or partial payment for the purchase or the lease of goods or for a service, the consumer may, if the contract for the loan of money was entered into on the making of and in relation to the sale, lease or service contract, and if the merchant and the lender collaborated with a view to granting loans, plead against the lender any ground of defence urgeable against the merchant who is the vendor, lessor, contractor or service provider.

The consumer may also, in the circumstances described above, exercise against the lender, or against the lender’s assignee, any right exercisable against the merchant who is the vendor, lessor, contractor or service provider if that merchant is no longer active or has no assets in Québec, is insolvent or is declared bankrupt. The lender or the lender’s assignee is then responsible for the performance of the obligations of the merchant who is the vendor, lessor, contractor or service provider up to the amount of, as the case may be, the debt owed to the lender at the time the contract is entered into, the debt owed to the assignee at the time it was assigned to him or the payment the lender received if he assigned the debt.

(3) The consumer may pay, in whole or in part, the amount of the obligation before maturity.

The balance due is equal at all times to the sum of the balance of net capital and credit charges calculated in accordance with the Act and the Regulation respecting the application of the Consumer Protection Act.

(4) The consumer may, once a month and without charge, request a statement of account from the merchant; the latter must furnish the consumer with the statement of account or forward it to the consumer as soon as possible but at the latest within 10 days of the receipt of the request.

In addition to the statement of account prescribed above, the consumer who wishes to pay the balance of his obligation before maturity may, at all times and without

charge, request a statement of account from the merchant; the latter must furnish the consumer with the statement of account or forward it to the consumer as soon as possible but at the latest within 10 days of the receipt of the request.

It is in the consumer's interest to refer to sections 73, 74, 76, 91, 93 and 103.1 of the Consumer Protection Act (chapter P-40.1) and, if further information is necessary, to contact the Office de la protection du consommateur.””.

**20.** Section 35 is replaced by the following:

“**35.** Open credit contracts entered into for the use of a credit card must contain, in addition to the clauses referred to in sections 61.0.10 and 61.0.12 of this Regulation, the following compulsory clause:

“Clause required under the Consumer Protection Act.

(Open credit contract for the use of a credit card)

(1) If the consumer uses all or part of the credit extended to make full or partial payment for the purchase or the lease of goods or for a service, the consumer may, if the open credit contract was entered into on the making of and in relation to the sale, lease or service contract, and if the merchant and the open credit merchant collaborated with a view to granting credit, plead against the lender any ground of defence urgeable against the merchant who is the vendor, lessor, contractor or service provider.

The consumer may also, in the circumstances described in the first paragraph, exercise against the open credit merchant, or against the merchant's assignee, any right exercisable against the merchant who is the vendor, lessor, contractor or service provider if that merchant is no longer active or has no assets in Québec, is insolvent or is declared bankrupt. The open credit merchant or the merchant's assignee is then responsible for the performance of the obligations of the merchant who is the vendor, lessor, contractor or service provider up to the amount of, as the case may be, the debt owed to the open credit merchant at the time the contract is entered into, the debt owed to the assignee at the time it was assigned to him or the payment the open credit merchant received if he assigned the debt.

(2) A consumer who is solidarily liable with another consumer for the obligations arising from an open credit contract is released from the obligations resulting from any use of the open credit account after notifying the merchant in writing that he will no longer use the credit extended and no longer intends to be solidarily liable for the other consumer's future use of the credit extended in advance, and after providing proof to the merchant, on that occasion, that he informed the other consumer by sending him a written notice to that effect at his last known address or technological address.

Any subsequent payment made by the consumer must be applied to the debts contracted before the notice was sent to the merchant.

(3) A consumer who has entered into a preauthorized payment agreement with a merchant under which payments are made out of credit obtained under a credit card contract may end the agreement at any time by sending a notice to the merchant.

On receipt of the notice, the merchant must cease to collect the preauthorized payments.

On receipt of a copy of the notice, the card issuer must cease debiting the consumer's account to make payments to the merchant.

(4) The consumer is not liable for debts resulting from the use of a credit card by a third person after the card issuer has been notified, by any means, of the loss, theft or fraudulent use of the card or of any other use of the card not authorized by the consumer. Even if no notice was given, consumer liability for the unauthorized use of a credit card is limited to \$50. The consumer is held liable for the losses incurred by the card issuer if the latter proves that the consumer committed a gross fault as regards the protection of the related personal identification number.

(5) Without delay at the end of each period, the merchant must send the consumer a statement of account. The merchant is not required to send a statement of account to the consumer at the end of any period if there have been no advances or payments during the period and the outstanding balance at the end of the period is zero.

(6) If the consumer makes a payment at least equal to the outstanding balance at the end of the preceding period within 21 days after the date of the end of the period, no credit charges may be required from the consumer on that outstanding balance, except as regards money advances. In the case of a money advance, charges may accrue as of the date of the advance until the date of payment.

(7) The consumer may demand that the merchant send, without charge, a copy of the vouchers for each of the transactions charged to the account during the period covered by the statement. The merchant must send the copy of the vouchers requested within 60 days after the date the consumer's request was sent.

(8) Until the consumer receives a statement of account at his address or technological address if expressly authorized by the consumer, the merchant must not claim credit charges on the unpaid balance, except as regards money advances.

It is in the consumer's interest to refer to sections 103.1, 122.1, 123, 123.1, 124, 126, 126.2, 126.3, 127 and 127.1 of the Consumer Protection Act (chapter P-40.1) and, if further information is necessary, to contact the Office de la protection du consommateur."".

**21.** Section 36 is replaced by the following:

“**36.** An open credit contract other than that entered into for the use of a credit card must contain, in addition to the clauses prescribed by sections 61.0.10 and 61.0.11, the following compulsory clause:

“Clause required under the Consumer Protection Act.

(Open credit contract other than that entered into for the use of a credit card)

(1) If the consumer uses all or part of the credit extended to make full or partial payment for the purchase or the lease of goods or for a service, the consumer may, if the open credit contract was entered into on the making of and in relation to the sale, lease or service contract, and if the merchant and the open credit merchant collaborated with a view to granting credit, plead against the lender any ground of defence urgeable against the merchant who is the vendor, lessor, contractor or service provider.

The consumer may also, in the circumstances described in the first paragraph, exercise against the open credit merchant, or against the merchant's assignee, any right exercisable against the merchant who is the vendor, lessor, contractor or service provider if that merchant is no longer active or has no assets in Québec, is insolvent or is declared bankrupt. The open credit merchant or the merchant's assignee is then responsible for the performance of the obligations of the merchant who is the vendor, lessor, contractor or service provider up to the amount of, as the case may be, the debt owed to the open credit merchant at the time the contract is entered into, the debt owed to the assignee at the time it was assigned to him or the payment the open credit merchant received if he assigned the debt.

(2) A consumer who is solidarily liable with another consumer for the obligations arising from an open credit contract is released from the obligations resulting from any use of the open credit account after notifying the merchant in writing that he will no longer use the credit extended and no longer intends to be solidarily liable for the other consumer's future use of the credit extended in advance, and after providing proof to the merchant, on that occasion, that he informed the other consumer by sending him a written notice to that effect at his last known address or technological address.

Any subsequent payment made by the consumer must be applied to the debts contracted before the notice was sent to the merchant.

(3) Without delay at the end of each period, the merchant must send the consumer a statement of account. The merchant is not required to send a statement of account to the consumer at the end of any period if there have been no advances or payments during the period and the outstanding balance at the end of the period is zero.

(4) If the consumer makes a payment at least equal to the outstanding balance at the end of the preceding period within 21 days after the date of the end of the period, no credit charges may be required from the consumer on that outstanding balance, except as regards money advances. In the case of a money advance, charges may accrue as of the date of the advance until the date of payment.

(5) The consumer may demand that the merchant send, without charge, a copy of the vouchers for each of the transactions charged to the account during the period covered by the statement. The merchant must send the copy of the vouchers requested within 60 days after the date the consumer's request was sent.

(6) Until the consumer receives a statement of account at his address or technological address if expressly authorized by the consumer, the merchant must not claim credit charges on the unpaid balance, except as regards money advances.

It is in the consumer's interest to refer to sections 103.1, 122.1, 126, 126.2, 126.3, 127 and 127.1 of the Consumer Protection Act (chapter P-40.1) and, if further information is necessary, to contact the Office de la protection du consommateur."".

**22.** Section 38 is amended

(1) by replacing “prescribed in Schedules 5 or 7 of the Act” by “prescribed by sections 61.0.13 or 61.0.15 and 61.0.14 or 61.0.16”;

(2) by replacing “116” in the last paragraph of the required clause by “103”.

**23.** Section 39 is amended

(1) by replacing “prescribed in Schedules 5 or 7 of the Act” by “prescribed by sections 61.0.13 or 61.0.15 and 61.0.14 or 61.0.16”;

(2) by replacing “a new automobile” in subparagraph 1 of the first paragraph of the required clause by “a new road vehicle”.

**24.** Section 40 is amended by replacing “Schedule 5 of the Act” by “sections 61.0.13 and 61.0.14”.

**25.** Section 41 is amended by replacing “prescribed in Schedule 5 of the Act” by “prescribed by sections 61.0.13 and 61.0.14”.

**26.** Section 42 is amended by replacing “prescribed in Schedule 7 of the Act” by “prescribed by sections 61.0.15 and 61.0.16”.

**27.** Section 44 is amended by replacing “prescribed in Schedule 5” by “prescribed by section 61.0.13”.

**28.** Section 45 is amended by replacing “prescribed in Schedule 5” by “prescribed by section 61.0.13”.

**29.** Section 45.1 is amended by replacing “116” in the last paragraph of the required clause by “103”.

**30.** Section 45.2 is amended by replacing “prescribed in Schedule 7.3 of the Act” by “prescribed by section 69.4.1”.

**31.** Section 45.3 is amended by replacing “prescribed in Schedule 7.3 of the Act” by “prescribed by section 69.4.1”.

**32.** Section 45.4 is amended

(1) by replacing “prescribed in Schedule 7.3 of the Act” by “prescribed by section 69.4.1”;

(2) by replacing “a new automobile” in the second paragraph of the required clause by “a new road vehicle”.

**33.** The following is inserted after section 50:

**“DIVISION V****CONTRACT ENTERED INTO BY A DEBT SETTLEMENT SERVICE MERCHANT**

**50.0.1.** A debt settlement service contract that provides for services referred to in paragraph *a* or *b* of section 214.12 of the Act, must contain, at the very beginning, in addition to the clauses provided for in section 79.13, the following compulsory box:

“Clause required under the Consumer Protection Act.

(Contract entered into by a debt settlement service merchant)

Your creditors could refuse to reduce your debts.
Your creditors could make a judicial demand if you stop your payments. Ceasing payments could affect your credit rating.
The merchant is not allowed to advise against communicating with your creditors.
You do not have to pay the merchant before payments are made to your creditors. The merchant may not require charges and fees of more than 15% of the savings made. The charges and fees must be spread over the term of the contract.

”

The text of the compulsory box must be in bold type of at least 14 points.

**50.0.2.** A contract entered into by a debt settlement service merchant must contain at the very beginning of the contract, but immediately after the compulsory box provided for in section 50.0.1 where applicable, the following statement of consumer cancellation rights:

**“STATEMENT OF CONSUMER CANCELLATION RIGHTS**

You may cancel this contract for any reason within 10 days after the date on which each party has possession of a copy of the contract.



If the merchant does not provide a service stated in the contract within 30 days following the agreed date, you have 1 year to cancel the contract. You lose that right if you accept the service after that 30-day period. There are other grounds for an extension of the cancellation period to 1 year, for example if the merchant does not hold a permit or has not provided the required security at the time the contract is entered into or the services never performed, or if the contract is incorrectly made or worded. For more information, you may seek legal advice or contact the Office de la protection du consommateur.

If you cancel the contract, the debt settlement service merchant must refund all amounts you have paid, and return to you the goods received in payment, as a trade-in or on account; if the merchant is unable to return the goods, you are entitled to receive the highest of an amount of money corresponding to the value indicated in the contract or the cash value of the goods, within 15 days of cancellation. You also have 15 days to return to the debt settlement service merchant any goods you received from the merchant.”

To cancel, you must send the merchant the cancellation form attached to the contract or send the merchant another written notice to that effect. The form or notice must be sent to the debt settlement service merchant at the address indicated on the form, or at any other address for the debt settlement service merchant indicated in the contract. You may give notice of cancellation in person. You may also use any other method. It is recommended to use a method that will allow you to prove that you gave notice, including registered mail, email, fax and courier.

It is in the consumer’s interest to refer to sections 214.17 to 214.22 and 214.26 of the Consumer Protection Act (chapter P-40.1) and, if further information is necessary, contact the Office de la protection du consommateur.”

The statement must show

- (a) the heading, in bold type of at least 12 points;
- (b) the statement of the 10-day cancellation contained in the first paragraph, in typeface of at least 12 points;
- (c) all numbers in bold type; and
- (d) the remainder of the text in typeface of at least 10 points.”

**34.** The following is inserted after section 50.1:

**“CHAPTER IV.2**

**CONTRACT ENTERED INTO BY AN ITINERANT MERCHANT**

**50.2.** The Statement of consumer cancellation rights and the cancellation form that the merchant must attach to the contract under the second paragraph of section 58 of the Act constitutes a document on which appear only the compulsory notice immediately followed by the following compulsory form:

*(CONSUMER PROTECTION ACT, SECTION 58)*

**STATEMENT OF CONSUMER CANCELLATION RIGHTS**

You may cancel this contract for any reason within 10 days after you receive a copy of the contract along with the other required documents.

If you do not receive the goods or services within 30 days of the date stated in the contract, you may cancel the contract within one year. You lose that right if you accept delivery after the 30-day period. There are other grounds for an extension of the cancellation period to one year, for example if the itinerant merchant does not hold a permit or has not provided the required security at the time the contract is entered into or if the contract is incorrectly made or worded. For more information, you may seek legal advice or contact the Office de la protection du consommateur.

If you cancel the contract, the itinerant merchant must refund all amounts you have paid, and return to you the goods received in payment, as a trade-in or on account; if the merchant is unable to return the goods, you are entitled to receive an amount of money corresponding to the value indicated in the contract or the cash value of the goods, within 15 days of cancellation. You also have 15 days to return to the merchant any goods you received from the merchant.

To cancel, you must return the items received from the merchant to the merchant or the merchant’s representative, send the merchant the cancellation form printed below, or send the merchant another written notice of cancellation. The form or written notice must be sent to the merchant or the merchant’s representative at the address indicated on the form, or at any other address indicated in the contract. You may give notice of cancellation in person. You may also use any other method. It is recommended to use a method that will allow you to prove that you gave notice, including registered mail, email, fax and courier.

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CANCELLATION FORM

(detachable from schedule)

TO BE COMPLETED BY THE MERCHANT

TO: .....  
(name of itinerant merchant or representative)

.....  
.....  
(address of itinerant merchant or representative)

Telephone number of itinerant merchant  
or representative: (.....) .....  
Fax number of itinerant merchant  
or representative: (.....) .....  
Where applicable, technological address of itinerant merchant  
or representative: .....

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TO BE COMPLETED BY THE CONSUMER

DATE: ..... (date on which form is sent)  
Under section 59 of the Consumer Protection Act, I hereby cancel  
the contract No. ....  
(contract number, if any) entered into on .....  
..... (date on which contract was entered into)  
at:.....  
(address where consumer entered into contract)

..... (name of consumer)  
Telephone number of consumer: (.....) .....  
Fax number of consumer: (.....) .....  
Electronic address of consumer: .....

.....  
(address of consumer)

.....  
(signature of consumer)''

The statement must show

- (a) the heading, in bold type of at least 12 points;
- (b) the statement of the 10-day cancellation contained in the first paragraph, in typeface of at least 12 points;
- (c) all numbers in bold type.

The remainder of the text of the statement and cancellation form must be in typeface of at least 10 points.””.

**35.** Section 54.1 is replaced by the following:

“**54.1.** Where life, health, accident or employment insurance in respect of the consumer is established for the benefit of the merchant under a credit contract, and where the insurance premium constitutes credit charges within the meaning of sections 69 and 70 of the Act, and credit charges arising from payment of the premium by the merchant are imposed to the consumer, the merchant

must disclose in the contract, as components of the credit charges, both the amount of the premium and the cost of the credit charges related thereto, and must include both components in the total credit charges, as well as for the purpose of calculating and disclosing the credit rate in accordance with the Act.”

**36.** Section 61 is amended by replacing “mailing by the merchant of the statement of account required under section 126 of the Act” by “date of the end of the period”.

**37.** The following is inserted after section 61:

“**DIVISION II.1**

**ASSESSMENT OF CONSUMER’S CAPACITY TO REPAY CREDIT OR PERFORM OBLIGATIONS**

**61.0.1.** For the purposes of sections 103.2 and 150.3.1 of the Act, the merchant who takes into account the following information is deemed to have assessed the consumer’s capacity:

- (a) the general level of the consumer’s gross income;
- (b) the total of the monthly recurring disbursements related to housing, or the monthly cost if they are made on a basis other than monthly;
- (c) the total of the monthly disbursements required under a credit contract or to pay the lease of a long-term contract of lease of goods, or their monthly cost if they are made on a basis other than monthly;
- (d) the information contained in a contemporaneous credit report made on a consumer by a personal information officer within the meaning of the Act respecting the protection of personal information in the private sector (chapter P-39.1);
- (e) where applicable, the credit history with that merchant.

**61.0.2.** For the purposes of paragraph *a* of section 61.0.1, the information collected by the merchant on the consumer’s main income must allow the identification of the consumer’s gross income and the source of income and, where applicable, occupation, employment situation, employer and the duration of the employment relationship.

**61.0.3.** The credit contract under which the credit rate, calculated in accordance with the Act at the time the contract was entered into, exceeds the rate obtained by increasing by 22 percentage points the Bank Rate of the Bank of Canada is a high-cost credit contract.

For the purposes of the first paragraph, the Bank Rate is the rate in force on the expiry of a 2-day period following its announcement by the Bank of Canada.

In the case of an open credit contract, to determine if the contract is high cost, the credit rate applicable under the contract in case of default of the consumer is not taken into account.

**61.0.4.** For the purposes of section 103.4 of the Act, the consumer's debt ratio corresponds to the expression in percentage of the fraction that constitutes the sum of the following monthly disbursements in relation to the consumer's monthly income:

- (a) the disbursements referred to in paragraphs *b* and *c* of section 61.0.1;
- (b) the disbursements payable under the contract proposed to the consumer by the merchant or their monthly cost if they are established on a basis other than monthly.

For the purposes of subparagraph *a* of the first paragraph, disbursements required under a contract are not taken into account if the contract must be replaced by the contract referred to in subparagraph *b* of the first paragraph.

For the purposes of subparagraph *b* of the first paragraph, if the contract proposed is an open credit contract, the minimum periodic payment that would be payable if the credit limit were reached is used.

**61.0.5.** For the purposes of section 103.4 of the Act, the merchant must give to the consumer a document on which only appears the following information:

- (a) the information taken into account to assess the consumer's capacity to repay the credit;
- (b) the methods for calculating the debt ratio provided for in section 61.0.4;
- (c) the elements used in the calculation of the consumer's debt ratio;
- (d) the consumer's debt ratio, calculated in accordance with section 61.0.4;
- (e) if the debt ratio exceeds the ratio identified in section 61.0.6, the following compulsory clause:

“WARNING

You are about to enter into a high-cost credit contract. The contract includes an obligation on your part that is presumed excessive, abusive or exorbitant within the meaning of the Consumer Protection Act.

It is in the consumer's interest to refer to sections 8 and 9 of the Consumer Protection Act (chapter P-40.1) and, if necessary, consult the Office de la protection du consommateur.”

The compulsory clause must show the text in typeface of at least 12 points and the heading in bold type.

**61.0.6.** For the purposes of section 103.5 of the Act, the debt ratio, calculated in accordance with section 61.0.4 is 45%.

**DIVISION II.2**

**CONTRACT FOR THE LOAN OF MONEY**

**61.0.7.** The contract for the loan of money must comply with the following standard contract and provide as many lines as necessary to meet all the requirements:

CONTRACT FOR THE LOAN OF MONEY (*where applicable, add HIGH-COST at the beginning*)

(*CONSUMER PROTECTION ACT, S. 115*)

Date: .....  
(*date on which contract is entered into*)

Place: .....  
(*place where contract is entered into*)

.....  
(*name of merchant*)

.....  
.....  
(*address of merchant*)

.....  
(*Where applicable, technological address of merchant*)

.....  
(*Where applicable, merchant's permit number*)

.....  
(*name of consumer*)

.....

.....

(address of consumer)

- 1. Net capital \$.....
- 2. Interest \$.....
- 3. Other components of credit charges \$.....
- 4. Total of credit charges for the term of the loan \$.....
- 5. Total obligation of consumer \$.....
- 6. Credit rate =====%

(Where the capital is paid in a number of advance payments, the amount and date of any advance payment made or to be made to the consumer or how that amount and the date are determined:

.....)

The term of this contract is .....

Date on which credit charges begin to accrue (or how that date is determined):

.....

The total obligation of the consumer is payable at ..... (address) in ..... (number) deferred payments of \$..... on ..... (number) day of each consecutive month as of ..... (due date of the first payment) and a final payment of \$..... on .....(due date of the last payment)

(Where applicable, mention the nature of any optional contracts, the charge for such contracts or how it is determined and that the consumer has a right of resiliation with respect to such contracts.)

(Where applicable, mention the existence and the subject matter of any security given by the consumer to guarantee the performance of the consumer's obligations.)

The merchant performs the merchant's principal obligation when entering into this contract.

Yes

No

if "no",

on .....

*(date of the performance of the merchant's principal obligation)*

**61.0.8.** The contract for the loan of money must include, at the very beginning, any of the boxes providing the following information, as the case may be:

#### INFORMATION BOX — CONTRACT FOR THE LOAN OF MONEY

Net capital paid in one instalment

(Consumer Protection Act, section 115)

Net capital	<i>Indicate the net capital of the loan.</i>
Credit rate	<i>Indicate the credit rate calculated in accordance with the Consumer Protection Act.</i>
Term of contract	<i>Indicate the term of the contract.</i>



Date on which credit charges begin to accrue or how that date is determined	<i>Indicate the date on which credit charges begin to accrue or how that date is determined.</i>
Payments	<i>Indicate the amount, frequency and date of the payments (or the day on which they are payable).</i>

INFORMATION BOX — CONTRACT FOR THE LOAN OF MONEY AT A VARIABLE RATE

Net capital paid in one instalment

(Consumer Protection Act, section 115)

Net capital	<i>Indicate the net capital of the loan.</i>
Initial credit rate	<i>Indicate the credit rate calculated in accordance with the Consumer Protection Act applicable on the date of the contract and the fact that it is variable during the contract.</i>
Term of the contract determined according to the initial credit rate	<i>Indicate the term of the contract according to the initial credit rate.</i>
Date on which credit charges begin to accrue or how that date is determined	<i>Indicate the date on which credit charges begin to accrue or how that date is determined.</i>
Payments determined according to the initial credit rate	<i>Indicate, according to the initial credit rate, the amount and the frequency of the payments, and the date of the payments (or the day on which they are payable).</i>

## INFORMATION BOX — CONTRACT FOR THE LOAN OF MONEY

Net capital paid in a number of advance payments

(Consumer Protection Act, section 115)

Net capital	<i>Indicate the net capital of the loan.</i>
Credit rate	<i>Indicate the credit rate calculated in accordance with the Consumer Protection Act.</i>
Term of contract	<i>Indicate the term of the contract.</i>
Amount and date advance payments on net capital or how they are determined	<i>Indicate the amount and date of the advance payments on the net capital of the loan or how they are determined.</i>
Date on which credit charges begin to accrue or how that date is determined	<i>Indicate the date on which credit charges begin to accrue or how that date is determined.</i>
Payments	<i>Indicate the amount, frequency and date of the payments (or the day on which they are payable).</i>

INFORMATION BOX — CONTRACT FOR THE LOAN OF MONEY AT A VARIABLE RATE

Net capital paid in a number of advance payments

(Consumer Protection Act, section 115)

Net capital	<i>Indicate the net capital of the loan.</i>
Initial credit rate	<i>Indicate the credit rate calculated in accordance with the Consumer Protection Act applicable on the date of the contract, and the fact that it is variable during the contract.</i>
Term of the contract established according to the initial credit rate	<i>Indicate the term of the contract according to the initial credit rate.</i>
Amount and date of advance payments on the net capital or how the amount and date are determined	<i>Indicate the amount and date of the advance payments on the net capital of the loan or how the amount and date are determined.</i>
Date on which credit charges begin to accrue or how that date is determined	<i>Indicate the date on which credit charges begin to accrue or how that date is determined.</i>
Payments established according to the initial credit rate	<i>Indicate, according to the initial credit rate, the amount and frequency of the payments, and the date of the payments (or the day on which they are payable).</i>

The box provided for in the first paragraph may be given to the consumer in a separate document provided no later than with the contract. The merchant is then exempt from the obligation of providing it at the very beginning of the contract.

**DIVISION II.3****CREDIT CARD APPLICATION FORM**

**61.0.9.** The credit card application form must include, at the very beginning, any of the boxes providing the following information, as the case may be:

**INFORMATION BOX — CREDIT CARD APPLICATION FORM**

(Consumer Protection Act, section 119.1)

Credit rate	<i>Indicate the credit rate calculated in accordance with the Consumer Protection Act.</i>
Grace period	<i>Indicate the period given to pay outstanding amounts without having to pay credit charges, except as regards money advances.</i>
Other charges	<i>Indicate the other charges likely to be required, in accordance with section 72 of the Consumer Protection Act or as charges other than credit charges.</i>

INFORMATION BOX — APPLICATION FORM FOR A CREDIT CARD AT A  
VARIABLE RATE

(Consumer Protection Act, section 119.1)

Initial credit rate	<i>Indicate the credit rate calculated in accordance with the Consumer Protection Act applicable on the date of the contract and the fact that the rate is variable during the contract.</i>
Grace period	<i>Indicate the period given to pay outstanding amounts without having to pay credit charges, except as regards money advances.</i>
Other charges	<i>Indicate the other charges likely to be required in accordance with section 72 of the Consumer Protection Act or as charges other than credit charges.</i>

The box provided for in the first paragraph may be given to the consumer in a separate document provided no later than with the credit card application form. The merchant is then exempt from the obligation of providing it at the very beginning of the form.

**DIVISION II.4**  
**OPEN CREDIT CONTRACT**

**61.0.10.** The open credit contract must comply with the following standard contract and provide as many lines as necessary to meet all the requirements:

OPEN CREDIT CONTRACT (*where applicable, add HIGH-COST at the beginning*)

(*CONSUMER PROTECTION ACT, S. 125*)

Date: .....

(*date on which contract is entered into*)

Place: .....

(*place where contract is entered into*)

.....

(*name of merchant*)

.....

.....

(*address of merchant*)

.....

(*where applicable, technological address of merchant*)

.....

(*Where applicable, the merchant's permit number*)

.....

(name of consumer)

.....

.....

(address of consumer)

- 1. Amount up to which the credit is granted     \$.....
- 2. Membership or renewal fees or fees for the replacement of a lost or stolen credit card     \$.....
- 3. The length of each period for which a statement of account is provided.....
- 4. Minimum periodic payment or method of calculating that payment  
.....
- 5. Period during which the consumer may discharge the obligation without being compelled to pay credit charges  
.....
- 6. Credit rate    =====%

(Where applicable, mention the nature of any optional contracts, the charge for such contracts, or how it is determined and that the consumer has a right of rescission with respect to such contracts.)

(Where applicable, mention the existence and the subject matter of any security given by the consumer to guarantee the performance of the consumer's obligations.)

Telephone number that the consumer can use, at no charge, to obtain information about the contract in the language of the contract (if not, clearly state that collect calls are accepted) .....

.....

Table of examples of credit charges

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**61.0.11.** An open credit contract other than the contract entered into for using a credit card must include, at the very beginning, any of the boxes providing the following information, as the case may be:

INFORMATION BOX — OPEN CREDIT CONTRACT OTHER THAN FOR THE USE OF A CREDIT CARD

(Consumer Protection Act, section 125)

Credit limit granted	<i>Indicate the amount of the credit limit granted.</i>
Credit rate	<i>Indicate the credit rate calculated in accordance with the Consumer Protection Act.</i>
Minimum periodic payment	<i>Indicate the amount of the minimum periodic payment or the method of calculating that payment for each period.</i>
Other charges	<i>Indicate the other charges likely to be required in accordance with section 72 of the Consumer Protection Act or as charges other than credit charges.</i>



INFORMATION BOX — VARIABLE RATE OPEN CREDIT CONTRACT,  
OTHER THAN FOR USING A CREDIT CARD

(Consumer Protection Act, section 125)

Credit limit granted	<i>Indicate the amount of the credit limit granted.</i>
Initial credit rate	<i>Indicate the credit rate calculated in accordance with the Consumer Protection Act applicable on the date of the contract, and the fact that it is variable during the contract.</i>
Minimum periodic payment	<i>Indicate the amount of the minimum periodic payment or the method of calculating that payment for each period.</i>
Other charges	<i>Indicate the other charges likely to be required in accordance with section 72 of the Consumer Protection Act or as charges other than credit charges.</i>

The box provided for in the first paragraph may be given to the consumer in a separate document provided no later than with the contract. The merchant is then exempt from the obligation of providing it at the very beginning of the contract.

**61.0.12.** An open credit contract entered into for the use of a credit card must include, at the very beginning, any of the boxes providing the following information, as the case may be:

**INFORMATION BOX — OPEN CREDIT CONTRACT FOR USING A CREDIT CARD**

(Consumer Protection Act, section 125)

Credit limit granted	<i>Indicate the amount of the credit limit granted.</i>
Credit rate	<i>Indicate the credit rate calculated in accordance with the Consumer Protection Act.</i>
Grace period	<i>Indicate the period given to pay outstanding amounts without having to pay credit charges, except as regards money advances.</i>
Minimum periodic payment	<i>Indicate the amount of the minimum periodic payment or the method of calculating that payment for each period.</i>
Other charges	<i>Indicate the other charges likely to be required in accordance with section 72 of the Consumer Protection Act or as charges other than credit charges.</i>

INFORMATION BOX — OPEN CREDIT CONTRACT FOR USING A CREDIT CARD WITH A VARIABLE RATE

(Consumer Protection Act, section 125)

Credit limit granted	<i>Indicate the amount of the credit limit granted.</i>
<i>Initial credit rate</i>	<i>Indicate the credit rate calculated in accordance with the Consumer Protection Act applicable on the date of the contract, and the fact that it is variable during the contract.</i>
Grace period	<i>Indicate the period given to pay outstanding amounts without having to pay credit charges, except as regards money advances.</i>
Minimum periodic payment	<i>Indicate the amount of the minimum periodic payment or the method of calculating that payment for each period.</i>
Other charges	<i>Indicate the other charges likely to be required in accordance with section 72 of the Consumer Protection Act or as charges other than credit charges.</i>

The box provided for in the first paragraph may be given to the consumer in a separate document provided no later than with the contract. The merchant is then exempt from the obligation of providing it at the very beginning of the contract.

**DIVISION II.5**  
INSTALMENT SALE CONTRACT

**61.0.13.** An instalment sale contract must comply with the following standard contract and provided as many lines as necessary to meet all the requirements:

INSTALMENT SALE CONTRACT *(where applicable, add HIGH-COST at the beginning)*

*(CONSUMER PROTECTION ACT, S. 134)*

Date: .....

*(date on which contract is entered into)*

Place: .....

*(place where contract is entered into)*

.....

*(name of merchant)*

.....

.....

*(address of merchant)*

.....

*(where applicable, technological address of merchant)*

.....

*(Where applicable, the merchant's permit number)*

.....

*(name of consumer)*

.....

.....

(address of consumer)

Description of the goods that are the subject matter of the contract

.....

- 1. (a) Cash sale price of the goods \$.....
- (b) Installation, delivery and other costs \$.....
- 2. (a) Total cash price \$=====
- (b) Cash payment \$.....
- (c) Value of any goods given in exchange \$.....
- 3. (a) Balance — Net capital \$=====
- (b) Interest \$.....
- (c) Other components of the credit charges \$.....
- 4. Total of the credit charges for the term of the contract \$=====
- 5. Consumer's total obligation \$=====
- Credit rate .....%

The term of this contract is .....

Date on which credit charges begin to accrue (or how that date is determined):

.....

The consumer's total obligation is payable at ..... (address) in .....  
deferred payments of \$..... on ..... day (number) of each consecutive  
month as of..... (due date of the first payment) and a final payment of \$.....  
on .....(due date of the last payment).

(Where applicable, mention the nature of any optional contracts, the charge for such  
contracts, or how it is determined and that the consumer has a right of resiliation  
with respect to such contracts.)

(Where applicable, mention the existence and the subject matter of any security  
given by the consumer to guarantee the performance of the consumer's obligations.)

The merchant delivers the good(s) subject to this contract when entering into this  
contract.

- Yes  
 No

if "no",

on .....

(date of delivery of goods)

The merchant remains the owner of the goods sold and the transfer of the right of  
ownership does not take place when the contract is entered into, but will take place  
only (describe the time and terms of the transfer of ownership).

**61.0.14.** An instalment sale contract must include, at the very beginning, any  
of the boxes providing the following information, as the case may be:

**INFORMATION BOX — INSTALMENT SALE CONTRACT**

(Consumer Protection Act, section 134)

Net capital	<i>Indicate the net capital of the instalment sale contract.</i>
Credit rate	<i>Indicate the credit rate calculated in accordance with the Consumer Protection Act.</i>

Term of contract	<i>Indicate the term of the contract, and the fact that the consumer may, without charges or penalties, prepay all or part of the outstanding balance.</i>
Date of delivery of the goods	<i>Indicate the date on which the goods must be delivered to the consumer.</i>
Date on which credit charges begin to accrue or how that date is determined	<i>Indicate the date on which credit charges begin to accrue or how that date is determined. Indicate that if the goods are delivered more than 7 days after the contract is entered into, credit charges may not accrue before the delivery date.</i>
Payments	<i>Indicate the amount, frequency and date of the payments (or the day on which they are payable).</i>
Cancellation period	<i>Indicate the consumer's cancellation period, of 2 or 10 days, as the case may be, except where the contract concerns a new road vehicle that the consumer has received.</i>

INFORMATION BOX — VARIABLE RATE INSTALMENT SALE  
CONTRACT

(Consumer Protection Act, section 134)

Net capital	<i>Indicate the net capital of the instalment sale contract.</i>
Initial credit rate	<i>Indicate the credit rate calculated in accordance with the Consumer Protection Act applicable on the date of the contract, and the fact that it is variable during the contract.</i>
Term of the contract established according to the initial credit rate	<i>Indicate the term of the contract, according to the initial credit rate, and the fact that the consumer may, without charges or penalties, prepay all or part of the outstanding balance.</i>
Date of delivery of the goods	<i>Indicate the date on which the goods must be delivered to the consumer.</i>
Date on which credit charges begin to accrue or how that date is determined	<i>Indicate the date on which credit charges begin to accrue or how that date is determined. Indicate that if the goods are delivered more than 7 days after the contract is entered into, credit charges may not accrue before the date of delivery.</i>
Payments determined according to the initial credit rate	<i>Indicate, according to the initial credit rate, the amount and frequency of payments and date of the payments (or the day on which they are payable).</i>
Cancellation period	<i>Indicate the consumer's cancellation period, of 2 or 10 days, as the case may be, except where the contract concerns a new road vehicle that the consumer has received.</i>



The box provided for in the first paragraph may be given to the consumer in a separate document provided no later than with the contract. The merchant is then exempt from the obligation of providing it at the very beginning of the contract.

## **DIVISION II.6**

### **CONTRACT INVOLVING CREDIT OTHER THAN AN INSTALMENT SALE CONTRACT**

**61.0.15.** A contract involving credit other than an instalment sale contract must comply with the following standard contract and provide as many lines as necessary to meet all the requirements:

CONTRACT INVOLVING CREDIT OTHER THAN AN INSTALMENT CONTRACT *(where applicable, add HIGH-COST at the beginning)*

*(CONSUMER PROTECTION ACT, S. 150)*

Date: .....

*(date on which contract is entered into)*

Place: .....

*(place where contract is entered into)*

.....

*(name of merchant)*

.....

.....

*(address of merchant)*

.....

*(where applicable, technological address of merchant)*

.....

*(Where applicable, the merchant's permit number)*

.....

*(name of consumer)*

.....

.....

*(address of consumer)*

Description of the object of the contract .....

1.	(a) Cash sale price of the goods or service	\$.....
	(b) Installation, delivery and other costs	\$.....
2.	(a) Total cash price	\$=====
	(b) Cash payment	\$.....
3.	(a) Balance — Net capital	\$=====
	(b) Interest	\$.....
	(c) Other components of the credit charges	\$.....
4.	Total of credit charges for the term of the contract	\$=====
5.	Consumer's total obligation	\$=====
	Credit rate	.....%

The term of this contract is .....

Date on which the credit charges begin to accrue (or how that date is determined):

.....

The consumer's total obligation is payable at ..... (*address*) in .....  
 deferred payments of \$..... on ..... day (*number*) of each consecutive  
 month as of ..... (*due date of the first payment*) and a final payment of  
 \$..... on .....(*due date of the last payment*).

(Where applicable, mention the nature of any optional contracts, the charge for such contracts, or how it is determined and that the consumer has a right of resiliation with respect to such contracts.)

(Where applicable, mention the existence and the subject matter of any security given by the consumer to guarantee the performance of the consumer's obligations.)

The merchant performs the merchant's principal obligation when entering into this contract.

- Yes
- No

if "no",

on .....

(date of the performance of the merchant's principal obligation)

**61.0.16.** A contract involving credit other than an instalment sale contract must include, at the very beginning, any of the boxes providing the following information, as the case may be:

**INFORMATION BOX — CONTRACT INVOLVING CREDIT OTHER THAN AN INSTALMENT SALE CONTRACT**

(Consumer Protection Act, section 150)

<p>Net capital</p>	<p><i>Indicate the net capital of a contract involving credit.</i></p>
<p>Credit rate</p>	<p><i>Indicate the credit rate calculated in accordance with the Consumer Protection Act.</i></p>

Term of contract	<i>Indicate the term of the contract, and the fact that the consumer may, without charges or penalties, prepay all or part of the outstanding balance.</i>
Date of delivery of the goods or performance of the service	<i>Indicate the date on which the goods must be delivered to the consumer or the date on which the service must be performed.</i>
Date on which credit charges begin to accrue or how that date is determined	<i>Indicate the date on which credit charges begin to accrue or how that date is determined. Indicate that if the goods are delivered more than 7 days after the contract is entered into, credit charges may not accrue before the date of delivery.</i>
Payments	<i>Indicate the amount, frequency and date of the payments (or the day on which they are payable).</i>
Cancellation period	<i>Indicate the consumer's cancellation period, of 2 or 10 days, as the case may be, except where the contract concerns a new road vehicle that the consumer has received.</i>

INFORMATION BOX — VARIABLE RATE CONTRACT INVOLVING CREDIT OTHER THAN AN INSTALMENT SALE CONTRACT

(Consumer Protection Act, section 150)

Net capital	<i>Indicate the net capital of the contract involving credit.</i>

Initial credit rate	<i>Indicate the credit rate calculated in accordance with the Consumer Protection Act applicable on the date of the contract, and the fact that it is variable during the contract.</i>
Term of the contract established according to the initial credit rate	<i>Indicate the term of the contract, according to the initial credit rate, and the fact that the consumer may, without charges or penalties, prepay all or part of the outstanding balance.</i>
Date of delivery of the goods or performance of the service	<i>Indicate the date on which the goods must be delivered to the consumer or the date on which the service must be performed.</i>
Date on which credit charges begin to accrue or how that date is determined	<i>Indicate the date on which credit charges begin to accrue or how that date is determined. Indicate that if the merchant's principal obligation is performed more than 7 days after the contract is entered into, credit charges may not accrue before the delivery date.</i>
Payments determined according to the initial credit rate	<i>Indicate, according to the initial credit rate, the amount and frequency of payments and date of the payments (or the day on which they are payable).</i>
Cancellation period	<i>Indicate the consumer's cancellation period, of 2 or 10 days, as the case may be, except where the contract concerns a new road vehicle that the consumer has received.</i>

The box provided for in the first paragraph may be given to the consumer in a separate document provided no later than with the contract. The merchant is then exempt from the obligation of providing it at the very beginning of the contract.”

**38.** Section 61.1 is amended

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

“**61.1.** In accordance with section 100.1 of the Act, credit contracts that provide for a variable credit rate are exempt from the application of the Act mentioned in that section, provided that they

(a) include, depending on the nature of the contract, the information prescribed by section 115, 125, 134 or 150 of the Act;

(b) stipulate, except in the case of an open credit contract, equal deferred payments, except the final payment which may be less, by reserving the possibility that the amount of the payments and the number of payments be adjusted based on the variations of the credit rate.”;

(2) by replacing “For the application of section 52” in the second paragraph by “For the application of section 52 or 59, as the case may be,”.

**39.** Section 68 is amended by replacing “a to f of the second” in paragraph b by “a to d, f and h of the first”.

**40.** Section 69 is amended by replacing “mailed” and “mailing” in the first paragraph of the compulsory clause by “sent” and “sending”, respectively.

**41.** The following is inserted after section 69:

**“69.0.1.** For the purposes of the third paragraph of section 127 of the Act, the statement of account must be actually available for a period of 2 years from the date on which the consumer receives at the consumer’s technological address a notice according to which the statement of account is available on the merchant’s website.

#### **DIVISION V**

#### **FORFEITURE OF BENEFIT OF THE TERM AND REPOSSESSION**

**69.0.2.** Where the merchant wishes to avail himself of a clause of forfeiture of benefit of the term, the notice to the consumer must comply with the following standard notice and provide as many lines as necessary to meet all the requirements:

*(CONSUMER PROTECTION ACT, S. 105)*

#### **NOTICE OF FORFEITURE OF BENEFIT OF THE TERM**

Date: .....

*(date on which notice is sent or given)*

.....

*(name of merchant)*

.....

*(telephone number of merchant)*

.....

*(address of merchant)*

hereinafter called the merchant gives notice to:

.....

*(name of consumer)*

.....

.....

*(address of consumer)*

hereinafter called the consumer,

that the consumer has failed to fulfil the obligation in accordance with the contract

(No. ....)

*(contract number, if any)*

entered into by them .....

*(place where contract was entered into)*

on .....

*(date on which contract was entered into)*

and that the following payment or payments are due:

\$.....,

*(amount of payment)*

on .....

*(due date of payment)*

\$.....,

*(amount of payment)*

on .....

*(due date of payment)*

for a total of \$..... *(amount due)* at this date.

(or

description of another type of default, such as failure to insure goods as provided for in the contract, to the extent that that requirement is allowed under the Act)

Consequently, if the consumer does not remedy the default by paying the amount due (or other remedy, if applicable) within 30 days of receiving this notice, the balance of the obligation, in the amount of \$....., shall become payable at that time.

The consumer may, however, apply to the court to change the terms and conditions of payment or, in the case of a contract involving credit, to be authorized to return the goods sold to the merchant.

Such application must be served and filed in the office of the court within 30 days after the consumer receives this notice.

It is in the consumer's interest to examine the contract and, if further information is necessary, to contact the Office de la protection du consommateur.

**69.0.3.** Where the merchant wishes to avail himself of the right of repossession, the notice to the consumer must comply with the following standard notice and provide as many lines as necessary to meet all the requirements:



*(CONSUMER PROTECTION ACT, S. 139)*

NOTICE OF REPOSSESSION

Date: .....

*(date on which notice is sent or given)*

.....

*(name of merchant)*

.....

*(telephone number of merchant)*

.....

*(address of merchant)*

hereinafter called the merchant gives notice to:

.....

*(name of consumer)*

.....

.....

*(address of consumer)*

hereinafter called the consumer,

that the consumer has failed to fulfil the obligation in accordance with the contract

(No. ....) *(contract number, if any)* entered into by them at ..... *(place where contract was entered into)*

on ..... *(date on which contract was entered into)* and the following payment or payments are due:

\$....., *(amount of payment)*

on .....

*(due date of payment)*

\$....., *(amount of payment)*

on .....

*(due date of payment)*

for a total of \$..... *(amount due)* at this date.

(or description of another type of default, such as failure to insure goods as provided for in the contract, to the extent that that requirement is allowed under the Act)

The consumer may, within 30 days after receiving this notice,

(a) remedy the default by paying the amount due at this date (or other remedy, if applicable);

(b) return the goods to the merchant.

If the consumer has not remedied the default or has not returned the goods to the merchant at .....

(address)

within 30 days after receiving this notice, the merchant will exercise the right of repossession by having the goods seized, at the consumer's expense.

If the consumer has already paid one-half of the amount of the total obligation and of the down-payment, the merchant will not be entitled to exercise the right of repossession unless the merchant obtains the permission of the court.

In the case of voluntary return or forced repossession of the goods following this notice, the contractual obligation of the consumer is extinguished and the merchant is not bound to return the amount of the payments already received.

It is in the consumer's interest to examine the contract and, if further information is necessary, to contact the Office de la protection du consommateur.”

**42.** The following is inserted after section 69.4:

“**69.4.1.** A contract of lease with guaranteed residual value must comply with the following standard contract and provide as many lines as necessary to meet all the requirements:

(CONSUMER PROTECTION ACT, S. 150.22)

CONTRACT OF LEASE WITH RESIDUAL VALUE GUARANTEED BY THE CONSUMER

Date: .....

(date on which contract is entered into)

Place: .....

(place where contract is entered into)

.....

(name of merchant)

.....

.....

*(address of merchant)*

.....

*(where applicable, technological address of merchant)*

*(name of consumer)*

.....

.....

*(address of consumer)*

Description of the object of the contract: .....

.....

*(make, model, serial number, year)*

1. Total value of goods

(a) Retail price	\$.....
(b) Preparation, delivery and installation charges	\$.....
(c) Other .....	\$.....
<i>(specify)</i>	
Total	\$.....

2. Payment on account  
(except applicable taxes)

(a) Trade-in	\$.....
(b) First instalment	\$.....
(c) Instalment or instalments paid in advance, other than (b)	\$.....
.....	
<i>(specify which)</i>	

(d) Other amount received before the start of the leasing period, including the value of a payment instrument payable on demand	\$.....
Total	\$.....
3. Amount of net obligation (1 - 2)	\$=====
4. Instalments	
(a) (i) ..... X ..... = (instalment) (number)	\$.....
(ii) Last instalment (if less than i)	\$.....
(iii) Total of instalments (i + ii)	\$=====
(b) (i) ..... + ..... = (instalment) (taxes)	\$..... (periodic payment)
(ii) ..... X ..... = (instalment) (number)	\$.....
(iii) ..... + ..... = (last instalment) (taxes)	\$.....
(iv) Total of instalments (ii + iii)	\$=====
5. Amount of instalment obligation	
(a) Total of instalments minus those included in the payment on account (4 (a) iii - 2 (b) and 2 (c))	\$.....
(b) Residual value of goods (wholesale value at the end of the leasing period)	\$.....
Total	\$=====
6. Implied credit charges and rate	
(a) Implied credit charges (5 - 3)	\$.....

(b) Leasing period ..... months

(c) Implied annual credit rate =====%

## 7. MAXIMUM OBLIGATION OF THE CONSUMER

*(not including applicable taxes and charges relating to the degree of use of the goods*

(2 + 5) \$=====

The obligation of the consumer is payable

at .....

*(address)*

The amounts to be paid during the leasing period payable in

..... instalments (number) of ..... *(amount)* on the

..... day of each consecutive ..... *(period)* from .....*(date of delivery of goods)*

..... and a final instalment of \$..... *(amount)*

on .....

*(date).*

The consumer shall defray the residual value if the consumer acquires the goods during the leasing period. If the consumer elects not to exercise this option, the consumer guarantees that the merchant will obtain from alienation of the goods by onerous title within a reasonable time of their return a value equal to or greater than the residual value and that, if the merchant fails to obtain at least such value, the consumer will assume the difference up to 20% of the residual value.

The consumer shall give to the merchant as acknowledgement of or security for the consumer's obligation the following object or document:

.....

*(description)*

The merchant shall deliver the goods being the subject of this contract on the making of the contract (either box must be checked)

Yes

No

If "no", on .....

*(date of delivery of goods)".*

**43.** The following is inserted after section 69.5:

**“69.5.1.** Where the merchant must offer the goods to the consumer under section 150.30 of the Act, the notice to the consumer must comply with the following standard notice:

*(CONSUMER PROTECTION ACT, ART. 150.30)*

NOTICE OF RIGHT OF PREEMPTION

Date: .....

*(date on which notice is sent or given)*

.....

*(name of merchant)*

.....

*(telephone number of merchant)*

.....

*(address of merchant)*

hereinafter called the merchant, gives notice to

.....

*(name of consumer)*

.....

.....

*(address of consumer)*

hereinafter called the consumer,

1 – that the merchant has received from .....

*(name and address)*

(hereinafter called the prospective acquirer) an offer to purchase the goods which are the object of the contract of lease with guaranteed residual value

(No. ....) *(contract number, if any)* entered into by the merchant and

the consumer at .....

*(place where contract was entered into)*

on ..... (*date on which contract was entered into*)

and that this offer to acquire is in the amount of \$..... (*amount*),

and that this amount is less than the residual value indicated in the contract, namely \$.....;

(*amount*)

2 – that the consumer may, within 5 days after receipt of this notice,

(a) acquire the goods by paying in cash a price equal to that offered by the prospective acquirer;

(b) present a third person who agrees to pay in cash for the goods a price equal to or greater than that offered by the prospective acquirer.

In the latter case, if the merchant does not agree to sell the goods to the third person presented by the consumer, the consumer is released from his obligation to guarantee the residual value.

If the consumer fails to acquire the goods or to present a third person within 5 days after receipt of this notice, the merchant will sell the goods to the prospective acquirer at the price offered by the acquirer and indicated in paragraph 1.

It is in the consumer's interest to examine the contract and, if further information is necessary, to contact the Office de la protection du consommateur.”.

**44.** The following is inserted after section 69.6:

“**69.6.1.** Where the merchant wishes to prevail himself of a clause of forfeiture of benefit of the term, the notice to the consumer must comply with the following standard notice and provide as many lines as necessary to meet the requirements:

(*CONSUMER PROTECTION ACT, S. 150.13*)

NOTICE OF FORFEITURE OF BENEFIT OF THE TERM CONCERNING  
LONG-TERM LEASE

Date: .....

(*date on which notice is sent or given*)

.....

(*name of merchant*)

.....

(*telephone number of merchant*)

.....

*(address of merchant)*

hereinafter called the merchant, gives notice to:

.....

*(name of consumer)*

.....

.....

*(address of consumer)*

hereinafter called the consumer,

that the consumer is in default to perform the obligation in accordance with the contract

(No. ....) *(contract number, if any)* entered into by them .....

*(place where contract was entered into)*

on ..... *(date on which contract was entered into)* and that the following payment or payments are due

\$....., *(amount of payment)*

on .....*(due date of payment)*

\$....., *(amount of payment)*

on .....*(due date of payment)*

for a total of \$..... *(amount due)* at this date.

(or description of another type of default, such as failure to insure goods as provided for in the contract, to the extent that that requirement is allowed under the Act)

Consequently, if the consumer does not remedy the default by paying the amount due (or other remedy, if applicable) within 30 days of receiving this notice, the total amount of payments due and future instalments, in the amount of \$....., shall become payable at that time.

The consumer may, however, apply to the court to change the terms and conditions of payment or to be authorized to return the goods leased to the merchant. In that case, return of the goods authorized by the court entails the extinguishment of the obligation and the merchant is not required to return the amount of instalments the consumer has received.



Such application must be served and filed in the office of the court within 30 days after the consumer receives this notice.

Furthermore, the consumer may also, without the authorization of the court, return the goods to the merchant and thus rescind his contract. In such case, the merchant is not bound to return the amount of the payments due the merchant has already received, and cannot claim any damages other than those actually resulting, directly and immediately, from the resiliation of the contract.

It is in the consumer's interest to examine the contract and, if further information is necessary, to contact the Office de la protection du consommateur.”.

**45.** The following is inserted after section 69.7:

“**69.8.** Where the merchant wishes to prevail himself of the right to repossession, the notice to the consumer must comply with the following standard notice and provide as many lines as necessary to meet all the requirements:

*(CONSUMER PROTECTION ACT, S. 150.14)*

**NOTICE OF REPOSSESSION CONCERNING LONG-TERM LEASE**

Date: .....

*(DATE ON WHICH NOTICE IS SENT OR GIVEN)*

.....

*(NAME OF MERCHANT)*

.....

*(TELEPHONE NUMBER OF MERCHANT)*

.....

*(ADDRESS OF MERCHANT)*

hereinafter called the merchant, gives notice to

.....

*(NAME OF CONSUMER)*

.....

.....

*(ADDRESS OF CONSUMER)*

hereinafter called the consumer,

that the consumer is in default to perform the obligation in accordance with the contract

(No. ....) *(contract number, if any)* entered into by them at .....

*(place where contract was entered into)*

on ..... *(date on which contract was entered into)* and that the

following payment or payments are due:

\$....., (*amount of payment*)

on .....(*due date of payment*)

\$....., (*amount of payment*)

on .....(*due date of payment*)

for a total of \$..... (*amount due*) at this date.

(or description of another type of default, such as failure to insure goods as provided for in the contract, to the extent that that requirement is allowed under the Act)

The consumer may, within 30 days after receipt of this notice, either

(a) remedy the default by paying the amount due at this date (or other remedy, if applicable); or

(b) return the goods to the merchant.

If the consumer has not remedied the default or returned the goods to the merchant at .....

(*ADDRESS*)

within 30 days after receipt of this notice, the merchant will exercise the right of repossession by having the goods seized, at the consumer's expense.

However, if the consumer who is a party to a contract of lease with guaranteed residual value has already paid at least one-half of the maximum obligation, the merchant will not be entitled to exercise the right of repossession unless the merchant obtains the authorization of the court (section 150.32).

In the case of voluntary return or forced repossession of the goods following this notice, the contract is rescinded and the merchant is not bound to return the amount of the payments already received, and cannot claim any damages other than those actually resulting, directly and immediately, from the rescission of the contract (section 150.15).

It is in the consumer's interest to examine the contract and, if further information is necessary, to contact the Office de la protection du consommateur.”.

**46.** Section 70 is amended by replacing “a new automobile” by “a new road vehicle”.

**47.** The following is inserted after section 79.6:

**“CHAPTER VI.1.1**

**CONTRACT RELATING TO A LOYALTY PROGRAM**

**79.6.1.** Section 11.2 and Division V.2 of Chapter III of Title I of the Act do not apply to a contract relating to a loyalty program for a single good or service or a set of goods or services determined at the time of entering into a contract relating to a loyalty program.

**79.6.2.** Section 11.2 and Division V.2 of Chapter III of Title I of the Act do not apply to a contract relating to a loyalty program where the retail value of each good or service that the consumer may obtain does not exceed \$50.

**79.6.3.** Section 187.8 of the Act does not apply to the stipulation of a contract relating to a loyalty program that provides for the expiry of exchange units where all of the following conditions are met:

(a) the stipulation provides the expiry in case of inactivity of the consumer, that is, that no exchange unit has been received or exchanged over a given period;

(b) the stipulation provides the expiry in case of inactivity for a period that is not less than 1 year;

(c) the loyalty program merchant sends a notice of inactivity to the consumer exclusively on the fact that the inactivity will result in the expiry of the consumer's exchange units and specifying the date of expiry, where applicable;

(d) the notice of inactivity is sent to the consumer at least 30 days, but not more than 60 days before the date of expiry of the exchange units.

**79.6.4.** The information that the loyalty program merchant must give to the consumer in accordance with section 187.7 of the Act is

(a) the conditions that allow receiving exchange units;

(b) the terms applicable to the exchange of exchange units;

(c) the terms applicable to the expiry of exchange units, where applicable; and

(d) the conversion factor used to convert exchange units into another form of exchange unit, where applicable.

**79.6.5.** A stipulation that has the effect of allowing the expiry of exchange units following a conversion into another form of exchange unit is prohibited.

**79.6.6.** A stipulation that allows the loyalty program merchant to unilaterally modify to the detriment of the consumer the following elements of an indeterminate-term contract relating to a loyalty program is prohibited:

(a) the number of exchange units received by the consumer;

(b) the conversion factor identified in section 79.6.4 applicable to the exchange units received by the consumer.

**79.6.7.** A stipulation that allows the loyalty program merchant to unilaterally increase the exchange units required to obtain goods or a service in a disproportionate manner with respect to the increase of the retail value of the goods or service is prohibited.

**79.6.8.** The notice provided for in paragraph *b* of section 187.9 of the Act must be sent to the consumer between the 90th and the 60th day preceding the coming into force of the amendment.

**79.6.9.** Sections 11.2 and 187.9 of the Act do not apply to a stipulation allowing the merchant to unilaterally amend for a temporary period an essential element of a contract related to a loyalty program to the consumer's advantage.

**CHAPTER VI.1.2**

**CONTRACT OF SERVICE INVOLVING SEQUENTIAL PERFORMANCE  
RELATED TO INSTRUCTION, TRAINING OR ASSISTANCE**

**79.6.10.** The form that the merchant must attach to the duplicate of the contract in accordance with the second paragraph of section 190 of the Act must comply with the following standard form:

*(CONSUMER PROTECTION ACT, S. 190)*

**RESILIATION FORM**

TO: .....

*(name of merchant)*

.....

.....

*(address of merchant)*

Date: .....

*(date on which form is sent)*

Under section 193 of the Consumer Protection Act, I cancel the contract

(No. ....)

*(contract number, if any)*

entered into on ..... at .....

*(date when contract was entered into) (place where contract was entered into)*

.....

*(name of consumer)*

.....

*(signature of consumer)*

.....

.....

*(address of consumer)*

**79.6.11.** The form that the merchant must attach to the duplicate of the contract in accordance with the second paragraph of section 199 of the Act must comply with the following standard form:

*(CONSUMER PROTECTION ACT, S. 199)*

RESILIATION FORM

TO: .....

*(name of merchant)*

.....

.....

*(address of merchant)*

Date: .....

*(date on which form is sent)*

Under section 204 of the Consumer Protection Act, I cancel the contract

(No. ....)

*(contract number, if any)*

entered into on ..... at .....

*(date on which contract was entered into) (place where contract was entered into)*

.....

*(name of consumer)*

.....

*(signature of consumer)*

.....

.....

*(address of consumer)*

**79.6.12.** The form that the merchant must attach to the duplicate of the contract in accordance with the second paragraph of section 208 of the Act must comply with the following standard form:

*(CONSUMER PROTECTION ACT, S. 208)*

CANCELLATION FORM

TO: .....

*(name of merchant)*

.....

.....

*(address of merchant)*

Date: .....

*(date on which form is sent)*

Under section 209 of the Consumer Protection Act, I cancel the contract

(No. ....)

*(contract number, if any)*

entered into on .....

at .....

*(date on which contract was entered into) (place where contract was entered into)*

.....

*(name of consumer)*

.....

*(signature of consumer)*

.....

.....

*(address of consumer)".*

**48.** The following is inserted after section 79.12:

**“CHAPTER VI.3  
CONTRACT MADE BY A DEBT SETTLEMENT SERVICE MERCHANT**

**79.13.** A debt settlement service contract which provides the services provided for in paragraph *a* or *b* of section 214.12 of the Act must comply with the following standard contract and provide as many lines as necessary to meet all the requirements:

CONTRACT ENTERED INTO BY A DEBT SETTLEMENT SERVICE MERCHANT

*(CONSUMER PROTECTION ACT, S. 214.16)*

Date: .....

*(date on which contract is entered into)*

Place: .....

*(place where contract is entered into)*

.....

*(name of merchant)*

.....

.....

*(address of merchant)*

.....

*(telephone number of merchant)*

.....

*(where applicable, technological address of merchant)*

.....  
(merchant's permit number)

.....  
(name of consumer)

.....  
(address of consumer)

1. Detailed description of each of the goods and services to be provided under the contract

.....  
.....  
.....

2. Scheduled dates for the performance of the merchant's obligations.....

.....

3. Charges and fees that the consumer may be required to pay IF ALL the propositions are ACCEPTED by the creditors \$.....

4. List of creditors disclosed by the consumer and the amount and description, including the credit rate, of each of their claims

.....  
.....  
.....

5. Total amount owed to creditors by the consumer \$.....



6. Proposal the merchant undertakes to make to each of the consumer's creditors, including the terms and conditions of payment proposed for each debt

.....  
.....  
.....  
.....  
.....  
.....

7. The amount of any payment to be made to the merchant by the consumer for remittance to the creditors, and the frequency and dates of the payments

.....  
.....  
.....

8. The merchant will receive or attempt to receive amounts from a creditor as consideration for entering into the contract (one of the boxes below must be checked)

Yes

No

9. If applicable, a description of the goods received in payment, as a trade-in or no account, their quantity, and the priced agreed on for each of them

.....  
.....

10. The term and expiry date of the contract

11. The consumer may resolve the contract at the consumer's sole discretion within 10 days after that on which each of the parties is in possession of a copy of the contract.

**79.14.** The contract entered into by a debt settlement service merchant must include, as a schedule to the copy of the contract the merchant sends to the consumer and on a separate document, a cancellation form complying with the following standard form:

CANCELLATION FORM

TO BE COMPLETED BY THE MERCHANT

TO:.....

*(name of debt settlement service merchant)*

.....

.....

*(address of debt settlement service merchant)*

*Telephone number of debt settlement service merchant, where applicable:*

(.....) .....

*Where applicable, technological address of debt settlement service merchant:*

.....

TO BE COMPLETED BY THE CONSUMER

DATE: ..... (date on which form is sent)

Under section 214.17 of the Consumer Protection Act, I hereby cancel the contract No. .... (contract number, if any) entered into on ..... (date on which contract is entered into) at:

.....

.....

(place where contract is entered into) .

.....

(name of consumer)

.....

(signature of consumer)

**79.15.** For the purposes of the fifth paragraph of section 214.26 of the Act, the maximum charges and fees that the merchant providing the services referred to in paragraph *a* or *b* of section 214.12 of the Act may collect from a consumer are set by multiplying by a rate each payment made by the merchant to a consumer’s creditor and covered by an agreement in principle accepted by the consumer.

The rate is calculated by multiplying by 15% the amount equal to the reduction of the debt negotiated by the merchant and accepted by the consumer and on which is applied the payment referred to in the first paragraph, and by dividing the product thus obtained by the new debt of the consumer with regard to the creditor, as negotiated by the merchant and accepted by the consumer.

**79.16.** Sections 6.3, 46, 46.1 and 50 do not apply to a contract entered into by a debt settlement service merchant.”

**49.** Section 91.8 is amended by replacing “second” in the first paragraph by “third”.

**50.** Section 92 is amended by striking out “of road vehicle dealers or an association of road vehicle recyclers” in paragraph *d*.

**51.** Section 93 is amended

(1) by replacing “6” in the portion before paragraph *a* by “8”;

(2) by inserting the following after paragraph *f*:

“(g) the permit of a merchant who enters into a high-cost credit contract referred to in paragraph *g* of section 321 of the Act:

(h) the permit of a debt settlement service merchant referred to in paragraph *h* of section 321 of the Act.”

**52.** Section 94.03 is amended by replacing subparagraph *c* of the first paragraph by the following:

“(c) an attestation of the municipality according to which each of the new establishments comply with the by-laws relating to uses in force in that municipality;”

**53.** The following is inserted after section 94.04:

“**94.05.** In addition to the information and documents referred to in section 94, a person applying for the issue or renewal of a merchant’s permit who enters into a high-cost credit contract must notify the president of the type of credit contract entered into, according to the classes determined in section 66 of the Act.”

**54.** Section 94.5 is amended by striking out “subparagraphs *f*, *h* and *j* of the first paragraph of section 94.”

**55.** The following is inserted after section 108.1.3:

“**108.1.3.1.** The applicant for a merchant’s permit who enters into a high-cost credit contract must pay the same duties as those set in section 107.

**108.1.3.2.** For the simultaneous issue of a money lender’s permit and a merchant’s permit who entered into a high-cost credit contract, the duties that the applicant must pay are 150% of the duties indicated in section 107.

**108.1.3.3.** The security that the applicant for a debt settlement service merchant permit must furnish is \$50,000.

The duties that the applicant must pay are set as follows:

#### Periods

Up to 30 April 2019

From 1 June 2019 to 30 April 2021

From 1 June 2021 to 30 April 2023

From 1 June 2023 to 30 April 2025

From 1 June 2025

#### Duties

\$356

\$737

\$1,000

\$1,250

\$1,500”.

**56.** Section 108.1.4 is amended by inserting “, 108.1.3.1 to 108.1.3.3” after “108.1.3”.

**57.** Section 108.2 is amended by replacing “d’émettre” in the first paragraph of the French text by “de délivrer” and by replacing “108.1.3” in the first paragraph by “108.1.3.3”.

**58.** Section 112.1 is amended in the first paragraph

(1) by striking out “of road vehicle dealers or an association of road vehicle recyclers” in the portion before subparagraph *a*;

(2) by replacing the words “second paragraph of section 323.1” wherever they appear by the words “third paragraph of section 323”;

(3) by replacing “section 122.1” in subparagraph *d* by “section 121 or 122.1”.

**59.** Section 113 is amended in the first paragraph

(1) by replacing “108.1.3” at the end of subparagraph *b* by “108.1.3.3”;

(2) by replacing “or 120.2” in subparagraphs *c* and *d* by “,120.2 or 120.3”.

**60.** Section 118 is amended by replacing “108.1.3” at the end of subparagraph *d* of the first paragraph by “108.1.3.3”.

**61.** Section 120 is amended by replacing “and 120.2” in the portion before paragraph *a* by “to 120.3”.

**62.** The following is inserted after section 120.2:

“**120.3.** The security provided for in section 108.1.3.3 is required to guarantee, for the duration of the security, compliance with the Act and fulfilment, by the merchant who furnished a security or by the merchant’s representative, of the obligations arising from contracts entered into within the scope of the operations requiring the security

(a) firstly, to pay administrative expenses and fees of the provisional administrator appointed in accordance with section 214.29 of the Act;

(b) then to indemnify in capital, interest and costs any consumer holding a liquidated debt resulting from non-compliance with the Act or from a contract covered by the security and certified either by a judgment rendered against the merchant, the merchant's representative or the surety, or by an agreement or transaction entered into between the consumer, on the one hand, and the merchant, the merchant's representative, the trustee, the provisional administrator appointed in accordance with section 214.29 of the Act or the surety, on the other hand;

(c) lastly, to recover the fine and costs imposed on the merchant or the merchant's representative under Chapter III of Title IV of the Act.”

**63.** Section 121 is amended by replacing “or 120.1” by “, 120.1 or 120.3”.

**64.** Section 121.1 is amended by replacing “or 120.1” by “, 120.1 or 120.3”.

**65.** Section 123, as amended by the Regulation to amend the Regulation respecting the application of the Consumer Protection Act, made by Order in Council 1244-2017 dated 13 December 2017, is again amended by replacing “108.1.3” by “108.1.3.3”.

**66.** Section 127 is amended by replacing “108.1.3” by “108.1.3.3”.

**67.** The heading of Division VI of Chapter VIII is replaced by “EXEMPTION FROM THE RULES RELATING TO CERTAIN AMOUNTS TRANSFERRED TO A TRUST”.

**68.** Section 146 is amended by replacing “from the trust accounts prescribed in” in the first paragraph by “from the application of”.

**69.** Section 147 is amended by replacing “other than an itinerant merchant, who wishes to be exempt from the trust account required by section 254 of the Act” by “referred to in section 254 of the Act, but other than an itinerant merchant”.

**70.** Section 150 is amended by replacing “from the trust account required by” by “from the application of”.

**71.** Section 152 is amended by replacing “from the trust account required by” by “from the application of”.

**72.** Section 155 is amended

(1) by replacing “from the trust account required by” in paragraphs *a* and *b* by “from the application of”;

(2) by replacing “from the trust accounts required by” in paragraph *c* by “from the application of”.

**73.** Section 165.1 is replaced by the following:

“**165.1.** The duties and charges exigible under this Regulation are indexed on 1 July of each year on the basis of the rate of variation in the general Consumer Price Index for Canada for the preceding calendar year, as determined by Statistics Canada; the duties and charges thus indexed take effect on that date.

The duties and charges indexed in the prescribed manner are reduced to the nearest dollar where they comprise a fraction of a dollar less than \$0.50; they are increased to the nearest dollar where they comprise a fraction of a dollar equal to or greater than \$0.50.

Each year, the president publishes the result of the annual indexation in Part 1 of the *Gazette officielle du Québec*.”

**74.** The following is inserted after section 168.1:

“**168.2.** The undertaking made by the trust company in accordance with section 260.9 of the Act must comply with the following standard undertaking:

“(CONSUMER PROTECTION ACT, S. 260.9)

#### UNDERTAKING BY A TRUST COMPANY

WE, THE UNDERSIGNED, ..... undertake to assume the duties, obligations and responsibilities imposed on a trust company by the Consumer Protection Act with respect to the sums deposited in a reserve account pursuant to the Act by....., merchant.

Undertaking signed at .....

on .....

by .....

(*duly authorized person*).”.

**75.** The Regulation is amended by replacing the words “contract extending variable credit”, “contracts extending variable credit” and “variable credit” wherever they appear by “open credit contract”, “open credit contracts” and “open credit”, respectively.

#### FINAL

**76.** This Regulation comes into force on 1 August 2019, except

(a) sections 1 to 3, 6, 7, paragraph 2 of section 14, sections 79.6.1 to 79.6.3, introduced by section 47 of this Regulation, sections 49, 50, 58 and 67 to 73, which come into force on 1 August 2018;

(b) section 52, which comes into force on 1 January 2019;

(c) sections 5, 16, 33, 48 and 51, section 108.1.3.3, introduced by section 55 of this Regulation, sections 56, 57 and 59 to 66, which come into force of 1 February 2019.

103610

## **M.O., 2018**

### **Order number 2018-01 of the Chair of the Conseil du trésor dated 3 July 2018**

An Act respecting contracting by public bodies (chapter C-65.1, a. 24.3 et 24.5)

Pilot project to facilitate payment to enterprises that are parties to public construction work contracts and related public subcontracts

THE CHAIR OF THE CONSEIL DU TRÉSOR,

CONSIDERING the first paragraph of section 24.3 of the Act respecting contracting by public bodies (chapter C-65.1) which provides that the Chair of the Conseil du trésor may, by order, authorize the implementation of pilot projects aimed at testing various measures to facilitate the payment of enterprises party to the public contracts that the Conseil du trésor determines and to the public subcontracts related to those contracts and defining standards applicable to such payment;

CONSIDERING the second paragraph of that section which provides that the Chair of the Conseil du trésor may, in particular, despite any inconsistent provision of any general or special Act, prescribe the use of various payment calendars, the use of a dispute settlement mechanism and accountability reporting measures according to terms and conditions the Chair determines, which may differ from those provided for in the Act respecting contracting by public bodies and the regulations;

CONSIDERING the third paragraph of that section which provides in particular that the Chair of the Conseil du trésor may determine the terms and conditions of a pilot project whose violation constitutes an offence and set the minimum and maximum amounts for which the offender is liable. Those amounts may not be less than \$2,500 or greater than \$40,000;

CONSIDERING the fourth paragraph of that section which provides in particular that the terms and conditions of a pilot project may vary according to the public bodies and the public contracts and subcontracts concerned;

CONSIDERING section 24.5 of the Act respecting contracting by public bodies which provides that the public bodies and the enterprises that are party to the public contracts and public subcontracts included in a pilot project under section 24.3 of that Act must, as part of the prescribed dispute settlement mechanism and if necessary, call on the services of the non-profit legal person established for a private interest that has entered into an agreement with the Chair of the Conseil du trésor to implement that mechanism;

CONSIDERING section 280 of the Act respecting the Autorité des marchés publics (chapter A-33.2.1) which provides that the publication requirement set out in section 8 of the Regulations Act (chapter R-18.1) does not apply to the terms and conditions determined by the Chair of the Conseil du trésor for the first pilot project authorized under section 24.3 of the Act respecting contracting by public bodies;

CONSIDERING that numerous actors working within the construction industry have on several occasions raised the issue of payment delays that are considered too long and consequently cause significant problems for numerous enterprises;

CONSIDERING that the issue of payment delays was addressed by the Commission of Inquiry on the Awarding and Management of Public Contracts in the Construction Industry in a recommendation requesting the Government to enact legislation or make regulations to propose, in connection with a main contract and subcontracts, a standard setting timelines for producing progress invoices and making payments;

CONSIDERING that the Chair of the Conseil du trésor and the Institut de médiation et d'arbitrage du Québec have entered into an agreement allowing the Institute to implement the dispute settlement mechanism prescribed by a pilot project;

CONSIDERING it is expedient to authorize the implementation of a first pilot project aimed at testing various measures to facilitate payment to enterprises that are parties to the public contracts that the Conseil du trésor determines and to the public subcontracts related to those contracts;