

1993, chapter 8

AN ACT TO AMEND THE ACT TO PROMOTE THE CAPITALIZATION OF SMALL AND MEDIUM-SIZED BUSINESSES

Bill 48

Introduced by Mr Gérald Tremblay, Minister of Industry, Trade and Technology

Introduced 16 September 1992

Passage in principle 24 November 1992

Passage 8 April 1993

Assented to 20 April 1993

Coming into force: 20 April 1993

Act amended:

Act to promote the capitalization of small and medium-sized businesses (1992, chapter 46)



CHAPTER 8

An Act to amend the Act to promote the capitalization of small and medium-sized businesses

[Assented to 20 April 1993]

THE PARLIAMENT OF QUÉBEC ENACTS AS FOLLOWS:

1992, c. 46,
s. 2, am.

1. Section 2 of the Act to promote the capitalization of small and medium-sized businesses (1992, chapter 46) is amended by replacing paragraph 2 by the following paragraph:

“(2) the remaining amount of qualified investment, if any, consists of a qualified convertible debenture or a convertible preferred share which was paid in cash and issued to the qualified investor mentioned in paragraph 1 of this section, as first purchaser.”

1992, c. 46,
s. 10,
replaced
Qualified
convertible
debenture

2. Section 10 of the said Act is replaced by the following section:

“10. A qualified convertible debenture is a debenture which meets the following requirements:

(1) it was paid and issued after 19 June 1991, in respect of a debt of a corporation and acquired by a qualified investor for cash consideration;

(2) it is not guaranteed, directly or indirectly, by the qualified corporation or by any other person or corporation;

(3) it has a minimum term of 60 months and a maximum term of 84 months from the date of the qualified investment;

(4) it is convertible, under its conditions of issue, at any time within the term of the qualified investment, into common shares carrying full voting rights of the share capital of the qualified corporation;

(5) it is subject to conversion on or before its maturity date into common shares carrying full voting rights of the share capital of the qualified corporation.”

1992, c. 46,
s. 10.1,
added

3. The said Act is amended by inserting, after section 10, the following section:

Qualified
convertible
preferred
share

“10.1 A qualified convertible preferred share is a preferred share which meets the following requirements:

(1) it was paid and issued after 14 May 1992 and acquired by a qualified investor for cash consideration;

(2) it is issued for a minimum term of 60 months;

(3) it is, under its conditions of issue, convertible at any time within the term of the qualified investment into common shares carrying full voting rights of the share capital of the qualified corporation;

(4) it is subject to conversion, at or before the end of the 84th month following the date of the qualified investment, into common shares carrying full voting rights of the share capital of the qualified corporation.”

Regulations

4. The regulations to be made pursuant to paragraphs 1, 4 and 6 of section 20 of the Act to promote the capitalization of small and medium-sized businesses between the date of coming into force of this Act and 31 July 1993 may provide that their provisions have effect with regard to a qualified investment made after 14 May 1992 for which the Société de développement industriel du Québec has issued a validation certificate after that date.

Regulations

5. The regulations to be made pursuant to paragraph 3 of section 20 of the Act to promote the capitalization of small and medium-sized businesses between the date of coming into force of this Act and 31 July 1993 may provide that their provisions have effect from any date not prior to 1 July 1992.

Validation
certificate

6. Sections 1 and 3 have effect with regard to a qualified investment made after 14 May 1992 for which the Société de développement industriel du Québec has issued a validation certificate after that date.

Effect of
s. 2

7. Section 2 has effect with regard to any qualified investment made after 19 June 1991.

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force

8. This Act comes into force on 20 April 1993.