

Amendments to the Annual Declarations System for Enterprises in the Province of Québec

By André Paquette and Nicolas Leblanc

Some important changes to the *Act respecting the legal publicity of sole proprietorships, partnerships and legal persons* (the “**Act**”) took place effective January 1st, 2006. The Act generally applies to all legal persons, partnerships and individuals carrying on an activity in the Province of Québec and requires those entities to register with the Enterprise registrar. The Act and the *Regulation respecting the application of the Act respecting the legal publicity of sole proprietorships, partnerships and legal persons* (the “**Regulation**”) have been amended and such amendments shall affect all registrants subject to the Act (collectively the “**Registrants**” or individually a “**Registrant**”).

The following changes are the most noteworthy:

1. Section 26.1 of the Act grants the Registrants who must file a tax return under section 1000 of the *Taxation Act* (R.S.Q., chapter I-3) (the “**Taxation Act**”), most notably corporations who have an establishment in the Province of Québec at any time in a taxation year, the option to file with the Minister of Revenue of Québec (the “**Minister of Revenue**”) their annual declaration under the Act jointly with their fiscal return as opposed to filing their annual declaration under the Act with the Enterprise registrar as was the case before.



For the purposes of the Taxation Act, an establishment in the Province of Québec of a taxpayer means a fixed place where the taxpayer carries on the taxpayer’s business or, if there is no such place, the taxpayer’s principal place of business, for example an office, a branch, a mine, a farm, a timberland, a factory, a warehouse or a workshop in the Province of Québec.

2. Sections 57.1 to 57.7 of the Act oblige the Registrants who must file a fiscal return in the Province of Québec to pay to the Minister of Revenue the annual registration fee on or before the balance due day determined in respect of the Registrant for the purposes of Part I of the Taxation Act.

The annual registration fees for Registrants filing a fiscal return in the Province of Québec shall therefore now be included in the amounts due to the Minister of Revenue under the Taxation Act.

3. Section 24 of the Regulation amends the periods for filing annual declarations for all Registrants. Such new periods shall be as follows:

- for legal persons who must file a fiscal return in the Province of Québec, the period shall begin on the first day following the end of their fiscal year and shall end six months later;
- for natural persons and partnerships, the period shall begin on January 1st and shall end June 15;
- for all other Registrants, the period shall begin May 15 and shall end November 15.

Registrants subject to section 26.1 of the Act should receive the applicable form pertaining to their annual declaration along with their tax return form, the whole sent by the Minister of Revenue. Upon the filing of the annual declaration by the Registrant who elects to exercise his option under section 26.1 of the Act, if applicable, and files his annual declaration directly with the Minister of Revenue, the latter shall transmit all relevant information contained in the annual declaration to the Enterprise registrar in order to maintain the accuracy of the information contained in the Enterprise registrar’s file for each Registrant. Furthermore, an agreement between the Minister of Revenue and the Enterprise registrar shall be entered into following the coming into force of the above mentioned amendments. Such agreement shall focus on the aspect of information exchange between the two parties.



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Not all information transmitted by the Minister of Revenue to the Enterprise registrar shall become public, only the information contained on the register of sole proprietorships, partnerships and legal persons shall remain public information. The Registrants subject to section 26.1 of the Act who choose not to transmit their annual declaration via the Minister of Revenue as well as all other Registrants shall file said annual declarations directly with the Enterprise registrar.

To summarize the effects of the amendments discussed above:

1. All Registrants who must file a tax return in the Province of Québec shall have the option of filing their annual declaration directly with the Minister of Revenue upon the filing of such tax return. However, those Registrants shall be obligated to pay the annual registration fees directly to the Minister of Revenue. If the Registrant subject to section 26.1 elects to exercise his option under said section, the Minister of Revenue shall transmit all relevant information to the Enterprise registrar thereafter.

2. All Registrants that are not subject to section 26.1, being those who are not obligated to file a tax return in the Province of Québec, shall transmit directly to the Enterprise registrar their annual declarations and pay the Enterprise registrar the annual registration fees as set forth in the Regulation.
3. All filings of the annual declarations must be in accordance with the new periods for filing annual declarations as set forth in the Regulation.

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