



NATIONAL ASSEMBLY

SECOND SESSION

THIRTY-FIFTH LEGISLATURE

Bill 196
(1997, chapter 62)

**An Act to amend the Act to establish the Fonds
de solidarité des travailleurs du Québec
(F.T.Q.)**

**Introduced 13 June 1997
Passage in principle 18 June 1997
Passage 18 June 1997
Assented to 19 June 1997**

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EXPLANATORY NOTES

This bill proposes various amendments to the Act to establish the Fonds de solidarité des travailleurs du Québec (F.T.Q.) in order to relax certain investment norms applicable to that Fund.

Amendments are also made to the said Act in order to give the Fund greater flexibility in the organization and management of its capital stock by enabling it to create and convert series of class "A" shares.

Bill 196

AN ACT TO AMEND THE ACT TO ESTABLISH THE FONDS DE SOLIDARITÉ DES TRAVAILLEURS DU QUÉBEC (F.T.Q.)

THE PARLIAMENT OF QUÉBEC ENACTS AS FOLLOWS :

1. Section 7 of the Act to establish the Fonds de solidarité des travailleurs du Québec (F.T.Q.) (R.S.Q., chapter F-3.2.1) is amended by inserting, after the second paragraph, the following paragraph :

“The Fund may, by articles of amendment,

(1) create one or more series of class “A” shares that include, in addition to the rights set out in the first paragraph, either the right to be exchanged for shares of another series or any other characteristic not inconsistent with this Act ;

(2) convert in whole or in part the class “A” shares held by the shareholders or certain shareholders into one or more series of shares created under subparagraph 1, on terms and conditions which may, where expedient and with the authorization of the Minister of Finance, depart from subsections 6 and 7 of section 48 or from section 49 of the Companies Act (chapter C-38).”

2. Section 13 of the said Act is amended by replacing the word “Québec” in paragraphs 1 and 4 by the word “qualified”.

3. Section 14.1 of the said Act is amended by replacing the first paragraph by the following paragraph :

“**14.1.** For the purposes of this Act, “qualified undertaking” means

(1) a Québec undertaking, namely an undertaking in active operation the majority of whose employees are resident in Québec and whose assets are less than \$50,000,000 or whose net assets are not over \$20,000,000 ; or

(2) an undertaking whose activity outside Québec has an impact on the raising or maintenance of the level of employment or the economic activity in Québec or is likely to have such an impact, in the cases and to the extent determined in a policy adopted by the board of directors and approved by the Minister of Finance.”

4. Section 15 of the said Act is amended

(1) by replacing the word “Québec” in the second line of the second paragraph by the word “qualified”;

(2) by replacing the third and fourth paragraphs by the following paragraphs:

“For the purposes of this norm, qualified investments include

(1) investments made otherwise than as first purchaser for the acquisition of securities issued by qualified undertakings;

(2) investments added to investments previously made and which qualify under the second paragraph, in relation to an undertaking whose assets are less than \$100,000,000 or whose net assets are not over \$40,000,000;

(3) investments in income-producing immovable property that is new property or property under substantial renovation, up to a sum not exceeding 5% of the net assets of the Fund at the end of the preceding fiscal year.

The total of the investments that qualify under subparagraphs 1 and 2 of the third paragraph is limited to 20% of the net assets of the Fund at the end of the preceding fiscal year. For the purposes of subparagraph 1 of the third paragraph, a dealer acting as an intermediary or firm underwriter is not considered to be a first purchaser.

Subparagraph 3 of the third paragraph does not apply to investments in immovable property situated outside Québec, except where they have an impact on the raising or maintenance of the level of employment or the economic activity in Québec or are likely to have such an impact, in the cases and to the extent determined in a policy adopted by the board of directors and approved by the Minister of Finance. In addition, the said subparagraph does not apply to investments in immovable property located in Québec and intended primarily for housing or shopping centres, other than within the scope of a project related to the recreation-tourism sector.

Investments with regard to which the Fund has entered into an agreement and for which it has committed but not disbursed sums of money at the end of a fiscal year shall be taken into account in the calculation of the investments that qualify under the norms set out in this section, up to a total amount not exceeding 12% of the net assets of the Fund at the end of the preceding fiscal year.”

5. This Act comes into force on 19 June 1997.