

NATIONAL ASSEMBLY
Thirty-fifth Legislature, first session

1994, chapter 45

AN ACT RESPECTING THE REDUCTION OF THE SHARE CAPITAL OF LEGAL PERSONS ESTABLISHED IN THE PUBLIC INTEREST AND OF THEIR SUBSIDIARIES

Bill 42

Introduced by Mr Jean Campeau, Minister of Finance

Introduced 5 December 1994

Passage in principle 13 December 1994

Passage 21 December 1994

Assented to 21 December 1994

Coming into force: 21 December 1994

Act amended:

Act respecting the Société québécoise d'exploration minière (R.S.Q., chapter S-19)





CHAPTER 45

An Act respecting the reduction of the share capital of legal persons established in the public interest and of their subsidiaries

[Assented to 21 December 1994]

THE PARLIAMENT OF QUÉBEC ENACTS AS FOLLOWS:

Applicability

1. This Act applies to legal persons established in the public interest all the shares of which form part of the domain of the State, except Hydro-Québec, and to their subsidiaries.

Subsidiary

A legal person is the subsidiary of another legal person if all its shares are held by that other legal person.

Subsidiary

Any subsidiary of a legal person which is itself the subsidiary of another legal person is deemed to be the subsidiary of that other legal person.

Reduction

2. Following consultation with the minister responsible for the administration of the Act fixing the authorized share capital of a legal person, the Minister of Finance may, with the authorization of the Government and on the conditions it determines, request the legal person or one or more of its subsidiaries to effect a reduction of any part of its issued and paid-up share capital and to make an equivalent repayment of capital.

Reduction

3. Within thirty days after the request of the Minister of Finance, the auditor of the legal person shall inform the legal person and the Minister of Finance as to whether or not, in his opinion, the requested reduction of the share capital would prevent the legal person from discharging its liabilities when due.

Reduction

Where the request concerns a subsidiary, the auditor of the legal person holding all the shares of the subsidiary shall inform the legal

person, the subsidiary and the Minister of Finance as to whether or not, in his opinion, the requested reduction of the share capital would prevent the legal person or the subsidiary from discharging its liabilities when due.

Notice If the auditor is of the opinion that the reduction of the share capital would not prevent the legal person or the subsidiary from discharging its liabilities when due, the Minister of Finance shall cause to be published in the *Gazette officielle du Québec* a notice of receipt of the opinion, of the reduction of the share capital to be effected and of the equivalent repayment of capital to be made.

Request for
reduction **4.** The request for the reduction of the share capital and repayment of capital becomes enforceable on the date of publication of the notice prescribed by section 3. In that case, the order of the Government authorizing the reduction of the share capital stands in lieu, for the legal person and, where applicable, for the subsidiary, of a by-law respecting the reduction of the share capital, from the same date.

Cancellation In that case, the legal person and, where applicable, the subsidiary shall cancel the shares affected by the reduction.

Tabling **5.** The order of the Government authorizing the reduction of the share capital shall be tabled before the National Assembly.

c. S-19,
ss. 21.1-21.4,
repealed **6.** Sections 21.1 to 21.4 of the Act respecting the Société québécoise d'exploration minière (R.S.Q., chapter S-19) are repealed.

Minister
responsible **7.** The Minister of Finance is responsible for the administration of this Act.

Coming into
force **8.** This Act comes into force on 21 December 1994.