



CHAPTER 13

An Act to amend the Québec Industrial Development Assistance Act

[Assented to 22 June 1979]

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

1971, c. 64,
ss. 2 to 6,
replaced.

1. Sections 2 to 6 of the Québec Industrial Development Assistance Act (1971, chapter 64) are replaced by the following sections:

Assistance
to busi-
nesses.

“2. Financial assistance may, in accordance with the regulations, be granted to a business which

(a) makes investment in Québec in a dynamic sector of manufacturing which employs modern technology and enjoys high productivity, including investment in the further processing of Québec natural resources;

(b) acquires property or shares of a business, amalgamates with one or more other businesses, or groups together the whole or a part of the resources or interests of other businesses in order to become more competitive and increase its share of the market, if that acquisition, amalgamation or grouping together has an incidence in the manufacturing sector;

(c) makes investment in Québec in a sector of manufacturing and is able to demonstrate that it has higher than average potential for development in that sector;

(d) operates a distribution network or markets products manufactured mainly in Québec by one or more manufacturing businesses and is controlled by one or more of these businesses;

(e) contributes toward the export of products manufactured in Québec, thereby promoting the development of the manufacturing sector;

(f) operates in the manufacturing sector and is unable to obtain financial assistance otherwise at reasonable rates and on reasonable conditions.

Forms of
assistance.

“3. Financial assistance may be granted in the form of

(a) a loan;

(b) a guarantee of repayment of the whole or a part of a financial commitment;

(c) an acquisition of shares of the capital stock of a business, provided the Corporation is not the majority holder thereof at any time;

(d) an assumption of part of the borrowing costs of a business;

(e) a partial exemption from repayment of a loan made by the Corporation for the benefit of a business contemplated in paragraph *e* of section 2.

Demand
for repay-
ment.

“4. The Corporation must demand repayment from a business of financial assistance it has received under paragraph *d* or *e* of section 3, and the business is bound to repay it, if the majority of the shares of the capital stock or more than one-half of the assets of the business are transferred, within five years from the granting of the financial assistance, to a business not having its head office in Québec, as defined by regulation, or a person not resident in Québec.

Notifica-
tion to
Minister.

Before acting in compliance with the first paragraph, the Corporation must notify the Minister of its intention to do so, and the Minister may then exempt the Corporation from this requirement if he considers that the transfer is in the economic interest of Québec.

Interest
rate.

“5. Loans granted under this act shall be at the current market rate, except in the cases provided for by regulation, where the applicable rate of interest will be fixed in the regulation.”

1971, c. 64,
s. 7, am.

2. Section 7 of the said act, amended by section 4 of chapter 56 of the statutes of 1974, is amended by replacing the second paragraph by the following paragraph:

Shares
held by
Corpora-
tion.

“The Corporation shall not hold securities which increase its total investment in shares of businesses to which it has granted assistance to more than 30 per cent of its total assets.”

1971, c. 64,
ss. 8, 9, re-
pealed.

3. Sections 8 and 9 of the said act are repealed.

1971, c. 64,
s. 11, am.

4. Section 11 of the said act is amended by adding the following paragraph:

Additional
informa-
tion.

“That person must establish that the financial perspectives of the business for which financial assistance is applied for are

adequate for the fulfilment of its commitments and that its management has the competence required for the achievement of its objects."

1971, c. 64,
s. 12, re-
placed.

5. Section 12 of the said act, amended by section 7 of chapter 56 of the statutes of 1974, is replaced by the following section:

Processing
of applica-
tion.

"12. Subject to sections 14 and 14-1, the Corporation shall examine the application, determine whether the business fulfils the conditions provided for by this act and the regulations and, where such is the case, determine the financial assistance it intends to grant to it."

1971, c. 64,
s. 13, re-
pealed.

6. Section 13 of the said act is repealed.

1971, c. 64
s. 14, re-
placed; ss.
14-1, 14-2,
added.

Report to
Minister.

7. Section 14 of the said act is replaced by the following sections:

"14. Where a business wishes to obtain financial assistance contemplated in paragraph *d* or *e* of section 3, the Corporation, after examining the application and determining whether the business fulfils the conditions provided for in this act and the regulations, shall report to the Minister and submit its recommendations to him.

Recom-
mendation
by the Cor-
poration.

The Corporation may recommend that the application be refused, or be approved only upon the conditions which it indicates.

Authoriza-
tion of Lt-
Gov. in C.

"14-1 Financial assistance contemplated in paragraphs *d* and *e* of section 3 is granted upon a decision of the Minister with the prior authorization of the Lieutenant-Governor in Council and on the conditions determined by the latter.

Authoriza-
tion of
Minister.

Nevertheless, the Minister, on the conditions determined by him, may grant that assistance without that authorization in the cases provided for by regulation.

Corpora-
tion bound.

The Corporation is bound by the authorization of the Lieutenant-Governor in Council or the decision of the Minister, as the case may be.

Applicant
advised.

"14-2 The Corporation must advise the applicant immediately that his application has been granted or refused and of the conditions fixed by the Lieutenant-Governor in Council or by the Minister, as the case may be, if any."

1971, c. 64,
s. 18-1,
added.

8. The said act is amended by inserting after section 18 the following section:

Functions
of the
Corpora-
tion.

"18-1 The functions of the Corporation are to stimulate the economic development, consolidation and transformation of the industrial structure of Québec by promoting better interrelations in business activities, increased participation of the population of Québec in economic activities and the creation of new jobs by the granting of financial assistance provided for by this act."

1971, c. 64,
s. 34, am.

9. Section 34 of the said act, amended by section 29 of chapter 15 of the statutes of 1975, is amended by replacing the first paragraph by the following paragraphs:

Annual
report.

"34. Not later than 31 July each year, the Corporation must make a report to the Minister of its activities for its previous fiscal year. That report must also contain all the information that the Minister may prescribe.

Tabling.

The Minister shall table the report of the Corporation before the Assemblée nationale within thirty days after its receipt. If he receives it while the Assemblée nationale is not sitting, he shall table it within thirty days of the opening of the next session or, as the case may be, within fifteen days of resumption."

1971, c. 64,
s. 34-1,
added.

10. The said act is amended by inserting, after section 34, the following section:

Approval.

"34-1 The Corporation must have its plan of financial assistance approved each year by the Government.

Form and
content of
plan.

The Minister shall determine the form and tenor of the plan of financial assistance and the time when it must be submitted."

1971, c. 64,
s. 45, am.

11. Section 45 of the said act, amended by section 12 of chapter 56 of the statutes of 1974, is again amended by replacing subparagraph *b* of the first paragraph by the following subparagraph:

"(b) authorize the Ministre des finances to advance to the Corporation, notwithstanding section 46-1, any amount considered necessary for the carrying out of this act, at such rate of interest, for such time and on such other conditions as the Lieutenant-Governor in Council may determine."

1971, c. 64,
s. 46, am.

12. Section 46 of the said act, amended by section 13 of chapter 56 of the statutes of 1974 and by section 30 of chapter 15 of the statutes of 1975, is again amended by replacing the first paragraph by the following paragraph:

Payment
by Min-
ister.

"46. The Ministre des finances shall, at the request of the Corporation, pay the moneys required for the application of

paragraphs *d* and *e* of section 3 and, when there is a loss for the Corporation, for the application of section 10."

1971, c. 64,
s. 46-1,
added. **13.** The said act is amended by inserting after section 46 the following section:

Payment of
endow-
ment. **"46-1** The Ministre des finances is authorized to pay to the Corporation in several instalments, out of the consolidated revenue fund, an amount of one hundred million dollars to constitute an endowment.

Repay-
ment of
advances. Each of these instalments must be allocated by the Corporation to the repayment of advances that the Ministre des finances has granted to it under section 45 or by which it has benefited under section 53."

1971, c. 64,
s. 48, am. **14.** Section 48 of the said act, amended by section 14 of chapter 56 of the statutes of 1974 and by section 31 of chapter 15 of the statutes of 1975, is again amended:

(*a*) by replacing subparagraphs *b*, *c* and *d* of the first paragraph by the following subparagraphs:

"(*b*) establish criteria applicable to businesses to determine whether they are subject to the application of section 2, having regard particularly to the class to which such businesses belong, the products they produce and the regions in which they are established;

"(*c*) determine the methods of grouping together businesses which qualify them for financial assistance under paragraph *b* of section 2;

"(*d*) determine the amount below which financial assistance may be granted by the Minister under section 14-1 without the prior authorization of the Lieutenant-Governor in Council;";

(*b*) by replacing subparagraphs *f*, *g*, *h* and *i* of the first paragraph by the following subparagraphs:

"(*f*) determine the nature and extent of the security which must be required or accepted by the Corporation when financial assistance is granted to a business;

"(*g*) determine the methods which must be used to establish the current market rate of interest contemplated in section 5;

"(*h*) determine the cases where the rate of interest granted on loans is lower than the current rate and the rate of interest then applicable;

"(*i*) determine the conditions upon which part of the cost of the loans contracted by a business may be assumed by the Corporation under paragraph *d* of section 3, the maximum term of

such loans, the norms with which they must comply and the classes of financial institutions with which they may be contracted;”;

(c) by replacing subparagraphs *m* and *n* of the first paragraph by the following subparagraphs:

“(m) determine on what conditions a business contemplated in paragraph *e* of section 2 may benefit by a partial exemption from repayment of a loan;

“(n) determine, for the purposes of paragraph *e* of section 2, the businesses which may be considered as businesses contributing toward the export of products manufactured in Québec and the conditions they must fulfil to be entitled to receive financial assistance;

“(n-1) define, for the purposes of section 4, what is the head office of a business;”.

1971, c. 64,
s. 51, re-
placed.

15. Section 51 of the said act is replaced by the following section:

Public
tenders.

“51. The Corporation or a trustee acting in its name shall not dispose of property of which it takes possession following the default of its owner to fulfil his obligations, unless it has called for public tenders.”

Coming
into force.

16. This act comes into force on the day of its sanction.