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# NATIONAL ASSEMBLY

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FIRST SESSION

THIRTY-THIRD LEGISLATURE

Bill 154

## **An Act to amend the Act respecting the Société de développement industriel du Québec**

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### **Introduction**

**Introduced by  
Mr Daniel Johnson  
Minister of Industry and Commerce**

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#### EXPLANATORY NOTES

*This Act amends the Act respecting the Société de développement industriel du Québec in order to establish that the Corporation's object is to promote economic development in Québec, particularly by encouraging the development of businesses, the growth of exports, research, and the development of new techniques. Besides the administration of financial assistance programs, the Corporation may carry out mandates entrusted to it by the Government and give advice to businesses which apply to it for financial assistance.*

*The bill provides that the financial assistance granted to a business may be in the form of a loan, a guarantee of payment or repayment of a financial commitment, a partial exemption from repayment of a loan, or of assistance determined by regulation.*

*This bill also amends certain provisions of the Act that have regard to the management of the Corporation.*

## Bill 154

### **An Act to amend the Act respecting the Société de développement industriel du Québec**

THE PARLIAMENT OF QUÉBEC ENACTS AS FOLLOWS:

**1.** Section 1 of the Act respecting the Société de développement industriel du Québec (R.S.Q., chapter S-11.01) is amended by striking out paragraph *e*.

**2.** Division II of the said Act is replaced by the following division:

#### “DIVISION II

##### “OBJECT AND POWERS

“**2.** The object of the Corporation is to promote, in accordance with this Act, economic development in Québec, particularly by encouraging the development of businesses, the growth of exports, research and the development of new techniques.

“**3.** To attain its object, the Corporation shall

(1) grant financial assistance to any business under a financial assistance program contemplated in section 5;

(2) give advice on capital structure to businesses who submit an application for financial assistance.

**“4.** The Corporation shall ensure that the assistance granted helps to develop profitable economic activities which generate significant economic benefits in Québec, particularly as regards job creation.

**“5.** The Government may establish, by regulation, financial assistance programs designed to promote economic development in Québec in the manufacturing, tourist and service industry sectors or any other sector and determine the conditions, criteria and limits of application thereof.

**“6.** Financial assistance may be in the form of

- (1) a loan;
- (2) a guarantee of payment or repayment of the whole or a part of a financial commitment;
- (3) a partial exemption from repayment of a loan obtained from the Corporation;
- (4) assistance determined by regulation.

**“7.** The Corporation shall carry out any mandate entrusted to it by the Government to promote the carrying out of a project of major economic importance for Québec by granting the assistance defined by the Government.

**“8.** The Corporation must demand repayment from a business of financial assistance contemplated in paragraph 3 or 4 of section 6 that it has received and the business is bound to repay it, if the controlling shares 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.

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 the repayment if he considers that the transfer is in the economic interest of Québec.”

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

**“11.** Applications for financial assistance must be submitted to the Corporation in the form it determines. Such applications must also be accompanied with the documents and the information required by the Corporation.

The business applying is required to demonstrate to the Corporation that its financial perspectives are adequate for the fulfillment of its commitments and that its management has the competence required for the achievement of its objects.”

**4.** Section 14.2 of the said Act is amended by replacing the words “advise the applicant immediately that his” in the first and second lines by the words “immediately advise the business applying that its”.

**5.** Section 16 of the said Act is amended by replacing the second paragraph by the following paragraph:

“In addition to exercising the functions devolved on it by this Act, the Corporation shall administer the other programs of financial assistance referred to it by another Act or by order of the Government. In the latter case, the Corporation shall have, in addition to the powers and duties conferred on it by such other Act or order, the powers and duties not inconsistent therewith conferred on it by this Act.”

**6.** Section 22 of the said Act is replaced by the following section:

**“22.** The members of the board of directors, other than the general manager, are not remunerated, except in the cases, on the conditions and to the extent determined by the Government. They are, nevertheless, entitled to be reimbursed for any expenses incurred in the performance of their duties, on the conditions and to the extent determined by the Government.”

**7.** Section 33 of the said Act is repealed.

**8.** Section 42 of the said Act is amended by striking out the second paragraph.

**9.** Sections 43 and 44 of the said Act are repealed.

**10.** Section 46 of the said Act is replaced by the following section:

**“46.** The Minister of Finance shall pay to the Corporation the sums required for the carrying out of paragraphs 3 and 4 of section 6, section 7 or the second paragraph of section 16, up to the amounts previously specifically authorized by the Government.”

**11.** Section 47 of the said Act is amended

(1) by replacing subparagraph *c* by the following subparagraph:

“(c) determine the form of financial assistance contemplated in paragraph 4 of section 6;”;

(2) by striking out subparagraphs *e, f, g, i, j, k, l* and *m*;

(3) by adding, after subparagraph *o*, the following subparagraph:

“(p) determine the cases in which duties or charges are exigible from a business that applies for financial assistance and establish the mode of computing them.”

**12.** Section 49 of the said Act is replaced by the following section:

“**49.** The Corporation may declare that a business has forfeited the benefit of the term granted and claim repayment of the loan made to it or rescind any guarantee given to it, without prejudice to any other civil recourses where

(1) the business obtains the financial assistance provided for by this Act by false declarations or fraud on the part of the person who acted for it;

(2) the business uses any part of such financial assistance for purposes other than those for which it was granted to it.

Such penalties cannot however be imposed unless notice is given to the business, by registered or certified mail sent to its last address known to the Corporation, of the default with which it is charged and unless such business remedies every default other than false declarations or fraud within sixty days from the date on which it receives such notice.”

**13.** This Act comes into force on (*insert here the date of assent to this Act*), except sections 2, 10 and 11, which will come into force on any later dates fixed by the Government.