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INFORMATION BULLETIN

June 30, 2016 2016-7

CHANGES TO VARIOUS MEASURES OF A FISCAL NATURE

This information bulletin is intended to make public changes to various measures that may affect individuals, businesses or certain bodies.

The changes are, in part, aimed at relaxing the distance standard imposed for certain tax credits related to obtaining medical care, and easing the terms and conditions for calculating the qualified labour expenditure limit for the purposes of the refundable tax credits for the production of multimedia titles.

The other changes, which concern, more particularly, certain categories of businesses or bodies, are generally aimed at improving the coherence and integrity of the tax system.

This bulletin also names the centres newly recognized as college centres for the transfer of technology, for the purposes of the refundable tax credit for technological adaptation services, or as eligible public research centres, for the purposes of the refundable R&D tax credit.

For information concerning the matters dealt with in this information bulletin, contact the Secteur du droit fiscal et des politiques locales et autochtones, at 418 691-2236.

The English and French versions of this bulletin are available on the Ministère des Finances website, at www.finances.gouv.qc.ca.

CHANGES TO VARIOUS MEASURES OF A FISCAL NATURE

1. RELAXATION OF THE DISTANCE STANDARD IMPOSED FOR CERTAIN TAX CREDITS RELATED TO OBTAINING MEDICAL CARE

Individuals who must incur substantial expenses to obtain specialized medical care available only in major urban centres may take advantage of certain tax relief measures, for which a minimum distance standard of 250 kilometres was established.

To take advantage of these measures, a physician must certify that the minimum distance standard regarding the availability of care is met.

Briefly, an individual may claim a non-refundable tax credit equal to 20% of the reasonable travel and lodging expenses paid by the individual to obtain medical care in Québec, for himself or herself or for a member of his or her household, that is not available within 250 kilometres of the locality where the individual resides. Where the person in respect of whom the expenses are paid is unable to travel unassisted, the reasonable travel and lodging expenses of the accompanying person may also be taken into consideration.

However, if the reasonable travel and lodging expenses are paid to enable a person to participate in an in vitro fertilization treatment at a centre for assisted procreation located in Québec, the individual may, subject to certain conditions, choose instead to include these expenses in the calculation of his or her expenses eligible for the refundable tax credit for the treatment of infertility.

An individual who moves to a location not more than 80 kilometres from a health establishment situated in Québec, to obtain medical care, at that health establishment, for himself or herself or for a member of his or her household that was not available in Québec within 250 kilometres of the locality in which the individual's former residence was situated may claim a non-refundable tax credit equal to 20% of the individual's moving expenses, if the medical care may reasonably be expected to last at least six months.

To facilitate access to these tax reliefs, the minimum distance standard will be lowered from 250 kilometres to 200 kilometres with respect to travel, lodging or moving expenses, as the case may be, that are incurred after the date of publication of this information bulletin.

2. EASING OF THE QUALIFIED LABOUR EXPENDITURE LIMIT FOR THE PURPOSES OF THE REFUNDABLE TAX CREDITS FOR THE PRODUCTION OF MULTIMEDIA TITLES

The refundable tax credits for the production of multimedia titles pertain to a corporation's qualified labour expenditure, to which a rate of 37.5%, 30% or 26.25% is applied depending on the category of multimedia titles produced by the corporation.

A corporation's qualified labour expenditure is generally comprised of the following items:

— the salaries or wages attributable to an eligible multimedia title that were incurred and paid by a corporation in respect of its eligible employees of an establishment situated in Québec for eligible production work relating to the multimedia title;

— the portion of the consideration paid by the corporation, under the terms of a contract, for eligible production work relating to the multimedia title that was carried out on its behalf in the year, to a subcontractor with which the corporation was not dealing at arm's length at the time the contract was entered into, that may reasonably be attributed to the salaries or wages attributable to the multimedia title that were incurred and paid by the subcontractor in respect of its eligible employees of an establishment situated in Québec;

— the aggregate of all amounts each of which is one-half of the portion of the consideration paid by the corporation, under the terms of a contract, for eligible production work relating to the eligible multimedia title, to a subcontractor with which the corporation was dealing at arm's length at the time the contract was entered into, that may reasonably be attributed to the eligible production work carried out on the corporation's behalf in the year by the employees of an establishment of the subcontractor situated in Québec.

Furthermore, a qualified labour expenditure incurred by a qualified corporation in a taxation year must be reduced by the amount of any government assistance, any non-government assistance, and any profit or benefit attributable to it, according to the usual rules.

As part of the budget speech of March 26, 2015,[1] the tax legislation was amended to provide that, subject to the exception described hereafter, the qualified labour expenditure in respect of an eligible employee may not exceed $100 000, calculated on an annual basis. Consequently, the maximum tax credit amount for a taxation year may not exceed $37 500, $30 000 or $26 250 annually, as the case may be, per eligible employee.

This limit is applicable in the calculation of the tax credit that may be claimed by a corporation for a taxation year in respect of each eligible employee of the corporation or of a subcontractor with which the corporation was not dealing at arm's length at the time the subcontract was entered into.

However, for a taxation year of a corporation, the $100 000 limit does not apply to a qualified labour expenditure incurred in the year and paid in respect of an eligible employee of the corporation or of a subcontractor with which the corporation was not dealing at arm's length, up to the number of such eligible employees to whom the highest qualified labour expenditures are attributable, which corresponds to 20% of the total number of such eligible employees (hereinafter the "first 20% exclusion rule").

Where applicable, the $100 000 limit is calculated, according to the usual rules, in proportion to the number of days in a taxation year or fiscal period, as the case may be, of the corporation or of a subcontractor with which the corporation is not dealing at arm's length, during which an employee of the corporation or subcontractor is an eligible employee of an establishment situated in Québec carrying out eligible production work relating to an eligible multimedia title.

However, in certain situations, the concomitant application of the proportional calculation and the first 20% exclusion rule means that a qualified corporation cannot optimize the available tax assistance within the context of the introduction of the $100 000 limit.

[1] MINISTÈRE DES FINANCES DU QUÉBEC, *Budget 2015-2016 – Additional Information 2015-2016*, March 26, 2015, pp. A.79-A.80.

❑ Easing of the first 20% exclusion rule

Consequently, the first 20% exclusion rule will be eased to allow a qualified corporation to elect to exclude a qualified labour expenditure from the application of the $100 000 limit.[2] By making such an election, the corporation prevents the first 20% exclusion rule from applying.

Thus, the $100 000 limit will not apply to a qualified labour expenditure incurred in the year and paid in respect of an eligible employee of the corporation or of a subcontractor with which the corporation was not dealing at arm's length, where the corporation so elects for the year on the prescribed form, with regard to the eligible employee. However, the number of such eligible employees covered by the election may not exceed 20% of the total number of such eligible employees.

For greater clarity, the $100 000 limit will apply to any qualified labour expenditure incurred in the year and paid in respect of an eligible employee of the corporation or of a subcontractor with which the corporation was not dealing at arm's length who is not covered by the election.

In the absence of an election by the corporation, the first 20% exclusion rule will continue to apply.

The amendment to the tax legislation will apply to a qualified labour expenditure incurred after March 26, 2015 or to a qualified labour expenditure incurred under a contract entered into after March 26, 2015, as the case may be.

3. ADJUSTMENT OF THE NOTIONS OF CONTRIBUTIONS, EXPENSES, FEES AND OTHER SIMILAR AMOUNTS FOR THE APPLICATION OF REFUNDABLE TAX CREDITS FOR BUSINESSES

According to the tax legislation, a disbursement or an expense may only be deducted in the computation of income if the disbursement or expense is reasonable under the circumstances.

Similarly, the tax legislation stipulates that an amount in respect of which a taxpayer may benefit from certain refundable tax credits intended for businesses must be reasonable in order to give rise to entitlement to such tax credits.

However, the tax legislation is not uniform in this respect and, while such a requirement is an integral part of the fiscal policy that underpins this type of tax measure, the legislative provisions respecting certain refundable tax credits intended for businesses do not include this requirement.

In this context, the tax legislation will be amended to incorporate an across-the-board provision for all refundable tax credits intended for businesses that stipulates that contributions, expenses, fees and any other amount of this type must be reasonable under the circumstances in order to give rise to entitlement to such tax credits.

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[2] A reference to the $100 000 limit includes a reference to a lower limit, due to the application of the proportional calculation.

The amendment will apply to a contribution, expense, fee or any other amount of this type for the application of refundable tax credits intended for businesses that is incurred for a taxation year or a fiscal year, as the case may be, that ends after the date of publication of this information bulletin.

For greater clarity, consequential amendments will be made to the tax legislation so that this new across-the-board provision replaces each of the provisions that now stipulate this requirement and that apply specifically to certain tax credits.

4. MODIFICATION OF THE NOTION OF AN EXPENSE FOR THE APPLICATION OF REFUNDABLE TAX CREDITS

Québec tax legislation contains several tax incentive measures that take the form of refundable tax credits, which seek, in particular, to promote job creation and generate economic spinoff for Québec.

Moreover, the tax assistance granted by such tax credits usually focuses on the salaries paid to employees who pursue activities that the government intends to promote.

An across-the-board provision stipulates that a salary that is incurred in a taxation year and remains unpaid on the 180th day following the end of the year is deemed to be incurred in the taxation year during which it was actually paid.[3]

That being the case, the tax legislation ensures that such an expense unpaid within that time limit may not give rise to entitlement to a refundable tax credit since the expense would be deemed to be incurred in a year other than that in respect of which the activity was carried out.

To offset this situation, the tax legislation will be amended such that this presumption is no longer considered for the application of refundable tax credits or the application of non-refundable tax credits pertaining to the development of e-business and international financial centres.[4]

This amendment will apply to an expense incurred for a taxation year that ends after the date of publication of this information bulletin.

5. REDUCTION OF THE TAX RATE APPLICABLE TO SPECIFIED TRUSTS ON THEIR PROPERTY INCOME FROM THE RENTAL OF SPECIFIED IMMOVABLES

An inter-vivos trust that has not resided in Canada at any time in a taxation year and that is not tax exempt (hereinafter referred to as “specified trust”) is obliged to pay tax on its property income drawn from the rental of an immovable property located in Québec and used principally for the purpose of earning or producing gross revenue that constitutes a rent (hereinafter referred to as “specified immovable”).[5]

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3 *Taxation Act*, s. 482.

4 MINISTÈRE DES FINANCES DU QUÉBEC, *Budget 2015-2016 – Additional Information 2015-2016*, March 26, 2015, pp. A.83-A.84 and pp. A.97-A.100, respectively.

5 Such tax is stipulated in Part III.18 of the *Taxation Act.*

The applicable rate to calculate such tax was initially set at 5.3% so that the combined tax rates of the federal and Québec systems does not exceed that applicable to an inter-vivos trust that resides in Québec. It was raised to 7.05% following the increase in the rate applicable to the calculation of the Québec tax payable by an inter-vivos trust.[6]

On December 7, 2015, the Minister of Finance of Canada made public, by way of a news release[7], a proposal to create a new top personal income tax rate of 33%. As a result, the federal tax rate for trusts subject to flat top-rate taxation was raised from 29% to 33% for the 2016 taxation year and subsequent years.

To take into account the effects of this change on the taxation of trusts in the federal tax system, the tax rate to which specified trusts are subject with respect to their property income from the rental of specified immovables will be reduced to 4.47% as of the 2016 taxation year.

6. CLARIFICATIONS CONCERNING THE FARM PROPERTY TAX CREDIT PROGRAM

As part of Budget Speech 2016-2017, various changes were announced to the farm property tax credit program, which is currently administered by the Ministère de l'Agriculture, des Pêcheries et de l'Alimentation.[8]

This program, which will be greatly simplified from an application standpoint, will be incorporated into the *Act respecting municipal taxation* and administered by Revenu Québec as of January 1, 2017.

Briefly, as announced, the eligibility conditions for the farm property tax credit program will be reduced from five to two and will refer solely to the agricultural operation's registration with the Ministère de l'Agriculture, des Pêcheries et de l'Alimentation and its location. The calculation of the tax credit will also be simplified, in that a single rate will be applied to qualified property taxes and compensations for municipal services in respect of an immovable forming part of an agricultural operation.

As they currently do, local municipalities will deduct, from an account of property taxes or compensations for municipal services imposed for the fiscal year in respect of an assessment unit including an immovable forming part of a registered agricultural operation, a tax credit equal to the result obtained by applying the tax credit rate fixed for that fiscal year to the amount of qualified property taxes and compensations for municipal services.

Revenu Québec will pay to local municipalities an amount equal to the farm property tax credits they deducted from accounts of property taxes or compensations for municipal services.

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6 MINISTÈRE DES FINANCES ET DE L'ÉCONOMIE, *Budget Plan – Budget 2013-2014*, November 20, 2012, pp. H.8-H.9.

7 DEPARTMENT OF FINANCE CANADA, *News Release 2015-086: Government of Canada Announces Tax Cut to Strengthen the Middle Class,* December 7, 2015, www.fin.gc.ca/n15/15-086-eng.asp. A bill to implement, among other things, this amendment concerning the tax rate applicable to trusts was tabled on December 9, 2015 in the House of Commons (Bill C-2, the *Act to amend the Income Tax Act*).

8 MINISTÈRE DES FINANCES DU QUÉBEC, *Budget 2016-2017 – Additional Information 2016-2017*, March 17, 2016, pp. A.100-A.105.

Although the Ministère de l'Agriculture, des Pêcheries et de l'Alimentation is no longer responsible for administering the new farm property tax credit program, it will still play a prominent role in its application.

For example, it will continue to receive farm property tax credit applications and send, before the start of a particular fiscal year, to all local municipalities whose assessment roll includes an immovable belonging to a registered agricultural operation, the list of immovables in respect of which a farm property tax credit may be granted for the particular fiscal year.

Legislative amendments will therefore be made to provide that the Ministère de l'Agriculture, des Pêcheries et de l'Alimentation must provide Revenu Québec with all information that may be necessary in administering the new farm property tax credit program.

To simplify the transition to the new farm property tax credit program, it was announced that, if a local municipality transmits, after December 31, 2016, a complementary or supplementary tax account relating to a fiscal year ended before January 1, 2017, in respect of an assessment unit including an immovable forming part of an agricultural operation for which a farm property tax credit could be granted before the revision of the program, the amount that the local municipality must deduct from the complementary or supplementary tax account on account of the tax credit will be equal to the result obtained by applying a rate of 78% to the amount of qualified property taxes[9] and, if applicable, qualified compensations for municipal services.

To greatly facilitate the identification of assessment units for which a farm property tax credit could be granted before the revision of the program, a local municipality will be obliged to deduct a tax credit from a complementary or supplementary tax account relating to a particular fiscal year ended before January 1, 2017 that it intends to transmit in respect of an assessment unit including an immovable forming part of a registered agricultural operation, solely if the unit is registered for the particular fiscal year on the list sent to the local municipality for that purpose by the Minister of Agriculture, Fisheries and Food.

7. INTRODUCTION OF A RESIDENCY REQUIREMENT FOR THE PURPOSES OF THE REBATE OF THE QUÉBEC SALES TAX TO PUBLIC SERVICE BODIES

The Québec sales tax (QST) system provides, like the harmonized sales tax (HST) system, that most public service bodies (PSBs)[10] may claim a partial rebate of the tax paid on property and services acquired in the course of their exempt activities. However, contrary to the HST system, the Québec taxation system does not require that the PSBs reside in the province to be entitled to the partial tax rebate.

9 For greater clarity, school property taxes must not be included in the calculation of qualified property taxes.

10 The bodies referred to are essentially charities, non-profit organizations at least 40% of whose funding is from a government or a municipality, non-profit school authorities, public colleges and universities, hospital authorities and municipalities.

This means that PSBs from the other provinces that acquire and consume property and services in Québec can usually obtain a partial rebate of the QST paid on such property and services even if they do not reside in Québec and do not engage in any activity there, while Québec PSBs that acquire and consume property and services in the provinces that participate in the HST system are not entitled to the rebate of the provincial component of the tax since they do not meet the residency requirement in a HST province.

The QST system will thus be modified to introduce a residency requirement in Québec for the purposes of the partial rebate of the tax to PSBs, as is the case under the HST system with which it is generally harmonized.

This modification will apply to a claim for a rebate pertaining to a period beginning after the date of publication of this information bulletin.

8. AMENDMENTS TO THE *MINING TAX ACT*

Pursuant to the *Mining Tax Act*, an operator must pay, for a fiscal year, mining duties corresponding to the higher of its mining tax on its annual profit and its minimum mining tax for the fiscal year.

To calculate the mining tax on its annual profit, for a fiscal year, an operator must determine its annual profit, for the fiscal year, taking into account all annual earnings from each mine that it operates, for the fiscal year, from which are subtracted expenses and allowances, including those attributable to exploration work.[11] In this respect, the amount that an eligible operator may deduct in the calculation of its annual profit, for a fiscal year, as an exploration allowance is not, contrary to the amount that an operator other than an eligible operator may deduct, limited on the basis of its annual profit for the fiscal year.

An operator must determine its annual earnings according to a “mine-by-mine” approach and its annual earnings in respect of a mine that it operates may not be negative. However, if the operator is an eligible operator, for a fiscal year, it is deemed to operate only one mine and its annual earnings, for the fiscal year, may be negative.

Briefly, the annual earnings of an operator in respect of a mine that it operates, for a fiscal year, corresponds to the portion of its gross value of annual output attributable to the operation of the mine, for the fiscal year, from which is subtracted an array of expenses and allowances stemming from its mining operation, including the depreciation allowance and the processing allowance.

The gross value of annual output of an operator is the value of the mineral substances and, as the case may be, processing products from its mining operation. The *Mining Tax Act* stipulates different methods to establish this value, such as the market price of the mineral substances and, as the case may be, the processing products at the time of their use or their alienation and the amount received or receivable as consideration for their alienation. To determine its gross value of annual output for a fiscal year, an operator is obliged to use the same method as the one used for the preceding fiscal year unless the operator obtains the authorization of the Minister of Revenue and under the conditions that the latter determines.

[11] To calculate the mining tax on its annual profit, an operator must apply rate of 16%, 22% and 28% to a segment of its annual profit determined according to its profit margin for the fiscal year.

When an operator changes the method of determining its gross value of annual output, for a fiscal year, an amount must be added or subtracted, as the case may be, in the calculation of the operator's annual earnings in respect of a mine that it operates in order to take into account the change of method. The adjustment corresponds to the difference between the amount that the portion of the operator's gross value of annual output attributable to the mine would represent for the preceding fiscal year, if such value had been established according to the new method adopted by the operator for the fiscal year, and the portion of the operator's gross value of annual output attributable to the mine for the preceding fiscal year.

It may also be necessary to make an adjustment in computing the annual earnings of an operator from a mine that it operates, for a fiscal year, pertaining to the value of gemstones from the mine. Accordingly, if particular gemstones from the mine have not been mixed with other gemstones, if the operator alienates the particular gemstones in a given fiscal year in favour of a person to whom the operator is not related and if the value of the particular gemstones was taken into consideration in determining the gross value of the operator's annual output for a preceding fiscal year, an amount corresponding to the difference between the amount received or receivable as consideration for that alienation and the value of such gemstones taken into account for the preceding fiscal year must be added or subtracted, as the case may be, from the operator's annual earnings from the mine for the given fiscal year.

When an operator records an annual loss rather than an annual profit, for a fiscal year, it may obtain, for this fiscal year, a refundable duties credit for losses. The credit is calculated at a rate of 16%. In the case of an operator, other than an eligible operator, it is calculated on the lesser of its adjusted annual loss,[12] for the fiscal year, and pre-production development expenses incurred, for the fiscal year, without exceeding the amount it deducts, for the fiscal year, as a pre-production development allowance. In the case of an eligible operator, it is calculated on the lesser of its adjusted annual loss, for the fiscal year, and the total of the pre-production development expenses incurred for the fiscal year, without exceeding the amount it deducts, for this fiscal year, as a pre-production development allowance, and half of the amount of the exploration expenses incurred for the fiscal year, without exceeding the amount it deducts, for the fiscal year, as an exploration allowance.

An operator's minimum mining tax, for a fiscal year, is calculated on the mine-mouth output value for all of the mines that it operates, for the fiscal year.[13]

Briefly, an operator's mine-mouth output value in respect of a mine that it operates, for a fiscal year, corresponds to the portion of the gross value of annual output attributable to the mine, for the fiscal year, from which are subtracted the expenses and allowances aimed at establishing the value of the mineral substance from the mine once extracted from Québec soil but before the operator processes it.

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12 The adjusted annual loss of an operator, for a fiscal year, corresponds to its annual loss, for the fiscal year, reduced by the lesser of the processing allowance from which the operator may benefit, for this fiscal year, if the allowance was calculated solely according to the limit based on the capital cost of each property that is a processing asset, and 75% of its annual loss for the fiscal year.

13 A 1% tax rate applies to the first $80 million of mine-mouth output value in respect of all of the mines that its operates and a rate of 4% applies to the surplus.

To determine the operator's mine-mouth output value in respect of a mine it operates, an operator must also add or subtract, as the case may be, the amount that it must add or subtract in the calculation of its annual earnings in respect of the mine as the adjustment pertaining to the change of method used to establish its gross value of annual output and the amount that it must add or subtract as the adjustment pertaining to the value of the gemstones from the mine.

In addition, the *Mining Tax Act* contains a presumption that the operator's mine-mouth output value, for a fiscal year, in respect of a mine that it operates is deemed to be equivalent to 10% of the portion of the gross value of the operator's annual output, for the fiscal year, which is attributable to the mine, if the operator's mine-mouth output value is less than 10% of such portion (hereinafter referred to as the "deemed mine-mouth output value").

An eligible operator, for a fiscal year, is an operator that, at the end of the fiscal year, is not developing any mineral substance in reasonable commercial quantities, and, during the fiscal year, is not associated with an entity that develops a mineral substance in reasonable commercial quantities in the fiscal year. Furthermore, considering the benefits stemming from the qualification as an eligible operator and given that such benefits are granted for a fiscal year, there is good reason to modify the definition of the expression "eligible operator" in order to demand that the conditions of the definition be satisfied throughout a fiscal year.

Moreover, the amount that must be added or subtracted, as the case may be, as an adjustment pertaining to the change of the method use to establish the gross value of an operator's annual output, for a fiscal year, seeks to ensure that the impact of such a change of method, for the fiscal year, does not give rise to an inappropriate calculation of the operator's annual earnings and its mine-mouth output value in respect of a mine it operates, for this fiscal year. Similarly, the amount that must be added or subtracted, as the case may be, as an adjustment pertaining to the value of gemstones ensures that the mining tax that an operator must pay in respect of the gemstones is calculated taking into account, when the conditions stipulated by the *Mining Tax Act* are satisfied, their market value at the time of their alienation.

Since these adjustments focus on the determination of the value of mineral substances and, as the case may be, processing products, they should also be taken into account to calculate the operator's deemed mine-mouth output value in respect of a mine that it operates, for a fiscal year, when the operator's mine-mouth output value in respect of the mine calculated regardless of the presumption, for the fiscal year, is less than its deemed mine-mouth output value in respect of the mine, for the fiscal year. Thus, the *Mining Tax Act* will be amended accordingly.

❑ Modification of the definition of the expression "eligible operator"

The definition of the expression "eligible operator" for the application of the *Mining Tax Act* will be amended such that an operator is an eligible operator, for a fiscal year, if it satisfies the following conditions:

— during the fiscal year, it does not develop any mineral substance in reasonable commercial quantities; and

— during the fiscal year, it is not associated with an entity that develops a mineral substance in reasonable commercial quantities in the fiscal year.

This amendment will apply to an operator for a fiscal year that begins after the date of publication of this information bulletin.

❑ Recognition of the adjustments to calculate the operator's deemed mine-mouth output value

The *Mining Tax Act* will be amended such that an operator's mine-mouth output value, for a fiscal year, in respect of a mine that it operates, may not in any case be less than 10% of the amount determined by the following formula:

A – B

In this formula, the letter A is the aggregate of the following amounts:

— the portion of the gross value of the operator's annual output for the fiscal year that is reasonably attributable to the operation of the mine;

— if, for the purpose of determining the gross value of the operator's annual output for the fiscal year, the Minister authorizes the use of a method for the fiscal year that differs from the method used by the operator for the preceding fiscal year, the amount, if any, by which the amount that would be the portion of the gross value of annual output for the preceding fiscal year that is reasonably attributable to the operation of the mine if that value had been determined according to the method used by the operator to determine the gross value of annual output for the fiscal year, exceeds the amount that is the portion of the gross value of annual output for the preceding fiscal year that is reasonably attributable to the operation of the mine;[14]

— if particular gemstones from the mine have not been mixed with other gemstones, if the operator alienates those particular gemstones in the fiscal year in favour of a person to whom the operator is not related at the time of the alienation and if the value of the particular gemstones was taken into consideration in determining the gross value of the operator's annual output for a preceding fiscal year, the amount, if any, by which the amount received or receivable as consideration for that alienation exceeds the value taken into consideration.[15]

[14] This amount will correspond to the amount that is included, where applicable, in the operator's computation of mine-mouth output value pursuant to subparagraph (b) of paragraph (1) of the second subsection of section 8.1.1 of the *Mining Tax Act,* for the fiscal year in respect of the mine.

[15] This amount will correspond to the amount that is included, where applicable, in the operator's computation of mine-mouth output value pursuant to subparagraph (c) of paragraph (1) of the second subsection of section 8.1.1 of the *Mining Tax Act,* for the fiscal year in respect of the mine.

In this formula, the letter B is the aggregate of the following amounts:

— if, for the purpose of determining the gross value of the operator's annual output for the fiscal year, the Minister authorizes the use of a method for the fiscal year that differs from the method used by the operator for the preceding fiscal year, the amount, if any, by which the amount that is the portion of the gross value of the operator's annual output for the preceding fiscal year that is reasonably attributable to the operation of the mine exceeds the amount that would be the portion of the gross value of the operator's annual output for the preceding fiscal year that is reasonably attributable to the operation of the mine if that value had been determined using the method used by the operator to determine the gross value of the annual output for the fiscal year;[16]

— if particular gemstones from the mine have not been mixed with other gemstones, if the operator alienates those particular gemstones in the fiscal year in favour of a person to whom the operator is not related at the time of the alienation and if the value of the particular gemstones was taken into consideration in determining the gross value of the operator's annual output for a preceding fiscal year, the amount, if any, by which the value thus taken into consideration exceeds the amount received or receivable as consideration for that alienation.[17]

Accordingly, if the result of the operator's computation of mine-mouth output value, for a fiscal year, in respect of a mine that it operates is less than 10% of the amount determined by the foregoing formula in respect of the mine for the fiscal year, the operator's mine-mouth output value in respect of the mine for the fiscal year will be deemed to be equivalent to 10% of the amount determined by the application of this formula in respect of this mine for this fiscal year.

This amendment will apply to an operator for a fiscal year that begins after the date of publication of this information bulletin.

It may also apply to an operator for a fiscal year that begins before the day following the date of publication of this information bulletin, where the operator files an election with the Minister of Revenue not later than December 31, 2016.

9. MODIFICATION OF THE CONCEPT OF TAXABLE QUÉBEC PROPERTY

Any corporation that does not maintain in Québec an establishment at any time in a taxation year, does not reside in Canada and alienates in a taxation year taxable Québec property must pay tax in Québec on certain amounts including its taxable capital gains stemming from the alienation of such property.

In the case of such a corporation, a taxable Québec property has the meaning assigned by Part II of the *Taxation Act* (hereinafter referred to as "the Act") and, what is more, includes the following property:

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16 This amount will correspond to the amount that is deducted, where applicable, in the operator's computation of mine-mouth output value pursuant to subparagraph (f) of paragraph (2) of the second subsection of section 8.1.1 of the *Mining Tax Act,* for the fiscal year in respect of the mine.

17 This amount will correspond to the amount that is deducted, where applicable, in the operator's computation of mine-mouth output value pursuant to subparagraph (g) of paragraph (2) of the second subsection of section 8.1.1 of the *Mining Tax Act,* for the fiscal year in respect of the mine.

- a Québec resource property within the meaning in the Act and the *Regulation respecting the Taxation Act* (hereinafter referred to as "the Regulation");

- a timber resource property situated in Québec, including at any particular time an interest therein and an option in respect thereof.

For the application of Part II of the Act, a taxable Québec property of a taxpayer at a given time in a taxation year refers, in particular, to the following property:[18]

- a share of the capital stock of a corporation, other than a mutual fund corporation, which is not listed on a designated stock exchange, an interest in a partnership or an interest in a trust, other than a unit of a mutual fund trust or an income interest in a trust that resides in Canada, if, at any time during the period of 60 months ending at the given time, more than 50% of the fair market value of the share or interest, as the case may be, stems directly or indirectly[19] from any of the property indicated below (hereinafter called "prescribed property") or a combination of the prescribed properties:

  - immovable property located in Québec;

  - a Canadian resource property;

  - a timber resource property;

  - a right in one of the aforementioned prescribed properties or an option on such property, even if the property does not exist;

- a share of the capital stock of a corporation that is listed on a designated stock exchange, a share of the capital stock of a mutual fund corporation or a unit of a mutual fund trust if, at any time during the period of 60 months ending at the given time, the following conditions are fulfilled:

  - at least 25% of the shares issued in any class of shares of the capital stock of the corporation or at least 25% of the units issued by the trust, as the case may be, belonged to the taxpayer, to other persons with whom the taxpayer had a non-arm's-length relationship, or to partnerships in which the taxpayer or a person with whom he had a non-arm's-length relationship holds an interest directly or indirectly through one or more partnerships,[20] or to a combination of this taxpayer and these other persons or partnerships;

  - more than 50% of the fair market value of the share or the unit, as the case may be, stems directly or indirectly from one of the prescribed properties or a combination of prescribed properties.

Briefly, a Canadian resource property is a property related to exploration or drilling for or the extraction of oil, natural gas or other hydrocarbons from a well located in Canada.

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18 Including a right in or an option in respect of the property, even if the property does not exist at that time.

19 Other than through the intermediary of a corporation whose shares are not themselves taxable Québec property or of a partnership or a trust in which the interests, as the case may be, are not themselves taxable Québec property.

20 MINISTÈRE DES FINANCES DU QUÉBEC, *Information Bulletin 2015-4*, June 18, 2015, p. 11. The Act will be amended to incorporate a measure pertaining to the definition of a "taxable Canadian property."

Briefly, a timber resource property is a right or a permit to cut or harvest wood on a concession or a territory located in Canada.

Accordingly, subject to the rules described earlier, a share of the capital stock of a corporation, an interest in a partnership, an interest in a trust or a unit of a mutual fund trust may be a taxable Québec property at a given time if at any time during the period of 60 months ending at the given time, more than 50% of the fair market value of the share, the interest or the unit, as the case may be, stems directly or indirectly from prescribed property that is a Canadian resource property or a timber resource property despite the prescribed property's having no connection with Québec.

To remedy this situation, the Act will be amended such that for the purposes of the definition of "taxable Québec property" stipulated in Part II of the Act, the prescribed property is the following property:

- immovable property located in Québec;
- a Québec resource property;
- a Québec timber resource property;
- a right in one of the aforementioned prescribed properties or an option on such property, even if the property does not exist.

The expressions "Québec resource property" and "Québec timber resource property" will be defined respectively as they are now defined for the application of subparagraphs (d) and (e) of the first paragraph of section 1089 of the Act, according to sections 1089R15 and 1089R16 of the Regulation.

These amendments will be declaratory.

10. RECOGNITION OF NEW CENTRES AS COLLEGE CENTRES FOR THE TRANSFER OF TECHNOLOGY AND ELIGIBLE PUBLIC RESEARCH CENTRES

A refundable tax credit for technological adaptation services calculated at the 40% rate is granted to a corporation that operates a business in Québec and maintains there an establishment related to eligible liaison and transfer services that are carried out on its behalf by a recognized college center for the transfer of technology (CCTT).

Furthermore, a taxpayer who operates a business in Canada may obtain a refundable scientific research and experimental development tax credit (R&D) at the rate of 14% in respect of R&D when it is conducted on his behalf in Québec by an eligible public research centre under an eligible research contract that the taxpayer has concluded with such a centre. The rate of 14% may be increased to 30% in the case of a corporation that qualifies for it.[21]

[21] Briefly, such a corporation is not controlled directly or indirectly in any way whatsoever by one or more persons not residing in Canada and whose assets, bearing in mind the assets of associated companies, are less than $75 million for the preceding fiscal year. More specifically, when such assets are $50 million or less, the rate is 30%, which is subject to a linear rate reduction to 14% when the assets range from $50 million to $75 million. The increased rate applies solely to the first $3 million in eligible R&D expenses.

However, no tax assistance is granted in respect of the R&D expenses that are otherwise eligible of a taxpayer or a partnership that fall below the threshold applicable to the taxpayer or the partnership for a taxation year or a fiscal year, as the case may be. In short, the threshold corresponds to $50 000 that increases in a linear manner to $225 000 when the assets of the taxpayer or the partnership, as the case may be, vary between $50 million and $75 million.

It is incumbent upon the Minister of Finance to recognize a research centre as an eligible public research centre for the application of the refundable R&D tax credit.

Starting July 1, 2016, the Ministère de l'Économie, de la Science et de l'Innovation will assume this responsibility.[22]

To promote support for businesses pursuing innovation projects, the *Regulation respecting the Taxation Act* will be amended such that four new centres are recognized.

More specifically, the Cégep régional de Lanaudière in regard of its Centre INÉDI – Expertise et recherche en design industriel will be recognized as a CCTT for the application of the refundable tax credit for technological adaptation services and as an eligible public research centre for the application of the refundable R&D tax credit.

Such recognition will apply to eligible expenses incurred after October 20, 2015 pursuant to a contract concluded after this date pertaining to work carried out after this date.

The Centre TOPMED – Centre collégial de transfert de technologie en orthèses, prothèses et équipements médicaux will be recognized as a CCTT for the application of the refundable tax credit for technological adaptation services and as an eligible public research centre for the application of the refundable R&D tax credit.

Such recognition will apply to eligible expenses incurred after October 31, 2015 pursuant to a contract concluded after this date pertaining to work carried out after this date.

The Centre Vestechpro – Centre de recherche et d'innovation en habillement will be recognized as a CCTT for the application of the refundable tax credit for technological adaptation services and as an eligible public research centre for the application of the refundable R&D tax credit.

Such recognition will apply to eligible expenses incurred after November 22, 2015 pursuant to a contract concluded after this date pertaining to work carried out after this date.

The Centre Trans Bio Tech – Centre de recherche et de transfert en biotechnologie will be recognized as an eligible public research centre for the application of the refundable R&D tax credit.

Such recognition will apply to eligible expenses incurred after November 23, 2015 pursuant to a contract concluded after this date pertaining to work carried out after this date.

Lastly, the Institut du véhicule innovant will be recognized as a CCTT for the application of the refundable tax credit for technological adaptation services and as an eligible public research centre for the application of the refundable R&D tax credit.

Such recognition will apply to eligible expenses incurred after October 31, 2015 pursuant to a contract concluded after this date pertaining to work carried out after this date.

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22 MINISTÈRE DES FINANCES DU QUÉBEC, *Information Bulletin 2015-8*, December 18, 2015, pp. 8-10.

The Institut du véhicule innovant is the continuation of the CCTT formerly known as the Institut de transport avancé du Québec at the Cégep de Saint-Jérôme.

What is more, the recognition of the Cégep de Saint-Jérôme's Institut de transport avancé du Québec as a CCTT for the application of the refundable tax credit for technological adaptation services and as an eligible public research centre for the application of the refundable R&D tax credit has been rendered null and void because of the recognition of the Institut du véhicule innovant. Consequently, this recognition will be withdrawn from the *Regulation respecting the Taxation Act* concomitantly with the recognition of the Institut du véhicule innovant.

11. CHANGES TO CERTAIN TERMS OF APPLICATION OF THE INVESTMENT REQUIREMENT OF LABOUR-SPONSORED FUNDS

Since the creation of the Fonds de solidarité FTQ and Fondaction, le Fonds de développement de la Confédération des syndicats nationaux pour la coopération et l'emploi, the government has supported their growth by granting a non-refundable tax credit to individuals who become shareholders of these labour-sponsored funds.

Since the financing of these funds is facilitated by the granting of a tax benefit, an investment requirement was included in their incorporating statutes to ensure, in particular, that the funds collected are used as a financing tool contributing to the development of Québec entities.

In accordance with this requirement, the eligible investments of each of these funds for a fiscal year must represent, on average, at least 62%[23] of their average net assets for the preceding fiscal year.

If their investment requirement is not satisfied for a particular fiscal year, labour-sponsored funds are systematically limited in their capacity to issue shares during the following fiscal year.

Over the years, various amendments have been made to the incorporating statutes of labour-sponsored funds, in order to reflect the importance of the role played by these funds in the Québec economy. A number of the amendments were intended to better adapt the list of eligible investments of labour-sponsored funds to the capital requirements of Québec enterprises.

Briefly, for the purposes of the investment requirement, eligible investments of labour-sponsored funds are investments that entail no security or hypothec and consist in, for example, investments in eligible Québec enterprises, investments in certain new or substantially renovated income-producing immovables, investments in major projects with a structuring effect on the Québec economy, strategic investments made in accordance with an investment policy approved by the Minister of Finance, and investments made in certain local venture capital funds established and managed in Québec.

[23] This percentage must, for each fiscal year beginning after May 31, 2017, increase by one percentage point until it reaches 65%.

❑ Investment requirement of the Fonds de solidarité FTQ

The Fonds de solidarité FTQ invests primarily in development capital and divides its investment portfolio among various sectors of the economy. While emphasizing the so-called traditional economic sectors, it invests in sectors of the new economy, such as information and telecommunications technologies and life sciences. It also contributes to the capitalization of numerous venture capital funds and the development of specific projects, particularly in partnership with the government.

To bolster its actions in the Québec economy, the Fonds de solidarité FTQ prepared a strategic plan aimed primarily at increased support for innovation, Québec companies listed on the stock exchange and certain sectors of excellence (aerospace, agrifood, forest products and life sciences), as well as at development of socio-economic infrastructure.

The government supported that initiative by announcing, as part of Budget Speech 2016-2017, that strategic investments by the Fonds de solidarité FTQ in enterprises whose assets are less than $500 million or whose net equity is not over $200 million could represent, for the purposes of its investment requirement for a particular fiscal year, up to 17.5% of its net assets at the end of the preceding fiscal year, provided the investments are made in accordance with an investment policy approved by the Minister of Finance.[24]

To facilitate the implementation of the Fonds de solidarité FTQ's strategic plan, amendments will be made to the *Act to establish the Fonds de solidarité des travailleurs du Québec (F.T.Q.)*, hereinafter the "Fonds FTQ incorporating statute." These amendments will make it possible to, among other things, allow for the possibility of certain strategic investments being made on the stock market and to better take account of the different investment vehicles available.

■ Redefinition of the strategic investment category

The list of eligible investments for the purposes of the investment requirement of the Fonds de solidarité FTQ will be changed to recognize, as strategic investments, certain investments made otherwise than as first purchaser for the acquisition of securities.

More specifically, the Fonds FTQ incorporating statute will be amended to provide that, for a fiscal year beginning after May 31, 2016, will be considered eligible investments, for the purposes of the investment requirement, investments that entail no security or hypothec and consist in:

— strategic investments made by the fund after March 11, 2003, and before June 23, 2016, in accordance with an investment policy adopted by the board of directors of the fund and approved by the Minister of Finance, in an enterprise whose assets are less than $500 million or whose net equity is not over $200 million;

[24] MINISTÈRE DES FINANCES DU QUÉBEC, *Budget 2016-2017 – Additional Information 2016-2017*, March 17, 2016, pp. A.91-A.92.

— strategic investments made by the fund after June 22, 2016, in accordance with an investment policy adopted by the board of directors of the fund and approved by the Minister of Finance after the date of publication of this information bulletin, in enterprises whose assets are less than $500 million or whose net equity is not over $200 million, or otherwise than as first purchaser[25] for the acquisition of securities issued by enterprises that have such assets or net equity.

However, for a fiscal year beginning after May 31, 2016, the aggregate of these strategic investments may not exceed 17.5% of the Fonds FTQ's net assets at the end of the preceding fiscal year.

For greater clarity, strategic investments that the Fonds de solidarité FTQ has agreed to make, for which it has committed but not yet disbursed sums at the end of a particular fiscal year, may be included in the aggregate investments that will be deemed to have been made by the fund; however, for a particular fiscal year, the aggregate of those deemed investments may not exceed 12% of the fund's net assets at the end of the preceding fiscal year.

■ Validity of an investment policy

The Fonds FTQ incorporating statute will be amended to stipulate that any approval of an investment policy relative to strategic investments, by the Minister of Finance after the date of publication of this information bulletin, will be valid for a maximum period of five fiscal years beginning on the first day of the fiscal year in which the policy became applicable.

However, if the Minister of Finance finds that the policy he approved is not complied with, he may withdraw approval by sending a written notice to the Fonds de solidarité FTQ informing the fund of the withdrawal as of the date specified in the notice.

Moreover, the Fonds FTQ incorporating statute currently provides that approval, by the Minister of Finance, of a policy for investment outside Québec is valid for a maximum period of five years after the day on which the approval was given. Accordingly, to ensure better standardization of the rules applicable to the period of validity of ministerial approval of investment policies, approval of a policy for investment outside Québec, by the Minister of Finance after the date of publication of this information bulletin, will also be valid for a maximum period of five fiscal years, beginning on the first day of the fiscal year in which the policy became applicable.

■ Terms of investment

It is not a rare occurrence nowadays for a corporation or partnership pursuing no economic objects to be used to invest in an enterprise in active operation, especially when the investments are made in partnership.

However, using such vehicles may, in some cases, compromise an investment's eligibility for the purposes of the investment requirement of the Fonds de solidarité FTQ.

That outcome being undesirable, presumptions will be introduced into the Fonds FTQ incorporating statute to better adapt the application of the investment requirement to the reality of the capital market.

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[25] For greater clarity, a dealer acting as an intermediary or firm underwriter will not be considered to be a first purchaser of securities.

More specifically, the statute will be amended to provide that, except for the application of the local funds category, an investment made in an entity that is not an enterprise within the meaning of section 14 of the Fonds FTQ incorporating statute[26] and that is a partnership, other than a partnership that is an investment fund, or a legal person, will be deemed to be an investment made in a particular enterprise, if the investment was made with a view to investing in the particular enterprise.

The statute will also be amended to provide that, for the purposes of investment categories authorizing the acquisition of securities otherwise than as first purchaser, an investment made by an entity that is not an enterprise within the meaning of section 14 of the Fonds FTQ incorporating statute, or an investment fund, otherwise than as first purchaser for the acquisition of securities issued by a partnership or legal person, will be deemed to have been made by the fund in proportion to its share in the entity, if one of the main reasons the fund holds an interest in the entity is to enable the financing of such acquisitions.

These presumptions will apply as of June 1, 2016.

■ Clarifications concerning the real estate investment category

Currently, the Fonds FTQ incorporating statute provides that investments in new or substantially renovated income-producing immovables situated in Québec are eligible investments for the purposes of the investment requirement of the Fonds de solidarité FTQ for a particular fiscal year, up to 5% of the fund's net assets at the end of the preceding fiscal year.

However, investments in immovables situated in Québec and intended mainly for the operation of shopping centres are not permitted under this investment category otherwise than as part of a project in the recreation and tourism sector.

As worded in the description of the real estate investment category, investments in immovables should be in the name of the Fonds de solidarité FTQ, not in the name of an entity in which the fund holds an interest. To account for the fact that, for operational reasons, the fund has certain investments in immovables through a wholly-controlled subsidiary, a clarification will be made so that the real estate investment category applies to both investments by the fund and those by one of its wholly-controlled subsidiaries. This clarification will apply to a fiscal year beginning after June 30, 2001.

Moreover, for a fiscal year beginning after May 31, 2016, investments made after June 22, 2016, in socio-economic infrastructure projects, in accordance with an investment policy relative to strategic investments that was approved by the Minister of Finance, will be excluded from the real estate investment category.

❑ Investment requirement of Fondaction

In carrying out its mission, Fondaction invests in companies involved in a participative management process as well as social economy businesses consisting of cooperatives and non-profit organizations. It also supports businesses that are sensitive to the environment and more sustainable development.

[26] Under section 14 of the Fonds FTQ incorporating statute, an enterprise is a partnership or legal person pursuing economic objects.

Although Fondaction and the Fonds de solidarité FTQ can have different investment strategies, there are numerous similarities in the list of eligible investments for the purposes of their investment requirement.

That being so, the amendments that will be made to the Fonds FTQ incorporating statute with respect to the redefinition of the strategic investment category[27], the validity of an investment policy and the terms of investment will also be made to the *Act to establish Fondaction, le Fonds de développement de la Confédération des syndicats nationaux pour la coopération et l'emploi*.

However, the amendments pertaining to the redefinition of the strategic investment category will be adapted according to the date on which Fondaction implements a new investment policy relative to strategic investments.

12. IMPLEMENTATION OF AGREEMENTS ENTERED INTO WITH INTERNATIONAL GOVERNMENTAL ORGANIZATIONS HAVING THEIR HEADQUARTERS IN QUÉBEC

For many years now, the government has welcomed to Québec international governmental organizations working in areas of interest to Québec.

In accordance with international practices in this field, the government grants international governmental organizations that it welcomes various exemptions and courtesy prerogatives to guarantee the autonomy, independence and smooth operation of the organizations, and enable them to adequately fulfil their mission and facilitate their task.

Several statutes and regulations have been amended over the years to ensure that agreements entered into between the government and international governmental organizations established in Québec are implemented.

However, in terms of the exemptions that international governmental organizations may claim, or should be able to claim, as employers, there are still statutes or regulations that have yet to be amended.

Accordingly, so that Québec law reflects all of the commitments made in this regard, other legislative or regulatory amendments will be made, and will be declaratory.

❑ Employer contribution to the Health Services Fund

Under the *Act respecting the Régie de l'assurance maladie du Québec*, an employer, other than a prescribed employer, must pay a contribution to the Health Services Fund in respect of the wages that the employer pays to the employer's employee who reports for work at the employer's establishment in Québec, that the employer is deemed to pay to the employee or that the employer pays in respect of the employee, or to the employer's employee to whom those wages, if the employee is not required to report for work at an establishment of the employer, are paid, deemed to be paid or paid in respect of the employee from such an establishment in Québec.

[27] For greater clarity, for a particular fiscal year, the aggregate of the strategic investments may not exceed 7.5% of the Fondaction's net assets at the end of the preceding fiscal year.

Given that international governmental organizations established in Québec are exempt from paying any direct tax, the *Act respecting the Régie de l'assurance maladie du Québec* will be amended to provide that such organizations are not required to pay a contribution to the Health Services Fund, unless they so agree.

❑ Québec Pension Plan contribution

Under the *Act respecting the Québec Pension Plan*, employment in Québec by an international organization[28] is excepted employment. However, Retraite Québec may make regulations for including in pensionable employment, pursuant to an agreement with an international organization, employment in Québec by such organization.

In this regard, the *Regulation respecting pensionable employment* stipulates that employment in Québec by an international organization is to be included in pensionable employment if so included according to the terms of an agreement made between Retraite Québec and such organization.

To account for the fact that certain international governmental organizations undertook, under the agreement they entered into with the Québec government, to comply with the provisions of the *Act respecting the Québec Pension Plan* pertaining to employment in Québec of certain of their employees, the *Regulation respecting pensionable employment* will be amended to state that employment in Québec by an international organization will also be included in pensionable employment if so included according to the terms of an agreement between such organization and the government.

❑ Contribution to fund the Commission des normes, de l'équité, de la santé et de la sécurité du travail

The *Act respecting labour standards* provides that an employer subject to contribution must pay a contribution, calculated on the basis of the remuneration subject to contribution paid by the employer in a year and the remuneration the employer is deemed to pay in respect of the year to or in respect of its employee working in Québec, in order to contribute to the funding of the Commission des normes, de l'équité, de la santé et de la sécurité du travail.

Even though this contribution is not a direct tax, it does not seem justified to ask an international governmental organization having established its headquarters in Québec to devote a portion of its operating budget to the funding of a Québec body.

That being so, the *Act respecting labour standards* will be amended to provide that an international governmental organization having established its headquarters in Québec will not be subject to payment of the contribution intended to fund the Commission des normes, de l'équité, de la santé et de la sécurité du travail.

[28] "International organization" means an organization of which Canada is a member, whether such organization is brought into relationship with the United Nations in accordance with article 63 of the Charter of the United Nations, or whether such organization has as its primary purpose the maintenance of international peace or the economic or social well-being of a community of nations.

❑ Obligation to offer a voluntary retirement savings plan

Under the *Voluntary Retirement Savings Plans Act*, an employer having an establishment in Québec may offer a voluntary retirement savings plan to employees.

In some cases, however, employers will be required to subscribe to a voluntary retirement savings plan and automatically enroll certain of their employees in the plan.

Thus, not later than December 31, 2016, an employer must subscribe to a voluntary retirement savings plan and automatically enroll its eligible employees,[29] if it employs 20 eligible employees or more on June 30, 2016.

These obligations do not apply with respect to eligible employees who:

— have the opportunity to make contributions, through payroll deductions, to a designated registered retirement savings plan or a designated tax-free savings account, within the enterprise of the employer; or

— belong to a category of employees who benefit from a registered pension plan to which the employer is party.

To take into account international practices concerning the free operation of international governmental organizations and the fact that a number of these organizations pay a pension to their retired employees, the *Voluntary Retirement Savings Plans Act* will be amended to stipulate that international governmental organizations established in Québec will not be required to subscribe to a voluntary retirement savings plan.

[29] Briefly, eligible employees are employees who are 18 years of age or over and who are credited with one year of uninterrupted service.