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# NATIONAL ASSEMBLY

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FIRST SESSION

THIRTY-FOURTH LEGISLATURE

Bill 138

**An Act to amend the Act respecting  
Québec business investment  
companies**

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**Introduction**

**Introduced by  
Mr Gérard Tremblay  
Minister of Industry, Trade and Technology**



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## EXPLANATORY NOTES

*This bill amends the Act respecting Québec business investment companies to give effect to the measures announced in the communiqué issued by the Minister of Finance on 18 October 1989 and in the Ministerial Statements of the Minister of Finance of 19 December 1989 and to the budgetary measures announced in the Budget Speech of 26 April 1990.*

*The bill provides that a trust governed by a self-directed registered retirement savings plan or registered retirement income fund may be a shareholder of a Québec business investment company. The bill also introduces complementary measures designed to facilitate the administration of the Act as regards the registration of companies.*

*In addition, the bill provides that the conditions relating to the assets or net equity to be met by a corporation in order to be a qualified corporation apply on the date of issue of the convertible security by the corporation rather than on the date of conversion of the convertible security.*

# Bill 138

## An Act to amend the Act respecting Québec business investment companies

THE PARLIAMENT OF QUÉBEC ENACTS AS FOLLOWS:

**1.** The Act respecting Québec business investment companies (R.S.Q., chapter S-29.1) is amended by inserting, after section 3, the following section:

**“3.1** Notwithstanding section 3, a common share with full voting rights of the share capital of a company may be transferred to or acquired by a trustee as part of a registered retirement savings plan or a registered retirement income fund, of a type commonly called self-directed, to the extent that the trust holds the share for the benefit of an annuitant within the meaning of paragraph *b* of section 905.1 or paragraph *d* of section 961.1.5, as the case may be, of the Taxation Act (R.S.Q., chapter I-3).

For the purposes of this Act and the regulations thereunder, the annuitant, under such a plan or fund, is also deemed to be the person holding the share as the actual owner.”

**2.** Section 4 of the said Act is amended by replacing the first paragraph by the following paragraph:

**“4.** The Société de développement industriel du Québec shall register a company where, in its opinion, the company fulfills the requirements prescribed by this Act and the regulations thereunder.”

**3.** Section 8 of the said Act is amended by replacing the words “company’s common shares with full voting rights” in the second line of paragraph 5 by the words “common shares with full voting rights of a company having made and holding a qualified investment”.

**4.** Section 12 of the said Act is amended by adding, after the fourth paragraph, the following paragraph:

“In the case of a qualified investment referred to in subparagraphs 3 and 4 of the first paragraph, the conditions referred to in subparagraph 2 of the third paragraph must be met by a qualified corporation on the date of issue of the convertible security rather than on the date of conversion of the convertible security.”

**5.** Section 15 of the said Act is replaced by the following section:

**15.** The Société de développement industriel du Québec shall issue a statement to each shareholder of a company, attesting to the amount of his adjusted interest in a qualified investment or to the qualified portion of his adjusted interest in a qualified investment in a corporation operating in a business in the scientific research and experimental development sector, as determined by regulation.

For the purposes of this Act, an adjusted interest in a qualified investment is the adjusted interest in a qualified investment as determined under section 965.31.1 of the Taxation Act, and the qualified portion of the adjusted interest in a qualified investment is determined under section 965.33.1 of the Taxation Act.”

**6.** The regulations to be made, under paragraphs 4 and 6 of section 16 of the Act respecting Québec business investment companies, between the date of coming into force of this Act and 31 December 1991 may provide that they will apply from any date not prior to 27 April 1990.

**7.** Section 1 has effect from 1 January 1986 and sections 4 and 5 have effect from 17 May 1989.

**8.** This Act comes into force on *(insert here the date of assent to this Act)*.