

transaction to which that section applies may be signed in the name of the Minister by any person designated by the Government;

WHEREAS it is expedient that persons be designated for that purpose;

WHEREAS by Order in Council 1493-93 dated 27 October 1993, the Government already designated persons for that purpose;

WHEREAS it is necessary to replace Order in Council 1493-93 dated 27 October 1993;

IT IS ORDERED, therefore, upon the recommendation of the Minister of Finance:

1- THAT any of the following persons be authorized to sign in the name of the Minister of Finance any document respecting options and futures contracts, currency exchange agreements, interest rate exchange agreements or any other instrument or contract of a financial nature determined by the Government:

- (a) the Deputy Minister of Finance;
- (b) The Associate Deputy Minister, Policies and Financial Transactions;
- (c) the Assistant Deputy Minister, Financing;
- (d) the Director General, Management, Funds and Public Debt;
- (e) the Director, Market Operations;
- (f) the Director, Treasury Operations;
- (g) the Director, Loan Contracting;
- (h) the Director, Management, Public Debt;
- (i) the Assistant Director, Market Operations;
- (j) Mr. Michel Beaudet, for as long as he will carry out his duties at the Ministère des Finances;

2- THAT, when the terms and conditions of a transaction referred to in paragraph 1 are approved in writing by any of the persons referred to in that paragraph, any of the following persons be authorized to sign in the name of the Minister of Finance any document relating to that transaction:

(a) the Delegate General of Québec or the Director of Political Affairs in Brussels;

(b) the Delegate General of Québec, the Director of Economic Services or the Cooperation Adviser in London;

(c) the Delegate General of Québec, the Director of Economic Services, the Public Affairs Adviser or the Management Adviser in New York;

(d) the Delegate General of Québec or the Director of Political Affairs in Paris;

(e) the Delegate General of Québec, the Director of Economic Services or the Administrative Attaché in Tokyo;

(f) the Head of Post of the office of Québec in Ottawa;

(g) the Head of Post of the office of Québec in Toronto;

3- THAT this Order in Council replace Order in Council 1493-93 dated 27 October 1993.

MICHEL CARPENTIER,
Clerk of the Conseil exécutif

9729

Gouvernement du Québec

O.C. 523-96, 1 May 1996

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

Taxation
— **Amendments**

Regulation to amend the Regulation respecting the Taxation Act

WHEREAS under subparagraph *f* of the first paragraph of section 1086 of the Taxation Act (R.S.Q., c. I-3), the Government may make regulations to generally prescribe the measures required for the application of the Act;

WHEREAS the Regulation respecting the Taxation Act (R.R.Q., 1981, c. I-3, r. 1) was made under that Act;

WHEREAS the Taxation Act was amended by Chapter 25 of the Statutes of 1991, Chapter 64 of the Statutes of 1993, Chapter 22 of the Statutes of 1994 and Chapter 1 of the Statutes of 1995 in order to implement fiscal measures announced on 26 April 1990, 14 May 1992, 20 May 1993, 12 May 1994, 21 December 1994 and 9 May 1995 by the Minister of Finance on the occasion of Budget Speeches and a Minister's Statement;

WHEREAS it is expedient to amend the Regulation respecting the Taxation Act, primarily to implement those fiscal measures of the Gouvernement du Québec;

WHEREAS under section 12 of the Regulations Act (R.S.Q., c. R-18.1), a proposed regulation may be made notwithstanding the publication requirement of section 8 of that Act, if the authority making it is of the opinion that the fiscal nature of the norms established, amended or repealed therein warrants it;

WHEREAS under section 18 of that Act, a regulation may come into force on the date of its publication in the *Gazette officielle du Québec* where the authority that has made it is of the opinion that the fiscal nature of the norms established, amended or repealed therein warrants it;

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

WHEREAS under section 27 of the Regulations Act, a regulation may take effect before the date of its publication in the *Gazette officielle du Québec* where the Act under which it is made expressly provides therefor;

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

IT IS ORDERED, therefore, on the recommendation of the Minister of State for the Economy and Finance and the Minister for Revenue:

THAT the Regulation to amend the Regulation respecting the Taxation Act, attached hereto, be made.

MICHEL CARPENTIER,
Clerk of the Conseil exécutif

Regulation to amend the Regulation respecting the Taxation Act

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

1. 1. The Regulation respecting the Taxation Act (R.R.Q., 1981, c. I-3, r. 1), amended by the Regulations made by Orders in Council 3211-81 dated 25 November 1981 (Suppl., p. 767), 3438-81 dated 9 December 1981 (Suppl., p. 789), 144-82 dated 20 January 1982 (Suppl.,

p. 790), 1544-82 dated 23 June 1982 (Suppl., p. 792), 2823-82 dated 1 December 1982, 2962-82 dated 15 December 1982, 227-83 dated 9 February 1983, 500-83 dated 17 March 1983, 2486-83 dated 30 November 1983, 2727-84 dated 12 December 1984, 2847-84 dated 19 December 1984, 491-85 dated 13 March 1985, 2508-85 dated 27 November 1985, 2509-85 dated 27 November 1985, 2583-85 dated 4 December 1985, 544-86 dated 23 April 1986, 1239-86 dated 13 August 1986, 1811-86 dated 3 December 1986, 1812-86 dated 3 December 1986, 7-87 dated 7 January 1987, 1472-87 dated 23 September 1987, 1875-87 dated 9 December 1987, 421-88 dated 23 March 1988, 615-88 dated 27 April 1988, 838-88 dated 1 June 1988, 1076-88 dated 6 July 1988, 1549-88 dated 12 October 1988, 1745-88 dated 23 November 1988, 1746-88 dated 23 November 1988, 1747-88 dated 23 November 1988, 1819-88 dated 7 December 1988, 1038-89 dated 28 June 1989, 1344-89 dated 16 August 1989, 1764-89 dated 15 November 1989, 140-90 dated 7 February 1990, 223-90 dated 21 February 1990, 291-90 dated 7 March 1990, 1666-90 dated 28 November 1990, 1797-90 dated 19 December 1990, 143-91 dated 6 February 1991, 538-91 dated 17 April 1991, 1025-91 dated 17 July 1991, 1232-91 dated 4 September 1991, 1471-91 dated 23 October 1991, 1589-91 dated 20 November 1991, 1114-92 dated 29 July 1992, 1697-92 dated 25 November 1992, 208-93 dated 17 February 1993, 868-93 dated 16 June 1993, 1114-93 dated 11 August 1993, 1539-93 dated 3 November 1993, 1646-93 dated 24 November 1993, 91-94 dated 10 January 1994, 366-94 dated 16 March 1994, 849-94 dated 8 June 1994, 1660-94 dated 24 November 1994, 1691-94 dated 30 November 1994, 473-95 dated 5 April 1995, 522-95 dated 12 April 1995, 1562-95 dated 29 November 1995, 35-96 dated 10 January 1996 and 67-96 dated 16 January 1996, is further amended by substituting the following for sections 22R1 and 22R1.2:

“**22R1.** For the purposes of this Title and of the second paragraph of section 22 of the Act, the income earned in Québec by an individual for a taxation year is his income as determined under section 28 of the Act, without taking into account sections 36.1, 309.1, 334.1 and 1029.8.50 of the Act, less that part of his income derived from carrying on a business that is attributable to an establishment situated outside Québec in Canada; his income earned in Québec and elsewhere is his income as determined under section 28 of the Act, without taking into account those sections 36.1, 309.1, 334.1 and 1029.8.50.

22R1.2. For the purposes of section 22R1, where the individual is a person described in the second paragraph, his income earned in Québec and his income earned in Québec and elsewhere, computed for a taxation year

under section 22R1, shall be reduced by the amount that he deducted in computing his taxable income for the year under section 737.16.1, 737.21 or 737.25 of the Act, as the case may be.

The person contemplated in the first paragraph is a foreign researcher within the meaning assigned to that expression by paragraph *a* of section 737.19 of the Act or an individual contemplated in section 737.16.1 or 737.25 of the Act.”.

2. Subsection 1, where it makes section 22R1 of the Regulation respecting the Taxation Act, applies from the 1994 taxation year and, where it makes section 22R1.2 of that Regulation, it applies from the 1995 taxation year.

2. 1. Title IV.1 is revoked.

2. Subsection 1 applies from the 1995 taxation year.

3. 1. The following is substituted for section 87R3:

“**87R3.** For the purposes of paragraph *u* of section 87 of the Act, the prescribed amount is the amount that would be determined under subsection 5 or 6 of section 127 of the Income Tax Act (Revised Statutes of Canada (1985), c. 1, 5th Suppl.) if the definition of the expression “qualified expenditure” provided for in subsection 9 of that section 127 applied only in respect of an expenditure made before 1 May 1987.”.

2. Subsection 1 applies to a taxation year ending after 2 December 1992.

4. 1. Section 87R4 is amended

(1) by substituting the following for paragraph *a*:

“(a) an amount contemplated in paragraphs *n* to *s*, *u*, *v*, *x* or *x.1* of section 488R1;”;

(2) by substituting the following for paragraph *d*:

“(d) an amount that can reasonably be attributed to expenditures that are, for the purposes of section 127 of the Income Tax Act (Revised Statutes of Canada (1985), c. 1, 5th Suppl.), qualified expenditures in respect of scientific research and experimental development and that would be determined under subsection 5 or 6 of that section if the definition of the expression “qualified expenditure” provided for in subsection 9 of that section applied only in respect of an expenditure made or incurred after 30 April 1987;”.

2. Paragraph 1 of subsection 1 has effect from 19 January 1994.

3. Paragraph 2 of subsection 1 applies to a taxation year ending after 2 December 1992.

5. 1. Section 101R1 is amended by substituting the following for paragraph *e*:

“(e) an amount contemplated in paragraphs *n*, *p*, *r*, *s*, *x* or *x.1* of section 488R1;”.

2. Subsection 1 has effect from 19 January 1994.

6. 1. Section 232R2 is amended by substituting the words “Ministère de la Culture et des Communications” for the words “Ministère de la Culture” in paragraph *b*.

2. Subsection 1 has effect from 17 June 1994.

7. 1. Chapter II.1 of Title XIV is revoked.

2. Subsection 1 applies from the 1994 taxation year. In addition, where section 355R1 of the Regulation respecting the Taxation Act, revoked by it, applies to the 1988 to 1993 taxation years, it shall be read

(a) with the words “établissement d’enseignement agréé” being substituted for the words “établissement d’enseignement désigné” in the French text; and

(b) with a reference to subsection 1 of section 118.6 being substituted for the reference to paragraph *a* of subsection 9 of section 110.

8. 1. Section 488R1 is amended

(1) by substituting the following for paragraph *e*:

“(e) an amount that is specifically exempt from income tax by virtue of a law of Québec or of Canada, other than the Income Tax Act (Revised Statutes of Canada (1985) c. 1, 5th Suppl.), the Indian Act (Revised Statutes of Canada (1985), c. 1-5), the Cree-Naskapi (of Quebec) Act (Statutes of Canada, 1984, c. 18), the Foreign Missions and International Organizations Act (Statutes of Canada, 1991, c. 41) and the Act respecting industrial accidents and occupational diseases (R.S.Q., c. A-3.001), and which is not an amount that is exempt by virtue of a provision of a tax agreement entered into by Québec and a particular country in matters of income tax and which has force of law in Québec, or a tax convention or agreement entered into by Canada and a particular country in matters of income tax and which has force of law in Canada;”;

(2) by substituting the following for paragraph *k*:

“(k) the income, situated on a reserve or on premises, of an Indian or a person of Indian ancestry;”;

(3) by substituting the following for paragraph *w*:

“(w) an amount received from the Ministère de l’Éducation under the Programme d’allocations pour les besoins particuliers des étudiants atteints d’une déficience fonctionnelle majeure, established under paragraph 2 of section 10 of the Act respecting the Ministère de l’Enseignement supérieur et de la Science (R.S.Q., c. M-15.1.1), as it read before it was repealed, and mentioned in the Conseil du Trésor Decision 174 394 dated 4 July 1990;”;

(4) by inserting the following after paragraph *x*:

“(x.1) the amount of financial assistance granted under the Programme de stimulation de la rénovation résidentielle, implemented by the Société d’habitation du Québec by Order in Council 153-94 dated 19 January 1994;”;

(5) by substituting the words “Ministère de la Sécurité du revenu” for the words “Ministère de la Main-d’oeuvre, de la Sécurité du revenu et de la Formation professionnelle” in paragraph *y*.

2. Paragraph 1 of subsection 1 applies from the 1992 taxation year.

3. Paragraph 2 of subsection 1 applies to a taxation year ending after 31 December 1982. Notwithstanding the foregoing, subject to subsection 4, where paragraph *k* of section 488R1 of the Regulation respecting the Taxation Act, made by that paragraph 2, applies

(a) to a taxation year ending before 1 January 1992, it shall be read as follows:

“(k) the income earned by an Indian on a reserve or on premises, as well as any other amount received by an Indian, to the extent that a remission would be granted in respect of that other amount under the Indian Remission Order, made by Order in Council P.C. 1985-2446 of 7 August 1985, as amended by Orders in Council P.C. 1988-787 of 28 April 1988, P.C. 1991-264 of 14 February 1991 and P.C. 1992-938 of 7 May 1992, under the Financial Administration Act (Revised Statutes of Canada (1985), c. F-11), if the definition of the expression “Indian” provided for in subsection 1 of section 2 of that remission order had the meaning assigned to it by paragraph *a* of section 488R2 and the definition of the expression “reserve” provided for in subsection 1 of that section 2 also included a reserve within the meaning of paragraph *b* of section 488R2;”;

(b) to the 1992 taxation year, it shall be read as follows:

“(k) the income, situated on a reserve or on premises, of an Indian or a person of Indian ancestry, as well as any other amount received by an Indian or a person of Indian ancestry, to the extent that a remission would be granted in respect of that other amount under the Indian Remission Order, made by Order in Council P.C. 1985-2446 of 7 August 1985, as amended by Orders in Council P.C. 1988-787 of 28 April 1988, P.C. 1991-264 of 14 February 1991 and P.C. 1992-938 of 7 May 1992, pursuant to the Financial Administration Act (Revised Statutes of Canada (1985), c. F-11), if that remission order also applied to a person of Indian ancestry and the definition of the expression “reserve” provided for in subsection 1 of section 2 of that remission order had the meaning assigned to it by paragraph *b* of section 488R2;”.

4. Where paragraph *k* of section 488R1 of the Regulation respecting the Taxation Act, made by paragraph *a* or *b*, as the case may be, of subsection 3, applies

(a) before 12 December 1988, it shall be read with the words “(Statutes of Canada)” being substituted for the words “(Revised Statutes of Canada (1985), c. F-11)”;

(b) in respect of an order in council that is contemplated therein and is made or amended before 12 December 1988, it shall be read with the words “Loi sur l’administration financière” being substituted for the words “Loi sur la gestion des finances publiques” in the French version.

5. Paragraph 3 of subsection 1 has effect from 2 December 1993. Notwithstanding the foregoing, where paragraph *w* of section 488R1 of the Regulation respecting the Taxation Act, made by that paragraph 3, applies before 17 June 1994, it shall be read with the words “Ministère de l’Éducation et de la Science” being substituted for the words “Ministère de l’Éducation”.

6. Paragraph 4 of subsection 1 has effect from 19 January 1994.

7. Paragraph 5 of subsection 1 has effect from 17 June 1994.

9. 1. Section 488R2 is amended

(1) by substituting the following for the part preceding paragraph *a*:

“488R2. For the purposes of this section, of paragraph *k* of section 488R1 and of section 488R4, the following mean:”;

(2) by substituting the following for paragraphs *a.1* and *b*:

“(a.1) “person of Indian ancestry”: an individual who usually resides on a reserve or who is employed therein, and whose mother or father is an Indian;

(b) “reserve”:

i. a reserve within the meaning of subsection 1 of section 2 of the Indian Act;

ii. Category IA land or Category IA-N land within the meaning of subsection 1 of section 2 of the Cree-Naskapi (of Quebec) Act (Statutes of Canada, 1984, c. 18);

iii. the Hunter’s Point, Kitcisakik (Grand-Lac-Victoria), Pakuashipi and Winneway Indian settlements and an Indian settlement within the meaning of section 2 of the Indians and Bands on certain Indian Settlements Remission Order, made by Order in Council P.C. 1992-1052 of 14 May 1992, as amended by Order in Council P.C. 1994-2096 of 14 December 1994, under the Financial Administration Act (Revised Statutes of Canada (1985), c. F-11);

iv. Sechelt lands within the meaning of subsection 1 of section 2 of the Sechelt Indian Band Self-Government Act (Statutes of Canada, 1986, c. 27);”.

2. Paragraph 1 of subsection 1 applies from the 1992 taxation year.

3. Paragraph 2 of subsection 1, where it replaces paragraph *a.1* of section 488R2 of the Regulation respecting the Taxation Act, has effect from 1 January 1993.

4. Paragraph 2 of subsection 1, where it replaces paragraph *b* of section 488R2 of the Regulation respecting the Taxation Act, applies from the 1985 taxation year. Notwithstanding the foregoing, where paragraph *b* of that section 488R2, made by that paragraph 2, applies to a taxation year ending before 1 January 1992, it shall be read as follows:

“(b) “reserve”:

i. a tract of land the legal title to which is vested in Her Majesty, which has been set apart by Her Majesty for the use and benefit of Indians, and whose name appears in Schedule F; this expression also includes an establishment mentioned in that Schedule;

ii. an Indian settlement within the meaning of section 2 of the Indians and Bands on certain Indian Settlements

Remission Order, made by Order in Council P.C. 1992-1052 of 14 May 1992 under the Financial Administration Act (Revised Statutes of Canada (1985), c. F-11);”.

10. 1. The following is substituted for section 488R3:

“**488R3.** For the purposes of paragraph *a.1* of section 488R2, the expressions “mother” and “father”, in respect of an individual, do not include the following persons, where applicable:

(a) a person of whom the individual is the child within the meaning of any of paragraphs *b* to *d* of the definition of the expression “child” provided for in section 1 of the Act;

(b) a person of whom the individual was previously the child within the meaning of paragraph *b* of the definition of the expression “child” provided for in section 1 of the Act; or

(c) a person who is the mother or father of the individual’s spouse.”.

2. Subsection 1 has effect from 1 January 1993.

11. 1. The Regulation is amended by inserting the following after section 488R3:

“**488R4.** For the purposes of paragraph *k* of section 488R1, the income of an Indian or a person of Indian ancestry from an office or employment that that Indian or person of Indian ancestry performs for an employer who both resides on a reserve and is contemplated in the second paragraph is deemed to be an income situated on a reserve if the duties of that Indian or person of Indian ancestry related to that office or employment form part of the non-commercial activities of the employer that are intended solely for the greater welfare of the Indians living on the reserve.

The employer contemplated in the first paragraph is:

(a) a band, within the meaning of subsection 1 of section 2 of the Indian Act (Revised Statutes of Canada (1985), c. I-5), that owns a reserve;

(b) a council of the band, within the meaning of subsection 1 of section 2 of the Indian Act, representing one or more bands described in subparagraph *a*; or

(c) an Indian organization that falls within the jurisdiction of one or more bands described in subparagraph *a* or of one or more councils of the band described in subparagraph *b* and that is exclusively devoted to the social, cultural, educational or economical development of Indians the majority of whom live on a reserve.

Where the income of an Indian or a person of Indian ancestry from an office or employment is deemed, under the first paragraph, to be income situated on a reserve, any other amount received by that Indian or person of Indian ancestry and related to that office or employment is also, for the purposes of paragraph *k* of section 488R1, deemed to be situated on a reserve.”.

2. Subsection 1 applies from the 1992 taxation year.

12. 1. Section 712R1 is amended by substituting the following for paragraph *a*:

“(a) “recipient”: a person or entity contemplated in section 716R1 or any of paragraphs *a* to *b.1*, *d.1* to *i* or *l* of section 710 of the Act;”.

2. Subsection 1 applies in respect of a gift made after 12 May 1994.

13. 1. Section 726.4.43R1 is amended

(1) by substituting a semicolon for the period at the end of paragraph *e*; and

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

“(f) the Centre québécois de recherche et de développement de l’aluminium;

(g) the Centre interuniversitaire de recherche en analyse des organisations (CIRANO).”.

2. Subsection 1 has effect from 13 May 1994.

14. 1. Section 726.4.43R3 is amended

(1) by substituting a semicolon for the period at the end of paragraph *j*;

(2) by adding the following after paragraph *j*:

“(k) the Centre de recherche Louis-Charles Simard;

(l) the Canadian Dental Research Institute (CDRI).”.

2. Paragraph 1 of subsection 1 and paragraph 2 of that subsection, where it makes paragraph *k* of section 726.4.43R3 of the Regulation respecting the Taxation Act, apply in respect of scientific research and experimental development undertaken after 31 December 1993 under a university research contract entered into after that date.

3. Paragraph 2 of subsection 1, where it makes paragraph *l* of section 726.4.43R3 of the Regulation respect-

ing the Taxation Act, applies in respect of scientific research and experimental development undertaken after 21 December 1994 under a university research contract entered into after that date.

15. 1. Section 737.13R2 is amended by substituting the following for the part preceding paragraph *a*:

“**737.13R2.** The international transactions contemplated in subparagraph *b* of the definition of the expression “international financial centre” provided for in the first paragraph of section 737.13 of the Act are:”.

2. Subsection 1 applies from the 1995 taxation year.

16. 1. The Regulation is amended by inserting the following after section 737.21R1:

“**737.25R1.** For the purposes of subparagraph *b* of the first paragraph of section 737.25 of the Act, a prescribed activity is:

(a) an activity that consists in implementing a computer, telematic or office automation system, or a similar system, if such activity is the principal object of the contract contemplated in that section;

(b) a scientific or technical services activity;

(c) a management or administration activity related to an activity contemplated either in paragraph *a* or *b*, or in subparagraph *b* for the first paragraph of section 737.25 of the Act.”.

2. Subsection 1 applies from the 1995 taxation year.

17. 1. Section 752.0.1R1 is amended in the French text by substituting the word “élève” for the word “étudiant”.

2. Subsection 1 has effect from 17 June 1994.

18. 1. Section 752.0.1R2 is amended

(1) by substituting the word “élève” for the word “étudiant” in the French text in the part preceding paragraph *a* and in subparagraph *i* of paragraph *a*;

(2) by substituting the words “Act respecting financial assistance for students (R.S.Q., c. A-13.3)” for the words “Student Loans and Scholarships Act (R.S.Q., c. P-21)” in subparagraph *ii* of paragraph *a*.

2. Paragraph 1 of subsection 1 has effect from 17 June 1994.

3. Paragraph 2 of subsection 1 has effect from 1 May 1990. Notwithstanding the foregoing, for the period from 1 May 1990 to 30 July 1991, the reference in subparagraph ii of paragraph *a* of section 752.0.1R2 of the Regulation respecting the Taxation Act, as amended by that paragraph 2, to the Act respecting financial assistance for students (R.S.Q., c. A-13.3) shall be read as a reference to the Act respecting financial assistance for students (1990, c. 11).

19. 1. Section 752.0.10.3R1 is amended by substituting the following for the definition of the expression “donee”:

““donee” means a person or an entity to which an individual has made a gift and that is contemplated in section 752.0.10.12R1, in the definitions of the expressions “total Crown gifts” or “total cultural gifts” provided for in section 752.0.10.1 of the Act, in subparagraph *b* of the definition of the expression “total gifts of qualified property” provided for in that section 752.0.10.1 or in any of subparagraphs *c* to *h* of the definition of the expression “total charitable gifts” provided for in that section 752.0.10.1;”.

2. Subsection 1 applies in respect of a gift made after 12 May 1994.

20. 1. Section 890.1R1 is amended by substituting the following for paragraphs *a* and *b*:

“(a) the plan instituted under the Act respecting the Québec Pension Plan (R.S.Q., c. R-9);

(b) a similar plan within the meaning of the Act respecting the Québec Pension Plan;”.

2. Subsection 1 has effect from 1 January 1994.

21. 1. The following is substituted for section 894R1:

“**894R1.** An educational institution contemplated in paragraph *d* of section 894 of the Act means a university, college or other educational institution in Canada, designated by the Lieutenant-Governor in Council of a province as being a specified educational institution within the meaning of the Canada Student Loans Act (Revised Statutes of Canada (1985), c. S-23) or recognized by the Minister of Education for the purposes of the Act respecting financial assistance for students (R.S.Q., c. A-13.3).”.

2. Subsection 1 has effect from 15 July 1985. Notwithstanding the foregoing, the reference in section 894R1 of the Regulation respecting the Taxation Act, made by subsection 1,

(a) to the Canada Student Loans Act (Revised Statutes of Canada (1985), c. S-23) shall be read, for the period from 15 July 1985 to 11 December 1988, as a reference to the Canada Student Loans Act (R.S.C., 1970, c. S-17);

(b) to the Minister of Education, shall be read,

i. for the period from 15 July 1985 to 20 December 1988, as a reference to the Minister of Higher Education, Science and Technology;

ii. for the period from 21 December 1988 to 1 December 1993, as a reference to the Minister of Higher Education and Science;

iii. for the period from 2 December 1993 to 16 June 1994, as a reference to the Minister of Education and Science; and

(c) to the Act respecting financial assistance for students (R.S.Q., c. A-13.3), shall be read,

i. for the period from 15 July 1985 to 30 April 1990, as a reference to the Student Loans and Scholarships Act (R.S.Q., c. P-21);

ii. for the period from 1 May 1990 to 30 July 1991, as a reference to the Act respecting financial assistance for students (1990, c. 11).

22. 1. The following is substituted for section 1015R1:

“**1015R1.** In this Chapter and in Schedule A, where applicable, the expression:

“personal income-tax credits” means, in respect of a particular taxation year, the greater of the product obtained by multiplying 5 by the first-mentioned deduction in section 752.0.1 of the Act that the employee may deduct from his tax otherwise payable for the year or the product obtained by multiplying 5 by the aggregate of the amounts, as indicated in his last return filed with the employer in accordance with section 19 of the Act respecting the Ministère du Revenu (R.S.Q., c. M-31), that the employee may deduct from his tax otherwise payable for the year under:

(a) sections 752.0.1 to 752.0.9 of the Act;

(b) sections 752.0.14 to 752.0.16 and 752.0.19 of the Act or that he could deduct under that section 752.0.14 if it were read without taking into account its paragraph *d*;

(c) Title VII of Book V of Part I of the Act;

“employee” means any person receiving a remuneration;

“employer” means any person paying a remuneration;

“eligible child” has the meaning assigned to it by section 1029.8.67 of the Act;

“adjustment factor” means, in respect of an employee for a particular taxation year, the following number:

(a) where the family income of the employee for the year does not exceed \$9 999:

i. 2.25 where the employee’s total income for the year does not exceed \$9 999;

ii. 2 where the employee’s total income for the year is greater than \$9 999 without exceeding \$13 999;

iii. 1.75 where the employee’s total income for the year is greater than \$13 999;

(b) where the family income of the employee for the year is greater than \$9 999 without exceeding \$34 999:

i. 2 where the employee’s total income for the year does not exceed \$9 999;

ii. 1.75 where the employee’s total income for the year is greater than \$9 999 without exceeding \$13 999;

iii. 1.5 where the employee’s total income for the year is greater than \$13 999;

(c) where the family income of the employee for the year is greater than \$34 999 without exceeding \$39 999:

i. 1.75 where the employee’s total income for the year does not exceed \$9 999;

ii. 1.5 where the employee’s total income for the year is greater than \$9 999 without exceeding \$13 999;

iii. 1.25 where the employee’s total income for the year is greater than \$13 999;

(d) where the family income of the employee for the year is greater than \$39 999 without exceeding \$44 999:

i. 1.5 where the employee’s total income for the year does not exceed \$9 999;

ii. 1.25 where the employee’s total income for the year is greater than \$9 999 without exceeding \$13 999;

iii. 1 where the employee’s total income for the year is greater than \$13 999;

(e) where the family income of the employee for the year is greater than \$44 999:

i. 1.25 where the employee’s total income for the year does not exceed \$13 999;

ii. 1 where the employee’s total income for the year is greater than \$13 999;

“child care expense” means, in respect of an employee for a particular taxation year, the amount obtained by multiplying the employee’s qualified child care expenses for the year in respect of an eligible child of the employee by the appropriate adjustment factor;

“qualified child care expense” has the meaning assigned to it by section 1029.8.67 of the Act;

“pay” means a remuneration;

“annual pay” means the product obtained by multiplying the amount of the remuneration for the pay period by the number of pay periods in the year;

“pay period” means a 1-week period, a 2-week period, a semimonthly period or a monthly period;

“remuneration” means:

(a) salary, wages, allowance, benefit or other profit paid, allocated, granted or awarded to an employee or former employee;

(b) a payment of commissions or other similar amounts fixed by reference to the volume of the sales made or the contracts negotiated, referred to as “commissions” in this Chapter, if the payment is made to an employee or former employee;

(c) pension benefits, including an annuity payment under a pension plan;

(d) a retiring allowance;

(e) a death benefit;

(f) a payment as a benefit under the Unemployment Insurance Act (Revised Statutes of Canada (1985), c. U-1) or a benefit under a supplementary unemployment benefit plan;

(g) an adult training allowance paid under the National Training Act (Revised Statutes of Canada (1985), c. N-19), except to the extent that that allowance is paid as personal or living expenses while the recipient lives elsewhere than at his place of residence;

(h) a payment under a deferred profit sharing plan or a plan designated in subsection 15 of section 147 of the Income Tax Act (Revised Statutes of Canada (1985), c. 1, 5th Suppl.) as a revoked plan, reduced by the amounts determined under sections 883, 884 and 886 of the Act;

(i) an amount paid as proceeds of the surrender, cancellation or redemption of an income-averaging annuity contract;

(j) a payment that is an amount paid under a registered retirement income fund during his lifetime to an annuitant, within the meaning of paragraph *d* of section 961.1.5 of the Act, under the fund, excluding a payment made in respect of the minimum amount, within the meaning of paragraph *c* of that section 961.1.5, that is to be paid under the fund for a year;

(k) a payment that is a benefit of a registered retirement savings plan or under such a plan paid during his lifetime to an individual contemplated in the definition of the expression "retirement savings plan" provided for in subsection 1 of section 146 of the Income Tax Act for whom a retirement income is provided by the plan, excluding a periodical annuity payment or a payment made by a person who has reasonable grounds to believe that the payment is deductible in computing an individual's income under section 924 of the Act;

(l) a payment that is a benefit of a new plan contemplated in section 914 of the Act or under such a plan, excluding a periodical annuity payment or, where section 914 of the Act applies to that plan after 25 May 1976, a payment made in a year subsequent to the year during which that section 914 applies to the plan;

(m) a benefit under the Labour Adjustment Benefits Act (Revised Statutes of Canada (1985), c. L-1);

(n) an amount withdrawn from a reserve account for contingent losses described in section 979.2 of the Act;

(o) a payment that is an amount that can be regarded as having been received, in whole or in part, as consideration for entering into a contract for performance of services to be rendered in Québec or for an undertaking not to enter into such a contract with a third party;

(p) an amount received from a retirement compensation arrangement or under such an arrangement;

(q) an amount contemplated in section 43.2 of the Act, to the extent that it is not covered by paragraph *a*;

"family income" has the meaning assigned to it by section 1029.8.67 of the Act;

"total income" has the meaning assigned to it by section 1029.8.67 of the Act."

2. Subject to subsection 3, subsection 1 has effect from 1 January 1994, except where it makes the definition of the expressions "eligible child", "adjustment factor", "child care expense", "qualified child care expense", "family income" and "total income" in section 1015R1 of the Regulation respecting the Taxation Act, in which case it has effect from 1 July 1994. Notwithstanding the foregoing, where the definition of the expression "adjustment factor" applies before 1 January 1995, it shall be read as follows:

"adjustment factor" means, in respect of an employee for a particular taxation year, the following number:

(a) where the family income of the employee for the year does not exceed \$8 499:

i. 2.5 where the employee's total income for the year does not exceed \$8 499;

ii. 2.25 where the employee's total income for the year is greater than \$8 499 without exceeding \$13 999;

iii. 2 where the employee's total income for the year is greater than \$13 999;

(b) where the family income of the employee for the year is greater than \$8 499 without exceeding \$34 999:

i. 2 where the employee's total income for the year does not exceed \$13 999;

ii. 1.5 where the employee's total income for the year is greater than \$13 999;

(c) where the family income of the employee for the year is greater than \$34 999 without exceeding \$44 999:

i. 1.5 where the employee's total income for the year does not exceed \$13 999;

ii. 1.25 where the employee's total income for the year is greater than \$13 999;

(d) where the family income of the employee for the year is greater than \$44 999:

i. 1.25 where the employee's total income for the year does not exceed \$13 999;

ii. 1 where the employee's total income for the year is greater than \$13 999.”.

3. Where the definition of the expression “personal income-tax credits” provided for in section 1015R1 of the Regulation respecting the Taxation Act, made by subsection 1, applies in respect of a period commencing after 31 December 1993 and ending on the earlier of 31 December 1994 and the latter of either 1 July 1994 or the date on which the employee filed with his employer the return contemplated in section 19 of the Act respecting the Ministère du Revenu (R.S.Q., c. M-31) in the prescribed form identified by number MR-19 (94-05), subparagraph *a* of that definition shall be read as if paragraphs *c* and *f* of section 752.0.1 of the Taxation Act (R.S.Q., c. I-3) applied as they read for the 1993 taxation year.

23. 1. The Regulation is amended by inserting the following after section 1015R1:

“**1015R1.0.0.1.** In this Chapter, any reference to a remuneration that a person or an employer pays or that is paid is a reference to a remuneration that that person or employer pays, allocates, grants or awards, or that is paid, allocated, granted or awarded.”.

2. Subsection 1 has effect from 12 May 1994.

24. 1. Section 1015R1.0.1 is revoked.

2. Subsection 1 has effect from 1 January 1994.

25. 1. Section 1015R1.1 is amended by substituting the following for the first paragraph:

“**1015R1.1.** For the purposes of subparagraph *b* of the definition of the expression “remuneration” provided for in section 1015R1, the expression “payment of commissions” in respect of a payment of commissions made in a taxation year means the amount of that payment.”.

2. Subsection 1 has effect from 1 January 1994.

26. 1. Section 1015R2.1 is amended

(1) by substituting the following for paragraph *a*:

“(a) his premium paid to a registered retirement savings plan;”;

(2) by substituting the following for paragraph *e*:

“(e) the amount deducted from his remuneration by the employer according to the authorization by the employee for the purchase, as first purchaser, of class “A” shares issued by the corporation governed by the Act to establish the Fonds de solidarité des travailleurs du Québec (F.T.Q.) (R.S.Q., c. F-3.2.1), without exceeding \$5 000 for one year;”.

2. Paragraph 1 of subsection 1 has effect from 1 January 1991.

3. Paragraph 2 of subsection 1 has effect from 1 January 1993.

27. 1. The following is substituted for sections 1015R2.2, 1015R2.3 and 1015R3.3:

“**1015R2.2.** For the purposes of paragraph *a* of section 1015R2.1, a premium contemplated therein in respect of a remuneration is, in respect of an employee:

(a) his premium that, after his agreement to that effect, is deducted directly from his remuneration by the employer and transferred by the latter to the issuer, within the meaning of paragraph *c* of section 905.1 of the Act, of a plan under which the employee or his spouse is the annuitant within the meaning of paragraph *b* of that section 905.1; or

(b) an amount equal to his premium, consisting of class “A” shares issued by the corporation governed by the Act to establish the Fonds de solidarité des travailleurs du Québec (F.T.Q.) (R.S.Q., c. F-3.2.1), that does not exceed the amount contemplated in paragraph *e* of section 1015R2.1 for that remuneration in his respect.

1015R2.3. For the purposes of this Chapter, the amount of the remuneration otherwise determined in respect of an employee for a pay period in a taxation year, including the amount deemed to be the amount of his remuneration under section 1015R2, shall be reduced by an amount equal to the quotient obtained by dividing the amount of the reduction for the year determined in respect of that employee under the second paragraph by the number of pay periods in the year.

For the purposes of the first paragraph, the amount of the reduction for a taxation year determined in respect of an employee is the aggregate of the following amounts, as indicated in his last return filed with the employer in accordance with section 19 of the Act respecting the Ministère du Revenu (R.S.Q., c. M-31):

(a) the amount that the employee may deduct for the year under Chapter III of Title VI of Book III of Part I of the Act, after having deducted the amount by which the

aggregate of the amounts that he expects to receive in the year as a scholarship, fellowship or bursary exceeds \$500, and under Title VI.6 of Book IV of Part I of the Act; and

(b) the amount of the employee's child care expenses for the year.

1015R3.3. Notwithstanding section 1015R3, the amount that an employer is required to deduct under section 1015 of the Act, in respect of a particular amount contemplated in subparagraph *n* of the definition of the expression "remuneration" provided for in section 1015R1, shall be equal to the amount obtained by applying to the particular amount the highest percentage of tax mentioned in section 750 of the Act and applicable at the time of the payment of the particular amount."

2. Subsection 1, where it makes section 1015R2.2 of the Regulation respecting the Taxation Act, has effect from 1 January 1991 and, where it makes sections 1015R2.3 and 1015R3.3 of that Regulation, it has effect from 1 January 1994. Notwithstanding the foregoing, where subparagraph *b* of the second paragraph of section 1015R2.3 of the Regulation respecting the Taxation Act, made by subsection 1, applies in respect of a period commencing after 31 December 1993 and ending on the earlier of 31 December 1994 and the latter of either 1 July 1994 or the date on which the employee filed with his employer the return contemplated in section 19 of the Act respecting the Ministère du Revenu (R.S.Q., c. M-31) in the prescribed form identified by number MR-19 (94-05), that subparagraph *b* shall be read as follows:

"(b) the amount that an employee could deduct for the year under Chapter VIII of Title VI of Book III of Part I of the Act if that Chapter applied to the 1994 taxation year in the same manner as it applied to the 1993 taxation year."

28. 1. Section 1015R3.4 is amended by substituting the following for the first paragraph:

"**1015R3.4.** Notwithstanding section 1015R3.3, an employer shall not make any deductions on the portion of an amount contemplated in subparagraph *n* of the definition of the expression "remuneration" provided for in section 1015R1 that a market-maker contemplated in section 979.11 of the Act uses to compensate for his share of a loss pursuant to an agreement entered into by him under section 979.2 of the Act."

2. Subsection 1 has effect from 1 January 1994.

29. 1. Section 1017R1 is amended

(1) by substituting the following for paragraph *a*:

"(a) a taxpayer shall make the election provided for in that section by filing with the person who pays, allocates, grants or awards an amount contemplated in section 1015 of the Act a return in prescribed form;"

(2) by substituting the following for paragraph *c*:

"(c) that person is required to take that election or that amendment into consideration only if it is made, within a reasonable time limit determined by him, before he pays, allocates, grants or awards such amount after the election or the amendment."

2. Subsection 1 has effect from 19 April 1995. Furthermore, where section 1017R1 of the Regulation respecting the Taxation Act applies before that date but after 11 May 1994, it shall be read as follows:

"**1017R1.** A taxpayer shall make the election provided for in section 1017 of the Act by filing with the person who pays, allocates, grants or awards an amount contemplated in section 1015 of the Act a return in prescribed form; he may amend that election by filing with that person a new return in prescribed form. That person is required to take that election or that amendment into consideration only if it is made, within a reasonable time limit determined by him, before paying, allocating, granting or awarding such amount after the election or the amendment."

30. 1. Section 1026.1R1 is revoked.

2. Subsection 1 applies in respect of a payment that must be made after 30 June 1994.

31. 1. Section 1029.8.1R0.2 is amended

(1) by substituting the following for that part preceding paragraph *a*:

"**1029.8.1R0.2.** The college centres for technology transfer contemplated in paragraph *a.1* of section 1029.8.1 of the Act are:"

(2) by substituting a semicolon for the period at the end of paragraph *n*;

(3) by adding the following after paragraph *n*:

"(o) the Centre d'innovation technologique agro-alimentaire Inc.;

(p) the Centre national d'électrochimie et de technologie environnementale Inc.;

(*q*) the Collège Édouard-Montpetit in respect of its Centre technologique en aérospatiale.”

2. Paragraph 1 of subsection 1 has effect from 12 May 1994.

3. Paragraphs 2 and 3 of subsection 1 apply in respect of scientific research and experimental development undertaken after 12 May 1994 under an eligible research contract entered into after that date.

32. 1. Section 1029.8.1R1 is amended

(1) by substituting a semicolon for the period at the end of paragraph *e*; and

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

“(f) the Centre québécois de recherche et de développement de l’aluminium;

(g) the Centre interuniversitaire de recherche en analyse des organisations (CIRANO).”

2. Subsection 1 has effect from 13 May 1994.

33. 1. Section 1029.8.1R3 is amended

(1) by substituting a semicolon for the period at the end of paragraph *j*;

(2) by adding the following after paragraph *j*:

“(k) the Centre de recherche Louis-Charles Simard;

(l) the Canadian Dental Research Institute (CDRI).”

2. Paragraph 1 of subsection 1 and paragraph 2 of that subsection, where it makes paragraph *k* of section 1029.8.1R3 of the Regulation respecting the Taxation Act, apply in respect of scientific research and experimental development undertaken after 31 December 1993 under a university research contract entered into after that date.

3. Paragraph 2 of subsection 1, where it makes paragraph *l* of section 1029.8.1R3 of the Regulation respecting the Taxation Act, applies in respect of scientific research and experimental development undertaken after 21 December 1994 under a university research contract entered into after that date.

34. 1. The Regulation is amended by inserting the following after 1029.8.34R2:

“**1029.8.70R1.** The educational institution referred to by clause *i* of subparagraph *b* of the second paragraph

of section 1029.8.70 of the Act is a designated educational institution within the meaning of subsection 1 of section 118.6 of the Income Tax Act (Revised Statutes of Canada (1985), c. 1, 5th Suppl.).”

2. Subsection 1 applies from the 1994 taxation year.

35. 1. Section 1079.1R2 is amended by substituting the words “Act respecting the Ministère de l’Industrie, du Commerce, de la Science et de la Technologie” for the words “Act respecting the Ministère de l’Industrie, du Commerce et de la Technologie” in subparagraph *e* of the second paragraph.

2. Subsection 1 has effect from 17 June 1994.

36. 1. Section 1086R7.6 is amended by substituting the words “Ministère de la Sécurité du revenu” for the words “Ministère de la Main-d’oeuvre, de la Sécurité du revenu et de la Formation professionnelle”.

2. Subsection 1 has effect from 17 June 1994.

37. 1. Section 1086R8.1.1 is amended by striking out the words “other than a qualified investment made in a research and development corporation within the meaning of paragraph *b.0.1* of that section 965.29.”

2. Subsection 1 applies in respect of a qualified investment made by a Québec business investment company after 20 May 1993 in a research and development corporation as part of a scientific research and experimental development project, other than such a qualified investment the funds of which are used by the research and development corporation to make an expenditure for scientific research and experimental development, if those funds were collected as part of that project:

(*a*) through a distribution made in accordance with a final prospectus for which the receipt was granted before 23 April 1993 or under an exemption from filing a prospectus granted before that date;

(*b*) through a distribution made in accordance with a final prospectus for which the receipt was granted after 22 April 1993 but not later than 31 May 1993 or, where a pre-competitive research receipt was issued by the Minister of Industry, Trade, Science and Technology before 20 May 1993, not later than 31 August 1993, if the receipt for the preliminary prospectus was granted before 23 April 1993, if the funds collected through that distribution do not exceed the amount provided for in that respect in the preliminary prospectus and, where applicable, if the amount of the expenditure does not exceed the amount provided for in that respect in the pre-competitive research receipt issued;

(c) through a distribution made in accordance with a final prospectus for which the receipt was granted after 23 April 1993 but not later than 31 December 1993, if the receipt for the preliminary prospectus was granted on 23 April 1993 and if the funds collected through that distribution do not exceed the amount provided for in that respect in the preliminary prospectus;

(d) through a distribution made under an exemption from filing a prospectus, if the application for exemption from filing a prospectus was filed before 23 April 1993 and the exemption from filing a prospectus was granted after 22 April 1993 but not later than 31 May 1993 or, where a pre-competitive research receipt was issued by the Minister of Industry, Trade, Science and Technology before 20 May 1993, not later than 31 August 1993, if the funds collected through that distribution do not exceed the amount provided for in that respect in the application for exemption from filing a prospectus and, where applicable, if the amount of the expenditure does not exceed the amount provided for in that respect in the pre-competitive research receipt issued;

(e) through a distribution made under an exemption from filing a prospectus, if the application for exemption from filing a prospectus was filed on 23 April 1993 and the exemption from filing a prospectus was granted after 23 April 1993 but not later than 31 December 1993 and if the funds collected through that distribution do not exceed the amount provided for in that respect in the application for exemption from filing a prospectus;

(f) in respect of which a favourable advance ruling was given by the Ministère du Revenu before 23 April 1993, if the amount of the expenditure does not exceed the amount provided for in that respect in the application for an advance ruling and if the receipt for the final prospectus or the exemption from filing a prospectus, as the case may be, was granted not later than 30 June 1993 or, where a receipt for a final prospectus or an exemption from filing a prospectus, as the case may be, was not required under paragraph 2 of section 3 of the Securities Act (R.S.Q., c. V-1.1), if all the research and development shares issued as part of that project were issued before 1 January 1994;

(g) in respect of which a favourable advance ruling was given by the Ministère du Revenu on 23 April 1993, if the amount of the expenditure does not exceed the amount provided for in that respect in the application for an advance ruling and if the receipt for the final prospectus or the exemption from filing a prospectus, as the case may be, was granted not later than 31 December 1993 or, where a receipt for a final prospectus or an exemp-

tion from filing a prospectus, as the case may be, was not required under paragraph 2 of section 3 of the Securities Act, if all the research and development shares issued as part of that project were issued before 1 January 1994;

(h) in respect of which both a favourable advance ruling was given by the Ministère du Revenu before 24 April 1993 and a draft prospectus was filed before that date, if the amount of the expenditure does not exceed the amount provided for in that respect in the draft prospectus or the application for an advance ruling, if the receipt for the final prospectus was granted not later than 31 December 1993 and if the project in question is the same scientific research and experimental development project.

38. 1. Section 1086R8.1.2 is revoked.

2. Subsection 1 applies in respect of a qualified investment made by a Québec business investment company after 20 May 1993 in a research and development corporation as part of a scientific research and experimental development project, other than such a qualified investment the funds of which are used by the research and development corporation to make an expenditure for scientific research and experimental development, if those funds were collected as part of that project:

(a) through a distribution made in accordance with a final prospectus for which the receipt was granted before 23 April 1993 or under an exemption from filing a prospectus granted before that date;

(b) through a distribution made in accordance with a final prospectus for which the receipt was granted after 22 April 1993 but not later than 31 May 1993 or, where a pre-competitive research receipt was issued by the Minister of Industry, Trade, Science and Technology before 20 May 1993, not later than 31 August 1993, if the receipt for the preliminary prospectus was granted before 23 April 1993, if the funds collected through that distribution do not exceed the amount provided for in that respect in the preliminary prospectus and, where applicable, if the amount of the expenditure does not exceed the amount provided for in that respect in the pre-competitive research receipt issued;

(c) through a distribution made in accordance with a final prospectus for which the receipt was granted after 23 April 1993 but not later than 31 December 1993, if the receipt for the preliminary prospectus was granted on 23 April 1993 and if the funds collected through that distribution do not exceed the amount provided for in that respect in the preliminary prospectus;

(d) through a distribution made under an exemption from filing a prospectus, if the application for exemption from filing a prospectus was filed before 23 April 1993 and the exemption from filing a prospectus was granted after 22 April 1993 but not later than 31 May 1993 or, where a pre-competitive research receipt was issued by the Minister of Industry, Trade, Science and Technology before 20 May 1993, not later than 31 August 1993, if the funds collected through that distribution do not exceed the amount provided for in that respect in the application for exemption from filing a prospectus and, where applicable, if the amount of the expenditure does not exceed the amount provided for in that respect in the pre-competitive research receipt issued;

(e) through a distribution made under an exemption from filing a prospectus, if the application for exemption from filing a prospectus was filed on 23 April 1993 and the exemption from filing a prospectus was granted after 23 April 1993 but not later than 31 December 1993 and if the funds collected through that distribution do not exceed the amount provided for in that respect in the application for exemption from filing a prospectus;

(f) in respect of which a favourable advance ruling was given by the Ministère du Revenu before 23 April 1993, if the amount of the expenditure does not exceed the amount provided for in that respect in the application for an advance ruling and if the receipt for the final prospectus or the exemption from filing a prospectus, as the case may be, was granted not later than 30 June 1993 or, where a receipt for a final prospectus or an exemption from filing a prospectus, as the case may be, was not required under paragraph 2 of section 3 of the Securities Act (R.S.Q., c. V-1.1), if all the research and development shares issued as part of that project were issued before 1 January 1994;

(g) in respect of which a favourable advance ruling was given by the Ministère du Revenu on 23 April 1993, if the amount of the expenditure does not exceed the amount provided for in that respect in the application for an advance ruling and if the receipt for the final prospectus or the exemption from filing a prospectus, as the case may be, was granted not later than 31 December 1993 or, where a receipt for a final prospectus or an exemption from filing a prospectus, as the case may be, was not required under paragraph 2 of section 3 of the Securities Act, if all the research and development shares issued as part of that project were issued before 1 January 1994;

(h) in respect of which a favourable advance ruling was given by the Ministère du Revenu before 24 April 1993 and a draft prospectus was filed before that date, if

the amount of the expenditure does not exceed the amount provided for in that respect in the draft prospectus or the application for an advance ruling, if the receipt for the final prospectus was granted not later than 31 December 1993 and if the project in question is the same scientific research and experimental development project.

39. 1. The following is substituted for section 1086R8.8:

“**1086R8.8.** The Société de l’assurance automobile du Québec shall file an information return, in prescribed form, in respect of an indemnity it pays under Title II of the Automobile Insurance Act (R.S.Q., c. A-25), except in respect of an indemnity provided for in Chapter V of that Title.”.

2. Subsection 1 applies in respect of an indemnity paid after 31 December 1989. Notwithstanding the foregoing, where section 1086R8.8 of the Regulation respecting the Taxation Act, made by subsection 1, applies before 22 June 1990, it shall be read with the words “Régie de l’assurance automobile du Québec” being substituted for the words “Société de l’assurance automobile du Québec”.

40. 1. Section 1086R8.9 is amended by substituting the words “Minister of Income Security” for the words “Minister of Manpower, Income Security and Skills Development” in the part preceding paragraph *a*.

2. Subsection 1 has effect from 17 June 1994.

41. 1. Section 1086R23.12 is amended

(1) by substituting the following for the part preceding subparagraph *a* of the first paragraph:

“**1086R23.12.** Where, during a taxation year or a fiscal period, as the case may be, a particular person, other than a person exempt from tax for the year under Book VIII of Part I of the Act, or a partnership incurs expenditures for renovation, improvement, maintenance or repair work in respect of a building, structure or land that is property situated in Québec and used in the course of carrying on a business or to derive an income therefrom, that particular person or a member of that partnership designated by the members of the partnership shall attach to the fiscal return that he files for that year or for his taxation year during which the partnership’s fiscal period ends, under Part I of the Act, an information return in prescribed form in respect of every person having carried out the work, other than a person who is:”;

(2) by substituting the following for subparagraph *b* of the second paragraph:

“(b) where the particular person or the member of the partnership designated for the purposes of filing the information return is not required to file a fiscal return under Part I of the Act for the year or for the taxation year during which the partnership’s fiscal period ends, that particular person or that member shall file the information return not later than the day on which he would be required at the latest to file such fiscal return if he had tax to pay under that Part I for that year.”; and

(3) by deleting subparagraphs *c* and *d* of the second paragraph.

2. Subsection 1 applies in respect of work carried out after 30 June 1995.

42. 1. The Regulation is amended by inserting the following after the heading of Title XXXII:

**“CHAPTER 0.1
LOAN CORPORATIONS**

1130R1. For the purposes of the definition of the expression “loan corporation” in section 1130 of the Act, each of the following corporations is a prescribed corporation:

(a) a corporation of which all or substantially all of the assets are shares or indebtedness of corporations contemplated in Title II of Book III of Part IV of the Act and to which the corporation is related, within the meaning of Part I of the Act;

- (b) AVCO Financial Services Canada Limited;
- (c) AVCO Financial Services Realty Limited;
- (d) AVCO Financial Services Quebec Limited;
- (e) General Motors Acceptance Corporation of Canada, Limited;
- (f) Household Financial Corporation Limited;
- (g) Household Finance Corporation of Canada;
- (h) Household Realty Corporation Limited;
- (i) Merchant Retail Services Limited;
- (j) Superior Acceptance Corporation Limited;
- (k) Superior Credit Corporation Limited;

(l) Crédit Industriel Desjardins;

(m) Beneficial Canada Inc.;

(n) Beneficial Realty Ltd.;

(o) RT Mortgage-Backed Securities Limited;

(p) RT Mortgage-Backed Securities II Limited;

(q) T. Eaton Acceptance Co. Limited;

(r) National Retail Credit Services Limited;

(s) Ford Credit Canada Limited;

(t) Principal Fund Incorporated;

(u) Farm Credit Corporation;

(v) Canadian Cooperative Agricultural Financial Services.”.

2. Subsection 1 applies to a taxation year commencing after 12 May 1994.

43. 1. Schedule F is revoked.

2. Subsection 1 applies from the 1992 taxation year.

44. 1. The Regulation is amended

(1) by substituting the words “Canada or in Québec and elsewhere” for the words “Québec and elsewhere” in the heading of Title XX and in section 771R5.1;

(2) by substituting the word “Canada” for the words “Québec and elsewhere” in the part of section 771R21 preceding paragraph *a*, in the part of section 771R26 preceding paragraph *a*, in the part of section 771R30 preceding paragraph *a*, in section 771R35, in the part of the second paragraph of section 771R37 preceding subparagraph *a* and in section 771R38;

(3) by substituting the words “Canada or in Québec and elsewhere” for the words “Québec and elsewhere in Canada” in the part of section 771R23 preceding paragraph *a*.

2. Subsection 1 is declaratory, except in respect of cases pending not later than 8:00 p.m., Eastern Daylight Saving Time, on 12 May 1994 and notices of objection served on the Minister of Revenue not later than that time, where in respect of the cases or notices it is alleged in the grounds for contesting, expressly raised not later than that time, that the manner of determining business

carried on in various jurisdictions as prescribed in the Regulation respecting the Taxation Act does not comply with the manner of determining such business as prescribed in the Taxation Act (R.S.Q., c. I-3).

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

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Gouvernement du Québec

O.C. 527-96, 1 May 1996

An Act respecting collective agreement decrees (R.S.Q., c. D-2)

Cartage

— Québec

— Amendments

Decree to amend the Decree respecting the cartage industry in the Québec region

WHEREAS the Government made the Decree respecting the cartage industry in the Québec region (R.R.Q., 1981, c. D-2, r. 7);

WHEREAS in accordance with section 8 of the Act respecting collective agreement decrees (R.S.Q., c. D-2), the Government may amend a decree upon the recommendation of the Minister of Employment;

WHEREAS the contracting parties within the meaning of the Decree have petitioned the Minister of Labour for amendments to the Decree to be submitted to the Government for approval;

WHEREAS in accordance with sections 10 and 11 of the Regulations Act (R.S.Q., c. R-18.1), the text of the draft amending Decree was published in Part 2 of the *Gazette officielle du Québec* of 9 August 1995, with a notice that it could be made by the Government upon the expiry of 45 days following that publication;

WHEREAS it is expedient to approve that petition with amendments and for that purpose to make the Decree attached hereto;

IT IS ORDERED, therefore, upon the recommendation of the Minister of Labour:

THAT the Decree to amend the Decree respecting the cartage industry in the Québec region, attached hereto, be made.

MICHEL CARPENTIER,

Clerk of the Conseil exécutif

Decree to amend the Decree respecting the cartage industry in the Québec region

An Act respecting collective agreement decrees (R.S.Q., c. D-2, s. 8)

1. The Decree respecting the cartage industry in the Québec region (R.R.Q., 1981, c. D-2, r. 7), amended by Orders in Council 86-82 dated 13 January 1982 (Suppl., p. 413), 1691-82 dated 7 July 1982 (Suppl., p. 416), 1000-84 dated 25 April 1984, 639-85 dated 27 March 1985, 1338-85 dated 26 June 1985, 1569-85 dated 31 July 1985, 552-89 dated 12 April 1989, 1193-89 dated 19 July 1989, 1115-91 dated 7 August 1991, 1393-91 dated 9 October 1991, 1394-91 dated 9 October 1991, 955-93 dated 30 June 1993 and 569-95 dated 26 April 1995, is further amended by substituting the following for section 1.01:

“**1.01.** In this Part, unless the context indicates otherwise, the following expressions mean:

(1) “helper”: employee who helps the driver in the supervision and handling of any loading or unloading, without driving the road vehicle, even occasionally;

(2) “labourer”: employee who performs the work covered by the professional jurisdiction of Part I of this Decree, excluding the work performed by employees governed by paragraphs 1 and 3 to 18;

(3) “assistant-mechanic”: employee who works under the constant supervision of a qualified mechanic;

(4) “driver”: employee who operates a road vehicle as defined in paragraph 20;

(5) “road-train driver”: driver of a combination of road vehicles consisting of a tractor, semi-trailers and any dollies;

(6) “truck driver”: driver of a road vehicle that has a net weight in excess of 3 000 kilograms, built exclusively to transport goods or permanently fixed equipment, or both;