

Wildlife sanctuary	Number of licences
Normandie	0
Nymphes (des)	0
Petawaga	55
Rapides-des-Joachims	20
Rivière-Blanche (de la)	0
Saint-Patrice	30

3. Schedules CLXXXVIII, CXCIV and CC are revoked.

4. This Regulation comes into force on the fifteenth day following the date of its publication in the *Gazette officielle du Québec*.

106856

M.O., 2024

Order of the Minister of Finance dated 10 May 2024

Taxation Act
(chapter I-3)

Regulation to amend the Mandatory Transaction Disclosure Regulation

THE MINISTER OF FINANCE,

CONSIDERING the first paragraph of section 1079.8.1 of the Taxation Act (chapter I-3) providing among other things that the expression “specified transaction” carried out by a taxpayer or a partnership means a transaction whose form and substance of the facts specific to the taxpayer or the partnership are significantly similar to the form and the substance of the facts of a transaction determined by the Minister;

CONSIDERING the fourth paragraph of section 1079.8.1 of the Taxation Act providing that for the purposes of Book X.2 of Part I of the Act, in relation to a transaction determined by the Minister under the definition of “specified transaction” in the first paragraph of that section 1079.8.1, the Minister also determines which taxpayers will be required, in accordance with section 1079.8.6.2 of the Act, to disclose a specified transaction and which will be the partnerships whose members will be subject to that obligation, if applicable, as well as the day from which the obligation to disclose specified transactions will apply;

CONSIDERING section 1079.8.6.3 of the Taxation Act providing that an information return must be filed in respect of a transaction that an advisor or a promoter commercializes or promotes, if the form and the substance of the facts of the transaction are significantly similar to the form and the substance of the facts of a transaction determined by the Minister;

CONSIDERING paragraph 2 of section 12 of the Regulations Act (chapter R-18.1) providing that a proposed regulation may be made without having been published, if the authority making it is of the opinion that the proposed regulation is designed to establish, amend or revoke norms of a fiscal nature;

CONSIDERING section 13 of the Act providing that the reason justifying the absence of such publication must be published with the regulation;

CONSIDERING section 18 of the Act providing that a regulation may come into force on the date of its publication in the *Gazette officielle du Québec*, where the authority that has made it is of the opinion that the regulation establishes, amends or revokes norms of a fiscal nature, and the reason justifying such coming into force must be published with the regulation;

CONSIDERING the Minister’s opinion that the regulation attached to this Ministerial Order is designed to establish, amend or repeal norms of a fiscal nature;

CONSIDERING that it is expedient to amend the Mandatory Transaction Disclosure Regulation (chapter I-3, r. 2) so that a transaction relating to avoidance of the deemed interest rule under section 462.12 of the Taxation Act through a stock dividend is a determined transaction;

CONSIDERING that it is expedient to make the Regulation to amend the Mandatory Transaction Disclosure Regulation;

ORDERS AS FOLLOWS:

THAT the Regulation to amend the Mandatory Transaction Disclosure Regulation, attached to this Ministerial Order, is hereby made.

Québec, 10 May 2024

ERIC GIRARD
Minister of Finance

Regulation to amend the Mandatory Transaction Disclosure Regulation

Taxation Act
(chapter I-3, s. 1079.8.1, 1st par., “specified transaction” and 4th par. and s. 1079.8.6.3)

I. Schedule A to the Mandatory Transaction Disclosure Regulation (chapter I-3, r. 2) is amended by adding the following transaction at the end:

“TRANSACTION 5 “AVOIDANCE OF DEEMED INTEREST RULE UNDER Section 462.12 OF THE ACT THROUGH A STOCK DIVIDEND

“A transaction that includes the following facts is hereby determined by the Minister:

(a) a stock dividend is declared, at a particular time in the course of the transaction, in respect of a share that an individual, subject to tax under Part I of the Act for a taxation year that includes the particular time, holds, directly or indirectly, in any manner whatever, in the capital stock of a corporation;

(b) the fair market value of the share or shares issued or to be issued as the stock dividend is greater than the amount by which the paid-up capital of the shares of the corporation is increased, by reason of the payment of the dividend; and

(c) subject to the second paragraph, in the course of the transaction, any of the following conditions is met:

i. the individual transfers, directly or indirectly, in any manner whatever, a share of the capital stock of the corporation that includes the right to receive the remaining property of the corporation on liquidation and a designated person, in respect of the individual, holds a share of the capital stock of the corporation;

ii. a designated person, in respect of the individual, acquires, directly or indirectly, in any manner whatever, a share of the capital stock of the corporation;

iii. a designated person, in respect of the individual, holds, directly or indirectly, in any manner whatever, a share of the capital stock of the corporation, other than a share of the single class of shares of the capital stock of the corporation that are issued and include the right to receive the remaining property of the corporation on liquidation, that gives the right to receive

(1) a discretionary dividend; or

(2) a dividend in an amount, when considered on an annual basis, that is not reasonable in the circumstances; or

iv. a designated person, in respect of the individual, holds, directly or indirectly, in any manner whatever, a share of a class of the capital stock of the corporation the terms or conditions of which have been modified through a change to the corporation’s articles, the fulfilment of a suspensive condition or in any other manner, so that

(1) the right to receive a dividend of the corporation or to receive the remaining property of the corporation on liquidation is created; or

(2) the amount of the dividend declarable by the corporation in respect of the share or the proportion of the property of the corporation receivable on liquidation under the right given by the share, is increased.

For the purposes of subparagraph *c* of the first paragraph, subparagraphs *i* to *iv* of that subparagraph *c*, as applicable, apply to the designated person, in respect of the individual, only if the person is a specified shareholder of the corporation at any time in the course of the transaction.

A transaction referred to in the first paragraph is not a determined transaction as the result of the application of any of subparagraphs *i* to *iv* of subparagraph *c* of the first paragraph, if the conditions set out in paragraphs *a* to *c* of section 462.12.1 of the Act are met in respect of the designated person to which the relevant subparagraph of that subparagraph *c* applies.

For the purposes of this section,

(a) “designated person” has the meaning assigned by section 462.7 of the Act;

(b) “specified shareholder” has the meaning that would be assigned by section 21.17 of the Act if the reference in that section to “any other corporation that is related to the corporation” were read as a reference to “any other corporation, other than a small business corporation, that is related to the corporation”, and section 21.18 of the Act were read without reference to its paragraphs *a* and *d*.

The individual referred to in subparagraph *a* of the first paragraph is required to disclose a specified transaction in relation to a transaction referred to in the first paragraph.

The obligation to disclose the specified transaction applies as of the day on which the stock dividend referred to in subparagraph *a* of the first paragraph is declared.”

2. This Regulation comes into force on the date of its publication in the *Gazette officielle du Québec*.

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