

SECOND SESSION

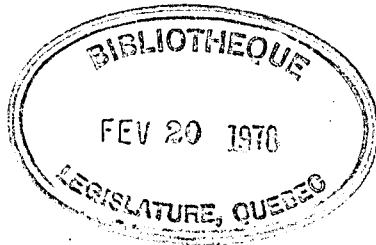
THIRTY-FIRST LEGISLATURE

# ASSEMBLÉE NATIONALE DU QUÉBEC

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## DRAFT BILL

Consumer Protection Act



MADAME LISE PAYETTE

Ministre des consommateurs, coopératives et  
institutions financières

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CHARLES-HENRI DUBÉ, ÉDITEUR OFFICIEL DU QUÉBEC

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## EXPLANATORY NOTES

*This draft bill proposes a new act on consumer protection.*

*The draft revises the existing act and certain regulations thereunder. It also regulates commercial practices and restructures the Office de la protection du consommateur.*

*The proposed act comprises five books. Book I states general rules regarding the making of contracts and the fundamental warranties of all goods and services offered to consumers. It particularly regulates contracts with door-to-door salesmen and contracts of credit.*

*Book II deals with commercial practices. It describes and prohibits the practices of certain merchants, manufacturers or advertisers designed to mislead the consumer.*

*Book III is designed to protect consumers in certain particular circumstances by requiring merchants to deposit the sums of money they receive from the consumers in trust accounts.*

*Book IV establishes certain rules of proof and procedure that are essential for the administration of the act. It indicates the recourses available to the consumer when a merchant, a manufacturer or an advertiser breaks the law. Further, it defines offences against the act and provides penalties for the offenders.*

*Book V describes the new structure of the Office de la protection du consommateur. It provides for the establishment of a board of directors for the Office and enables the setting up of regional consultative bodies. It lists the powers of the president of the Office for the administration of the Act. It indicates the classes of trade that require operating permits, and prescribes the rules for the issue of permits.*

# DRAFT BILL

## Consumer Protection Act

HER MAJESTY, with the advice and consent of the Assemblée nationale du Québec, enacts as follows:

### PRELIMINARY TITLE

#### INTERPRETATION AND APPLICATION

**1.** In this act, unless the context indicates otherwise,

(a) “address”

i. of the merchant means the place of his establishment or office indicated in the contract, or of a new establishment or office of which he has previously notified the consumer;

ii. of the manufacturer means the place of his establishment in Canada;

iii. of the consumer means the place of his ordinary residence indicated in the contract, or of a new residence of which he has previously notified the merchant.

In the case of a merchant or a manufacturer, a post office box is not an address within the meaning of this act;

(b) “automobile” means a vehicle propelled by any power other than muscular force and adapted for transportation on the public highways, across country or in the forest;

(c) “goods” means any moveable property;

(d) “deposit” means a deposit required by this act or the regulations;

(e) “consumer” means a natural person being a party to a contract otherwise than as a merchant;

(f) “contract” means any contract entered into between a consumer and a merchant having goods or services as its subject;

(g) “executive” means the chairman of the board of directors, the president, the vice-president, the secretary, the treasurer, the managing director, the general manager or any person holding a similar office;

(h) “manufacturer” means a person in the business of assembling, producing or processing goods. Without limiting the generality of the foregoing, the word “manufacturer” particularly includes

i. a person who imports or distributes goods manufactured outside Canada where the manufacturer has no establishment in Canada;

ii. a person who allows his trade-mark to be used on goods where the manufacturer has no establishment in Canada;

iii. a person who represents himself to the public as the manufacturer of goods;

(i) “advertisement” means a message designed to recommend goods, services or an agency to the Québec public or to a part of it;

(j) “Minister” means the Ministre des consommateurs, coopératives et institutions financières;

(k) “Office” means the Office de la protection du consommateur;

(l) “permit” means a permit required by this act;

(m) “president” means the president of the Office;

(n) “advertiser” means a person who

i. prepares, publishes, distributes or broadcasts an advertisement or

ii. who causes an advertisement to be prepared, published, distributed or broadcast;

(o) “regulation” means a regulation made under this act by the board of directors of the Office and approved by the Government;

(p) “representative” means a person acting for a merchant or a manufacturer or regarding whom a merchant or a manufacturer has given reasonable cause to believe that such person is acting for him;

(q) “vice-president” means the vice-president of the Office.

**2.** Cooperative agricultural associations, cooperative associations, savings and credit unions and cooperative syndicates cannot invoke section 4 of the Cooperative Agricultural Associations Act

(Revised Statutes, 1964, chapter 124), section 74 of the Cooperative Associations Act (Revised Statutes, 1964, chapter 292), section 76 of the Savings and Credit Unions Act (Revised Statutes, 1964, chapter 293) or section 6 of the Cooperative Syndicates Act (Revised Statutes, 1964, chapter 294), respectively, to avoid the application of this act.

Non-profit corporations cannot invoke their non-profit status to avoid the application of this act.

**3.** The Government, the government departments and government agencies are subject to the application of this act.

**4.** The following are exempt from the application of the book on contracts regarding goods and services and the book on trust accounts:

(a) transactions dealing with securities within the meaning of the Securities Act (Revised Statutes, 1964, chapter 274);

(b) insurance and annuity contracts, except credit contracts entered into for the payment of insurance premiums;

(c) contracts of sale of electricity or gas by a distributor within the meaning of the Electricity and Gas Board Act (Revised Statutes, 1964, chapter 87), by the Commission hydroélectrique de Québec established by the Hydro-Québec Act (Revised Statutes, 1964, chapter 86), by a municipal corporation or by a cooperative governed by the Rural Electrification Act (1945, chapter 48);

(d) contracts of public undertakings made under an authorization of the Régie des services publics.

**5.** Where a consumer is party to a contract, his surety has all the rights conferred on that consumer by this act.

## BOOK I

### CONTRACTS REGARDING GOODS AND SERVICES

#### TITLE I

##### GENERAL PROVISIONS APPLICABLE TO CONTRACTS

**6.** The consumer may demand that the contract be cancelled or the obligations thereunder reduced where the respective obli-

gations of the parties are so disproportionate as to amount to exploitation or where the obligations of the consumer are excessive.

**7.** Where, in a trial, the court must estimate the degree of a consumer's consent, the court shall take into account the condition of the parties, the circumstances in which the contract was entered into and the benefits for the consumer deriving from the contract, and particularly the following circumstances:

(a) the consumer was subjected to undue pressure to induce him to enter into the contract;

(b) the merchant or his representative took advantage of the consumer's ineptness or inability to attend satisfactorily to his own interests;

(c) the merchant or his representative took advantage of the consumer's ineptness to understand the nature, the terms and the full implications of the contract;

(d) the merchant or his representative charges the consumer a price well above the current price for similar goods or services;

(e) the merchant or his representative knew that the consumer would be unable to derive any appreciable benefit from the subject of the contract;

(f) at the time the contract was made, there was no reasonable probability that full payment of the price charged would be obtainable from the consumer.

**8.** Any stipulation whereby a merchant is liberated from the consequences of an act performed by himself or by his representatives is prohibited.

**9.** Any stipulation whereby a merchant reserves the right to decide unilaterally

(a) that the consumer has failed one or another of his obligations, or

(b) that a fact or circumstance has occurred,  
is prohibited.

**10.** Any stipulation requiring the consumer, upon the non-performance of his obligations, to pay costs other than judicial costs, is prohibited, except to the extent permitted by regulation.

**11.** Sections 106 to 111 apply, *mutatis mutandis*, to resolute clauses or to agreements to the same effect in favour of the merchant, and to contracts containing a forfeiture of benefit of term clause, whether or not such contracts are contracts of credit.

**12.** Sections 139 to 152 apply, *mutatis mutandis*, to every contract, whether a contract of credit or not, whereby the transfer of ownership of goods sold by a merchant to a consumer is deferred until the performance by the consumer of the whole or a part of his obligation.

**13.** The principal obligation of the merchant is to deliver the goods or to perform the service provided for in the contract.

In a contract calling for sequential performance, the merchant is considered to be performing his principal obligation when he begins to perform it in accordance with the contract.

**14.** In case of doubt or ambiguity, the contract must be interpreted in favour of the consumer.

**15.** Where a clause appearing in any form whatever in a contract or document confers a right on the consumer but has no application to the case in point, the consumer may demand that it be applied.

**16.** No costs may be claimed from a consumer unless the amount thereof is precisely indicated in the contract.

**17.** Any stipulation in a contract that such contract is wholly or partly governed by a law other than an act of the Parliament of Canada or of the Legislature of Québec is prohibited and is void.

## TITLE II

### RULES GOVERNING THE MAKING OF A CONTRACT IN RESPECT OF WHICH BOOK I REQUIRES A WRITING

**18.** This title applies to contracts which, under sections 52 and 72, must be evidenced in writing.

**19.** The offers, promises or agreements preliminary to a contract that must be evidenced in writing are not binding on the consumer until they are written down in a contract made in accordance with this book.

**20.** The contract must be drawn up clearly and legibly, and at least in duplicate.

**21.** The contract must be drawn up in French, but the consumer may demand that it be also drawn up in English. If the texts are divergent, the interpretation more favourable to the consumer prevails.

**22.** The merchant must sign the contract duly filled out, give it to the consumer and allow him to examine its terms and implications before signing it.

**23.** The parties must sign the last page of each duplicate of the contract, at the end of the stipulations.

**24.** The contract is complete when all the parties have signed it.

**25.** The merchant is bound by his representative's signature on the contract.

**26.** After the contract is signed, the merchant must give a duplicate of it to the consumer.

**27.** The consumer is not bound to perform his obligations until he is in possession of the duplicate intended for him.

### TITLE III

#### PROVISIONS RELATING TO CERTAIN CONTRACTS

#### CHAPTER I

##### WARRANTIES

**28.** This chapter applies to contracts of sale or of lease of goods or services and to mixed contracts of sale or lease of goods or services.

**29.** In this chapter, "warranty" means every warranty mentioned in a contract and every warranty provided for by this act.

**30.** A merchant transferring the ownership of goods to a consumer by way of a contract must free such goods from every charge in favour of a third person, or declare such charge at the time of the sale.

**31.** Goods being the subject of a contract must be serviceable for their customary purpose.

**32.** Goods being the subject of a contract must be serviceable in normal use for a reasonable time, taking account of their price, the terms of the contract and the conditions of use or operation of the goods.



**33.** Where goods being the subject of a contract are of a nature that requires maintenance, replacement parts and repair service must be available for a reasonable time after the making of the contract.

The merchant or the manufacturer may free himself from this obligation by mentioning in the contract that no replacement parts or repair service are available.

**34.** The goods or services provided must conform to the description made of them in the contract.

**35.** The goods or services provided must conform to the statements and advertisements regarding them made by the merchant or the manufacturer. The statements and advertisements form part of the contract.

**36.** A written or verbal statement by the representative of a merchant or of a manufacturer regarding goods or services is binding on that merchant or manufacturer.

**37.** Every warranty regarding goods or services that is mentioned in a statement or advertisement of the merchant or the manufacturer forms part of the contract. This rule applies to the written warranties of the merchant or the manufacturer not written in the contract.

**38.** Partial exclusions from the warranty are prohibited and void, unless the matters excluded are clearly indicated in separate and successive clauses.

**39.** Every warranty certificate must be clearly drawn up and indicate

- (a) the name and address of the person giving the warranty;
- (b) the persons who may invoke the warranty;
- (c) the obligations of the person giving the warranty if the goods are defective;
- (d) the manner in which the consumer is to proceed to obtain performance of the warranty, and the persons authorized to perform it;
- (e) the term for which the warranty is valid;
- (f) every other particular prescribed by regulation.

**40.** The valid term of a warranty mentioned in a contract or in an advertisement of a merchant or a manufacturer must be determined precisely, or in accordance with the terms and conditions prescribed by regulation.

**41.** Where the manufacturer's warranty is valid only if the goods are supplied by a certified merchant, every other merchant supplying such goods must notify the consumer that the manufacturer's warranty is invalid.

**42.** No charge may be demanded by the merchant or the manufacturer on the performance of the guarantee unless such a charge is stipulated and precisely determined in the warranty certificate.

**43.** The merchant or the manufacturer shall assume the real cost of transportation or shipping entailed on the performance of the warranty, unless these charges are stipulated in the warranty certificate.

**44.** The valid term of the warranty shall be extended for a period equal to the time during which the merchant or the manufacturer has had the goods or a part of the goods in his possession for the performance of the warranty.

**45.** Without prejudice to his claims against the merchant, a consumer having bought goods from a merchant may take action directly against the manufacturer to assert a claim based on a defect in the design or manufacture of the goods, unless the defect would have been apparent to the consumer on an ordinary examination.

The manufacturer shall not allege that he was ignorant of the defect.

Rights of action against the manufacturer may be exercised by any subsequent purchaser.

**46.** The designation by the manufacturer or the merchant of a third person to perform the warranty does not free them of their liability to the consumer.

**47.** The manufacturer or the merchant shall not make the validity of the warranty dependent upon the consumer's using a specified product, unless it is proved that the goods under the warranty will not operate normally unless that product is used.

**48.** Without prejudice to his claims against the merchant, a consumer having purchased goods from a merchant may take action directly against the manufacturer to assert a claim based on an obligation resulting from section 31, 32, 33, 34, 35 or 37.

## CHAPTER II

## ITINERANT MERCHANTS

**49.** An itinerant merchant is a merchant who, personally or through a representative, elsewhere than at his address,

- (a) solicits a particular consumer for the purpose of making a contract,
- (b) makes a contract with a consumer, or
- (c) solicits a particular consumer and makes a contract.

**50.** Sections 52 to 60 apply to contracts of sale or lease of goods or services entered into by an itinerant vendor, except

- (a) contracts under which the total obligation of the consumer does not exceed \$25;
- (b) contracts excluded by regulation.

**51.** Subject to the regulations, a contract entered into at the domicile of the consumer upon his express demand does not constitute a contract entered into by an itinerant merchant, provided such contract was not solicited elsewhere than at the merchant's address.

**52.** The contract must be evidenced in writing and indicate:

- (a) the itinerant merchant's permit number;
- (b) the name and address of the itinerant merchant and, where such is the case, those of his representative;
- (c) the name and address of the consumer;
- (d) the place and date of the contract;
- (e) a description of the subject of the contract, including, where they apply, the serial number, the model year and any other distinguishing mark;
- (f) the cash price of each item of goods or services;
- (g) the chargeable duties under any federal or provincial act;
- (h) the full amount of the consumer's obligation;
- (i) the consumer's option to dissolve the contract at his sole discretion within ten days following that on which each party is in possession of the duplicate of the contract intended for him;
- (j) the fact that the collection of any partial payment or of payment in full before the expiry of the period provided for in subparagraph *i* is prohibited;
- (k) every other particular prescribed by regulation.

The merchant must attach a form conformable to the model in Schedule 1 to the duplicate of the contract intended for the consumer.

**53.** The contract made between an itinerant merchant and a consumer may be dissolved at the sole discretion of the consumer within ten days following that on which each of the parties is in possession of the duplicate of the contract intended for him.

**54.** The itinerant merchant cannot receive a partial payment or payment in full from the consumer before the expiry of the delay for dissolution provided for in section 53.

**55.** The consumer avails himself of the option of dissolution  
(a) by returning the goods to the itinerant merchant or his representative;

(b) by sending a written notice to that effect to the itinerant merchant or his representative;

(c) by returning the form referred to in section 52 to the itinerant merchant or his representative.

**56.** The contract is dissolved *pleno jure* from the return of the goods or the sending of the notice or the form.

**57.** Within ten days following the sending of the notice or the form, the consumer must return the goods being the subject of the contract to the itinerant merchant or his representative.

**58.** The itinerant merchant shall assume all the costs of restitution.

**59.** The itinerant merchant shall assume the risk of loss or deterioration, even by fortuitous event, of the goods being the subject of the contract, until the expiry of the delay provided for in section 57.

**60.** The consumer shall not dissolve the contract if, as a result of an act or a fault for which he is liable, he is unable to return the goods to the itinerant merchant that he received from him; the burden is on the itinerant merchant to prove the consumer's act or fault.

## CHAPTER III

## CONTRACTS OF CREDIT

**61.** This chapter contemplates all contracts of credit, particularly

- (a) contracts for the loan of money;
- (b) contracts extending variable credit;
- (c) contracts involving credit.

**62.** Notwithstanding section 61, this chapter does not apply to contracts of credit secured by a hypothec ranking first.

## DIVISION I

§ 1. — *General provisions*

**63.** For the purposes of this act,

(a) “credit” means the right granted by a merchant to a consumer to delay his performance of an obligation in consideration of certain charges;

(b) “total obligation” means the aggregate of the net capital and the credit charges;

(c) “period” means a space of time of not over five weeks;

(d) “down payment” means

- i. a sum of money,
- ii. the value of a negotiable instrument payable on demand, or
- iii. the agreed value of goods given on account at the time of the contract.

**64.** The net capital is

(a) in the case of a loan of money, the sum actually received by the consumer or credited to his account by the merchant;

(b) in the case of a contract involving credit, the sum for which credit is actually extended.

Every component of the credit charges is excluded from this sum.

**65.** The credit charges are the sum the consumer must pay under the contract in addition to

(a) the net capital in the case of a contract for the loan of money;

(b) the net capital and the down payment in the case of a contract involving credit.

**66.** The credit charges shall be determined as the sum of their components, particularly the following:

- (a) the sum claimed as interest;
- (b) all premiums for insurance subscribed for, except any automobile insurance premium;
- (c) the profit bonus;
- (d) the costs of administration;
- (e) the brokerage fees;
- (f) the contract fees;
- (g) the costs incurred in obtaining a credit rating;
- (h) the commission;
- (i) the discount;
- (j) the duties chargeable, under a federal or provincial act, on the credit.

**67.** Where credit granted to a consumer is secured by a hypothec, the credit charges must not include

- (a) the contract fees, or the costs of a certificate of search, examination and copy of deeds of registration, real estate valuation, localizing or surveying, or
- (b) the sum collected from the consumer as municipal, school or fabrique taxes and contributions.

**68.** Where a discount is granted to a consumer, the contract must set out

- (a) the date until which that discount is applicable;
- (b) the discount expressed as a sum of money.

**69.** A merchant shall not receive any rebate, commission, bonus or benefit of any kind whatever in consideration of the transfer of a debt resulting from a contract involving credit that he has entered into with a consumer, unless he has disclosed the value thereof in that contract.

**70.** The merchant must state the credit charges in terms of dollars and cents, and indicate that they apply

- (a) to the whole term of the contract in the case of a contract for the loan of money or a contract involving credit, or
- (b) to the period covered by the statement of account in the case of a contract extending variable credit.

**71.** The credit rate is the amount of the credit charges expressed as an annual percentage; it must be computed in the manner prescribed by regulation.

**72.** Contracts of credit governed by this chapter must be evidenced in writing.

**73.** Contracts for the loan of money and contracts involving credit may be dissolved without cost or penalty, at the sole discretion of the consumer, within two days following that on which each of the parties is in possession of the duplicate of the contract intended for him.

**74.** In the case of a contract for the loan of money, the consumer avails himself of the option of dissolution

(a) by returning the sum to the merchant or his representative, if he received the sum at the time at which each of the parties came into possession of the duplicate of the contract intended for him;

(b) by either returning the sum or sending notice in writing to that effect to the merchant or his representative, in all other cases.

**75.** In the case of a contract involving credit, the consumer avails himself of the option of dissolution

(a) by returning the goods to the merchant or his representative, if he received delivery of the goods at the time at which each of the parties came into possession of the duplicate of the contract intended for him;

(b) by either returning the goods or sending notice in writing to that effect to the merchant or his representative, in all other cases.

**76.** The contract is dissolved *pleno jure* from the return of the goods or of the sum of money or from the sending of the notice to the merchant or his representative.

**77.** Where a contract is dissolved by virtue of section 73, the parties must as soon as possible return to each other what they have received from each other.

**78.** The merchant shall assume the costs of restitution.

**79.** The merchant shall assume the risk of loss or deterioration, even by fortuitous event, of the goods being the subject of the contract, until the expiry of the delay provided for in section 73.

**80.** The consumer shall not dissolve the contract if, as a result of an act or a fault for which he is liable, he is unable to return the goods to the merchant that he received from him; the burden is on the merchant to prove the consumer's act or fault.

**81.** Contracts of credit, except contracts extending variable credit, must stipulate a sole credit rate.

**82.** Contracts governed by the Act respecting small loans (R.S.C., 1970, chapter S-11) are exempt from the application of section 81, providing the credit rate is indicated in the manner prescribed by regulation.

**83.** The merchant shall not exact, on any sum owing by the consumer, credit charges computed at a higher credit rate than that stated in the contract in accordance with this act.

**84.** The contract must provide for at least one deferred payment during each period.

**85.** Notwithstanding section 84, the date on which the consumer must make his first payment may be fixed at will, but if it is fixed at over 45 days after the making of the contract, the credit charges shall not run between the date of the contract and the commencement of the period for which that payment is made.

**86.** If the merchant's principal obligation is performed more than seven days after the contract is entered into, the credit charges shall not run, and the merchant shall not demand any payment from the consumer, before the date of such performance.

**87.** Except for a contract extending variable credit, deferred payments must be equal, except the final payment, which may be a lower payment.

**88.** The following are exempt from the application of sections 84 to 87:

(a) a contract under which credit granted to a consumer is secured by a hypothec other than a hypothec ranking first, under the conditions prescribed by regulation;

(b) a contract to which one of the parties is a consumer having a seasonal income, provided that the contract contains the following stipulation, which must be signed separately by the consumer:

"Mrs, Miss or Mr ...*(insert here the name and the main occupation of the consumer)* declares that she or he has a seasonal income."



and the merchant may accept this declaration, unless he knows it to be false;

(c) the contract entered into by a merchant and a consumer relating to goods necessary for the carrying on of the trade, art or profession of the consumer, provided that the contract contains the following stipulation, which must be signed separately by the consumer:

“Mrs, Miss or Mr ...*(insert here the name and the main occupation of the consumer)* declares that the goods being the subject of the contract are necessary for the carrying on of her or his trade, art or profession.”

**89.** A contract for the loan of money is exempt from the application of sections 84 to 87, on the conditions prescribed by regulation, whereunder

- (a) the capital is repayable in full on one specified date,
- (b) the capital is payable on demand,
- (c) the date of maturity is not fixed, or
- (d) the amount of the payments is not fixed.

**90.** In the case of a contract for the loan of money, and notwithstanding section 13, no credit charge may be exacted from the consumer except on such sums as he has actually received from the merchant and on such as have been paid into or credited to his account by the merchant.

**91.** The credit charges must be computed on the net capital balance as established at the time of the preceding payment and according to the actuarial method described in the regulations.

**92.** Every credit charge, whether imposed as a penalty, arrears charge, extension charge or otherwise must be computed in the manner provided in section 91.

**93.** The consumer may make full payment or partial payment of his obligation before maturity.

The balance due by a consumer for payment of his obligation is equal at all times to the aggregate of the net capital balance and the credit charges incurred since the last payment, computed in accordance with section 91.

**94.** The merchant must, on such terms and conditions in respect of time and form as are prescribed by regulation, provide the consumer with a statement of account setting out the information prescribed by regulation.

**95.** A consumer discovering a billing error in the statement of account provided to him by a merchant with whom he has entered into a contract of credit may address a writing to the merchant, informing him of

- (a) his identity,
- (b) the error discovered and the sum involved, where that is the case, and
- (c) his grounds for believing the error exists.

**96.** The merchant receiving the writing provided for in section 95 from a consumer shall, within sixty days from the date of mailing of that writing, advise the consumer, in writing,

- (a) that the billing error has been corrected, together with any credit charges erroneously billed; or
- (b) that he refuses to correct the statement of account, explaining to the consumer his grounds for not acceding to his request to make the correction; in this case, the merchant must, without charge, provide the consumer, on demand, with documentary proof of his grounds for refusal.

**97.** Every merchant failing to observe the prescriptions of section 96 loses his right to claim from the consumer the sum mentioned by the latter under the terms of paragraph *b* of section 95 and the corresponding credit charges.

**98.** If the parties to a contract of credit wish to amend certain stipulations of the contract and if the credit rate or the credit charges are thereby increased, they must draw up a new contract containing

- (a) identification of the original contract;
- (b) the net capital balance owing by the consumer by virtue of the original contract;
- (c) the net capital;
- (d) the credit charges;
- (e) the credit rate;
- (f) the total amount of the consumer's obligation; and
- (g) the terms and conditions of payment.

**99.** Section 96 applies in particular to a contract of credit resulting from the consolidation of debts owed to the same merchant; in this case, the particulars required under paragraphs *a* and *b* of section 98 must be set out separately for each of the original contracts.

**100.** The following are exempt from the application of section 98:

(a) on the conditions prescribed by regulation, contracts for the loan of money

- i. payable on demand,
- ii. providing no fixed date of maturity, or
- iii. providing no fixed amount of payments;

(b) the correction of a clerical error in the contract with the agreement of both parties.

**101.** An instalment sale cannot be the subject of a new contract or of a consolidation of debts if the consumer is thereby deprived of a right granted to him by the sections dealing with instalment sales contracts.

**102.** When the consumer discharges his obligation in full, the merchant shall give him a receipt and return to him every object or document received as an acknowledgement of or security for such obligation.

**103.** A negotiable instrument signed at the time of a contract to acknowledge deferred payments is indivisible from the contract and neither such instrument nor the contract shall be assigned separately by the merchant or any subsequent assignee.

**104.** The assignee of a debt owed to a merchant under a contract to which the latter is a party cannot have more rights than the merchant and is jointly and severally liable with the merchant for the performance of the merchant's obligations up to the amount of such debt at the time it is assigned to him or, if he assigns it in turn, up to the amount of the payments he has received.

## § 2. — *Forfeiture of benefit of term*

**105.** Every stipulation in a contract which has the effect of requiring a consumer to pay all or part of the balance of his obligation before maturity is a clause of forfeiture of benefit of term.

**106.** The merchant who wishes to avail himself of such clause must give the consumer a notice drawn up in accordance with the form appearing in Schedule 2.

**107.** The forfeiture of benefit of term shall take effect only after a delay of thirty days following the receipt of the notice provided for in section 106.

**108.** If the consumer does not remedy his default within the delay provided for in section 107, the balance of his obligation becomes payable.

**109.** Upon a motion by the consumer, the court may either

- (a) change the terms and conditions of payment according to such conditions as it considers reasonable, or
- (b) authorize the consumer to return the goods to the consumer.

Such motion must be served and filed at the office of the court before the expiry of the delay provided for in section 107.

**110.** Such motion must be heard and decided by preference, considering, in particular, the following facts:

- (a) the amount of the consumer's total obligation;
- (b) the sums already paid by the consumer;
- (c) the value of the goods at the time the consumer defaulted;
- (d) the balance owing to the merchant;
- (e) the consumer's ability to pay; and
- (f) the reason for which the consumer is in default.

**111.** The return of the goods to the merchant by virtue of section 109 extinguishes the consumer's contractual obligation and the merchant is not bound to return the amount of the payments he has received.

### § 3. — *Insurance*

**112.** No person may refuse to enter into a contract of credit on the pretext that the consumer does not sign, through the intermediary of the merchant who is party to the contract, one or more insurance policies offered by the latter.

**113.** If subscription to an insurance policy is a condition of making a contract of credit, the consumer may fulfil this condition by an insurance policy he already holds.

Before making the contract, the merchant must inform the consumer of such right by a writing in the form and according to the terms and conditions prescribed by regulation.

**114.** A merchant subscribing to a group life or health insurance contract covering the consumer on his entering into a contract of credit must provide the consumer with a membership form concordant with article 283 of the general regulations under the Act respecting insurance (1974, chapter 70).

**115.** For any other insurance subscribed on the making of a contract of credit, the merchant must, within 30 days, provide the consumer with a copy of the policy and of the application for insurance.

## DIVISION II

### CONTRACTS FOR THE LOAN OF MONEY

**116.** The contract for the loan of money must reproduce the particulars provided for in Schedule 3, in addition to those prescribed by regulation.

**117.** If a merchant who is party to a contract for the loan of money knows or is presumed to know that the credit applied for is to be used by the consumer to make full or partial payment for the purchase or the lease of goods or services, the consumer may plead against him any ground of defence that he may urge against the vending or leasing merchant.

**118.** For the purposes of section 117, the merchant who is party to a contract for the loan of money is presumed to know that the credit granted is to be used for the purchase or the lease of goods or services:

(a) if the consumer is referred to him by the vending or leasing merchant;

(b) if the merchant who is party to the contract for the loan of money and the vending or leasing merchant habitually do business together.

**119.** When legal proceedings intervene between the consumer and the vending or leasing merchant, the court may, on a motion of the consumer, order the suspension of the repayment of the loan until final judgment is rendered.

At the time of the final judgment, the court shall indicate which party must pay the credit charges accrued during the suspension of repayment of the loan.

## DIVISION III

### CONTRACTS EXTENDING VARIABLE CREDIT

**120.** The contract extending variable credit is a contract by which credit is extended in advance by a merchant to a consumer who may avail himself of it, in whole or in part, from time to time, in accordance with the terms and conditions of the contract.

A contract extending variable credit includes, in particular, the contract made for the use of what are commonly called credit cards, credit accounts, budget accounts, revolving credit accounts, marginal credit and credit openings and any other contract of a similar nature.

**121.** For the purposes of section 120, penalties imposed for non-payment on maturity are deemed to be credit charges.

**122.** No person shall issue or send a credit card to a consumer unless he applies therefor in writing.

**123.** Section 122 does not apply to the renewal or replacement, on the same conditions, of a credit card which the consumer has used during the period for which it was issued or renewed.

No person shall, however, renew or replace a credit card if the consumer has notified in writing the issuer of the card of his intention to cancel such card.

**124.** No person shall issue more than one credit card bearing the same number unless the consumer in whose name the card is issued applies therefor in writing.

**125.** In case of loss or theft of a credit card, the consumer shall incur no liability for a debt resulting from the use of such card by a third person after the issuer is notified of the loss or theft by telephone, telegraph, written notice or any other means.

**126.** Even where such a notice is not sent, the liability of the consumer whose credit card is lost or stolen shall be limited to the sum of \$50.

**127.** Contracts extending variable credit must reproduce the particulars prescribed in Schedule 4, in addition to those prescribed by regulation.

**128.** At the end of each period, the merchant must furnish the consumer who owes him a debt with a statement of account, mailed not less than twenty-one days before the date of expiration of the period at the end of which the creditor may impose credit charges, indicating,

(a) the date of the end of the period;

(b) the balance of the account at the end of the preceding period;

(c) the date and amount of each payment made or sum credited during the period;

- (d) the credit charges imposed during the period;
- (e) the balance of the account at the end of the period;
- (f) the minimum payment required for such period;
- (g) the delay during which the consumer may discharge his obligation without being required to pay credit charges, and
- (h) any other information prescribed by the regulations.

The merchant must attach to the statement of account a copy of the vouchers of each of the transactions debited to the consumer's account during the period.

**129.** Until the consumer receives a statement of account and copy of the vouchers at his address, the merchant shall not exact credit charges on the unpaid balance.

**130.** Where the merchant has indicated to the consumer the amount up to which variable credit is extended to him, the merchant shall not increase such amount unless the consumer expressly applies therefor.

**131.** Notwithstanding section 98, the merchant may, in the manner provided for in section 132, amend the contract extending variable credit in respect of the increase of

- (a) the amount chargeable as membership or renewal fees;
- (b) the amount chargeable as administration expenses, or
- (c) the credit rate chargeable on the unpaid balance at the expiry of each period.

**132.** The merchant must send to the consumer, not later than six months preceding the date of the coming into force of the change, a notice setting out exclusively

- (a) the amended clauses, as they formerly read and as they read now;
- (b) the date of the coming into force of the change.

**133.** The unilateral amendment of a contract extending variable credit not conformable to sections 131 and 132 cannot be invoked against the consumer.

**134.** No contract extending variable credit shall include a clause whereby the transfer of the ownership of the goods sold by a merchant to a consumer is deferred until the consumer's performance of all or part of his obligation.

## DIVISION IV

## CONTRACTS INVOLVING CREDIT

**135.** This division applies to instalment sales and to all other contracts involving credit.

§ 1. — *Instalment sales*

**136.** An instalment sale is a contract involving credit whereby the transfer of ownership of the goods sold by a merchant to a consumer is deferred until the consumer's performance of all or part of his obligation.

**137.** The merchant shall assume the risks of loss or deterioration by fortuitous event until the ownership of the goods is transferred to the consumer.

**138.** The contract must set out the particulars provided for in Schedule 5, in addition to those prescribed by regulation.

**139.** Every instalment sale not conformable to the requirements of Chapter III of this title is a sale with a term which transfers to the consumer the ownership of the goods sold.

**140.** Every provision

(a) intended to prevent the consumer from moving the goods within Québec without the permission of the merchant, or

(b) enabling the merchant to retake possession of the goods without the express consent of the consumer or the court, is prohibited and without effect.

**141.** The balance of the sale price shall become exigible when the goods are sold by judicial authority or when the consumer conveys them to a third person without the merchant's consent.

**142.** If the consumer is in default to perform his obligation in accordance with the terms and conditions of the contract, the merchant may

(a) exact immediate payment of the instalments due;

(b) exact, in the manner provided for in sections 109 and following, immediate payment of the balance of the debt if the contract contains a clause of forfeiture of benefit of term; or

(c) retake possession of the goods sold in the manner provided for in sections 143 and following.



**143.** Before exercising the right conferred by paragraph *c* of section 142, the merchant must send to the consumer a written notice drawn up in accordance with the form appearing in Schedule 6.

**144.** The consumer may remedy the fact that he is in default or return the goods to the merchant within thirty days following receipt of the notice provided for in section 141.

The right of repossession shall be exercised only at the expiry of a delay of thirty days after receipt of the notice by the consumer.

**145.** If, following such notice, the voluntary return or forced repossession of the goods is effected, the contractual obligation of the consumer is extinguished and the merchant is not bound to return the amount of the payments already received.

**146.** If, upon his default, the consumer has already paid at least one-half of his total obligation, the merchant shall not exercise his right of repossession unless he obtains the permission of the court.

**147.** Such permission is applied for by a motion served on the consumer which must be heard and decided by preference.

The court shall dispose of such motion after taking into account the particulars mentioned in section 110.

**148.** If the court dismisses the motion, it shall allow the consumer to retain the goods and it may change the terms and conditions of payment of the balance according to such conditions as it deems reasonable.

**149.** A consumer who retains the goods in accordance with section 148 shall assume, from the judgment, the risk of loss or deterioration, even by fortuitous event.

**150.** The merchant who opted for the recourses provided for in paragraph *b* of section 142 may, after the expiry of the delay of thirty days, avail himself of the recourse provided for in paragraph *c* of the same section.

The merchant who opted for the recourse provided for in paragraph *c* of section 142 may, after the expiry of the delay of thirty days, avail himself of the recourse provided for in paragraph *b* of the same section.

The consumer may then, at his option, before the expiry of a delay of thirty days after receipt of a second notice either remedy the default or return the goods.

If, following such second notice, the voluntary return or forced repossession of the goods is effected, the contractual obligation of the consumer is extinguished and the merchant is not bound to return the amount of the payments already received.

**151.** Instalment sales shall not involve variable credit.

**152.** The contract of sale by instalment must relate only to goods sold on the same day.

### § 2. — *Other contracts involving credit*

**153.** A contract involving credit, other than a contract of sale by instalment, must reproduce the particulars provided for in Schedule 7, in addition to those prescribed by regulation.

## BOOK II

### BUSINESS PRACTICES

**154.** Any practice contemplated in sections 159 to 196 constitutes a prohibited practice for the purposes of this book.

**155.** For the purposes of this book, the word “consumer” designates any natural person unless he is acting in the course of his business.

**156.** For the purposes of this book, representation includes an omission, an affirmation or a behaviour.

**157.** The use of a prohibited practice shall not be subject to the making of a contract.

**158.** To determine whether or not a representation constitutes a prohibited practice, the general impression it gives and, as the case may be, the literal meaning of the terms used therein must be taken into account.

**159.** No merchant, manufacturer or advertiser shall, by any means, make false or misleading representations to a consumer.

**160.** No merchant, manufacturer or advertiser shall falsely, by any means,

(a) assert that goods or services provide certain special advantages;

(b) assert that the acquisition or use of goods or services will result in pecuniary benefit;

(c) assert that the acquisition or use of goods or services confers or insures rights, recourses or obligations.

**161.** No merchant, manufacturer or advertiser shall falsely, by any means,

(a) assert that goods or services include certain parts, components or ingredients;

(b) assert that goods have a particular dimension, weight, size or volume;

(c) assert that goods are of a specified standard;

(d) represent that goods are of a particular category, type, model or year of manufacture;

(e) represent that goods are new, reconditioned or used to a specified degree;

(f) assert that goods have particular antecedents and have been used for a particular purpose;

(g) assert that goods have certain characteristics of performance.

**162.** No merchant, manufacturer or advertiser shall falsely, by any means,

(a) assert that goods or services are available for a determined reason;

(b) discredit goods or services offered by others;

(c) assert that goods or services have been furnished;

(d) assert that goods are made according to a determined mode of manufacture;

(e) assert that goods or services are necessary in order to replace a part or make a repair;

(f) assert that goods or services have a determined geographic origin;

(g) indicate the quantity of goods or services at his disposal.

**163.** A merchant must indicate the sale price clearly and legibly on all the goods, or if the goods are wrapped, on the wrapping of all the goods offered for sale in his establishment, subject to the regulations.

**164.** No merchant, manufacturer or advertiser shall, by any means,

(a) lay lesser stress, in an advertisement, on the price of a set of goods or services than on the price of any goods or services forming part of the set;

(b) subject to sections 187 to 190, disclose in his advertising the amount of the instalments to be paid to acquire goods or to obtain a service without also disclosing the total price of the goods or services and laying the greater stress on such total price;

(c) demand, for goods or services, a price greater than that advertised;

(d) demand in respect of any goods a price greater than the lowest price demanded at the same time for identical goods in another area of the same establishment.

**165.** No merchant, manufacturer or advertiser shall falsely, by any means,

(a) invoke specific circumstances to offer goods or services at lower prices;

(b) invoke a price reduction;

(c) indicate a regular price or another reference price for goods or services;

(d) let it be believed that the price of goods or services is advantageous.

**166.** No merchant or manufacturer shall refuse to perform the warranty granted by him for the reason that the document evidencing it has not reached him or was not validated.

**167.** No merchant, manufacturer or advertiser shall, by any means, make false representations concerning the existence, the scope or the term of a warranty.

**168.** No merchant, manufacturer or advertiser shall, by any means, fail to mention in any representation made to a consumer, any characteristic, fact, modification, condition, fault or serious shortcoming.

**169.** No person shall, by any means, make false representations concerning the profitability or any other aspect of a business opportunity offered to a consumer.

**170.** No merchant, manufacturer or advertiser shall, by any means,

(a) demand any sum whatever for any goods that he has sent to a consumer without his ordering them;

(b) conceal the true reasons for his communicating with a consumer or soliciting him;

(c) give charitable or philanthropic motives as a pretext for soliciting for the sale of goods or the lease of services.

**171.** No merchant, manufacturer or advertiser shall, by any means, advertise goods or services of which he has an insufficient quantity to meet public demand unless mention is made in his advertisement that only a limited quantity of the goods or services is available and such quantity is indicated.

The merchant, manufacturer or advertiser who establishes to the satisfaction of the court that he had reasonable cause to believe that he could meet public demand or who offered the consumer, for the same price, other goods of the same nature of an equal or greater cost price is not guilty of any infraction of this section.

**172.** No merchant, manufacturer or advertiser shall, by any means, advertise any specific goods or services when he has no intention of furnishing such goods or services to the consumer.

**173.** No merchant, manufacturer or advertiser shall, by any means, offer any premium to a consumer, excepting services, a greater quantity of the goods or services offered or a rebate on a purchase.

**174.** No merchant, manufacturer or advertiser shall, by any means, put more emphasis, in an advertisement, on a premium than on the goods or services offered.

**175.** For the purposes of sections 173 and 174, "premium" means any goods, services, rebate or other benefit offered or remitted with the sale of goods or the lease of services, which may be granted or obtained immediately or in a deferred manner, from the merchant, manufacturer or advertiser, either gratuitously or on conditions explicitly or implicitly presented as advantageous.

**176.** No merchant, manufacturer or advertiser shall offer a gift, a prize or a rebate on any goods in connection with a contest or a drawing without clearly disclosing all the terms and conditions for obtaining it.

**177.** No person shall enter into agreement with a merchant whereby such merchant shall not grant a rebate to the consumer who pays him cash or by negotiable instrument.

**178.** No person shall, directly or indirectly, in a contract made with a consumer, make the granting of a rebate, payment or

other benefit dependent upon the making of a contract of the same nature between that person or consumer and another person.

**179.** Every contract commonly called a sale by reference, a multiple level sale, a pyramid sale, or a chain sale and any other similar mode of sale is in particular contemplated in section 178.

**180.** No person shall alter the odometer of an automobile so as to cause it to show incorrectly the number of miles or kilometres covered.

**181.** No merchant, manufacturer or advertiser shall falsely, by any means,

(a) assert that he is certified, recommended, sponsored or approved by a third person, or that he is affiliated or associated with the latter;

(b) assert that a third person recommends, approves, certifies or sponsors any goods or services;

(c) state that he has a particular status or identity.

**182.** No merchant, manufacturer or advertiser shall, by any means,

(a) report any distorted information, opinion or testimony;

(b) found representations on data or analyses falsely presented as scientific.

**183.** No person shall invoke the fact that he holds a permit or has made a deposit or acts as the representative of a person holding a permit or having made a deposit, to represent that his competence, qualifications, solvency, conduct or operations are recognized or approved.

**184.** No person shall invoke in any advertisement the fact that he holds a permit or has made a deposit, or that he acts as the representative of a person who holds a permit or has made a deposit.

**185.** No merchant shall fail to mention his identity and the fact that he is a merchant in any advertisement.

No manufacturer shall fail to mention his identity in any advertisement.

**186.** No merchant or manufacturer shall, in any advertisement of the goods and services offered to the consumer, give a post office box as his address without mentioning at least the place of his establishment in Canada.

**187.** No person shall in any advertisement of goods or services, advise consumers of the credit offered to them except to mention the availability of credit, in the manner prescribed by regulation.

**188.** No person shall, in any advertisement concerning credit, advise consumers of the goods and services obtainable through credit plans.

**189.** No person shall make use of advertising regarding credit unless it includes the credit charges computed and presented in accordance with the regulations.

**190.** No person shall make use of advertising regarding the terms and conditions of credit, except the credit rate, unless such advertising includes the particulars provided for by regulation.

**191.** No person shall make use of commercial advertising intended for persons under 13 years of age.

**192.** To determine whether an advertisement is intended for persons under 13 years of age, account must be taken of the context of its presentation, and in particular of

- (a) the nature and destination of the goods advertised;
- (b) the type of presentation of such advertisement;
- (c) the time and place it is shown, notwithstanding the fact that such advertisement may be
  - i. contained in printed matter intended for persons 13 years of age and over or intended both for persons under 13 years of age and for persons 13 years of age and over; or
  - ii. broadcast during air time intended for persons 13 years of age and over or intended both for persons under 13 years of age and for persons 13 years of age and over.

**193.** No person shall advertise that a merchant exchanges or accepts as payment cheques or other orders to pay delivered by the Gouvernement du Québec, the Government of Canada or a municipal corporation.

**194.** No person shall make use of advertising specially intended for the recipients of cheques or other orders to pay delivered by the Gouvernement du Québec, the Government of Canada or a municipal corporation.

**195.** No person shall demand any charge for the exchange or cashing of a cheque or other order to pay delivered by the Gouver-

nement du Québec, the Government of Canada or a municipal corporation.

**196.** For the purposes of sections 171, 172, 189, 190, 191, 193 and 194, "to advertise" or "to make use of advertising" means to prepare, utilize, distribute, publish or broadcast an advertisement, or to cause it to be distributed, published or broadcast.

**197.** Where a merchant, manufacturer or advertiser makes use of a prohibited practice referred to in paragraph *a* or *b* of section 160, *a*, *b*, *c*, *d* or *e* of section 161, *e*, *f* or *g* of section 162, or *c* or *d* of section 164, in section 168 or 180 or in paragraph *a* or *b* of section 182, it is presumed that had the consumer been aware of such practice, he would not have agreed to the contract.

In such a case, the consumer may demand that the contract be nullified, or that his obligations under it be reduced.

**198.** Where a person has made use or is making or attempting to make use of a prohibited practice contemplated in this chapter, the president may request the court to grant an injunction ordering such person not to use or to stop using such practice.

**199.** Where a business practice is the subject of a permanent injunction pursuant to section 198, the judgment shall create, in any civil action brought against the same defendant, a presumption whereby the said practice is a prohibited practice.

**200.** The court may also order the person in respect of whom the permanent injunction was granted

(*a*) to reimburse the investigation costs incurred by the applicant;

(*b*) to publish and broadcast, in the manner and on the conditions the court considers appropriate to ensure prompt and adequate communication to consumers, the findings of the judgment rendered against him as well as such correction, explanation, warnings and other information as the court deems necessary to establish the facts concerning any goods or services or any advertisement made in relation to any goods or services which have or could have misled consumers.

## BOOK III

### TRUST ACCOUNTS

**201.** Every sum of money received from a consumer by a merchant in view of an eventual contract must be placed by the merchant in a trust account until the sum is repaid to the consumer on demand or the contract is made.



**202.** Every sum of money received from a consumer by a merchant pursuant to a contract under which the principal obligation of the merchant is performed more than two months after the said contract was made must be placed in a trust account until the performance of the principal obligation of the merchant.

**203.** The merchant shall, at all times, have only one trust account in a chartered bank or other institution authorized by law to receive deposits, to keep the sums of money contemplated in sections 201 and 202.

From the time the account is opened, he must inform the president of the place where such account is kept and the number of such account.

**204.** Every merchant must enter in his books or registers the appropriate accounting items in regard to the amounts he receives from each consumer and that he must place in trust under sections 201 and 202.

The merchant must, on demand of the consumer, render account of every sum he has received from him.

**205.** Where the merchant is a corporation, the directors shall be jointly and severally liable with the corporation for the sums which must be placed in a trust account in accordance with sections 201 and 202, unless the directors establish their good faith.

**206.** The president may exempt from the application of sections 201 and 202 every merchant who delivers to him security for an amount equal to 125% of the sums that should have been kept in trust for the twelve months preceding the application for exemption, as determined by a public accountant after auditing the merchant's books.

Such security shall be valid for one year.

**207.** If the president has reason to believe that the funds which must be kept in trust in accordance with sections 201 and 202 may be misappropriated, it may request the court to grant an injunction ordering the person who has the deposit, control or custody of such funds in Québec to keep them in trust for such period and on such conditions as the court may determine.

## BOOK IV

## PROOF, PROCEDURE AND PENALTIES

## CHAPTER I

## PROOF AND PROCEDURE

**208.** No person shall derogate from this act by private agreement.

**209.** A consumer shall not waive the rights granted to him by this act unless otherwise provided herein.

**210.** Every consumer may make proof by testimony, even to contradict or vary the terms of a writing, to establish that this act has not been complied with.

**211.** The court may receive as proof a copy or extract of a document certified true to the original by the president or vice-president or any person empowered by this act to conduct an investigation.

**212.** The minutes of the sittings of the board of directors of the Office certified true by the president or the vice-president are authentic. The same rule applies to documents or copies emanating from the Office or forming part of its records when they are signed by the president or the vice-president of the Office.

**213.** The Procureur général or the president shall be exempt from the obligation to give security in order to obtain an injunction.

**214.** Where an injunction granted under this act is not complied with, a motion for contempt of court may be presented before the court of the place where the contempt was committed.

**215.** Every notice given by a merchant under this act must be drawn up in the same language as the contract to which it refers.

**216.** Any notice from a merchant that does not conform to the requirements prescribed by this act or the regulations is void unless expressly accepted by the consumer on or after receiving such notice.

**217.** Every notice provided for in this act shall be delivered personally, mailed or telegraphed to the addressee.

**218.** In computing any delay provided for by any act or regulation the application of which must be supervised by the Office,

(a) the day which marks the start of the delay is not counted, but the terminal day is counted;

(b) non-juridical days are counted; but when the last day is a non-juridical day, the delay is extended to the next following juridical day;

(c) Saturday is considered a non-juridical day.

**219.** The provisions of this act are added to any provision of another act granting a right or a recourse to a consumer and shall not have the effect, saving a formal text to the contrary, of repealing or replacing such other provision.

## CHAPTER II

### CIVIL RECOURSES

**220.** If any rule provided in sections 20 to 23 governing the making of contracts is not observed or if a contract does not conform to the requirements of this act or the regulations, the consumer may demand to have the contract cancelled.

In the case of a contract of credit, if any of the terms and conditions of payment, or the computation or any indication of the credit charges or the credit rate does not conform to this act or the regulations, the consumer may at his option demand to have the contract cancelled or demand to have the credit charges cancelled and to be reimbursed all or part of the credit charges already paid.

The court shall grant the demand of the consumer unless the merchant shows that the consumer was not injured by the fact that one of the above mentioned rules or requirements was not respected.

**221.** If the merchant or the manufacturer fails to fulfil an obligation imposed on him by this act or the regulations regarding a contract, the consumer may demand, as the case may be, unless this act provides other recourses,

(a) the specific performance of the obligation;

(b) the authorization to perform it at the merchant's or manufacturer's expense,

(c) that his obligations be reduced,

(d) that the contract be cancelled, or

(*e*) that the contract be set aside,  
without prejudice to his claim for damages, in all cases. He may also claim exemplary damages.

**222.** An action by a consumer based on this act is prescribed by three years reckoning from the making of the contract.

**223.** The consumer may however invoke in his defence or cross-demand the exceptions which tend to rebut an action although the delay to avail himself thereof by a direct action has expired.

## CHAPTER III

### OFFENCES AND PENALTIES

**224.** Every person who

- (*a*) contravenes this act or any regulation;
  - (*b*) gives false information to the Minister, the president, the vice-president or to any person empowered to make an investigation under this act;
  - (*c*) hinders the application of this act or of any regulation;
  - (*d*) does not conform to a voluntary agreement subscribed under section 270;
  - (*e*) does not comply with an order or decision of the president;
  - (*f*) being subject to an order of the court under section 236, omits or refuses to conform to such order,
- is guilty of an offence.

**225.** Every person other than a corporation who is guilty of an offence constituting a prohibited practice or who infringes paragraph *b*, *c*, *d*, *e* or *f* of section 224 is liable

(*a*) for the first offence, to a fine of two hundred dollars to five thousand dollars, to imprisonment for not more than six months, or to both a fine and imprisonment;

(*b*) for a subsequent offence to the same provision of this act or a regulation committed within two years, to a fine of four hundred dollars to ten thousand dollars, to imprisonment for not more than two years, or to both a fine and imprisonment.

A corporation guilty of an offence contemplated in the preceding paragraph is liable to a minimum fine five times greater and to a maximum fine ten times greater than those provided for in the preceding paragraph.

**226.** A person other than a corporation who is guilty of an offence other than an offence contemplated in section 225 is liable

(a) for the first offence, to a fine of one hundred to two thousand dollars;

(b) for a subsequent offence to the same provision of this act or a regulation committed within two years, to a fine of two hundred dollars to four thousand dollars.

A corporation guilty of an offence contemplated in the preceding paragraph is liable to a minimum fine five times greater and to a maximum fine ten times greater than those provided for in the preceding paragraph.

**227.** In determining the amount of the fine, the court shall take into account, in particular,

(a) first, the financial prejudice caused by the offence to a consumer or to several consumers;

(b) secondly, the income that the person who committed the offence derived from committing the offence;

(c) finally, the annual income of the offender.

**228.** If a condemnation provides for a fine or an indemnity, or if an order prescribes the payment of a sum of money, the justice of the peace, after ordering the payment of that sum, with or without costs, by his judgment or order, shall prescribe that on failure to pay immediately or within a fixed delay, that fine, indemnity or sum of money, and costs, if the sentence is pronounced or the order made with costs, shall be recovered by seizure and sale of the moveable property and effects of the defendant.

**229.** Where a corporation commits an offence against this act or any regulation, every officer, director or representative of such corporation who has knowledge of the said offence is deemed to be a party to the offence and is liable to the penalty provided in section 225 or 226 for any person other than a corporation, unless he establishes to the satisfaction of the court that he did not acquiesce in the commission of such offence.

**230.** Every person who performs or omits to perform an act in view of aiding a person to commit an offence against this act or a regulation or who advises, encourages or incites a person to commit an offence, commits the offence himself and is liable to the same penalty.

**231.** Proceedings under this act shall be instituted by the Procureur général or a person generally or specially authorized

by him for such purpose. The Summary Convictions Act (Revised Statutes, 1964, chapter 35) applies to such proceedings.

**232.** The filing of a complaint shall be proof of the signature of the person authorized to make it, unless the contrary is established.

**233.** The filing of a previous judgment convicting an accused under this act shall be a presumption that the offence complained of is a subsequent offence.

**234.** Penal proceedings instituted against a merchant or an advertiser under Book II shall not be maintained if it is established that the offence alleged was committed only because he had reasonable grounds to rely on information given by the merchant or, as the case may be, the manufacturer.

**235.** If a person commits repeated offences against this act or the regulations, the Procureur général, after having instituted penal proceedings against him, may apply to the Superior Court for a writ of interlocutory injunction enjoining such person, his officers, representatives or employees to cease committing the offences complained of until a final judgment has been rendered in the penal proceedings.

After such judgment has been rendered, the Superior Court shall itself render a final judgment on the application for an injunction.

**236.** The court convicting a person accused of an offence provided for in section 225, 229 or 230 may in addition, upon application of the consumer, when imposing the sentence, in addition to any other penalty provided for in this act, order

(a) that the offender pay within a fixed delay an amount of money to the consumer as compensation for the prejudice sustained by reason of the commission of the offence;

(b) that the offender reimburse to the consumer the amounts of money he has received from him under a contract, and that the consumer return to the offender the goods he received from him thereunder.

This court may in addition, on the motion of the person suing, order that the offender distribute, in accordance with the terms and conditions which the court deems proper to ensure a prompt and adequate communication to consumers, the findings of the judgment rendered against him, and the corrections, explanations, warnings and other information which the court considers necessary to restore the facts concerning any goods or services or any

advertisement made in relation to any goods or services which have or could have induced consumers into error.

**237.** Where a person pleads guilty or is found guilty of an offence provided for in section 223, 229 or 230, the court may request from the Office a written report on the financial and commercial activities of the offender, in order to enable it to impose a sentence or to render an order provided for in section 236.

**238.** Where an amount of money the payment of which is ordered under section 236 is not paid immediately, the consumer may have the order executed by having it homologated by the Superior Court or the Provincial Court for the district in which the trial was held, according to their respective jurisdictions.

## BOOK V

### ADMINISTRATION

#### CHAPTER I

##### OFFICE DE LA PROTECTION DU CONSOMMATEUR

##### DIVISION I

##### ESTABLISHMENT AND FUNCTIONS OF THE OFFICE DE LA PROTECTION DU CONSOMMATEUR

**239.** An agency is established under the name of Office de la protection du consommateur.

**240.** The duties of the Office are

- (a) to protect consumers;
- (b) to supervise the application of this act and of any other act under which such supervision is devolved upon it;
- (c) to receive the complaints of consumers;
- (d) to educate and inform the population on matters of consumer protection;
- (e) to carry out studies respecting consumer protection and make recommendations to the Minister, where such is the case;
- (f) to promote and subsidize the establishment and development of consumer protection services or bodies and to cooperate with such services and bodies;

(g) to make manufacturers, merchants and advertisers aware of the needs and demands of consumers;

(h) to promote the interests of consumers before the governmental agencies whose activities affect consumers;

(i) assess the goods and services offered to consumers;

(j) to cooperate with the various departments and governmental agencies of Québec in matters of consumer protection and to coordinate the work done by such departments and agencies for such purpose;

(k) to establish and develop consumer protection regional advisory councils.

**241.** The Office has its corporate seat in Québec. It may however establish it in another municipality with the approval of the Government. Such a change shall come into force on publication of a notice to that effect in the *Gazette officielle du Québec*.

**242.** The Office shall be administered by a board of directors composed of the president, the vice-president and of thirteen other members, all appointed by the Government.

The members of the board of directors shall be persons who, by reason of their activities, are likely to contribute in a particular manner to the solution of consumer problems.

**243.** The president and the vice-president are appointed for not more than five years.

The thirteen other persons chosen as members of the board of directors are appointed for a term of three years. However, among the first thirteen persons so chosen, six are appointed for one year, five for two years and two for three years.

**244.** Each of the members of the board of directors, including the president and vice-president, shall remain in office at the expiry of his term, until he is replaced or reappointed.

**245.** If a member of the board other than the president and vice-president does not terminate his term of office, the Government shall appoint a person to replace him for the remainder of the term.

**246.** The board of directors must meet at least ten times per year. It may hold its sittings at any place in Québec.

Eight members, including the president or the vice-president, shall constitute a quorum of the board of directors.



Where a member of the board of directors is absent from three consecutive sittings, he shall cease to be a member unless he gives the president valid reasons for his absence.

**247.** In addition to the regulatory powers conferred upon it by this act, the board of directors shall

- (a) supervise the conduct of the affairs of the Office;
- (b) determine the time and place of its sittings;
- (c) decide the establishment of regional advisory councils;
- (d) delimit the territorial jurisdiction of each regional advisory council;
- (e) describe the form and content of the annual reports which the regional advisory councils must produce to the Office;
- (f) provide for the compensation of the members of the regional advisory councils present at the meetings of such councils;
- (g) receive and study the recommendations of the regional advisory councils.

**248.** The board of directors may establish an executive committee and determine the functions and duties thereof.

The executive committee must be composed of at least three members, including the president and vice-president.

The president shall be *ex officio* chairman of the executive committee.

[[**249.** The Government shall fix the fees, allowances or salary of the members of the board of directors.]]

[[**250.** The other functionaries and employees of the Office are appointed and remunerated in accordance with the Civil Service Act (1965, 1st session, chapter 14).]]

The president shall exercise in that regard the powers vested by the said act in the deputy-heads of departments.

**251.** The president and vice-president shall exercise their functions on a full time basis.

**252.** The president is, *pleno jure*, chairman of the board of directors of the Office. He is responsible for the administration of the Office.

The president shall exercise all the powers vested in the Office by the laws and regulations the application of which it must supervise.

**253.** If the president is unable to act, he shall be replaced by the vice-president.

**254.** The Office shall each year send to the Minister a report of its activities for the preceding fiscal year. The Minister shall table such report in the Assemblée nationale if it is sitting or, if it is not, within thirty days after the opening of the next session.

## DIVISION II

### REGIONAL ADVISORY COUNCILS

**255.** The Office may establish regional advisory councils for each of the regions it may determine.

**256.** The name of a regional advisory council shall include the expression "Conseil consultatif de la protection du consommateur" and indicate the name of the region for which the council is established.

**257.** The mandate of a regional advisory council shall be

(a) to study the needs and problems of the region in the matter of consumer protection;

(b) to make to the board of directors of the Office any recommendation respecting the improvement of consumer protection services in the region or respecting any other matter the Office requests it to study;

(c) inform the public on the recommendations made by it to the board of directors of the Office.

**258.** Each regional advisory council must make a report of its work to the Office at least once a year.

## DIVISION III

### POWERS OF THE OFFICE

**259.** The president may investigate any matter respecting the application of the laws and regulations he must supervise. For such purpose, he shall have the powers and immunity granted to commissioners appointed under the Public Inquiry Commission Act (Revised Statutes, 1964, chapter 11).

**260.** In making an investigation, the president may

(a) enter and inspect the establishment of a merchant at any reasonable hour. Such an inspection may include the examination

of the registers, books, accounts, vouchers and other documents and the goods offered for sale or sold by the merchant and the taking of specimens for the purposes of expert appraisal;

(b) require any information relating to the application of this act or the regulations, and the production of any document connected therewith;

(c) require, by way of a notice, a merchant to file with him a written report of his activities within the delay mentioned in the notice. The notice shall indicate the nature of the investigation being made or of the complaint received;

(d) if it appears that an offence has been committed, seize and take away any goods, register, book, voucher, letter, telegram and any other document, and keep them until they have been filed for proof in a judicial proceeding.

**261.** The president may authorize a person generally or specially to exercise the powers that are conferred upon him.

Such person has the same rights and immunity as those granted to the president by section 259.

Such person must, on demand, produce a certificate signed by the Minister attesting his authority.

**262.** It is prohibited to hinder the action of the president in any way or any person authorized by him in the performance of his duties, to mislead him by concealment or misrepresentation, to refuse to give him any information or document which he is entitled to obtain under this act, or to hide or destroy a document or any other object relating to the investigation.

**263.** The Minister or the president may disclose the findings of an investigation and give the public any warning he considers advisable in respect of the activities of the person regarding whom the investigation was made.

**264.** A disclosure made in good faith in accordance with section 263 shall not be a ground for an action for civil liability.

**265.** In any proceeding relating to any law or regulation the application of which must be supervised by the president, he may, *pleno jure*, intervene at any time before judgment.

**266.** The president may require that a manufacturer, merchant or advertiser communicate to him the content of the advertising he uses.

**267.** The president may require that a manufacturer, merchant or advertiser justify the veracity of his advertising affirmations.

**268.** The president may require that a merchant who makes contracts of credit contemplated by this act communicate to him, in accordance with the terms and conditions of form and time prescribed by regulation, any information relating to the credit rates the merchant exacts from consumers and to the criteria used to establish such rates.

**269.** The president may make public any information communicated to him under section 268.

**270.** Where the president has reason to believe that a person has contravened, is contravening or is about to contravene any law or regulation the application of which he must supervise, he may, as the case may be, order such person to comply with, to cease to contravene or to abstain from contravening thenceforth the law or regulation in question.

**271.** Where the president has reason to believe that a person has contravened, is contravening or is about to contravene any law or regulation the application of which he must supervise, he may accept a voluntary engagement from such person to comply with, cease to contravene or to abstain from contravening thenceforth the law or regulation in question, as the case may be.

**272.** The president shall determine the terms and conditions regarding voluntary engagement, which may provide in particular for

- (a) the publication or distribution of the content of the voluntary engagement;
- (b) the indemnification of consumers;
- (c) the reimbursement of the costs of investigation and any other expenses;
- (d) the obligation to give security or another form of guarantee to indemnify consumers.

#### DIVISION IV

##### PERMITS

**273.** The following persons must hold a permit:

- (a) every itinerant merchant, except the itinerant merchant who makes a contract contemplated in section 51;
- (b) every merchant who sells used automobiles;
- (c) every merchant who makes contracts of loan of money governed by this act.

**274.** Where the merchant does not hold the permit required by this act, a consumer may apply for the nullity of the contract.

In the case of a contract for the loan of money, the consumer may apply instead, at his option, for the suppression of the credit charges and the remittance of any part of the credit charges already paid.

**275.** Every person who applies for a permit must send his application to the president in the form prescribed by regulation, with the documents prescribed by regulation.

Such application must, in the cases provided for by regulation, be accompanied by security in the amount and form prescribed therein.

**276.** The president may refuse to issue a permit in the following cases:

- (a) the applicant, by reason of his financial condition, is not in a position to assume the obligations arising from his business;
- (b) the applicant cannot establish, to the satisfaction of the Office, his honesty and competence;
- (c) the name of the partnership or corporation applying for the permit is identical to that of another partnership or corporation holding a permit, or so resembles it that it may be mistaken for it;
- (d) the applicant does not comply with the requirements prescribed by this act and the regulations.

**277.** If the applicant is a corporation or a partnership, the president may require every officer, director and partner thereof to comply with the same requirements as those prescribed by this act in respect of any person applying for a permit.

**278.** The president may refuse to issue a permit to any applicant who, during the three years preceding his application, was found guilty of

- (a) an offence against any law or regulation the application of which must be supervised by the Office, or
- (b) an indictable offence.

**279.** The president may suspend or cancel the permit of any holder who, during the term of the permit, was found guilty of

(a) an offence against any law or regulation the application of which must be supervised by the Office, or

(b) an indictable offence.

**280.** Every holder of a permit must have an establishment in Québec.

Such establishment must be situated in an immovable or part of an immovable in which the holder carries on business and of which he is the owner or lessee.

**281.** If, during the term of his permit, the holder no longer meets the requirements prescribed by this act and the regulations for the issuance of a permit, the president may suspend or cancel the permit.

**282.** The president may refuse to issue and may suspend or cancel a permit by reason of the fact that an applicant or holder made misrepresentations or distorted an important fact when he applied for a permit.

**283.** The president must, before refusing to issue a permit to a person or before suspending or cancelling the permit he has issued to him, give such person an opportunity to be heard.

**284.** Any decision refusing to issue, suspending or cancelling a permit must give the reason therefor. The president must give written notice of his decision to the person concerned.

**285.** A permit shall be valid for two years; it may be renewed on the conditions fixed by this act and the regulations; the duties are payable each year.

The president may however issue a permit for a shorter period if he deems that the public interest is at stake or for administrative reasons.

**286.** If a permit holder becomes bankrupt, the trustee in bankruptcy who continues the business of the holder does so under the same permit and security. In such case, he is subject to all the obligations imposed on such holder by this act and the regulations.

**287.** The rights conferred by a permit cannot be transferred except in the case of the death of the holder of such permit. In such case, the president may authorize the transfer upon payment

of the duties exigible and on the conditions prescribed by this act and the regulations.

**288.** In accordance with the terms and conditions prescribed by regulation, security shall be used first to indemnify any consumer who has a claim against the person who gave security or his representative, then to pay the fines imposed on them.

## DIVISION V

### REVIEW OF DECISIONS OF THE OFFICE

**289.** Every person whose application for a permit is dismissed by the president or whose permit is suspended or cancelled by the president, may apply to the Provincial Court for the review of the president's decision.

A person to whom the president has given an order under section 270 may also apply to the Provincial Court for the review of such order.

**290.** An application for review shall be brought by a motion served upon the president. Such motion must be filed in the office of the Provincial Court at the chief place of the judicial district of the domicile or establishment of the applicant, within fifteen days after he receives the order or decision of the president.

**291.** Upon service of such motion, the president shall send to the Provincial Court the record relating to the order or decision the review of which is applied for.

**292.** The application for review shall not suspend the execution of the order or decision of the president, unless the court orders otherwise. In order to determine whether or not to suspend execution of the order or decision, the court shall mainly consider the interests of the consumer.

**293.** The court, in the manner it deems proper, shall notify the parties at least five clear days in advance of the date, time and place where they may be heard.

**294.** If a party so convened fails to appear or refuses to be heard at the sitting held for such purpose, or at any resumption of such sitting, the court may proceed *ex parte*.

**295.** At the proof and hearing, each of the parties may interrogate witnesses and state his arguments.

**296.** Every witness shall have the same privileges and immunity as a witness before the Superior Court, and articles 307 to 310 of the Code of Civil Procedure apply in respect of such witness, *mutatis mutandis*.

**297.** The court may confirm, amend or quash any order or decision submitted to it and issue the order that it considers should have been issued or render the decision that should have been rendered.

**298.** The judgment must be recorded in writing. Such writing shall contain, in addition to the findings, the reasons on which the judgment is based.

**299.** A certified copy of the judgment shall be sent forthwith by registered mail to each of the parties.

## DIVISION VI

### REGULATIONS

**300.** The board of directors of the Office may make regulations

(a) to determine the content and physical presentation and the terms and conditions of distribution or remittance of all documents contemplated by the laws and regulations the application of which must be supervised by the Office;

(b) to establish models for the documents contemplated by the laws and regulations the application of which must be supervised by the Office;

(c) to determine standards for instructions respecting the maintenance or use of goods, packing, labelling or presentation of goods and the disclosure of the price of goods or services;

(d) to determine standards of quality, safety and warranty for goods or services;

(e) to determine the nature of the costs that may be imposed on a consumer in the case of non-performance of his obligations;

(f) to determine the terms and conditions of disclosing the period during which a warranty is valid;

(g) to determine the rules respecting the terms and conditions of calculating and disclosing the conditions for payment, the credit rate and credit charges in a contract, example chart or advertising;

(h) to determine the conditions for the renewal or extension of credit or those for the credit resulting from a consolidation of debts;



(i) to determine the manner of calculating and disclosing the reduction in the credit charges which a consumer who pays his debt, in whole or in part, before maturity must enjoy;

(j) to determine rules for the advertising of contracts, goods, services, warranties, credit or the terms and conditions of credit or for the advertising in which the availability of credit is mentioned;

(k) to determine the cases where security may be required, the form and amount of the security and the manner of disposing of the security in case of cancellation or confiscation or for the indemnification of a consumer or the recovery of a fine;

(l) to determine the qualifications required of any person applying for a permit or the renewal of a permit, or in the case provided for in section 287, the transfer of a permit, the conditions he must fulfil, the information and documents he must furnish and the duties he must pay;

(m) to determine standards, conditions and modes for the receipt and keeping of sums deposited in trust;

(n) to establish rules for the keeping of merchant's registers, accounts, books and records to the extent that consumer protection is involved;

(o) to exempt, in whole or in part, from the application of this act, any class of persons, goods, services or contracts which it determines.

**301.** Every regulation made by the board of directors of the Office under section 300 must be submitted to the approval of the Government and shall come into force on the date of its publication in the *Gazette officielle du Québec* or on any later date determined therein.

## CHAPTER II

### TRANSITIONAL AND MISCELLANEOUS PROVISIONS

**302.** The Minister has charge of the carrying out of this act.

**303.** This act replaces the Consumer Protection Act (1971, chapter 74).

**304.** In any act, proclamation, order in council, contract or document, a reference to the Consumer Protection Act replaced by this act, is a reference to this act or to the equivalent provision of this act.

**305.** The director, assistant directors and other officers of the Bureau established by virtue of section 76 of the Consumer Protection Act repealed by this act, in office on the day this act comes into force, become, without other formality, the president, vice-president and officers of the Office established by this act.

**306.** Permits issued under the Consumer Protection Act replaced by this act remain in force until their date of expiry pursuant to the act so replaced, whereupon they may be renewed in accordance with this act.

**307.** The regulations made by the Government by virtue of the Consumer Protection Act remain in force, to such extent as they are consistent with this act, until they are repealed, or until they are amended or replaced by regulations made by virtue of this act.

**308.** Proceedings instituted under the Consumer Protection Act (1971, chapter 74) are continued, as are contraventions to and prescriptions begun under the said act, and these shall, respectively, be prosecuted or completed under the act replaced by this act to the extent that it provides.

[[**309.** Appropriations for the carrying out of the Consumer Protection Act shall be transferred to enable the carrying out of this act.

Supplementary appropriations for the carrying out of this act for the fiscal year 1977/1978 and the appropriations for the fiscal year 1978/1979 shall be taken out of the consolidated revenue fund.

For subsequent fiscal years, the appropriations shall be taken out of the moneys granted each year by the Legislature.]]

**310.** This act shall come into force on the date to be fixed by proclamation of the Government, except any provisions excluded in that proclamation, which shall come into force on any later date that may be fixed by proclamation of the Government.

## SCHEDULE 1

## CANCELLATION FORM

(CONSUMER PROTECTION ACT, S. 52)

To: .....  
(name of itinerant merchant or his representative)

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

Date: .....  
(date of sending of this form)

By virtue of section 53 of the Consumer Protection Act, I cancel  
the contract (No. ....)  
(number of the contract if indicated)

made ..... at .....  
*(date when the contract was made)*      *(place where the contract was made)*

.....  
(name of consumer)

.....  
(signature of consumer)

.....

.....  
(address of consumer)

The consumer may, however, by motion, petition 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.

- |   |         |         |
|---|---------|---------|
| 1. Net capital  |         | \$..... |
| 2. Interest   | \$..... |         |
| 3. Insurance premiums   | \$..... |         |
| 4. Other components — describe ( <i>see</i><br>paragraphs <i>c</i> to <i>i</i> of section 66) | \$..... |         |
| 5. Additional duties payable on the<br>credit   | \$..... |         |

6. Credit charges for the whole term  
of the loan \$.....
7. Total obligation of the consumer \$.....
8. Credit rate.....%

The total obligation is payable at .....  
(address)  
in..... equal deferred payments of \$.....  
(number)  
on the..... day of each consecutive month from .....  
(date on which the first  
payment is due)

19.... and a final payment of \$..... on.....  
19.....

The consumer gives to the merchant as acknowledgement of  
or security for his obligation the following object or document:

.....  
(description)

The merchant performs his principal obligation upon the  
making of this contract ☐ or on .....  
yes (date of performance of the merchant's  
principal obligation)

.....  
(signature of the merchant)

.....  
(signature of the consumer)

## SCHEDULE 4

### CONTRACT EXTENDING VARIABLE CREDIT

(CONSUMER PROTECTION ACT, S. 127)

Date: .....  
(date on which the contract is made)

Place: .....  
(place where the contract is made if made in the presence  
of the merchant or the consumer)

.....  
(name of merchant)

.....  
(name of consumer)

.....

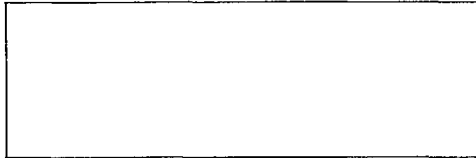
.....  
(address of merchant)

.....

.....  
(address of consumer)

1. The amount up to which credit is extended (if such amount is limited) \$.....
2. Membership or renewal fees \$.....
3. The term of each period for which a statement of account is furnished .....
4. The minimum credit charge for each period \$.....  
or  
the minimum annual charge \$.....
5. The delay during which the consumer may discharge his obligation without being compelled to pay credit charges .....
6. The credit rate exigible on the unpaid balance at the expiry of each period .....%

A table of examples of the credit charges on the unpaid balance at the end of each period.



## SCHEDULE 5

### CONTRACT OF SALE BY INSTALMENT

(CONSUMER PROTECTION ACT, S. 138)

Date: .....  
(date on which the contract is made)

Place: .....  
(place where the contract is made if made in the presence  
of the merchant and of the consumer)

.....  
(name of merchant)

.....

.....  
(address of merchant)

.....  
(name of consumer)

.....

.....  
(address of consumer)

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

.....

- |   |         |         |
|---|---------|---------|
| 1. (a) Cash price   | \$..... |         |
| (b) Tax   | \$..... |         |
| (c) Installation, delivery and<br>other costs   | \$..... |         |
| 2. (a) Total cash price   |         | \$===== |
| (b) Down-payment  |         | \$..... |
| 3. (a) Balance — Net capital  |         | \$===== |
| (b) Interest  | \$..... |         |
| (c) Bonus, rebate, commission<br>and others   | \$..... |         |
| (d) Other components — de-<br>scribe ( <i>see</i> paragraphs <i>c</i> to <i>i</i> of<br>section 66) | \$..... |         |
| (e) Duties imposed on the credit  |         |         |
| 4. Total credit charges for the whole<br>term of the contract                                       | \$..... | \$===== |
| 5. Total obligation of the consumer   |         | \$===== |
| CREDIT RATE   | .....%  |         |

The total obligation of the consumer is payable at .....  
in ..... deferred payments of \$ ..... on  
the ..... day of each consecutive month from  
..... and a final payment of \$ .....  
.....  
on .....

The consumer shall give to the merchant as acknowledgement of or security for his 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 ☐ *yes* or on .....  
*(date of delivery of the 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 made but shall take place only .....

*(time and terms and  
conditions of such transfer)*

.....  
*(signature of the merchant)*

.....  
*(signature of the consumer)*

## SCHEDULE 6

### NOTICE OF REPOSSESSION

(CONSUMER PROTECTION ACT, S. 143)

Date: .....  
*(date on which notice is sent  
or remitted)*

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

.....  
*(telephone number of merchant)*

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

hereinafter called the merchant notifies

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

.....

.....  
*(address of consumer)*

hereinafter called the consumer,

that he is in default to perform his obligation in accordance with the contract (No. ....) made between them  
*(number of the contract if indicated)*

at ..... on ..... and that the  
*(place where the contract was made) (date when the contract was made)*

following payment(s) is(are) due:

\$ .....  
*(amount of payment) (date on which the payment is due)*

\$ .....  
*(amount of payment) (date on which the payment is due)*

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

The consumer may, within thirty days after receipt of this notice,

- (a) remedy the default by paying the amount due at this date,
- or
- (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 thirty days after the receipt of this notice, the merchant will exercise his right of repossession by having the goods seized, at the consumer's expense.

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

In the case of voluntary return or forced repossession 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.

The consumer is advised to examine his contract and, if further information is necessary, to contact the Office de la protection du consommateur.

.....  
(name of the merchant)

.....  
(signature of the merchant)

## SCHEDULE 7

### CONTRACT INVOLVING CREDIT

(CONSUMER PROTECTION ACT, S. 153)

Date: .....  
(date on which the contract is made)

Place: .....  
(place where the contract is made, if made in the presence of the merchant and the consumer)

.....  
(name of merchant)

.....

.....  
(address of merchant)

.....  
(name of consumer)

.....

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

- |   |         |         |
|---|---------|---------|
| 1. (a) Cash price   | \$..... |         |
| (b) Tax   | \$..... |         |
| (c) Installation, delivery and other costs                            | \$..... |         |
| 2. (a) Total cash price   |         | \$===== |
| (b) Down-payment  |         | \$..... |
| 3. (a) Balance — Net capital  |         | \$===== |
| (b) Interest  | \$..... |         |
| (c) Bonus, rebate, commission and others                              | \$..... |         |
| (d) Other components — describe (see paragraphs c to i of section 66) | \$..... |         |
| (e) Duties imposed on the credit                                      | \$..... |         |
| 4. Total credit charges for the whole term of the contract            |         | \$===== |
| 5. Total obligation of the consumer                                   |         | \$===== |
| CREDIT RATE   | .....%  |         |

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

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

.....  
*(description)*  
The merchant delivers the goods being the subject of this  
contract on the making of this contract ☐ or on .....  
*yes* *(date of delivery of the goods)*

.....  
(signature of the merchant)  
.....  
(signature of the consumer)

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