



CHAPTER 9

Consumer Protection Act

[Assented to 22 December 1978]

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

PRELIMINARY TITLE

INTERPRETATION AND APPLICATION

Defini-
tions:
"address";

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 subsequently notifies the consumer, except a post office box;

(ii) of the manufacturer means the place of one of his establishments in Canada, except a post office box;

(iii) of the consumer means the place of his usual residence indicated in the contract, or of a new residence of which he subsequently notifies the merchant;

"auto-
mobile";

(b) "automobile" means a vehicle propelled by any power other than muscular force and adapted for transportation on the public highways, except a moped or a motorcycle;

"used auto-
mobile or
motor-
cycle";

(c) "used automobile" or "used motorcycle" means an automobile or a motorcycle which has been used for any purpose other than its delivery or preparation for delivery by the merchant, the manufacturer or their representative;

"goods";

(d) "goods" means any moveable property;

"consum-
er";

(e) "consumer" means a natural person, except a merchant who obtains goods or services for the purposes of his business;

- “credit”; (f) “credit” means the right granted by a merchant to a consumer to perform an obligation within a term in consideration of certain charges;
- “manufacturer”; (g) “manufacturer” means a person in the business of assembling, producing or processing goods, and, in particular,
 (i) a person who represents himself to the public as the manufacturer of goods;
 (ii) where the manufacturer has no establishment in Canada, a person who imports or distributes goods manufactured outside Canada or a person who allows his trademark to be used on goods;
- “advertisement”; (h) “advertisement” means a message designed to promote goods, services or an organization in Québec;
- “Minister”; (i) “Minister” means the Ministre des consommateurs, coopératives et institutions financières;
- “Office”; (j) “Office” means the Office de la protection du consommateur established under section 291;
- “permit”; (k) “permit” means a permit required by this act;
- “president”; (l) “president” means the president of the Office;
- “advertiser”; (m) “advertiser” means a person who prepares, publishes or broadcasts an advertisement or who causes an advertisement to be prepared, published or broadcast;
- “regulation”; (n) “regulation” means a regulation made by the Government under this act;
- “representative”; (o) “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;
- “vice-president”; (p) “vice-president” means the vice-president of the Office.
- “merchant”. In this act, the word “merchant” includes any person doing business or extending credit in the course of his business.

Contracts covered. **2.** This act applies to every contract for goods or services entered into between a consumer and a merchant in the course of his business.

Applicability. **3.** Notwithstanding 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), cooperative agricultural associations, cooperative associations, savings and credit unions and cooperative syndicates are subject to the application of this act.

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

Applicability. **4.** The Government and the government departments and agencies are subject to the application of this act.

Contracts not covered. **5.** The following are exempt from the application of the title on contracts regarding goods and services and the title on trust accounts:

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

(b) 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 Hydro-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);

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

Idem. **6.** Business practices and contracts regarding

(a) transactions governed by the Securities Act (Revised Statutes, 1964, chapter 274);

(b) the sale, lease or construction of an immovable;

(c) credit secured by hypothec; and

(d) the furnishing of services for the repair, maintenance or improvement of an immovable, or both the furnishing of such services and the sale of goods incorporated into the immovable, except respecting credit when the furnishing of services or both the furnishing of services and the sale of goods involve credit not secured by hypothec,

are exempt from the application of this act.

Surety. **7.** The surety of a consumer benefits to the same extent as the consumer by the provisions of sections 32, 33, 103, 105 to 110, 116 and 276, provided he is a consumer himself.

TITLE I

CONTRACTS REGARDING GOODS AND SERVICES

CHAPTER I

GENERAL PROVISIONS

Annulment of contract, etc. **8.** The consumer may demand the nullity of a contract or a reduction in his obligations thereunder where the disproportion

between the respective obligations of the parties is so great as to amount to exploitation of the consumer or where the obligation of the consumer is excessive, harsh or unconscionable.

- 9.** Where the court must determine whether a consumer consented to a contract, it shall consider the condition of the parties, the circumstances in which the contract was entered into and the benefits arising from the contract for the consumer.
- 10.** Any stipulation whereby a merchant is liberated from the consequences of his own act or the act of his representative is prohibited.
- 11.** Any stipulation whereby a merchant reserves the right to decide unilaterally
- (a) that the consumer has failed to satisfy one or another of his obligations, or
 - (b) that a fact or circumstance has occurred, is prohibited.
- 12.** No costs may be claimed from a consumer unless the amount thereof is precisely indicated in the contract.
- 13.** Any stipulation requiring the consumer, upon the non-performance of his obligation, to pay costs other than the interest accrued, is prohibited.
- 14.** Sections 105 to 110 apply, *mutatis mutandis*, to resolutive clauses or to agreements to the same effect in favour of the merchant, and to contracts containing a clause of forfeiture of benefit of the term, whether or not such contracts are contracts of credit.
- 15.** Sections 133 to 149 apply, *mutatis mutandis*, to a 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.
- 16.** The principal obligation of the merchant is to deliver the goods or to perform the service stipulated in the contract.
- In a contract involving sequential fulfilment, the merchant is deemed to be performing his principal obligation when he begins to perform it in accordance with the contract.
- 17.** Notwithstanding article 1019 of the Civil Code, in case of doubt or ambiguity, the contract must be interpreted in favour of the consumer.

- 18.** Where a merchant inserts in a contract or document a clause that this act or a regulation requires to be included in another contract or document, this clause is binding on the merchant and it may be invoked by the consumer.
- 19.** 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.
- 20.** A remote-parties contract is a contract entered into between a merchant and a consumer who are in the presence of one another neither at the time of the offer, which is addressed to one or more consumers, nor at the time of acceptance, provided that the offer has not been solicited by a particular consumer.
- 21.** The remote-parties contract is deemed to be entered into at the address of the consumer.
- 22.** Subject to section 309, no merchant who is a party to a remote-parties contract may demand total or partial payment by the consumer before he performs his principal obligation.

CHAPTER II

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

- 23.** This chapter applies to contracts which, under section 58, 80, 158, 190, 199 or 208, must be evidenced in writing.
- This chapter does not apply to notarial instruments.
- 24.** The offers, promises or agreements prior to a contract that must be evidenced in writing are not binding on the consumer unless they are confirmed in a contract entered into in accordance with this title.
- 25.** The contract must be drawn up clearly and legibly, and at least in duplicate.
- 26.** The contract and the documents attached thereto must be drawn up in French. They may be drawn up in another language if the parties expressly agree thereto. Where they are drawn up in French and in another language, in the case of a divergence between the texts, the interpretation more favourable to the consumer prevails.

Writing
to be
signed,
etc.

27. Subject to section 29, the merchant must sign the written contract duly filled out, give it to the consumer and grant him a sufficient delay to become aware of its terms and scope before signing it.

Where
signed.

28. Subject to section 29, the signature of the parties must appear on the last page of each copy of the contract, at the end of all the conditions.

Credit
cards.

29. Sections 27 and 28 do not apply to a contract extending variable credit made for the use of what are commonly called credit cards. In the case of such a contract, the issue of the card is in lieu of the merchant's signature and the use of the card by the consumer is in lieu of the consumer's signature.

Contract
complete.

30. The contract is concluded when the parties have signed it.

Representative's
signature
binding.

31. The signature of the representative of a merchant on a contract is binding on such merchant.

Duplicate
to con-
sumer.

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

Consumer
bound.

33. The consumer is bound to fulfil his obligations only from the moment he possesses a duplicate of the contract.

CHAPTER III

PROVISIONS RELATING TO CERTAIN CONTRACTS

DIVISION I

WARRANTIES

Applica-
bility.

34. This division applies to contracts of sale or of lease of goods or services and to mixed contracts of sale and lease.

More ad-
vantageous
warranty.

35. A warranty provided in this act does not prevent the merchant or the manufacturer from offering a more advantageous warranty to the consumer.

Transfer
of owner-
ship of
goods.

36. A merchant transferring the ownership of goods to a consumer by way of a contract must free such goods from every charge or encumbrance in favour of a third person, or declare the existence of such charge or encumbrance at the time of the sale. He is bound to discharge the goods of every surety-bond,

even declared, unless the consumer has assumed the debt so secured.

Goods must be fit for normal purpose.

37. Goods forming the object of a contract must be fit for the purposes for which goods of that kind are ordinarily used.

Goods must be durable.

38. Goods forming the object of a contract must be durable in normal use for a reasonable length of time, having regard to their price, the terms of the contract and the conditions of their use.

Replacement parts, repair service.

39. Where goods being the object 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.

Exception.

The merchant or the manufacturer may release himself from this obligation by warning the consumer in writing, before the contract is entered into, that he does not supply replacement parts or repair service.

Conformity to description.

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

Conformity to advertisements.

41. The goods or services provided must conform to the statements or advertisements regarding them made by the merchant or the manufacturer. The statements or advertisements are binding on that merchant or that manufacturer.

Merchant, etc., bound.

42. A written or verbal statement by the representative of a merchant or of a manufacturer respecting goods or services is binding on that merchant or manufacturer.

Warranty.

43. A warranty respecting goods or services that is mentioned in a statement or advertisement of the merchant or the manufacturer is binding on that merchant or that manufacturer. This rule applies to the written warranties of the merchant or the manufacturer not written in the contract.

Exclusions prohibited.

44. In a conventional warranty, exclusions are prohibited unless they are clearly indicated in separate and successive clauses.

Content of warranty.

45. Every writing evidencing a warranty must be clearly drawn up and state

(a) the name and address of the person offering the warranty;

(b) the description of the goods or services that are the object of the warranty;

(c) the fact that the warranty may or may not be transferred;

(d) the obligations of the person granting the warranty in the case of a defect in the goods or of the improper carrying out of the services covered by the warranty;

(e) the manner in which the consumer is to proceed to obtain execution of the warranty, and the persons authorized to execute it; and

(f) the duration of the warranty.

Valid term of warranty.

46. The duration of a warranty mentioned in a contract, a writing or in an advertisement of a merchant or a manufacturer must be determined precisely.

Manufacturer's warranty.

47. Where the manufacturer's conventional warranty is valid only if the goods or services are supplied by a merchant certified by the manufacturer, another merchant supplying such goods or such services without being certified by the manufacturer must, before supplying the goods or services to the consumer, notify the consumer in writing that the manufacturer's warranty is not valid. Failing that notification, the merchant is bound to assume that warranty at his expense.

Charges demanded.

48. No charge may be exacted by the merchant or the manufacturer for the performance of a conventional warranty unless the writing evidencing the warranty stipulates it and precisely determines the amount.

Real cost of transportation, etc.

49. The merchant or the manufacturer shall assume the real cost of transportation or shipping incurred in respect of the performance of a conventional warranty, unless otherwise stipulated in the writing evidencing the warranty.

Extension of warranty.

50. The duration of a warranty provided by this act or of a conventional 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 or pursuant to the recall of the goods or part of the goods by the manufacturer.

Warranty by third person.

51. The designation by the merchant or the manufacturer of a third person to perform the warranty provided for by this act or a conventional warranty does not free them of their obligation of warranty to the consumer.

Validity of conventional warranty.

52. The merchant or the manufacturer shall not make the validity of a conventional warranty conditional upon the con-

sumer's using a product which is identified by brand name, unless at least one of the three following conditions is fulfilled:

- (a) the product is supplied to him free of charge;
- (b) the warranted goods will not function properly unless that product is used;
- (c) the conventional warranty forms the object of a separate contract entered into for valuable consideration.

Recourse
by con-
sumer.

53. A consumer who has entered into a contract with a merchant is entitled to exercise directly against the merchant or the manufacturer a recourse based on a latent defect in the goods forming the object of the contract, unless the consumer could have discovered the defect by an ordinary examination.

Idem.

The same rule applies where there is a lack of instructions necessary for the protection of the user against a risk or danger of which he would otherwise be unaware.

Ignorance
of defect,
etc.

The merchant or the manufacturer shall not plead that he was unaware of the defect or lack of instructions.

Subse-
quent
purchaser.

The rights of action against the manufacturer may be exercised by any consumer who is a subsequent purchaser of the goods.

Rights of
action
based on
certain
provisions.

54. A consumer having entered into a contract with a merchant may take action directly against the merchant or the manufacturer to assert a claim based on an obligation resulting from section 37, 38 or 39.

Subse-
quent
purchaser.

Rights of action against the manufacturer based on an obligation resulting from section 37 or 38 may be exercised by any consumer who is a subsequent purchaser of the goods.

DIVISION II

CONTRACTS ENTERED INTO BY ITINERANT MERCHANTS

Definition.

55. 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; or
- (b) makes a contract with a consumer.

Provisions
to apply.

56. Sections 58 to 65 apply to contracts of sale or lease of goods or services and to mixed contracts of sale and lease entered into by an itinerant merchant, except

(a) contracts under which the total amount of the obligation of the consumer does not exceed \$25;

(b) contracts excluded by regulation.

Exception. **57.** Subject to the regulations, a contract entered into at the address 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.

Content of writing. **58.** The contract must be evidenced in writing and indicate:

(a) the itinerant merchant's permit number;

(b) the name and address of the consumer, of the itinerant merchant and, where applicable, that of his representative;

(c) the date of the contract and the address where it is signed;

(d) the description of the object of the contract, including, as the case may be, the year of the model or any other distinguishing mark;

(e) the cash price of each item of goods or services;

(f) the chargeable duties under any federal or provincial act;

(g) the total amount the consumer must pay under the contract;

(h) the right granted to the consumer to cancel the contract at his sole discretion within ten days after that on which each of the parties is in possession of a duplicate of the contract;

(i) any other information prescribed by regulation.

Form to be included. The merchant must attach a form in conformity with the model in Schedule 1 to the duplicate of the contract which he remits to the consumer.

Delay for dissolution. **59.** The contract made between an itinerant merchant and a consumer may be cancelled at the discretion of the consumer within ten days following that on which each of the parties is in possession of a duplicate of the contract.

Payment exigible. **60.** The itinerant merchant cannot receive a partial payment or payment in full from the consumer before the expiry of the delay for cancellation provided for in section 59 for as long as the consumer has not received the goods forming the object of the contract.

Option of
dissolution.

- 61.** The consumer avails himself of his right of cancellation
- (a) by returning the goods to the itinerant merchant or his representative;
 - (b) by returning the form referred to in section 58 to the itinerant merchant or his representative; or
 - (c) by a notice in writing for that purpose to the itinerant merchant or his representative.

When
dissolved.

- 62.** The contract is cancelled of right from the return of the goods or the sending of the form or the notice.

Delay to
restore.

- 63.** Within ten days following the cancellation, the parties must restore what they have received from one another.

Costs.

The itinerant merchant shall assume the costs of restitution.

Risk of
loss, etc.

- 64.** The itinerant merchant shall assume the risk of loss or deterioration, even by fortuitous event,
- (a) of the goods forming the object of the contract, until the expiry of the delay provided for in section 63;
 - (b) of the goods received in payment, until their restitution.

Act, etc.,
bar to right
of dissolution.

- 65.** The consumer shall not cancel the contract if, as a result of an act or a fault for which he is liable, he is unable to restore the goods to the itinerant merchant in the condition in which he received them.

DIVISION III

CONTRACTS OF CREDIT

Contracts
covered.

- 66.** This division contemplates all contracts of credit, particularly
- (a) contracts for the loan of money;
 - (b) contracts extending variable credit;
 - (c) contracts involving credit.

§ 1.—*General provisions*

Interpre-
tation:
“total obli-
gation”;

- 67.** For the purposes of this division,
- (a) “total obligation” means the aggregate of the net capital and the credit charges;

“period”;

- (b) “period” means a space of time of not over thirty-five days;

"down payment". (c) "down payment" means a sum of money, the value of a negotiable instrument payable on demand, or the agreed value of goods, given on account at the time of the contract.

Net capital.

68. The net capital is

(a) in the case of a contract for the loan of money, the amount actually received by the consumer or paid into or credited to his account by the merchant;

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

Charges excluded.

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

"Credit charges".

69. "Credit charges" means the amount 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 or a contract extending variable credit;

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

Components of credit charges.

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

(a) the amount claimed as interest;

(b) the premium for insurance subscribed for, except any automobile insurance premium;

(c) the rebate;

(d) administration charges, brokerage fees, appraiser's fees, contract fees and the cost incurred for obtaining a credit report;

(e) membership or renewal fees;

(f) the commission;

(g) the value of the rebate or of the discount to which the consumer is entitled if he pays cash;

(h) the duties chargeable, under a federal or provincial act, on the credit.

Applicability of credit charges.

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

(a) to the entire 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.

Computation of credit rate.

72. The credit rate is the amount of the credit charges expressed as an annual percentage. It must be computed and disclosed in the manner prescribed by regulation.

Exclusions.

In computing the credit rate in the case of a contract extending variable credit, the following components of the credit charges are not considered:

(a) membership or renewal fees; and

(b) the value of the rebate or of the discount to which the consumer is entitled if he pays cash.

Delay for dissolution.

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

Option of dissolution

74. In the case of a contract for the loan of money, the consumer avails himself of the right of cancellation

(a) by returning the net capital to the merchant or his representative, if he received it at the time at which each of the parties came into possession of a duplicate of the contract;

(b) by either returning the net capital or sending notice in writing for that purpose to the merchant or his representative, in all other cases.

Option of dissolution

75. In the case of a contract involving credit, the consumer avails himself of the right of cancellation

(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 a duplicate of the contract;

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

Date of dissolution.

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

Delay to restore.

77. Where a contract is cancelled by virtue of section 73, the parties must as soon as possible return to each other what they have received from one another. The merchant shall assume the costs of restitution.

Risk of loss, etc.

78. The merchant shall assume the risk of loss or deterioration, even by fortuitous event, of the goods forming the object

of the contract, until the expiry of the delay provided for in section 73.

Act, etc.,
bar to
right of
dissolution

79. The consumer shall not cancel the contract if, as a result of an act or a fault for which he is liable, he is unable to restore the goods to the merchant in the condition in which he received them.

Contracts
in
writing.

80. Contracts of credit, except contracts for the loan of money payable on demand, must be evidenced in writing.

Credit
rate.

81. Contracts of credit, except contracts extending variable credit, must stipulate only one credit rate.

Exemp-
tion.

82. Contracts governed by the Act respecting small loans (Revised Statutes of Canada, 1970, chapter S-11) are exempt from the application of section 81, providing the credit rate is indicated in the manner prescribed by regulation; credit charges must be applied in the manner provided by the aforesaid act.

Credit
charge
exacted.

83. The merchant shall not exact, on a sum owing by the consumer, credit charges computed at a higher credit rate than the lesser of the two following rates: that computed in accordance with this act and that stated in the contract.

Deferred
payment.

84. The contract must provide for only one deferred payment during each period.

Reckoning
credit
charge,
etc.

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 thirty-five days after that of the making of the contract, the credit charges do not accrue between the date of the contract and the commencement of the period for which that payment is stipulated.

Id., if
per-
formance
delayed.

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

Mode of
payment.

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

Exception:
seasonal
employ-
ment.

88. A contract to which a consumer who earns his principal income from an occupation that he carries on for not more than eight months per year is a party is exempt from the application of sections 84, 85 and 87, provided that the contract contains the

following clause, drawn up in accordance with the requirements of this act and specially signed by the consumer:

“(Insert here the name of the consumer and the occupation which is his principal source of income) declares that his or her principal income is seasonal.”

Exception.

The same rule applies to a contract between a merchant and a consumer for goods necessary for the carrying on of the trade, art or profession of the consumer, provided that the contract contains the following clause, drawn up in accordance with the requirements of this act and specially signed by the consumer:

“(Insert here the name and the main occupation of the consumer) declares that the goods forming the object of the contract are necessary for the carrying on of his or her trade, art or profession.”

Merchant entitled to act.

The merchant is entitled to act on the strength of a declaration so drawn up, unless he knows it to be false.

Contract exempt.

89. A contract for the loan of money is exempt from the application of sections 84, 85 and 87, subject to the conditions prescribed by regulation, whereunder

- (a) the consumer's total obligation is repayable in full on a fixed date,
- (b) the loan is payable on demand,
- (c) the date of maturity is not fixed, or
- (d) the amount of the payments is not fixed.

Credit charge exacted.

90. In the case of a contract for the loan of money, and notwithstanding the second paragraph of section 16, no credit charge may be exacted from the consumer except on such part of the net capital as he has received from the merchant and on such part as has been paid into or credited to his account by the merchant.

Computation of credit charge.

91. The credit charges must be computed according to the actuarial method prescribed by regulation.

Computation of credit charges.

92. Credit charges, whether imposed as a penalty, arrears charge, extension charge or otherwise must be computed in the manner provided in section 91, except the components mentioned in subparagraphs *a* and *b* of the second paragraph of section 72 in the case of a contract extending variable credit.

Payment before maturity.

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

Balance owing.

The balance owing is equal at all times to the aggregate of the net capital balance and the credit charges computed in accordance with section 91.

Statement of account.

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

Billing error.

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.

Notice to merchant.

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.

Loss of right to claim.

97. A merchant who contravenes 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.

New contract in case of amendments.

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

- (a) the identification of the original contract;
- (b) the amount exacted from the consumer to discharge, before maturity, his obligation under the original contract;
- (c) the net capital, the credit charges and the credit rate; and
- (d) the amount of the consumer's total obligation and the terms and conditions of payment.

Consolidation of debts contract.

99. In the case of a contract of credit resulting from the consolidation of debts owing to the same merchant, the particulars required under paragraphs *a* and *b* of section 98 must be set out separately for each of the original contracts.

Exemptions.

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

(*a*) subject to the conditions prescribed by regulation, a contract for the loan of money providing no fixed date of maturity or providing no fixed amounts of payments; and

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

Right to receipt, etc., after payment.

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

Negotiable instrument.

102. A negotiable instrument signed at the time of a contract to acknowledge deferred payments forms part of the whole contract and neither such instrument nor the contract may be assigned separately by the merchant or any subsequent assignee.

Rights of assignee of debt.

103. 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 responsible 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 payment he has received.

I. FORFEITURE OF BENEFIT OF THE TERM

Clause of forfeiture.

104. Every provision in a contract which has the effect of requiring the consumer in default to pay all or part of the balance of his debt before maturity is a clause of forfeiture of benefit of the term.

Notice to consumer.

105. The merchant who avails himself of such a clause must advise the consumer thereof by means of a notice in writing drawn up in accordance with the form appearing in Schedule 2. The merchant must attach to that notice a statement of account containing the information prescribed by regulation.

Delay.

106. The forfeiture of benefit of the term takes effect only after a delay of thirty days following the receipt of the notice and statement of account provided for in section 105.

Motion to change terms and conditions of payment.

107. If the consumer does not remedy his default within the delay provided for in section 106, the balance of his obligation becomes payable unless, upon a motion by the consumer, the court changes the terms and conditions of payment according to such conditions as it considers reasonable or authorizes the consumer to return the goods to the merchant.

Service.

108. The motion must be served before the expiry of the delay provided for in section 106.

Basis for decision.

109. The motion must be heard and decided by preference, considering, in particular, the following facts:

(a) the total of amounts that the consumer must disburse under the contract;

(b) the sums already paid;

(c) the value of the goods at the time of the consumer's default;

(d) the balance due to the merchant;

(e) the consumer's ability to pay; and

(f) the reason for which the consumer is in default.

Effect of return of goods.

110. The return of the goods to the merchant authorized by virtue of section 107 extinguishes the consumer's contractual obligation and the merchant is not bound to return the amount of the payments he has received.

II. INSURANCE

Insurance policy offered by merchant.

111. No merchant may refuse to enter into a contract of credit with a consumer on the pretext that the latter does not subscribe, through him, to an individual insurance policy or does not participate, through him, in a group insurance policy.

Existing policy held by consumer.

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

Notice to consumer.

The merchant must inform the consumer of such right in the manner prescribed by regulation.

Group life or health insurance.

113. A merchant subscribing to a group life or health insurance contract covering the consumer on his entering into a contract of credit must, in accordance with the Act respecting insurance and the regulations thereunder, provide the consumer with a membership form or a certificate of insurance.

Delay for providing copies.

114. For other insurance subscribed in respect of the making of a contract of credit, the merchant must, within thirty

days, provide the consumer with a certificate of insurance and a copy of the application for insurance.

§ 2.—*Contracts for the loan of money*

Content of writing.

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

Ground of defence.

116. The consumer who has used the net capital of a contract for the loan of money to make full or partial payment for the purchase or the lease of goods or services may, if the money lender and the vending or leasing merchant regularly work together with a view to the granting of loans of money to consumers, plead against the money lender any ground of defence that he may urge against the vending or leasing merchant.

Suspension of repayment.

117. Where 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.

Accrued credit charges.

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.

§ 3.—*Contracts extending variable credit*

Variable credit defined.

118. A 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.

Credit cards, etc., included.

Contracts extending variable credit include, in particular, contracts 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.

Interpretation.

119. For the purposes of section 118, penalties imposed for non-payment at the expiry of the term are considered to be credit charges.

Issuing credit cards.

120. No person may issue or send a credit card to a consumer unless the consumer has applied for it in writing.

Renewal, etc.

121. Section 120 does not apply to the renewal or replacement, on the same conditions, of a credit card which the consumer has applied for or used.

Exception. No person may, 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.

Cards bearing same number.

122. No person may issue more than one credit card bearing the same number except on the written request of the consumer who is a party to the contract extending variable credit.

Loss or theft.

123. In case of loss or theft of a credit card, the consumer incurs 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.

Liability limited.

124. Even where such notice is not given, the liability of the consumer whose credit card is lost or stolen is limited to the sum of \$50.

Content of writing.

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

Statement of account.

126. 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 on which the creditor may impose credit charges, if the consumer does not discharge his obligation in full; in the case of an advance of money, these charges may accrue from the date of that advance until the date of payment.

Content.

The statement of account must indicate:

- (a) the date of the end of the period;
- (b) the balance of the account at the end of the preceding period, specifying the portion of the balance which is represented by moneys advanced;
- (c) the date, description and value of each transaction debited to the consumer's account during the period unless the merchant appends a copy of the vouchers to the statement of account;
- (d) the date and amount of each payment made or sum credited during the period;
- (e) the credit charges required during the period;
- (f) the balance of the account at the end of the period;
- (g) the minimum payment required for such period; and
- (h) the delay during which the consumer may discharge his obligation without being required to pay credit charges except on advances of money.

Copy of
vouchers.

The consumer may require the merchant to send to him without charge a copy of the vouchers for each of the transactions debited to the consumer's account during the period.

Delay for
exacting
credit
charges.

127. Until the consumer receives a statement of account at his address, the merchant shall not exact credit charges on the unpaid balance except on advances of money.

Increase
in variable
credit.

128. 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.

Amend-
ments.

129. Notwithstanding section 98, the merchant may amend the contract extending variable credit to increase the amount chargeable as membership or renewal fees or the credit rate.

Notice.

The merchant must send to the consumer, not later than six months preceding the date of the coming into force of the increase, a notice setting out exclusively the amended clauses, as they formerly read and as they read now, and the date of the coming into force of the increase.

Prohibited
amend-
ments.

The unilateral amendment not conformable to this section of a contract extending variable credit cannot be invoked against the consumer.

Transfer
of owner-
ship of
goods sold.

130. No contract extending variable credit may 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.

§ 4.—*Contracts involving credit*

Applica-
bility.

131. This subdivision applies to instalment sales and to all other contracts involving credit.

I. INSTALMENT SALES

Instal-
ment sale
defined.

132. 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.

Merchant
assumes
risks.

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

- 134.** The contract must reproduce the particulars provided for in Schedule 5, in addition to those prescribed by regulation.
- 135.** Every instalment sale not conformable to the requirements of Division III of this chapter is a sale with a term which transfers to the consumer the ownership of the goods sold.
- 136.** 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.
- 137.** The balance owing by the consumer becomes exigible when the goods are sold by judicial authority or when the consumer conveys them to a third person without the merchant's consent.
- 138.** 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 105 and following, immediate payment of the balance of the debt if the contract contains a clause of forfeiture of benefit of the term; or
 - (c) retake possession of the goods sold in the manner contemplated in sections 139 and following.
- 139.** Before exercising the right conferred on him by paragraph *c* of section 138, the merchant must send to the consumer a written notice drawn up in accordance with the form appearing in Schedule 6.
- 140.** 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 139.
- The right of repossession cannot be exercised until the expiry of a delay of thirty days after receipt of the notice by the consumer.
- 141.** 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 he has already received.

- 142.** If, upon his default, the consumer has already paid at least one-half of the amount of the total obligation and of the down payment, the merchant cannot exercise his right of repossession unless he obtains the permission of the court.
- 143.** 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 facts mentioned in section 109.
- 144.** 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.
- 145.** A consumer who retains the goods in accordance with section 144 assumes, from the judgment, the risk of loss or deterioration, even by fortuitous event.
- 146.** The merchant who has opted for the recourse provided for in paragraph *b* of section 138 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 has opted for the recourse provided for in paragraph *c* of section 138 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.
- 147.** Instalment sales shall not involve variable credit.
- 148.** The contract of instalment sale must relate only to goods sold on the same day.
- 149.** The application of section 98 or 99 to an instalment sale contract does not deprive the consumer of a right granted to him by sections 132 to 148.

II. OTHER CONTRACTS INVOLVING CREDIT

Content of
writing.

150. 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.

DIVISION IV

CONTRACTS RELATING TO AUTOMOBILES AND MOTORCYCLES

§ 1.—*General provisions*Repair
warranty,
etc.

151. In the case of repairs under a warranty provided for by this division or under a conventional warranty:

(a) the merchant or the manufacturer shall assume the reasonable costs of towing or breakdown service for the automobile, whether the towing or breakdown service is carried out by the merchant, the manufacturer or a third person;

(b) the merchant or the manufacturer shall carry out the repairs to the automobile and assume their cost or shall permit the consumer to have the repairs carried out by a third person and shall assume their cost.

Subse-
quent pur-
chaser.

152. The merchant or the manufacturer is liable for the performance of a warranty provided for by this division or of a conventional warranty, to a consumer who is the subsequent purchaser of the automobile.

Parts and
labour
included.

153. The warranty provided for by this division includes parts and labour.

Motor-
cycles.

154. Paragraph *b* of section 151 and sections 152 and 153 apply, *mutatis mutandis*, to motorcycles adapted for transportation on public highways.

§ 2.—*Contracts of sale of used automobiles and used motorcycles*

Label.

155. The merchant must affix a label on every used automobile that he offers for sale.

Where
affixed.

The label must be so affixed that it may be read entirely from outside the automobile.

Content.

156. The label must disclose:

(a) the price at which the used automobile is offered;

(b) the number of miles or kilometres registered on the odometer, and the number of miles or kilometres actually travelled by the automobile, if different from that indicated on the odometer;

(c) the model year ascribed by the manufacturer, the serial number, the make, the model and the cubic capacity of the engine;

(d) if such is the case, the fact that the automobile has been used as a taxi-cab, a drivers' school automobile, a police car, an ambulance, a leased automobile, an automobile for customers or as a demonstrator and the identity of every business or of every public agency that owned the automobile or rented it on a long term basis;

(e) if such is the case, every repair done on the used automobile since it has been in the possession of the merchant;

(f) the class provided for in section 160;

(g) the characteristics of the warranty offered by the merchant;

(h) that a certificate of inspection of the vehicle issued in conformity with subsection 4 of section 23 of the Highway Code (Revised Statutes, 1964, chapter 231) will be given to the purchaser upon the signing of the contract; and

(i) that the merchant must, at the request of the consumer, provide him with the name and telephone number of the last owner other than the merchant.

For the application of paragraphs *b* and *d* of this section, the merchant may base himself on a written declaration of the last owner unless he has reasonable grounds to believe that it is false.

Label part
of contract.
Idem.

157. The label must be appended to the contract.

All that is disclosed on the label forms an integral part of the contract, except the price at which the automobile is offered and the specifications of the warranty, which may be changed.

Content of
writing.

158. The contract must be evidenced in writing and indicate:

(a) the number of the licence issued to the merchant under section 23 of the Highway Code (Revised Statutes, 1964, chapter 231);

(b) the place and date of the contract;

(c) the name and address of the consumer and of the merchant;

(d) the price of the automobile; and

(e) the specifications of the warranty.

Warranty.

159. The sale of a used automobile carries with it a warranty that the automobile will remain in good working order

(a) for a period of six months or 10 000 kilometres, whichever occurs first, in the case of a class A automobile;

(b) for a period of three months or 5 000 kilometres, whichever occurs first, in the case of a class B automobile;

(c) for a period of one month or 1 700 kilometres, whichever occurs first, in the case of a class C automobile.

Classes of used automobiles.

160. For the application of section 159, used automobiles are divided into the following classes:

(a) class A automobiles, namely, where not more than two years have elapsed between the date the manufacturer put his automobiles of the same model and of the same model year on the market and the date of the sale contemplated in the said section, provided that the automobile has not covered more than 40 000 kilometres;

(b) class B automobiles, namely, where they are not contemplated in paragraph *a* and not more than three years have elapsed between the date the manufacturer put his automobiles of the same model and of the same model year on the market and the date of the sale contemplated in the said section, provided that the automobile has not covered more than 60 000 kilometres;

(c) class C automobiles, namely, where they are not contemplated in paragraph *a* or *b* and not more than five years have elapsed between the date the manufacturer put his automobiles of the same model and of the same model year on the market and the date of the sale contemplated in the said section, provided that the automobile has not covered more than 80 000 kilometres;

(d) class D automobiles, namely, automobiles not contemplated in any of paragraphs *a*, *b* and *c*.

Limitation of warranty.

161. The warranty provided for by section 159 does not cover:

(a) normal maintenance service and the replacement of parts resulting from it;

(b) interior upholstery or exterior decorative items;

(c) damage resulting from abuse by the consumer after delivery of the automobile; and

(d) any accessory provided for by regulation.

Estimate of defects.

162. Where the merchant offers a class A, B or C automobile for sale, he may indicate on the label all the defects which exist in the automobile, with an estimate of the cost of repair

thereof. The merchant is bound by the estimate and he guarantees that the repair may be carried out for the price mentioned in the estimate.

Defects not covered.

In that case, the merchant is not subject to the obligation of warranty for the defects mentioned on the label.

When effective.

163. The warranty takes effect upon the delivery of the used automobile.

Used motorcycles.

164. Sections 155 to 158 and 161 to 163 apply, *mutatis mutandis*, to the sale of a used motorcycle adapted for transportation on public highways.

Warranty.

The sale of a used motorcycle adapted for transportation on public highways carries with it a warranty that the motorcycle and its accessories will remain in good working order

(a) for a period of two months, in the case of a class A motorcycle;

(b) for a period of one month, in the case of a class B motorcycle.

Classes.

Used motorcycles adapted for transportation on public highways are divided into the following classes:

(a) class A motorcycles, namely, where not more than two years have elapsed between the date the manufacturer put his motorcycles of the same model and of the same model year on the market and the date of the sale contemplated in this section;

(b) class B motorcycles, namely, where more than two years but not more than three years have elapsed between the date the manufacturer put his motorcycles of the same model and of the same model year on the market and the date of the sale contemplated in this section;

(c) class C motorcycles, namely, motorcycles not contemplated in either of paragraphs *a* and *b*.

Intermediaries.

165. A person who, for valuable consideration, acts as an intermediary between consumers in the sale of used automobiles or used motorcycles adapted for transportation on public highways is subject to the obligations imposed on the merchant under this division.

Exception.

166. Sections 155 to 165 do not apply to a new automobile which has been the object of a contract of lease comprising an option to purchase of which the lessee decides to avail himself.

§ 3.—*Automobile and motorcycle repairs*

Repair defined.

167. For the purposes of this subdivision,

(a) "merchant" means a person who carries out repairs for remuneration;

(b) "repair" means work carried out on an automobile, except work determined by regulation.

Written estimate required.

168. Before carrying out any repairs, the merchant must give the consumer a written estimate. The merchant cannot be released from this obligation without a waiver written in its entirety by and signed by the consumer.

Exception.

No estimate is required where the repairs are to be made free of charge to the consumer.

Charge for estimate.

A merchant cannot charge a price for making an estimate unless he advises the consumer of the price before undertaking to make the estimate.

Cost of re-assembly.

169. If, to make an estimate, it is necessary to disassemble an automobile or part of an automobile in whole or in part, the amount mentioned under section 168 must include the cost of re-assembly should the consumer decide not to have the repairs carried out and the costs of labour and of any component required to replace a part that is not recoverable or re-usable that was destroyed during the disassembling.

Content of estimate.

170. The estimate must indicate:

(a) the name and address of the consumer and of the merchant;

(b) the make, the model and the registration number of the automobile;

(c) the nature and total price of the repairs to be made;

(d) the part to be installed, specifying whether it is a new, used, re-tooled or reconditioned part; and

(e) the date and duration of that estimate.

Estimate binding on merchant.

171. Once accepted by the consumer, the estimate is binding on the merchant. No additional costs may be charged to the consumer for the repairs provided for in the estimate.

Repairs not included in estimate.

172. The merchant shall not carry out any repairs not provided for in the accepted estimate before obtaining the express authorization of the consumer.

Record of verbal estimate.

In the case where the merchant obtains a verbal authorization, he must record it in the estimate, indicating the date, the time, the name of the person who gave it and, where such is the case, the telephone number dialed.

Content of bill.

173. When the merchant has carried out repairs, he must give the consumer a bill indicating:

(a) the name and address of the consumer and of the merchant;

(b) the make, the model and the registration number of the automobile;

(c) the date of delivery of the automobile to the consumer and the number of miles or kilometres registered on the odometer of the automobile on that date;

(d) the repairs carried out;

(e) the part installed, specifying whether it is a new, used, re-tooled or reconditioned part and its price;

(f) the number of hours of labour billed, the hourly rate and the total cost of labour;

(g) the total amount the consumer must pay under paragraphs e and f; and

(h) the characteristics of the warranty.

Sub-contractor.

174. Where repairs are carried out by a subcontractor, the merchant has the same obligation as if he had carried them out himself.

Parts replaced.

175. The merchant must, if the consumer so requires when requesting the repairs to be made, hand over to the consumer, at the same time as the latter takes delivery of his automobile, the parts that have been replaced, except:

(a) where the repairs are carried out without charge to the consumer;

(b) where the part is exchanged for a re-tooled or reconditioned part; or

(c) where the replaced part is subject to a warranty contract under which the merchant must return that part to the manufacturer or to the distributor.

Guarantee.

176. Repairs are guaranteed for three months or 5 000 kilometres, whichever occurs first. The guarantee takes effect upon the delivery of the automobile.

Abuse by consumer.

177. The guarantee provided for in section 176 does not cover damage resulting from abuse by the consumer after the repairs.

Consumer's recourse not prejudiced.

178. Acceptance of the estimate or payment by the consumer does not prejudice his recourse against the merchant based upon the absence of prior authorization for the repairs, bad workmanship or the price exceeding, as the case may be, the price indi-

cated in the estimate or the total of the price indicated in the estimate and the price agreed upon when the change was authorized.

Retention
of auto-
mobile.

179. Notwithstanding article 441 of the Civil Code, the merchant shall not retain possession of the consumer's automobile

(a) if the merchant has failed to give an estimate to the consumer before carrying out the repairs; or

(b) if the total price of the repairs exceeds the price indicated in the estimate, provided that the consumer pays the price indicated in the estimate; or

(c) if the total price of the repairs exceeds the aggregate amount of the price indicated in the estimate and the price agreed to when the modification was authorized, provided that the consumer pays a price equal to that amount.

Posting up
of sign.

180. A merchant who carries out automobile repairs shall, in accordance with the requirements prescribed by regulation, post in a conspicuous place in his establishment a sign informing consumers of the principal provisions of this subdivision.

Motor-
cycles.

181. Sections 167 to 175 and 177 to 180 apply, *mutatis mutandis*, to the repair of a motorcycle adapted for transportation on public highways.

Guarantee.

Repairs to a motorcycle adapted for transportation on public highways are guaranteed for one month. The guarantee takes effect upon the delivery of the motorcycle.

DIVISION V

REPAIR OF HOUSEHOLD APPLIANCES

Defini-
tions:

"household
appliance"

182. For the purposes of this division,

(a) "household appliance" means a kitchen range, a refrigerator, a freezer, a dishwasher, a clothes washer, a clothes dryer or a television set;

"mer-
chant";

(b) "merchant" means a person who carries out repairs for remuneration;

"repair".

(c) "repair" means work carried out on a household appliance except work determined by regulation.

Written
estimate
required.

183. Before carrying out any repairs, the merchant must give the consumer a written estimate. The merchant cannot be

released from this obligation without a waiver written in its entirety by and signed by the consumer.

Exception. No estimate is required where the repairs are to be made free of charge to the consumer.

Charge for estimate. A merchant cannot charge a price for making an estimate unless he advises the consumer of the price before undertaking to make the estimate.

Content of estimate. **184.** The estimate must indicate:

- (a) the name and address of the consumer and of the merchant;
- (b) the description of the household appliance;
- (c) the nature and the total price of the repairs to be carried out;
- (d) the date and duration of the estimate.

Content of bill. **185.** When the repair has been carried out, the merchant must remit to the consumer a bill indicating:

- (a) the name and address of the consumer and of the merchant;
- (b) the description of the household appliance;
- (c) the repair carried out;
- (d) the replaced part and its price;
- (e) the number of hours of labour billed, the hourly rate and the total cost of labour;
- (f) the total amount the consumer must pay under paragraphs *d* and *e*; and
- (g) the characteristics of the warranty.

Guarantee. **186.** Every repair is guaranteed for three months. The guarantee includes parts and labour and takes effect upon the delivery of the household appliance.

Provisions to apply. **187.** Sections 171, 172, 174, 175, 177, 178 and 179 apply, *mutatis mutandis*, to the repair of household appliances.

DIVISION VI

LEASE OF SERVICES INVOLVING SEQUENTIAL PERFORMANCE

§ 1.—General provisions

Interpretation. **188.** For the purposes of this division, every person offering or providing any of the services referred to in section 189 is considered to be a merchant, except:

- (a) school corporations and the schools under their authority;
- (b) general and vocational colleges;
- (c) universities;
- (d) faculties, schools or institutes of a university that are administered by a corporation distinct from that which administers the university;
- (e) institutions declared to be of public interest in accordance with the Private Education Act (1968, chapter 67) for the subsidized teaching they provide;
- (f) institutions recognized for purposes of grants in accordance with the Private Education Act (1968, chapter 67) for the subsidized teaching they provide;
- (g) government departments and schools administered by the government or by one of the government departments;
- (h) municipal corporations;
- (i) persons who are members of a professional corporation governed by the Professional Code (1973, chapter 43);
- (j) persons and classes of persons who carry on an activity referred to in section 189 without demanding or receiving any remuneration, directly or indirectly; and
- (k) persons and classes of persons specified by regulation.

§ 2.—*Principal contracts*

Applicability.

189. This subdivision applies to contracts for the lease of services involving sequential performance, except contracts made by a merchant operating a physical fitness studio, the object of which is

- (a) to obtain instruction, training or assistance for the purpose of developing, maintaining or improving the health, appearance, skills, qualities, knowledge or the intellectual, physical or moral faculties of a person,
- (b) to assist a person in establishing, maintaining or developing personal or social relations, or
- (c) to grant a person the right to use goods to attain any of the purposes provided for in paragraph *a* or *b*.

Content of writing.

190. The contract must be evidenced in writing and indicate:

- (a) the name and address of the consumer and of the merchant;

(b) the place and date of the contract;

(c) the description of the object of the contract and the date on which the merchant is to begin the performance of his obligation;

(d) the duration of the contract and the address where it is to be performed;

(e) the number of hours, days or weeks over which the services are distributed and the hourly rate, daily rate or weekly rate, as the case may be;

(f) the total amount the consumer must pay under the contract;

(g) the terms and conditions of payment; and

(h) any other information prescribed by regulation or, where such is the case, by the Private Education Act or statutory regulation under that act.

Form to be appended.

The merchant must attach a form in conformity with Schedule 8 to the duplicate of the contract which he remits to the consumer.

Rate to remain constant.

191. The hourly rate, the daily rate or the weekly rate must be the same for the whole duration of the contract.

Collection of payment.

192. The merchant shall not collect any payment from the consumer before beginning to perform his obligation.

Terms and conditions of payment.

The merchant shall not collect payment of the consumer's obligation in less than two approximately equal instalments. The dates of payment of the instalments must be fixed in such a way as to be situated approximately at the beginning of approximately equal periods of the term of the contract.

Dissolution of contract.

193. The consumer may, at any time and at his discretion, cancel the contract by sending the form provided for in section 190 or another written notice to that effect to the merchant. The contract is cancelled of right from the sending of the form or notice.

No cost, etc., to consumer.

194. If the consumer cancels the contract before the merchant has begun the performance of his principal obligation, the cancellation is effected without cost or penalty to the consumer.

Liability of consumer.

195. If the consumer cancels the contract after the merchant has begun the performance of his principal obligation, the only sums that the merchant may exact from him are:

(a) the price of the services rendered, computed on the basis of the hourly, daily or weekly rates stipulated in the contract, and

(b) as a penalty, the lesser of the following sums: \$50 and a sum representing not more than 10% of the price of the services that were not rendered.

Delay to remit.

196. Within ten days following the cancellation of the contract, the merchant must return to the consumer the sum of money he owes him.

§ 3.—*Physical fitness studios*

Scope.

197. This subdivision applies to contracts of lease of services involving sequential performance made between a consumer and a merchant who operates a physical fitness studio.

Physical fitness studio.

198. For the purposes of this subdivision, “physical fitness studio” means an establishment providing goods or services designed to help improve a person’s physical fitness through a change of weight, weight control, treatment, diet or exercise.

Written contract.

199. The contract must be evidenced in writing and indicate:

- (a) the licence number of the merchant;
- (b) the name and address of the consumer and of the merchant;
- (c) the place and date of the contract;
- (d) the description of the object of the contract and the date on which the merchant must begin to perform his obligation;
- (e) the duration of the contract and the address where it is to be executed;
- (f) the total amount the consumer must pay under the contract;
- (g) the terms and conditions of payment; and
- (h) any other information prescribed by regulation.

Form to be attached.

The merchant must attach a form in conformity with Schedule 9 to the duplicate of the contract which he remits to the consumer.

Duration of contract.

200. The duration of the contract shall not exceed one year.

Collection of payment.

201. No payment may be collected from the consumer by the merchant before the merchant has begun the performance of his obligation.

Terms and conditions of payment.

The merchant shall not collect payment of the consumer’s obligation in fewer than two approximately equal instalments.

The dates the instalments are payable must be fixed in such a manner as to be situated approximately at the beginning of approximately equal divisions of the duration of the contract.

202. The consumer may, at his discretion, cancel the contract without charge or penalty before the merchant has begun the performance of his principal obligation.

Cancellation by consumer.

203. The consumer may also, at his discretion, cancel the contract within a period equal to one-tenth of the intended duration of the contract, from the time the merchant begins to perform of his principal obligation. In such a case, the merchant shall not exact from the consumer payment of any sum greater than one-tenth of the total price provided in the contract.

Cancellation by consumer.

204. The consumer may cancel the contract by means of the form provided for in section 199 or of another written notice to that effect to the merchant. The contract is cancelled of right from the sending of the form or notice.

Mode of cancellation.

205. Within ten days following the cancellation of the contract, the merchant must return to the consumer the sum of money he owes him.

Money returned.

§ 4.—*Accessory contracts*

206. No merchant may make the entering into or the performance of the principal contract dependent upon the making of another contract between him and the consumer.

Accessory contract.

207. Where at the time of the entering into or performance of a principal contract, the consumer enters into a contract with the merchant for the lease of goods or services that would not otherwise be contemplated in this division, such contract is governed by sections 190 to 196 or 197 to 205, as the case may be, *mutatis mutandis*.

Contract for lease.

208. Where, upon the making or the performance of a principal contract, the merchant sells goods to the consumer, he must remit to him a written contract indicating:

Content of writing.

(a) the name and address of the consumer and of the merchant;

(b) the place and date of the contract;

(c) the description of the object of the contract, including, where such is the case, the year of the model or any other distinguishing mark;

- (d) the cash price of each item of goods;
- (e) any other information prescribed by regulation.

Form to be appended. The merchant must attach a form in conformity with Schedule 10 to the duplicate of the contract which he remits to the consumer.

Delay for dissolution. **209.** The consumer may, at his discretion, cancel the contract contemplated in section 208 within ten days following the day the goods are delivered or the day the merchant begins the performance of his obligation under the principal contract, whichever occurs last.

Consumer's option of dissolution. **210.** The consumer avails himself of his right of cancellation
 (a) by returning the goods to the merchant;
 (b) by returning to the merchant the form provided for in section 208; or
 (c) by another written notice to that effect to the merchant.

Date of dissolution. The contract is cancelled of right from the return of the goods or the sending of the form or notice.

Delay to return. **211.** Within ten days following the cancellation, the parties must restore to each other what they have received from one another.

Costs. The merchant shall assume the costs of restitution.

Risk of loss, etc. The merchant shall assume the risk of loss or deterioration, even by fortuitous event, of the goods being the object of the contract until the longer of the two terms contemplated in section 209 has expired.

Dissolution of accessory contract. **212.** Where a consumer cancels a principal contract, he may also, even after the delay provided for in section 209 has expired, cancel a contract contemplated in section 208 by returning the goods to the merchant within ten days following the cancellation of the first contract.

Limitation. However, the consumer shall not cancel a contract contemplated in section 208 if he has been in possession of the goods for a period of two months or a period equivalent to one-third of the term stipulated in the principal contract, whichever is shorter.

Dissolution prohibited. **213.** Notwithstanding sections 209 and 212, the consumer shall not cancel a contract contemplated in section 208 if, as a result of any act or fault for which he is liable, he is unable to return the goods to the merchant in the condition in which he received them.

Provisions
not to
apply.

214. Sections 208 to 213 do not apply to a contract under which the total amount of the consumer's obligation does not exceed \$100.

TITLE II

BUSINESS PRACTICES

Prohibited
practice
defined.

215. Any practice contemplated in sections 219 to 251 constitutes a prohibited practice for the purposes of this title.

Representa-
tion
defined.

216. For the purposes of this title, representation includes an affirmation, a behaviour or an omission.

Use of
prohibited
practice.

217. The fact that a prohibited practice has been used is not subordinate to whether or not a contract has been made.

Representa-
tion.

218. 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.

False, etc.,
repre-
sentations.

219. No merchant, manufacturer or advertiser may, by any means whatever, make false or misleading representations to a consumer.

Prohibited
practices.

220. No merchant, manufacturer or advertiser may, falsely, by any means whatever,

(a) ascribe certain special advantages to goods or services;

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

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

Id.,
respecting
quality,
etc., of
goods or
services.

221. No merchant, manufacturer or advertiser any, falsely, by any means whatever,

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

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

(c) hold out that goods are of a specified standard;

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

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

(f) hold out that goods have particular antecedents or have been used for a particular purpose;

(g) ascribe certain characteristics of performance to goods or services.

Prohibited practices.

222. No merchant, manufacturer or advertiser may, falsely, by any means whatever,

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

(b) discredit goods or services offered by others;

(c) hold out that goods or services have been furnished;

(d) hold out that goods are made according to a specified method of manufacture;

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

(f) hold out that goods or services have a specified geographic origin;

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

Sale price must be indicated.

223. 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.

Prohibited practices respecting price.

224. No merchant, manufacturer or advertiser may, by any means whatever,

(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 244 to 247, disclose, in an advertisement, 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) charge, for goods or services, a higher price than that advertised.

Prohibited practices.

225. No merchant, manufacturer or advertiser may, falsely, by any means whatever,

(a) invoke a price reduction;

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

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

Refusal to perform warranty.

226. No merchant or manufacturer may refuse to perform the warranty granted by him on the pretext that the document evidencing it has not reached him or was not validated.

Prohibited practices respecting warranty.

227. No merchant, manufacturer or advertiser may, by any means whatever, make false representations concerning the existence, the scope or the duration of a warranty.

Failure to mention serious factor.

228. No merchant, manufacturer or advertiser may fail to mention an important fact in any representation made to a consumer.

Prohibited practices respecting business opportunity.

229. No merchant, manufacturer or advertiser may, by any means whatever, when soliciting or making a contract, make false representations concerning the profitability or any other aspect of a business opportunity offered to a consumer.

Prohibited practices.

230. No merchant, manufacturer or advertiser may, by any means whatever,

(a) charge any sum whatever for any goods that he has sent to a consumer without the consumer's having ordered them;

(b) give any reason as a pretext for soliciting the sale of goods or the lease of services.

Insufficient quantity.

231. No merchant, manufacturer or advertiser may, by any means whatever, 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.

No infraction.

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 and of an equal or greater cost price is not guilty of any infraction of this section.

Emphasis on premium.

232. No merchant, manufacturer or advertiser may, by any means whatever, put greater emphasis, in an advertisement, on a premium than on the goods or services offered.

"Premium" defined.

"Premium" means any goods, services, rebate or other benefit offered or given at the time of 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.

Terms and conditions for obtaining gift, etc.

233. No merchant, manufacturer or advertiser may 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.

Rebate for cash, etc.

234. No person may refuse to enter into an agreement with a merchant, or terminate an agreement binding between him and a merchant, by reason of the fact that such merchant grants a rebate to the consumer who pays him cash or by negotiable instrument.

Rebate, etc., dependent on further contract.

235. No person may, directly or indirectly, in a contract made with a consumer, make the grant 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.

Pyramid sale, etc.

236. The 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 235.

Odometer of automobile.

237. No person may alter the odometer of an automobile so as to cause it to show incorrectly the number of miles or kilometres travelled by the automobile.

Odometer replaced.

Where the odometer of an automobile is replaced, the owner of the automobile must indicate, in the place and manner prescribed by regulation, the number of kilometres travelled by the automobile prior to the installation of the new odometer, which must indicate zero on being installed.

Prohibited practices respecting status of merchant, etc.

238. No merchant, manufacturer or advertiser may, falsely, by any means whatever,

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

(b) hold out that a third person recommends, approves, certifies or sponsors certain goods or services;

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

Distortion of meaning, etc.

239. No merchant, manufacturer or advertiser may, by any means whatever,

(a) distort the meaning of any information, opinion or testimony;

(b) rely upon data or analyses falsely presented as scientific.

Permit,
etc., no
proof of
compe-
tence, etc.

240. No person may invoke the fact that he holds a permit or has furnished security required by an act or a regulation the application of which is under the supervision of the Office, or is the representative of a person holding a permit or having furnished security required by an act or a regulation the application of which is under the supervision of the Office, to hold out that his competence, solvency, conduct or operations are recognized or approved.

Advertise-
ment
respecting
permit,
etc.

241. No person may invoke in any advertisement the fact that he holds a permit or has furnished security required by this act or a regulation, or that he is the representative of a person who holds a permit or has furnished security required by this act or a regulation.

Identity
of
merchant.

242. No merchant may fail to mention his identity, and the fact that he is a merchant, in any advertisement.

Address of
estab-
lishment.

243. No merchant or manufacturer may, in any advertisement of goods or services offered to the consumer, give a post office box as his address without mentioning at least his address.

Advice on
credit
offered.

244. No person may 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.

Urging
consumers
to use
credit.

245. No person may, in any advertisement concerning credit, urge consumers to obtain goods or services on credit or illustrate goods or services.

Credit
charges.

246. No person may make use of advertising regarding credit unless it indicates the credit rate calculated and set out in the manner prescribed by regulation.

Terms and
conditions
of credit.

247. No person may make use of advertising regarding the terms and conditions of credit, except the credit rate, unless such advertising includes the particulars prescribed by regulation.

Advertis-
ing for
persons
under 13.

248. Subject to what is provided in the regulations, no person may make use of commercial advertising directed at persons under thirteen years of age.

Criteria
of intent.

249. To determine whether or not an advertisement is directed at persons under thirteen years of age, account must be taken of the context of its presentation, and in particular of

(a) the nature and intended purpose of the goods advertised;

- (b) the manner of presenting such advertisement;
- (c) the time and place it is shown.

Presump-
tion.

The fact that such advertisement may be contained in printed matter intended for persons thirteen years of age and over or intended both for persons under thirteen years of age and for persons thirteen years of age and over, or that it may be broadcast during air time intended for persons thirteen years of age and over or intended both for persons under thirteen years of age and for persons thirteen years of age and over does not create a presumption that it is not directed at persons under thirteen years of age.

Advertise-
ment
respecting
govern-
ment
cheques,
etc.

250. No person shall advertise that a merchant exchanges or accepts as payment cheques or other orders to pay issued by the government of Québec or Canada or by a municipal corporation.

No charge
for
exchange
of govern-
ment
cheques,
etc.

251. No person may charge a consumer for exchanging or cashing a cheque or other order to pay issued by the government of Québec or of Canada or by a municipal corporation.

“to
advertise”
or “to
make use of
advertis-
ing”.

252. For the purposes of sections 231, 246, 247, 248 and 250, “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.

Presump-
tion.

253. Where a merchant, manufacturer or advertiser makes use of a prohibited practice referred to in paragraph *a* or *b* of section 220, *a*, *b*, *c*, *d*, *e* or *g* of section 221, *d*, *e* or *f* of section 222, *c* of section 224 or *a* or *b* of section 225, or in section 227, 228, 229, 237 or 239, it is presumed that had the consumer been aware of such practice, he would not have agreed to the contract or would not have paid such a high price.

TITLE III

TRUST ACCOUNTS

Placing of
sum in
trust
account.

254. Every merchant who receives a sum of money from a consumer before the making of a contract must place that sum in a trust account until the sum is repaid to the consumer on demand, or the contract is made.

- Placing of
sum in
trust
account. **255.** Every merchant who collects a sum of money from a consumer under a contract contemplated in section 56 must place that sum in a trust account until the delay provided in section 59 has expired or the contract is dissolved by virtue of section 59.
- Idem. **256.** Where a merchant receives a sum of money from a consumer pursuant to a contract under which the principal obligation of the merchant is to be performed more than two months after the said contract was made, he must place that sum in a trust account until the performance of his principal obligation.
- One
account
only. **257.** The merchant shall, at all times, have only one trust account in a chartered bank, savings and credit union, trust company or other institution authorized by the Québec Deposit Insurance Act (1966/1967, chapter 73) to receive deposits, to keep the sums of money contemplated in sections 254 to 256.
- President
to be
informed. 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.
- Accounting
items. **258.** Every merchant must enter in his books or registers the appropriate accounting items in regard to the amounts he receives from a consumer and that he must place in trust under sections 254 to 256.
- Account
to be
rendered. The merchant must, on demand of the consumer, render account of every sum he has received from him.
- 259.** Interest on sums deposited in a trust account pursuant to this title belongs to the merchant.
- Liability
of
directors. **260.** Where the merchant is a corporation, each director is jointly and severally liable with the corporation for the sums which must be placed in a trust account in accordance with sections 254 to 256, unless the director proves that he acted in good faith.

TITLE IV

PROOF, PROCEDURE AND PENALTIES

CHAPTER I

PROOF AND PROCEDURE

- Deroga-
tion. **261.** No person may derogate from this act by private agreement.

Waiving of rights. **262.** No consumer may waive the rights granted to him by this act unless otherwise provided herein.

Proof by testimony. **263.** Notwithstanding article 1234 of the Civil Code, a consumer, when exercising a right provided by this act, 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.

Value. **264.** Every document certified true to the original by the president, the vice-president or any person empowered under this act to conduct an investigation is receivable as proof and has the same value as the original.

Authenticity of minutes, etc. **265.** The minutes of the sittings 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.

Exemption from security. **266.** The Procureur général and the president are exempt from the obligation to give security in order to obtain an injunction under this act.

Motion for contempt of court. **267.** 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.

Same language as contract. **268.** Every notice given by a merchant under this act must be drawn up in the language of the contract to which it refers.

Computing delays. **269.** In computing any delay provided for by any act or regulation the application of which is under the supervision of 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, as are 2 January and 26 December.

Provisions additional. **270.** The provisions of this act are in addition to any provision of another act granting a right or a recourse to a consumer.

CHAPTER II

CIVIL RECOURSES

271. If any rule provided in sections 25 to 28 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 the nullity of the contract.

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 the nullity of the contract or demand that the credit charges be cancelled and that any part of them already paid be restored.

The court shall grant the demand of the consumer unless the merchant shows that the consumer suffered no prejudice from the fact that one of the above mentioned rules or requirements was not respected.

272. If the merchant or the manufacturer fails to fulfil an obligation imposed on him by this act or the regulations, the consumer may demand, as the case may be, subject to the other recourses provided by this act,

- (a) the specific performance of the obligation;
 - (b) the authorization to execute it at the merchant's or manufacturer's expense;
 - (c) that his obligations be reduced;
 - (d) that the contract be rescinded;
 - (e) that the contract be set aside; or
 - (f) that the contract be annulled,
- without prejudice to his claim in damages, in all cases. He may also claim exemplary damages.

273. Subject to the provisions of sections 274 and 275, an action based on this act is prescribed by three years reckoning from the making of the contract.

274. An action based on section 37, 38 or 53 is prescribed by one year reckoning from the moment the cause of action arose.

275. An action based on the warranty granted in section 159, in the second paragraph of section 164, in section 176, in the second paragraph of section 181 or in section 186 is prescribed by three months reckoning from the discovery of the defect.

Consumer
may
invoke ex-
ception,
etc.

276. The consumer may set up in defence or by cross-demand an exception provided by this act which tends to rebut an action or to justify a right against the merchant even if the delay to avail himself thereof by a direct action has expired.

CHAPTER III

OFFENCES AND PENALTIES

Offences.

277. Every person who

(a) contravenes this act or any regulation;

(b) gives false information to the Minister, the president or any person empowered to make an investigation under this act;

(c) hinders the application of this act or of any regulation;

(d) does not comply with a voluntary agreement subscribed under section 314;

(e) disobeys a decision of the president;

(f) being subject to an order of the court under section 288, omits or refuses to comply with such order,

is guilty of an offence.

Penalties.

278. 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 277 is liable

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

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

Corpora-
tion.

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.

Penalties.

279. A person other than a corporation who is guilty of an offence other than an offence contemplated in section 278 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 a period of two years, to a fine of two hundred dollars to four thousand dollars.

Corporation.

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.

Criteria for determination of fine.

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

(a) first, the economic loss caused by the offence to a consumer or to several consumers;

(b) secondly, the benefits and the income that the person who committed the offence derived from committing it.

Seizure and sale.

281. If a condemnation provides for a fine, the court, after ordering the payment of the fine, with or without costs, may order that, failing payment immediately or within such delay as it may fix, the fine, and, where such is the case, the costs, shall be recovered by the seizure and sale of the moveable property and effects of the offender.

Directors, etc., deemed party to offence, etc.

282. Where a corporation is guilty of an offence against this act or any regulation, every director or representative of such corporation who had knowledge of the said offence is deemed to be a party to the offence and is liable to the penalty provided for in section 278 or 279 for a 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.

Complicity.

283. 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 is himself guilty of the offence and is liable to the same penalty.

Proceedings.

284. Proceedings under this act are 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.

Presumption.

285. The filing of a complaint creates a presumption that the person who signed it is authorized to make it.

Subsequent offence.

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

Ground for defence.

287. No penal proceedings may be sustained if the accused establishes that he employed reasonable diligence by taking all

the necessary precautions to ensure that this act or the regulations were complied with.

Ground
for
defence.

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

Judgment,
etc., com-
municated
to con-
sumers.

288. The court convicting a person accused of an offence provided for in section 278, 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 considers appropriate to ensure a prompt and adequate communication to consumers, the conclusions of the judgment rendered against him, and the corrections, explanations, warnings and other information which the court considers necessary to re-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.

Written
report
from
Office.

289. Where a person pleads guilty or is found guilty of an offence provided for in section 278, the court may request from the Office a written report on the economic and commercial activities of the offender, in order to enable it to pronounce the sentence.

Inter-
locutory
injunction.

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

Final
judgment.

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

TITLE V

ADMINISTRATION

CHAPTER I

OFFICE DE LA PROTECTION DU CONSOMMATEUR

DIVISION I

ESTABLISHMENT AND ADMINISTRATION OF THE OFFICE

Office es-
tablished.

291. A body is established under the name of “Office de la protection du consommateur”.

Duties.

292. It is the duty of the Office to protect consumers and, to that end,

(a) to supervise the application of this act and of any other act under which it is charged with such supervision;

(b) to receive complaints from consumers;

(c) to educate and inform the population on matters of consumer protection;

(d) to carry out studies respecting consumer protection and where required, make recommendations to the Minister;

(e) to promote and subsidize the establishment and development of consumer protection services or bodies and to cooperate with such services and bodies;

(f) to make merchants, manufacturers and advertisers aware of consumer needs and demands;

(g) to promote the interests of consumers before those governmental bodies whose activities affect consumers;

(h) to evaluate goods and services offered to consumers;

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

(j) to create, by regulation, consumer protection regional advisory councils for the regions designated by it, to determine their composition, functions, duties and powers, and their administrative modes and procedures, and to provide emoluments to their members.

Head
office.

293. The Office has its head office at the place determined by the Government; notice of the place or, of a change of place of

- the head office is published in the *Gazette officielle du Québec*.
- Place of sittings. The Office may hold its sittings at any place in Québec.
- Composition. **294.** The Office is composed of not more than fifteen members including the president and the vice-president, all appointed by the Government.
- Members. The members of the Office shall be persons who, by reason of their activities, are likely to contribute in a particular manner to the solution of consumer problems.
- Term of office. **295.** The president and the vice-president are appointed for not more than five years. The other persons chosen as members of the Office are appointed for a term of not more than three years.
- Continuance. **296.** Each of the members of the Office, including the president and vice-president, shall remain in office at the expiry of his term, until he is replaced or reappointed.
- Replacement of member. **297.** If a member of the Office other than the president or vice-president does not fill out his term of office, the Government shall appoint a person to replace him for the remainder of the term.
- Fees, etc. **298.** The Government shall fix the fees, allowances or salaries of the members of the Office. The president and the vice-president are subject to the Government and Public Employees Retirement Plan (1973, chapter 12).
- Appointment etc., of personnel. **299.** The other officers and employees of the Office are appointed and remunerated in accordance with the Civil Service Act (1965, 1st session, chapter 14).
- Powers of president. The president shall exercise in that regard the powers vested by the said act in the deputy-heads of departments.
- No plurality. **300.** The president and vice-president shall exercise their functions on a full-time basis.
- Duties of president. **301.** The president presides at meetings of the Office. He is responsible for the administration of the Office.
- Replacement of president. **302.** If the president is unable to act, he is replaced by the vice-president.
- Annual report. **303.** The Office shall each year submit to the Minister a report of its activities for the preceding fiscal year. The Minister shall table such report before the Assemblée nationale. If it is

not in session, the report shall be tabled within thirty days after the opening of the next session or after resumption.

By-laws. **304.** The Office may pass by-laws for its internal management.

Approval. These by-laws and the regulations made pursuant to paragraph *j* of section 292 come into force, after being approved by the Government, on their publication in the *Gazette officielle du Québec* or on any other date indicated therein.

DIVISION II

POWERS OF THE PRESIDENT

Powers of investigation, etc. **305.** The president may investigate any matter respecting any act or regulation the application of which is under the supervision of the Office. For such purpose, he has the powers and immunity granted to commissioners appointed under the Public Inquiry Commission Act (Revised Statutes, 1964, chapter 11).

Authorization to investigate, etc. The president may authorize a person generally or specially to investigate any matter relating to any law or regulation the application of which is under the supervision of the Office. Every person so authorized is vested with the immunity granted to commissioners appointed under the Public Inquiry Commission Act (Revised Statutes, 1964, chapter 11). Such person must, on demand, produce a certificate signed by the president, attesting his authority.

Inspection during investigation, etc. **306.** In making an investigation, the president may
 (a) enter and inspect the establishment of a merchant, a manufacturer or an advertiser 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 any act or regulation the application of which is under the supervision of the Office.

Receivable as evidence. Every book, register or other document having been examined by the president or produced to him may be copied or photographed and every copy or photocopy of such book, register or document certified by the president to be a copy or photocopy of the original is receivable as evidence and has the same probative value as the original.

307. 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 any act or regulation the application of which is under the supervision of the Office.

308. The president may exempt from the application of sections 254 to 257 every merchant who delivers to him security in an amount equal to 125% of the amounts 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. The security is valid for one year.

The president may refuse the exemption on grounds provided for in section 325, 326 or 327, *mutatis mutandis*.

309. The president must exempt from the application of section 22 every merchant who delivers to him security the form, terms, conditions and amount of which are prescribed by regulation.

The president may refuse the exemption on grounds provided for in section 325, 326 or 327, *mutatis mutandis*.

310. Where the president has reason to believe that the funds that must be kept in trust in accordance with sections 254, 255 and 256 may be misappropriated, he may apply for an injunction ordering any person in Québec having the deposit, control or custody of such funds to keep them in trust for the period and on the conditions determined by the court.

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

312. The president may require that a merchant, a manufacturer or an advertiser show the truthfulness of an advertisement.

313. The president may require that a merchant who makes contracts of credit contemplated by this act communicate to him any information regarding the credit rates he charges consumers and the criteria used to establish such rates.

The president may make public any such information.

314. Where the president believes that a person has contravened or is contravening any act or regulation the application of which is under the supervision the Office, he may accept a

voluntary undertaking from such person to comply with the law or regulation in question.

Terms and conditions.

315. The president shall determine the terms and conditions of the voluntary undertaking, which may provide in particular for

(a) the publication or distribution of the content of the voluntary undertaking;

(b) the compensation 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.

Application for injunction.

316. Where a person has used or is using a prohibited practice contemplated in Title II, the president may apply to the court for an injunction ordering that person to cease using such practice.

Court order.

317. The court may, in addition, order the person in respect of whom a permanent injunction is granted

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

(b) to publish and distribute, in the manner and on the conditions which the court considers appropriate to insure a prompt and adequate communication to consumers, the conclusions of the judgment rendered against him, and the corrections, explanations, warnings and other information which the court considers necessary to re-establish the facts concerning any goods or services or any advertising made in relation to any goods or services which have or could have misled consumers.

President may intervene.

318. In any action relating to any act or regulation the application of which is under the supervision of the Office, the president may intervene, of right, at any time before the judgment.

Delegation of powers.

319. The president may authorize a person generally or specially to exercise the powers that are conferred upon him by sections 306, 314 and 315.

Idem.

320. The president may authorize the vice-president to exercise all the powers granted to the president under an act or regulation the application of which is under the supervision of the Office.

CHAPTER II

PERMITS

Permit holders.

321. The following persons must hold a permit:

(a) every itinerant merchant, except the itinerant merchant who makes a contract contemplated in section 57;

(b) every merchant who makes contracts of loan of money governed by this act; and

(c) every merchant who operates a physical fitness studio.

Application for annulment.

322. Where the merchant does not hold the permit required by this act or, as the case may be, the licence required under section 23 of the Highway Code (Revised Statutes, 1964, chapter 231), a consumer may apply to have the contract annulled.

Contract for loan of money.

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 return of any part of the credit charges already paid.

Application for permit.

323. Every person wishing to obtain a permit must send his application to the president in the form prescribed by regulation, together with the documents prescribed by regulation.

Security.

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

Itinerant merchants.

324. Where several itinerant merchants deal in the goods or services of the same merchant or the same manufacturer, the latter may apply in their place and stead for an itinerant merchant's permit.

Presumption.

In such a case, the itinerant merchants carrying on business in the goods and services of the applicant are, for the purposes of this act, deemed to be his representatives in the carrying on of that business.

Refusal of permit.

325. The president may refuse to issue a permit, if

(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 president, his honesty and competence;

(c) the name or corporate 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; or

(d) the applicant does not meet a requirement prescribed by this act or by regulation.

Corporation, etc.

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

Refusal of permit.

327. 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 act or regulation the application of which is under the supervision of the Office, or
- (b) an indictable offence.

Suspension, etc., of permit.

328. The president may suspend or cancel the permit of any holder who, during the term of the permit, has been found guilty of

- (a) an offence against any act or regulation the application of which is under the supervision of the Office, or
- (b) an indictable offence.

Idem.

329. The president may suspend or cancel the permit of any holder who, during the term of his permit, no longer meets the requirements prescribed by this act or the regulations for the issuance of a permit.

Establishment in Québec.

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

Idem.

Such establishment must be situated in an immoveable or part of an immoveable in which the holder carries on business.

Notice of change.

331. Every holder of a permit must notify the president within fifteen days of any change

- (a) of address;
- (b) of name or firm name;
- (c) of directors in the case of a corporation; or
- (d) of partners, in the case of a partnership.

Misrepresentation, etc.

332. 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.

Hearing. **333.** The president, before refusing to issue a permit to a person or before suspending or cancelling the permit he has issued to him, must give such person an opportunity to be heard. The representations of every person heard on that occasion must be taken down in stenography or steno-type or recorded by any other method authorized by the Government.

Written notice of decision. **334.** 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.

Validity, etc. **335.** A permit is valid for two years. It is renewed on the conditions prescribed by this act and the regulations.

Idem. 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.

Bankruptcy. **336.** 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 by regulation.

Transfer of permit. **337.** 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 by regulation.

Use of security. **338.** In accordance with the terms and conditions prescribed by regulation, the security shall be used, first, to compensate any consumer who has a claim against the person who gave the security or his representative, then, to pay the fine imposed on him.

CHAPTER III

APPEALS

Appeal. **339.** Every person whose application for a permit has been dismissed by the president or whose permit has been suspended or cancelled by the president may appeal to the Provincial Court from the decision of the president.

Motion. **340.** The appeal is brought by a motion filed in the office of the Provincial Court at the chief place of the judicial district of the domicile or establishment of the applicant and served on the

president within fifteen days following receipt by the applicant of the decision of the president.

341. 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.

The court must render its decision on the record transmitted to it by the president, after giving the parties the opportunity to be heard.

342. The court may also, in exceptional circumstances, and where required for the purposes of justice, authorize the presentation of additional documentary or oral evidence.

The application for an authorization is made by a written and sworn motion; it is presented to the court for adjudication after the adverse party is notified.

If the motion is granted, each party may examine and cross-examine the summoned witnesses and state his arguments.

343. The appeal does not suspend the execution of the decision of the president, unless the court orders otherwise. In order to determine whether or not to suspend execution of the decision, the court shall principally consider the interests of the consumer.

344. The court, in the manner it considers appropriate, shall notify the parties at least five days in advance, of the date, time and place where they may be heard.

345. 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, as the case may be, proceed *ex parte*, make the appropriate orders or even declare the appeal abandoned.

346. Every witness has 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*.

347. The court may confirm, amend or quash any decision submitted to it and render the decision that should have been rendered.

348. The judgment must be recorded in writing. Such writing shall contain, in addition to the conclusions, a statement of the reasons on which the judgment is based.

Certified
copies to
parties.

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

CHAPTER IV

REGULATIONS

Regulatory
powers.

350. The Government may make regulations

(a) determining the content and physical presentation and the terms and conditions of distribution or remittance of all contracts, statements of account or other documents contemplated by the laws and regulations the application of which is under the supervision of the Office;

(b) establishing models for contracts or other documents contemplated by the laws and regulations the application of which is under the supervision of the Office;

(c) determining 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) determining standards of quality, safety and warranty for goods or services;

(e) determining the rules respecting the terms and conditions of calculation and disclosure of the conditions of payment, the credit rate and credit charges in a contract, an example chart or another document or in advertising;

(f) identifying the contracts that, notwithstanding section 57, constitute contracts made by an itinerant merchant;

(g) determining the conditions of renewal or extension of credit, or those of credit resulting from a consolidation of debts;

(h) determining the content, the physical presentation and the position of signs required by this act;

(i) identifying the accessories of a used automobile or a used motorcycle that are not covered by the warranty established by this act;

(j) determining the work that does not constitute repairs within the meaning of this act;

(k) establishing standards regarding the content and physical presentation of an advertisement;

(l) determining the cases where security may be required, the form, terms and conditions 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;

(m) fixing the terms and conditions according to which the distance covered by an automobile before a new odometer is installed is to be indicated;

(n) determining the qualifications required of any person applying for a permit or the renewal of a permit, or in the case provided for in section 337, the transfer of a permit, the conditions he must fulfil, the information and documents he must furnish and the duties he must pay;

(o) determining standards, conditions and modes and procedures for the receipt and keeping of sums deposited in trust;

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

(q) exempting, on such conditions as it may determine, an advertisement from the application of section 248;

(r) exempting, in whole or in part, from the application of this act, any class of persons, goods, services or contracts that it determines.

Notice of
draft reg-
ulation.

351. No draft regulation may be adopted unless it is preceded by a notice of thirty days published in the *Gazette officielle du Québec*. Such prior notice must reproduce the text of the draft.

Coming
into force.

A regulation comes into force on the day of publication in the *Gazette officielle du Québec* of a notice stating that it has been approved by the Government, and, where amended by the latter, of the publication of its final text.

TITLE VI

TRANSITIONAL AND MISCELLANEOUS PROVISIONS

Minister
respon-
sible.

352. The Minister has charge of the carrying out of this act.

1971, c. 74,
replaced.

353. This act replaces the Consumer Protection Act (1971, chapter 74), except sections 84 to 88 of the act, which are repealed.

Interpre-
tation.

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

Director,
etc., of
Bureau.

355. The director, assistant director and other officers of the Bureau established by virtue of section 76 of the Consumer Protection Act replaced 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.

Permits
remain in
force.

356. 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 are renewed in accordance with this act.

Regula-
tions
remain in
force.

357. 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.

Proceed-
ings con-
tinued.

358. Proceedings instituted under the Consumer Protection Act are continued, as are contraventions to and prescriptions begun under the said act, and these, respectively, shall be prosecuted or are completed under the said act.

1968, c. 67,
s. 62*a*,
added.

359. The Private Education Act (1968, chapter 67) is amended by inserting after section 62, the following section:

Provisions
not to
apply.

“**62*a*.** Sections 59 to 62 do not apply to contracts governed by the Consumer Protection Act (1978, chapter 9).”

R.S.,
c. 231,
s. 23, am.

360. Section 23 of the Highway Code (Revised Statutes, 1964, chapter 231), amended by section 7 of chapter 35 of the statutes of 1976, is again amended:

(*a*) by inserting, at the end of the third paragraph of subsection 1, the following sentence: “Such security must also guarantee the execution of a judgment or of a transaction terminating a civil suit instituted under the Consumer Protection Act (1978, chapter 9) between a consumer and the holder of a licence.”;

(*b*) by replacing the fifth paragraph of subsection 1 by the following paragraph:

Termina-
tion of
security.

“No surety may terminate the security before the expiration or the cancellation of the licence.”

R.S.,
c. 231,
s. 26*a*,
added.

361. The said Code is amended by adding after section 26, the following section:

Licence
suspended
or
cancelled.

“**26*a*.** The director may, on the recommendation of the president of the Office de la protection du consommateur, suspend

or cancel the licence of a merchant who was found guilty of an offence under the Consumer Protection Act.”

Appropriations transferred.

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

Supplementary appropriations, etc.

Supplementary appropriations for the carrying out of this act for the fiscal year 1978/1979 and the appropriations for the fiscal year 1979/1980 shall be taken out of the consolidated revenue fund.

Subsequent appropriations.

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

Coming into force.

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

SCHEDULE 1

CANCELLATION FORM

(CONSUMER PROTECTION ACT, S. 58)

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 59 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)

SCHEDULE 2

NOTICE OF FORFEITURE OF BENEFIT OF THE TERM

(CONSUMER PROTECTION ACT, S. 105)

Date:
 (date on which notice 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.)
 (number of the contract if indicated)

made between them at
 (place where the contract was made)

on
 (date on which the contract was made)

and that the following payment(s) is(are) due:

\$ on
 (amount of payment) (date due)

\$ on
 (amount of payment) (date due)

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

Consequently, if the consumer does not remedy his default by paying the amount due within thirty days of receiving this notice, the balance of the total obligation, in the amount of \$ shall become payable at that time.

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.

Such motion must be served and filed in the office of the court within thirty days after the consumer receives this notice.

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 merchant)

.....
(signature of merchant)

SCHEDULE 3

CONTRACT FOR THE LOAN OF MONEY

(CONSUMER PROTECTION ACT, S. 115)

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)

.....
(number of permit of the merchant)

.....
(name of consumer)

.....

.....
(address of consumer)

- 1. Net capital \$.....
- 2. Interest \$.....
- 3. Insurance premiums — describe \$.....
- 4. Other components \$.....
- 5. Credit charges for the whole term
of the loan \$.....
- 6. Total obligation of the consumer \$.....
- 7. Credit rate _____%

The total obligation of the consumer 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)
 and a final payment of \$ on

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. 125)

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)

.....
(address of merchant)

.....

.....
(name of consumer)

.....

.....
(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 payment required for each period \$.....
- 5. The delay during which the consumer may discharge his obligation without being compelled to pay credit charges.....
- 6. The annual credit rate%

A table of examples of the credit charges



SCHEDULE 5

CONTRACT OF SALE BY INSTALMENT

(CONSUMER PROTECTION ACT, S. 134)

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) Installation, delivery and
other costs | \$ |
| 2. (a) Total cash price | \$ <u> </u> |
| (b) Down-payment | \$ |
| 3. (a) Balance — Net capital | \$ <u> </u> |
| (b) Interest | \$ |
| (c) Insurance premiums
— <i>describe</i> | \$ |
| (d) Other components | \$ |
| 4. Total credit charges for the whole
term of the contract | \$ <u> </u> |
| 5. Total obligation of the consumer | \$ <u> </u> |
| Credit rate |% |

The total obligation of the consumer is payable at
(address)
 in deferred payments of \$ on
(number)
 the day of each consecutive month from
 and a final payment of \$
(date on which the first payment is due)
 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 or on
yes (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. 139)

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.)
(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:

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

\$ on
(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 the amount of the total obligation and of the down-payment, 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. 150)

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) Installation, delivery and
other costs | \$..... |
| 2. (a) Total cash price | \$ _____ |
| (b) Down-payment | \$..... |
| 3. (a) Balance — Net capital | \$ _____ |
| (b) Interest | \$..... |
| (c) Insurance premiums | \$..... |
| — describe | \$..... |
| (d) Other components | \$..... |
| 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
(address)
 in deferred payments of \$ on the
(number)
 day of each consecutive month from and a final
(date when the first payment is due)
 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 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)

SCHEDULE 8

CANCELLATION FORM

(CONSUMER PROTECTION ACT, S. 190)

To:
(name of merchant)

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

Date:
(date of sending of this form)

By virtue of section 193 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)

SCHEDULE 9

CANCELLATION FORM

(CONSUMER PROTECTION ACT, S. 199)

To:
(name of merchant)

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

Date:
(date of sending of this form)

By virtue of section 204 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)

SCHEDULE 10

CANCELLATION FORM

(CONSUMER PROTECTION ACT, S. 208)

To:
(name of merchant)

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

Date:
(date of sending of this form)

By virtue of section 209 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)

CONSUMER PROTECTION ACT

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