

chapter P-40.1, r. 3

Regulation respecting the application of the Consumer Protection Act

Consumer Protection Act
(chapter P-40.1, s. 350).



The duties prescribed in the Regulation have been indexed as of 1 July 2024 pursuant to the notice published in Part 1 (French) of the Gazette officielle du Québec of 10 February 2024, page 105. (ss. 104, 107, 108, 108.1, 108.1.1, 108.1.3, 108.1.3.3, 108.2, 112, 125, 146, transitional)

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CHAPTER I

INTERPRETATION

1. In this Regulation, unless the context indicates otherwise,

(a) “Act” means the Consumer Protection Act (chapter P-40.1);

(b) “mobile home” means any structure intended to be used all year round as a dwelling and to be connected to public services and capable of being transported on its own frame by towing or by any other means.

R.R.Q., 1981, c. P-40.1, r. 1, s. 1.

CHAPTER II

EXEMPTIONS

2. Contracts concerning a loan granted as part of a program administered by La Financière agricole du Québec under the Act respecting La Financière agricole du Québec (chapter L-0.1) are exempt from the application of the Act.

R.R.Q., 1981, c. P-40.1, r. 1, s. 2; O.C. 994-2018, s. 1.

3. Contracts respecting approved loans within the meaning of the Act respecting financial assistance for students (chapter A-13.3) are exempt from the application of the Act.

R.R.Q., 1981, c. P-40.1, r. 1, s. 3.

3.1. *(Implicitly revoked).*

O.C. 1666-84, s. 1.

3.2. *(Implicitly revoked).*

O.C. 462-87, s. 1.

3.3. *(Implicitly revoked).*

O.C. 1148-90, s. 1.

3.4. *(Revoked).*

O.C. 1394-92, s. 1; O.C. 994-2018, s. 2.

3.5. Holders of a brokerage or agency permit issued under the Real Estate Brokerage Act (chapter C-73.2) are exempt from the application of the Act where they carry out activities covered by the Act.

O.C. 994-2018, s. 3.

4. The Government and any of its departments or bodies whose appropriation is voted by the National Assembly are exempt from the application of sections 54.3, 254 to 256, and from furnishing the security required under section 323 of the Act.

R.R.Q., 1981, c. P-40.1, r. 1, s. 4; O.C. 1042-2007, s. 1.

5. *(Implicitly revoked; 1987, chapter 10, s. 33).*

R.R.Q., 1981, c. P-40.1, r. 1, s. 5.

6. Section 54.3 of the Act does not apply to the subscription contract to a newspaper, periodical, or magazine.

R.R.Q., 1981, c. P-40.1, r. 1, s. 6; O.C. 1042-2007, s. 2.

6.1. Division I.1 of Chapter III of Title I of the Act does not apply to

(a) a contract subject to the Act respecting arrangements for funeral services and sepultures (chapter A-23.001) and entered into in accordance with the provisions of that Act;

(b) a contract for the sale of goods likely to deteriorate rapidly;

(c) a contract entered into during an auction sale;

(d) a contract entered into following an offer made by a merchant through a vending machine;

(e) a parking space lease if the rental rate is calculated by the minute or on a hourly or daily basis;

(f) a telephone service contact established by the insertion of a coin or credit card into a public telephone;
or

(g) a contract for the sale of a lottery ticket by a legally authorized person.

O.C. 1042-2007, s. 3.

6.2. Section 54.3 of the Act does not apply to a travel agent who complies with the Travel Agents Act (chapter A-10) and the regulations made under that Act with regard to the trust account.

O.C. 1042-2007, s. 3.

6.3. Contracts of credit, contracts of service involving sequential performance within the meaning of Division VI of Chapter III of Title I of the Act, even if entered into by a person listed in section 188 of the Act, contracts for the sale of goods to which sections 208 to 213 of the Act apply, contracts of service or for the lease of goods entered into at the time of the entering into or performance of such a contract of service involving sequential performance are exempt from the application of Chapter II of Title I and sections 54.8 to 54.16 of the Act and section 26 of this Regulation if they are distance contracts.

O.C. 1042-2007, s. 3; O.C. 555-2013, s. 1.

6.4. Long-term contracts of lease of goods within the meaning of section 150.2 of the Act and contracts involving sequential performance for a service provided at a distance are exempt from the application of Chapter II of Title I of the Act and section 26 of this Regulation if they are distance contracts.

O.C. 1042-2007, s. 3; O.C. 495-2010, s. 1; O.C. 994-2018, s. 4.

6.4.1. Contracts entered into by debt settlement service merchants for a service provided at a distance are exempt from the application of sections 27 to 32 and 54.8 to 54.16 of the Act and section 26 of this Regulation.

O.C. 994-2018, s. 5.

6.4.2. A long-term contract of lease entered into on the making of or in relation to a contract involving sequential performance for a service provided at a distance provided the goods leased are necessary to the use of the service is exempt from the application of sections 150.3.1 and 245.2 of the Act.

O.C. 994-2018, s. 5.

6.5. Merchants who enter into distance contracts orally are exempt from the application of section 54.4 of the Act, provided the contract sent to the consumer in accordance with section 54.7 of the Act contains the following compulsory clause at the very beginning, in a typeface at least twice as large as the typeface used for any other stipulations:

“You may cancel this contract without charge or penalty, for any reason, within 7 days of receiving it. In such a case, all reasonable costs of restitution of the goods forming the object of the contract shall be assumed by the merchant.”.

O.C. 495-2010, s. 2.

7. Despite section 57 of the Act, a contract entered into by a merchant the object of which is the sale, installation or repair of a door, window, thermal insulation, roofing or exterior wall covering of a building, constitutes a contract entered into by an itinerant merchant even if it was entered into at the address of the consumer upon the latter’s express request.

R.R.Q., 1981, c. P-40.1, r. 1, s. 7; O.C. 1244-2017, s. 1; O.C. 994-2018, s. 6.

7.1. Notwithstanding section 57 of the Act, a contract entered into at the address of the consumer upon the consumer’s express request, where that express request follows initial contact by the merchant with consumer, by telephone or otherwise, for the purpose of obtaining authorization or an invitation to call on the consumer in order to present a product or give an estimate, or for any other reason, constitutes a contract entered into by an itinerant merchant.

O.C. 848-94, s. 1.

8. Sections 58 to 65 of the Act do not apply to:

(a) a contract entered into at a public market or at an agricultural or commercial exhibition, except if it is entered into with the holder of an itinerant merchant’s permit or his representative;

(b) a contract for the sale or a long-term contract for the lease of a new road vehicle where the contract is entered into at the merchant’s address even if the consumer was solicited elsewhere than at the merchant’s address;

(b.1) a contract for the sale or a long-term contract for the lease of a new road vehicle entered into in a case where the seller, alone or as a group, for advertising or liquidation purposes, offers for sale or lease a large number of such vehicles in a public place used as a temporary branch;

(c) a distance contract even if the soliciting was done by the merchant elsewhere than at the merchant’s address;

(d) a contract for the loan of money and an open credit contract entered into for the use of a credit card;

(e) a contract for the sale of a lottery ticket by a legally authorized person;

(f) a contract for the sale of a food product that is not frozen at the time of its delivery;

(g) *(paragraph revoked)*;

(h) a contract entered into with a claims adjuster that complies with the Insurers Act (chapter A-32.1) and the regulations made under that Act;

(i) a contract between a merchant and a consumer for goods necessary for the carrying on of the trade, art or profession of the consumer, where the contract contains the following clause, 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.”;

(j) a contract of additional warranty offered or made by a merchant required to hold a permit under paragraph *d* of section 321 of the Act;

(k) a contract of sale entered into at the time of a public auction;

(l) a contract entered into with a travel agent holding a permit under the Travel Agents Act (chapter A-10), except if it was entered into following door-to-door solicitation;

(m) a contract under which the total amount of the consumer's obligation does not exceed \$100.

R.R.Q., 1981, c. P-40.1, r. 1, s. 8; O.C. 1978-85, s. 1; O.C. 1148-90, s. 2; O.C. 600-92, s. 1; O.C. 932-98, s. 1; O.C. 1042-2007, s. 4; O.C. 495-2010, s. 3; O.C. 1244-2017, s. 2; O.C. 994-2018, s. 75.

9. A holder of an itinerant merchant's permit may, when carrying on business at a public market or agricultural or commercial exhibition, or in an advertisement regarding the practice of the business at a public market or agricultural or commercial exhibition, declare that he is a holder of an itinerant merchant's permit and that he has furnished the security required by the Act and the Regulation.

A permit holder who avails himself of this section in an advertisement must indicate his permit number.

R.R.Q., 1981, c. P-40.1, r. 1, s. 9.

10. An itinerant merchant may not use section 9, as authorization to claim that his competence, solvability, conduct or operations are thus recognized or approved by the Office de la protection du consommateur.

R.R.Q., 1981, c. P-40.1, r. 1, s. 10.

11. Sections 9 and 10 apply to the representative of a merchant referred to in these sections.

R.R.Q., 1981, c. P-40.1, r. 1, s. 11.

12. The following merchants are exempt from the obligation to hold an itinerant merchant's permit and to furnish a security:

(a) a merchant who is a party to a contract referred to in section 8, for the purposes of that contract;

(b) a merchant holding a funeral services business licence issued under the Funeral Operations Act (chapter A-5.02), for the purposes of contracts entered into or solicited in the normal course of a funeral director's business;

(c) a merchant holding a road vehicle dealer's permit or a road vehicle recycler's permit, for the purposes of contracts entered into or solicited in the course of the activity requiring that permit.

R.R.Q., 1981, c. P-40.1, r. 1, s. 12; O.C. 1148-90, s. 3; O.C. 815-2015, s. 1; I.N. 2019-09-01.

12.1. (*Revoked*).

O.C. 636-2003, s. 1; O.C. 495-2010, s. 4.

12.2. Merchants who have entered into a contract for the loan of money secured by a movable hypothec with delivery or a contract deemed to constitute a contract for the loan of money under the first paragraph of section 115.1 of the Act, where the amount of the net capital of the contract and any other contract for the loan of money of the same type entered into during a period of 30 days preceding the entering into of the contract does not exceed \$500 are exempt from the application of the second paragraph of section 73, sections 94, 103.2, 103.3, 103.4, except the third paragraph, sections 105 and 245.2 of the Act, paragraph *b* of section 31.1 and the first two paragraphs of the fourth paragraph of section 33.

Section 103.5 of the Act does not apply to a contract that meets the conditions prescribed in the first paragraph.

O.C. 994-2018, s. 7.

13. The contracts referred to in sections 89 and 100 of the Act are eligible for the exemptions provided for in those sections where the credit rate is disclosed therein as an annual percentage that applies to the net capital balance outstanding; the credit charges must thereupon be disclosed as though the contract were made for a term of 1 year and as though the net capital and the credit rate remained unchanged during that time. If, however, the date of maturity is fixed, the term indicated in the contract must be used to compute and disclose the credit charges.

R.R.Q., 1981, c. P-40.1, r. 1, s. 13.

14. *(Revoked).*

R.R.Q., 1981, c. P-40.1, r. 1, s. 14; O.C. 994-2018, s. 8.

15. Where applicable, a contract for the loan of money and a contract involving credit other than a contract for an instalment sale that are paid into an open credit account already governed by sections 118 to 130 of the Act are exempt from the application of section 115 or 150 of the Act, as the case may be.

R.R.Q., 1981, c. P-40.1, r. 1, s. 15; O.C. 994-2018, s. 75.

15.0.1. Despite subparagraphs *e* and *f* of the first paragraph of section 190 of the Act, a childcare services contract involving sequential performance entered into by a subsidized educational childcare provider under the Educational Childcare Act (chapter S-4.1.1) and allowing the sporadic or irregular use of services need not indicate the number of hours, days or weeks over which the services are distributed nor the total amount the consumer must pay under the contract.

S.Q. 2024, c. 6, s. 36.

15.1. A service contract involving sequential performance for instruction, training or assistance under which the consumer's total obligation does not exceed \$100 or which must be performed in not more than 3 consecutive days is exempt from the application of the second paragraph of section 192 of the Act or, where entered into by a merchant who operates a physical fitness studio, is exempt from the application of the second paragraph of section 201 of the Act.

The first paragraph also applies, with the necessary modifications, to a contract of service or for the lease of goods referred to in section 207 of the Act.

O.C. 848-94, s. 2; O.C. 495-2010, s. 5; O.C. 1244-2017, s. 3.

15.2. A service contract involving sequential performance entered into by a merchant who operates a physical fitness studio and intended to give a consumer, for a new period of time, the rights that he already has under a contract evidenced in accordance with section 199 of the Act is exempt from the application of section 199 of the Act, where all the following conditions are fulfilled:

(a) the merchant sends the consumer, between 30 to 60 days before the expiry of the contract in force, a written notice containing his offer to renew and indicating the duration, total cost and payment terms of the new contract proposed;

(b) the consumer notifies the merchant in writing, before the expiry of the contract in force, of his acceptance of the offer to renew;

(c) the consumer's total obligation under the new contract does not exceed his obligation under the initial contract evidenced in writing, where the new contract is of a duration equal to or longer, without exceeding 1 year, than the initial contract or, where the new contract is of a duration shorter than the initial contract, the

consumer's total obligation under the new contract is proportionately equal to or less than his obligation under the initial contract, taking into account the respective durations of each contract.

O.C. 848-94, s. 2; O.C. 495-2010, s. 6; O.C. 1244-2017, s. 4.

16. A travel agent within the meaning of the Travel Agents Act (chapter A-10) and the regulations made under that Act is not considered a merchant within the meaning of Division VI of Chapter III of Title I of the Act.

R.R.Q., 1981, c. P-40.1, r. 1, s. 16.

16.1. Section 11.2 of the Act does not apply to a stipulation providing for the unilateral amendment of the price of tourist services in a contract entered into with a travel agent provided the travel agent comply with the regulations made under the Travel Agents Act (chapter A-10) in connection with the unilateral amendment of the price of tourist services.

O.C. 1739-83, s. 1; O.C. 848-94, s. 3; O.C. 495-2010, s. 7.

17. A travel agent who complies with the Travel Agents Act (chapter A-10) and the regulations respecting trust accounts made under that Act is exempt from the application of Title III of the Act.

R.R.Q., 1981, c. P-40.1, r. 1, s. 17.

17.1. A merchant who enters into contracts under which his main obligation is normally performed more than one year after the date of the signing of the contract, is exempt from the application of section 308 of the Act.

O.C. 697-86, s. 1.

18. The following are exempt from the obligation to hold a permit for a merchant who enters into contracts for the loan of money or a high-cost credit contract:

(a) a bank governed by the Bank Act (S.C. 1991, c. 46);

(b) a financial services cooperative governed by the Act respecting financial services cooperatives (chapter C-67.3);

(c) a trust company and savings company within the meaning of the Trust Companies and Savings Companies Act (chapter S-29.02);

(d) *(paragraph revoked)*;

(e) a merchant who is a party to a contract for the loan of money that is or must be secured by an immovable hypothec for the purposes of that contract;

(f) a merchant who is party to a contract for the loan of money entered into for the payment of an insurance premium, for the purposes of that contract.

(g) a person, partnership or association governed by the Insurers Act (chapter A-32.1).

R.R.Q., 1981, c. P-40.1, r. 1, s. 18; O.C. 739-85, s. 1; O.C. 697-86, s. 2; O.C. 1148-90, s. 4; O.C. 848-94, s. 4; O.C. 994-2018, s. 9.

18.1. A non-profit legal person or a cooperative within the meaning of the Act respecting cooperatives (chapter C-67.2), that enters into contracts for the loan of money whose net capital does not exceed \$5,000 and under which the credit rate, computed in accordance with the Act, does not exceed the legal interest rate is exempt from the obligation of paying the duties provided for in section 107.

O.C. 555-2013, s. 2.

19. A contract involving credit for the sale of a mobile home and a contract for the loan of money extended at the time of such sale are exempt from the application of section 87 of the Act where such contract involving credit or such contract for the loan of money stipulates that if, upon the expiry of its terms, an amount exceeding the amount of one deferred payment remains due, the merchant may not demand payment thereof before 90 days after he has given notice of his intention in writing to the consumer.

A contract for the loan of money granted for the purchase of a specific article is also exempt from the application of section 87 where under that contract the creditor undertakes, upon the expiry of the term and at the consumer's option, to buy back from the consumer the article covered by the contract at the predetermined price indicated therein and where that contract prescribes that the consumer choosing the buy-back option is free of any obligation simply by returning the article in good condition to the creditor.

R.R.Q., 1981, c. P-40.1, r. 1, s. 19; O.C. 1148-90, s. 5.

20. A contract in which credit extended to a consumer is secured by a hypothec on an immovable is exempt from the application of the Act if such immovable:

- (a) contains more than 4 living units; or
- (b) is used mainly for commercial, industrial or professional purposes.

R.R.Q., 1981, c. P-40.1, r. 1, s. 20.

21. A contract in which credit extended to a consumer is or must be secured by an immovable hypothec ranking first is exempt from the application of sections 12, 14 and 15, Chapter II of Title I, Divisions I.1, II and III of Chapter III of Title I, except sections 103.2 to 103.5 and 115.2, and Title II of the Act, except section 245.2, on the following conditions:

- (a) the credit contract is the contract for which the consumer has agreed to grant a hypothec;
- (b) the act constituting the hypothec identifies the contract secured by the hypothec;
- (c) if the hypothec secures a credit contract other than the contract referred to in subparagraph *a*, the act constituting the hypothec provides that the consumer must agree, in that other contract, that it be secured by the hypothec.

The exemption also applies to a credit contract to amend, renew or replace the credit contract referred to in subparagraph *a* of the first paragraph.

The exemption does not apply to an open credit contract entered into for the use of a credit card.

R.R.Q., 1981, c. P-40.1, r. 1, s. 21; O.C. 994-2018, s. 10.

22. A contract in which credit extended to a consumer is or must be secured by an immovable hypothec other than an immovable hypothec ranking first is exempt from the application of sections 12, 14 and 15, Chapter II of Title I, Divisions I.1, II and III of Chapter III of Title I, except sections 81, 86, 98, 99, 100.1, 101 to 103, 103.2 to 103.5 and 115.2, and Title II of the Act, except section 245.2, on the following conditions:

- (a) at least 2 days before the act constituting a hypothec is entered into, the merchant must indicate to the consumer in writing, in dollars and cents, the credit charges determined in accordance with the Act;
- (b) a copy of the writing must be attached to the act constituting a hypothec;
- (c) the contract must stipulate that if, on the expiry of the contract, an amount exceeding the amount of one periodic payment is outstanding, the merchant may not demand payment thereof before 30 days after the

merchant has given a notice in writing of the merchant's intention to the consumer, except in the case of default by the consumer.

The conditions set out in subparagraphs *a*, *b* and *c* of the first paragraph of section 21 and the second and third paragraphs of that section apply, with the necessary modifications, to the contract for which credit extended to the consumer is or must be secured by an immovable hypothec other than an immovable hypothec ranking first.

R.R.Q., 1981, c. P-40.1, r. 1, s. 22; O.C. 994-2018, s. 11.

23. *(Revoked).*

R.R.Q., 1981, c. P-40.1, r. 1, s. 23; O.C. 994-2018, s. 12.

24. A contract governed by section 22 is exempt from the application of sections 98 and 99 of the Act, provided the merchant gives the consumer a writing indicating the change in the credit charges and credit rate and in the terms and conditions of payment for the remaining term of the contract.

A copy of the writing must be attached to the duly certified contract.

R.R.Q., 1981, c. P-40.1, r. 1, s. 24.

24.1. A dealer who tows road vehicles is not considered to be a road vehicle recycler within the meaning of section 260.26 of the Act where the dealer sells to the holder of a road vehicle recycler's permit

(a) a road vehicle considered to be forgotten, within the meaning of article 944 of the Civil Code;

(b) a road vehicle seized by the Société de l'assurance automobile du Québec who gives it to the dealer in accordance with section 209.19 of the Highway Safety Code (chapter C-24.2); or

(c) a road vehicle abandoned that is given to the dealer by the Minister of Revenue in accordance with the second paragraph of section 393 of the Highway Safety Code.

O.C. 815-2015, s. 2.

24.2. A dealer who only sells road vehicle carcasses, provided that the dealer acquires, by gratuitous or onerous title, disused road vehicles or their carcasses from the holder of a road vehicle recycler's permit is not considered to be a road vehicle recycler within the meaning of section 260.26 of the Act.

O.C. 815-2015, s. 2.

24.3. A holder of a road vehicle dealer's permit who sells road vehicles or leases them under long-term contracts of lease is exempt from the application of section 260.29 of the Act in any of the following situations:

(a) where the dealer enters into a contract with a consumer during a trade show;

(b) where the dealer enters into a contract with a consumer when, alone or in a group, for the purposes of publicity or liquidation, the dealer offers for sale or for long-term leasing road vehicles in a public place used as a temporary branch during an event lasting not more than 10 days and occurring not more than 5 times a year;

(c) where the dealer enters into a contract with a consumer for a farm machine;

(d) where the dealer enters into a contract with another dealer.

A holder of such a permit who uses the exemption provided for in subparagraph *b* of the first paragraph must so inform the president at least 3 working days before the event, using the form provided by the president, and send a copy of the form to the surety within the same period.

The contracts referred to in the preceding subparagraphs are covered by the security furnished by the dealer in accordance with section 108.1.1 or 108.1.3.

O.C. 815-2015, s. 2.

24.4. A dealer who enters into contracts for the sale or long-term leasing of trailers or semi-trailers with a weight of less than 1,300 kg or who enters into road vehicle leasing contracts that are not long-term within the meaning of section 150.2 of the Act is exempt, for the purposes of those contracts from the obligation to hold a road vehicle dealer's permit and to furnish security.

O.C. 815-2015, s. 2; S.Q. 2024, c. 32, s. 64.

25. *(Revoked).*

R.R.Q., 1981, c. P-40.1, r. 1, s. 25; O.C. 495-2010, s. 8.

25.1. The following are exempt from the obligation of holding a permit under paragraph *d* of section 321 of the Act:

(a) a legal person in the business of assembling or producing automobiles or motorcycles adapted to transportation on public roads, where the object of the contract of additional warranty it offers or makes is an automobile or motorcycle assembled or produced by that legal person;

(b) a subsidiary of a legal person covered by paragraph *a*, where the object of the contract of additional warranty it offers or makes is an automobile or motorcycle assembled or produced by the legal person of which it is a subsidiary;

(c) a person whose chief business is repairing automobiles or motorcycles adapted to transportation on public roads or selling parts required for such repairs, where the object of the contract of additional warranty he offers or makes is repairs carried out by that person or parts he sells.

O.C. 1978-85, s. 2; O.C. 495-2010, s. 9.

25.2. A merchant required to hold a permit under paragraph *d* of section 321 of the Act is exempt from the obligations prescribed by sections 260.7, 260.8, 260.9 and 260.13 of the Act where any contract of additional warranty he makes is the object of a contract of security, separate from any other contract, by a legal person authorized to act as an insurer in Québec and holding a licence issued by the Autorité des marchés financiers and such contract of security provides that:

(a) the security covers the term of any contract that is its object up to a minimum of \$1,500 per contract, without a deductible being required of the consumer other than any prescribed by the contract of additional warranty;

(b) the contract may be terminated by either party only by means of a notice in writing of not less than 15 days sent to the president of the Office de la protection du consommateur;

(c) notwithstanding the expiry or cancellation of the contract, the legal person authorized to act as an insurer will assume any obligation arising from contracts of additional warranty made during the term of the contract of security or up to its cancellation.

O.C. 1978-85, s. 2; O.C. 1150-89, s. 1; O.C. 495-2010, ss. 9 and 10.

25.3. Where the exemption prescribed in section 25.2 ceases to apply, the merchant shall comply with sections 260.7, 260.8, 260.9 and 260.13 of the Act and the reserve account may be used only in respect of the contracts made after the opening of such account.

O.C. 1150-89, s. 2.

CHAPTER II.1

STIPULATIONS PROHIBITED IN A CONTRACT

O.C. 495-2010, s. 11.

25.4. A stipulation intended to exclude or restrict the warranty provided for in section 37 or 38 of the Act is prohibited.

O.C. 495-2010, s. 11.

25.5. A stipulation intended to exclude or limit the obligation of a merchant or manufacturer to be bound by a written or verbal statement made by its representative concerning goods or services is prohibited.

O.C. 495-2010, s. 11.

25.6. A stipulation intended to exclude or limit the rights conferred on a consumer by section 53 or 54 of the Act is prohibited.

O.C. 495-2010, s. 11.

25.7. A stipulation allowing a merchant, in the event of the unilateral cancellation by a consumer of a contract involving sequential performance for a service provided at a distance, to charge an indemnity higher than the indemnity provided for in section 214.7 or 214.8 of the Act is prohibited.

O.C. 495-2010, s. 11.

25.8. A stipulation having the effect of obliging a consumer to submit a dispute to a court other than a court in Québec is prohibited.

O.C. 495-2010, s. 11.

25.9. A stipulation making an external clause binding on a consumer despite the fact that such a clause cannot be set up against the consumer by reason of article 1435 of the Civil Code is prohibited.

O.C. 495-2010, s. 11.

25.10. A stipulation having the effect of renewing, otherwise than in the manner provided for in section 15.2, a service contract involving sequential performance entered into by a merchant who operates a physical fitness studio is prohibited.

O.C. 1244-2017, s. 5.

CHAPTER III

FORM OF WRITINGS

26. A contract governed by sections 58, 80, 150.4, 158, 164, 190, 199, 207, 208, 214.2 or 214.16 of the Act may be handwritten, typed or printed.

The contract must be evidenced on good quality white paper.

If it is drawn up on both sides of the pages, the front side of each sheet must include the following words in capital letters of at least 14-point typeface and set off in a rectangle as follows:

SEE OVERLEAF

R.R.Q., 1981, c. P-40.1, r. 1, s. 26; O.C. 600-92, s. 2; O.C. 495-2010, s. 12; O.C. 994-2018, s. 14.

27. If the contract governed by section 26 is typewritten, it must be drawn up in characters of at least 10 points.

R.R.Q., 1981, c. P-40.1, r. 1, s. 27.

28. If the contract governed by section 26 is printed:

(a) unless otherwise specified in this Regulation, all required wording must be set in typeface equivalent to HELVETICA LIGHT of at least 10 points, with 12-point leading;

(b) all printed numerals must be set in typeface equivalent to HELVETICA BOLD of at least 12 points, with 14-point leading;

(c) the rest of the contract must be set in typeface equivalent to HELVETICA LIGHT of at least 8 points with 10-point leading;

(d) only roman or italic characters may be used;

(e) it must be printed in black or dark red ink.

R.R.Q., 1981, c. P-40.1, r. 1, s. 28.

28.1. *(Revoked).*

O.C. 932-98, s. 2; O.C. 994-2018, s. 15.

CHAPTER IV

COMPULSORY CLAUSES

General provision

29. With the exception of the clauses prescribed in sections 34, 37, 40, 41, 42, 43, 44, 45, 45.2 and 50.0.1 where a contract must contain several of the clauses required in this Chapter, those clauses must appear under the following single title:

“Clauses required under the Consumer Protection Act.”.

Each clause must then be preceded by the title assigned thereto which appears in parentheses in the section prescribing the provision.

The totality of the clauses must be concluded by a single paragraph. Such paragraph replaces that appearing in the section prescribing each of the clauses and must read as follows:

“It is in the consumer’s interest to refer to sections *(insert here the section numbers to which each section prescribing the clauses reproduced refers in the order in which such clauses are reproduced)* of the Consumer

Protection Act (chapter P-40.1) and, where necessary, to communicate with the Office de la protection du consommateur.”.

R.R.Q., 1981, c. P-40.1, r. 1, s. 29; O.C. 600-92, s. 3; O.C. 994-2018, s. 16.

DIVISION I

CONTRACTS ENTERED INTO BY ITINERANT MERCHANTS

30. *(Revoked).*

R.R.Q., 1981, c. P-40.1, r. 1, s. 30; O.C. 932-98, s. 3.

31. A subscription contract to a journal or a magazine entered into by an itinerant merchant and subject to sections 58 to 65 of the Act must also include, in at least 14-point typeface, the following details:

- (a) the term of the subscription;
- (b) the price of the subscription;
- (c) the retail price of each journal or magazine when purchased as a single copy;
- (d) the regular price of a subscription to each journal or magazine for the full term of the subscription contract;
- (e) the following clause: “The following journals or magazines (*insert their names here*) are in the French language. The following journals or magazines (*insert their names here*) are in the (*indicate their language here*) language.”.

R.R.Q., 1981, c. P-40.1, r. 1, s. 31.

DIVISION II

CONTRACTS OF CREDIT

§ 0.1. — *High-cost credit contract*

O.C. 994-2018, s. 17.

31.1. The compulsory clauses provided for in sections 33 and 39 must, where the contracts referred to in those sections are high-cost contracts, include the following modifications:

- (a) by adding “High-cost” before “Contract for the loan of money” or “Contract involving credit” in the portion in parentheses;
- (b) by replacing the words “2 days” wherever they appear in the compulsory clause by “10 days”.

O.C. 994-2018, s. 17.

31.2. The compulsory clauses provided for in sections 35 and 36 must, where the contracts referred to in those sections are high-cost contracts, include the following modifications:

- (a) by adding “High-cost” before “Open credit contract for the use of a credit card” or “Open credit contract other than that entered into for the use of a credit card” in the portion in parentheses;
- (b) the clause must include, in addition to what is provided for section 35 or 36, as the case may be, immediately before paragraph 1, the following paragraph:

“(0.1) A consumer may resolve, free of cost, this contract within 10 days after the date on which each party takes possession of a duplicate of the contract.

To resolve the contract, the consumer must

(a) remit the part of the granted credit that the consumer used to the merchant or the merchant’s representative if the credit has been granted at the time each party took possession of a duplicate of the contract;

(b) send a written notice to that effect or remit the part of the granted credit that the consumer used to the merchant or the merchant’s representative if the credit has not been granted at the time each party takes possession of a duplicate of the contract.

“The contract is resolved, without other formality, as soon as the consumer remits the part of the credit that the consumer used or sends the notice.”;

(c) by adding “73, 74, 76,” after “It is in the consumer’s interest to refer to sections” in the last paragraph.

O.C. 994-2018, s. 17.

§ 1. — *Insurance*

32. If subscription to or participation in an insurance is a condition for entering into a credit contract or a long-term contract of lease of goods, the contract must contain the following compulsory clause:

“Clause required under the Consumer Protection Act.

(Insurance)

Before entering into this contract, the merchant requires the consumer to hold an insurance (indicate the type of insurance required).

A consumer may meet that requirement

(a) either by subscribing to or participating in the insurance that may be recommended by the merchant;

(b) by subscribing to or participating in an insurance with an insurer and the insurance representative chosen by the consumer; or

(c) with an insurance the consumer already holds.

The merchant may not refuse the insurance chosen or held by the consumer without reasonable grounds.

It is in the consumer’s interest to refer to sections 111 and 112 of the Consumer Protection Act (chapter P-40.1) and, if further information is necessary, to contact the Office de la protection du consommateur.”.

R.R.Q., 1981, c. P-40.1, r. 1, s. 32; O.C. 600-92, s. 4; O.C. 994-2018, s. 18.

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

33. In addition to the clauses prescribed by sections 61.0.7 and 61.0.8, a contract for the loan of money must also contain the following compulsory clause:

“Clause required under the Consumer Protection Act.

(Contract for the loan of money)

(1) The consumer may cancel this contract without charge within 2 days following that on which each party takes possession of a duplicate of the contract.

To cancel the contract, the consumer must

(a) return the money to the merchant or the merchant's representative, if the consumer received the money at the time each party took possession of a duplicate of the contract;

(b) send a notice in writing to that effect, or return the money to the merchant or the merchant's representative if the money was not returned to the merchant or the merchant's representative at the time each party took possession of a duplicate of the contract.

The contract is cancelled, without further formality, as soon as the consumer returns the money or forwards the notice.

(2) If the consumer uses all or part of the net capital to make full or partial payment for the purchase or the lease of goods or for a service, the consumer may, if the contract for the loan of money was entered into on the making of and in relation to the sale, lease or service contract, and if the merchant and the lender collaborated with a view to granting loans, plead against the lender any ground of defence urgeable against the merchant who is the vendor, lessor, contractor or service provider.

The consumer may also, in the circumstances described above, exercise against the lender, or against the lender's assignee, any right exercisable against the merchant who is the vendor, lessor, contractor or service provider if that merchant is no longer active or has no assets in Québec, is insolvent or is declared bankrupt. The lender or the lender's assignee is then responsible for the performance of the obligations of the merchant who is the vendor, lessor, contractor or service provider up to the amount of, as the case may be, the debt owed to the lender at the time the contract is entered into, the debt owed to the assignee at the time it was assigned to him or the payment the lender received if he assigned the debt.

(3) The consumer may pay, in whole or in part, the amount of the obligation before maturity.

The balance due is equal at all times to the sum of the balance of net capital and credit charges calculated in accordance with the Act and the Regulation respecting the application of the Consumer Protection Act.

(4) The consumer may, once a month and without charge, request a statement of account from the merchant; the latter must furnish the consumer with the statement of account or forward it to the consumer as soon as possible but at the latest within 10 days of the receipt of the request.

In addition to the statement of account prescribed above, the consumer who wishes to pay the balance of his obligation before maturity may, at all times and without charge, request a statement of account from the merchant; the latter must furnish the consumer with the statement of account or forward it to the consumer as soon as possible but at the latest within 10 days of the receipt of the request.

It is in the consumer's interest to refer to sections 73, 74, 76, 91, 93 and 103.1 of the Consumer Protection Act (chapter P-40.1) and, if further information is necessary, to contact the Office de la protection du consommateur.”.

R.R.Q., 1981, c. P-40.1, r. 1, s. 33; O.C. 994-2018, s. 19.

34. A contract for the loan of money that contains a clause of forfeiture of benefit of the term must, immediately after that clause, contain the following compulsory clause:

“Clause required under the Consumer Protection Act.

(Clause of forfeiture of benefit of the term)

Before availing himself of this clause, the merchant must send the consumer a notice in writing and a statement of account.

Within 30 days following receipt by the consumer of the notice and the statement of account, the consumer may:

- (a) either remedy the fact that he is in default;
- (b) or present an application to the court to have the terms and conditions of payment prescribed in this contract changed.

It is in the consumer's interest to refer to sections 104 to 110 of the Consumer Protection Act (chapter P-40.1) and, where necessary, to communicate with the Office de la protection du consommateur.”.

R.R.Q., 1981, c. P-40.1, r. 1, s. 34; I.N. 2016-01-01 (NCCP).

§ 3. — *Open credit contracts*

R.R.Q., 1981, c. P-40.1, r. 1, Sd. 3; O.C. 994-2018, s. 75.

35. Open credit contracts entered into for the use of a credit card must contain, in addition to the clauses referred to in sections 61.0.10 and 61.0.12 of this Regulation, the following compulsory clause:

“Clause required under the Consumer Protection Act.

(Open credit contract for the use of a credit card)

(1) If the consumer uses all or part of the credit extended to make full or partial payment for the purchase or the lease of goods or for a service, the consumer may, if the open credit contract was entered into on the making of and in relation to the sale, lease or service contract, and if the merchant and the open credit merchant collaborated with a view to granting credit, plead against the lender any ground of defence urgeable against the merchant who is the vendor, lessor, contractor or service provider.

The consumer may also, in the circumstances described in the first paragraph, exercise against the open credit merchant, or against the merchant's assignee, any right exercisable against the merchant who is the vendor, lessor, contractor or service provider if that merchant is no longer active or has no assets in Québec, is insolvent or is declared bankrupt. The open credit merchant or the merchant's assignee is then responsible for the performance of the obligations of the merchant who is the vendor, lessor, contractor or service provider up to the amount of, as the case may be, the debt owed to the open credit merchant at the time the contract is entered into, the debt owed to the assignee at the time it was assigned to him or the payment the open credit merchant received if he assigned the debt.

(2) A consumer who is solidarily liable with another consumer for the obligations arising from an open credit contract is released from the obligations resulting from any use of the open credit account after notifying the merchant in writing that he will no longer use the credit extended and no longer intends to be solidarily liable for the other consumer's future use of the credit extended in advance, and after providing proof to the merchant, on that occasion, that he informed the other consumer by sending him a written notice to that effect at his last known address or technological address.

Any subsequent payment made by the consumer must be applied to the debts contracted before the notice was sent to the merchant.

(3) A consumer who has entered into a preauthorized payment agreement with a merchant under which payments are made out of credit obtained under a credit card contract may end the agreement at any time by sending a notice to the merchant.

On receipt of the notice, the merchant must cease to collect the preauthorized payments.

On receipt of a copy of the notice, the card issuer must cease debiting the consumer's account to make payments to the merchant.

(4) The consumer is not liable for debts resulting from the use of a credit card by a third person after the card issuer has been notified, by any means, of the loss, theft or fraudulent use of the card or of any other use of the card not authorized by the consumer. Even if no notice was given, consumer liability for the unauthorized use of a credit card is limited to \$50. The consumer is held liable for the losses incurred by the card issuer if the latter proves that the consumer committed a gross fault as regards the protection of the related personal identification number.

(5) Without delay at the end of each period, the merchant must send the consumer a statement of account. The merchant is not required to send a statement of account to the consumer at the end of any period if there have been no advances or payments during the period and the outstanding balance at the end of the period is zero.

(6) If the consumer makes a payment at least equal to the outstanding balance at the end of the preceding period within 21 days after the date of the end of the period, no credit charges may be required from the consumer on that outstanding balance, except as regards money advances. In the case of a money advance, charges may accrue as of the date of the advance until the date of payment.

(7) The consumer may demand that the merchant send, without charge, a copy of the vouchers for each of the transactions charged to the account during the period covered by the statement. The merchant must send the copy of the vouchers requested within 60 days after the date the consumer's request was sent.

(8) Until the consumer receives a statement of account at his address or technological address if expressly authorized by the consumer, the merchant must not claim credit charges on the unpaid balance, except as regards money advances.

It is in the consumer's interest to refer to sections 103.1, 122.1, 123, 123.1, 124, 126, 126.2, 126.3, 127 and 127.1 of the Consumer Protection Act (chapter P-40.1) and, if further information is necessary, to contact the Office de la protection du consommateur.”.

R.R.Q., 1981, c. P-40.1, r. 1, s. 35; O.C. 994-2018, s. 20.

36. An open credit contract other than that entered into for the use of a credit card must contain, in addition to the clauses prescribed by sections 61.0.10 and 61.0.11, the following compulsory clause:

“Clause required under the Consumer Protection Act.

(Open credit contract other than that entered into for the use of a credit card)

(1) If the consumer uses all or part of the credit extended to make full or partial payment for the purchase or the lease of goods or for a service, the consumer may, if the open credit contract was entered into on the making of and in relation to the sale, lease or service contract, and if the merchant and the open credit merchant collaborated with a view to granting credit, plead against the lender any ground of defence urgeable against the merchant who is the vendor, lessor, contractor or service provider.

The consumer may also, in the circumstances described in the first paragraph, exercise against the open credit merchant, or against the merchant's assignee, any right exercisable against the merchant who is the vendor, lessor, contractor or service provider if that merchant is no longer active or has no assets in Québec, is insolvent or is declared bankrupt. The open credit merchant or the merchant's assignee is then responsible for the performance of the obligations of the merchant who is the vendor, lessor, contractor or service provider up to the amount of, as the case may be, the debt owed to the open credit merchant at the time the contract is entered into, the debt owed to the assignee at the time it was assigned to him or the payment the open credit merchant received if he assigned the debt.

(2) A consumer who is solidarily liable with another consumer for the obligations arising from an open credit contract is released from the obligations resulting from any use of the open credit account after notifying the merchant in writing that he will no longer use the credit extended and no longer intends to be solidarily liable for the other consumer's future use of the credit extended in advance, and after providing proof to the merchant, on that occasion, that he informed the other consumer by sending him a written notice to that effect at his last known address or technological address.

Any subsequent payment made by the consumer must be applied to the debts contracted before the notice was sent to the merchant.

(3) Without delay at the end of each period, the merchant must send the consumer a statement of account. The merchant is not required to send a statement of account to the consumer at the end of any period if there have been no advances or payments during the period and the outstanding balance at the end of the period is zero.

(4) If the consumer makes a payment at least equal to the outstanding balance at the end of the preceding period within 21 days after the date of the end of the period, no credit charges may be required from the consumer on that outstanding balance, except as regards money advances. In the case of a money advance, charges may accrue as of the date of the advance until the date of payment.

(5) The consumer may demand that the merchant send, without charge, a copy of the vouchers for each of the transactions charged to the account during the period covered by the statement. The merchant must send the copy of the vouchers requested within 60 days after the date the consumer's request was sent.

(6) Until the consumer receives a statement of account at his address or technological address if expressly authorized by the consumer, the merchant must not claim credit charges on the unpaid balance, except as regards money advances.

It is in the consumer's interest to refer to sections 103.1, 122.1, 126, 126.2, 126.3, 127 and 127.1 of the Consumer Protection Act (chapter P-40.1) and, if further information is necessary, to contact the Office de la protection du consommateur.”

R.R.Q., 1981, c. P-40.1, r. 1, s. 36; O.C. 994-2018, s. 21.

37. An open credit contract that contains a clause of forfeiture of benefit of the term must, immediately after that clause, contain the following compulsory clause:

“Clause required under the Consumer Protection Act.

(Clause of forfeiture of benefit of the term)

Before availing himself of this clause, the merchant must forward the consumer a notice in writing and unless he is exempted in accordance with section 69 of the General Regulation, he must forward him a statement of account.

Within 30 days following the receipt by the consumer of the notice and, where necessary, of the statement of account, the consumer may:

- (a) either remedy the fact that he is in default;
- (b) or present an application to the court to have the terms and conditions of payment prescribed in this contract changed.

It is in the consumer's interest to refer to sections 104 to 110 of the Consumer Protection Act (chapter P-40.1) as well as to section 69 of the General Regulation made under that Act and, where necessary, to communicate with the Office de la protection du consommateur.”.

R.R.Q., 1981, c. P-40.1, r. 1, s. 37; I.N. 2016-01-01 (NCCP); O.C. 994-2018, s. 75.

§ 4. — *Contracts involving credit*

38. A contract involving credit entered into by an itinerant merchant and subject to sections 58 to 65 of the Act, with the exception of a service contract involving sequential performance for instruction, training or assistance, must contain, in addition to the clauses prescribed by sections 61.0.13 or 61.0.15 and 61.0.14 or 61.0.16, the following compulsory clause, as the case may be:

“Clause required under the Consumer Protection Act.

(Contract involving credit entered into by an itinerant merchant)

The consumer may reimburse the credit contract before maturity without charge or penalty; he may also require a statement of account under the conditions provided by the Act.

It is in the consumer's interest to refer to sections 58 to 65, 73, 74, 76, 91, 93 and 103 of the Consumer Protection Act (chapter P-40.1) and, if necessary, contact the Office de la protection du consommateur.”.

R.R.Q., 1981, c. P-40.1, r. 1, s. 38; O.C. 932-98, s. 4; O.C. 495-2010, s. 5; O.C. 994-2018, s. 22.

39. A contract involving credit other than a contract entered into by an itinerant merchant and subject to sections 58 to 65 of the Act and other than a service contract involving sequential performance for instruction, training or assistance, must, in addition to the clauses prescribed by sections 61.0.13 or 61.0.15 and 61.0.14 or 61.0.16, as the case may be, contain the following compulsory clause:

Clause required under the Consumer Protection Act.

(Contract involving credit)

“(1) The consumer may cancel this contract without charge within 2 days following the day on which each party takes possession of a duplicate of the contract, except in the case of the sale of a new road vehicle of which the consumer has taken delivery.

To cancel the contract, the consumer must:

(a) return the goods to the merchant or his representative if he received delivery of the goods at the time each party came into possession of a duplicate of this contract;

(b) forward a notice in writing for that purpose, or return the goods to the merchant or his representative if he did not receive delivery of the goods at the time each party came into possession of a duplicate of this contract.

(2) The contract is cancelled, without further formality, as soon as the consumer returns the goods or sends the notice.

(3) As soon as possible after cancellation, the consumer and the merchant must return what they have received from one another.

The merchant shall assume the costs of restitution.

(4) The merchant shall assume the risk of loss or deterioration, even by superior force, of the goods forming the object of this contract, until the expiry of the 2-day period after the day the parties came into possession of a duplicate of the contract.

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

(6) The consumer may pay his obligation in whole or in part before maturity.

The balance due is equal at all times to the sum of the balance of the net capital and credit charges computed in accordance with the Act and the General Regulation made under the Act.

(7) The consumer may, once a month and without charge, require a statement of account from the merchant; the latter must furnish or forward it to him as soon as possible and at the latest within 10 days of the receipt of the request.

In addition to the statement of account prescribed above, the consumer who wishes to pay the balance of his obligation before maturity, may, at all times and without charge, require a statement of account from the merchant; the latter must furnish or forward it to him as soon as possible and at the latest within 10 days of the receipt of the request.

It is in the consumer's interest to refer to sections 73, 75 to 79 and 93 of the Consumer Protection Act (chapter P-40.1) and, where necessary, to communicate with the Office de la protection du consommateur.”.

R.R.Q., 1981, c. P-40.1, r. 1, s. 39; O.C. 1148-90, s. 6; O.C. 495-2010, s. 5; O.C. 994-2018, s. 23.

40. In addition to the clauses in sections 61.0.13 and 61.0.14 and of the clause prescribed in section 38 or 39, as the case may be, an instalment sale contract that does not contain a clause of forfeiture of benefit of the term must, immediately after the reserve of ownership clause, contain the following compulsory clause:

“Clause required under the Consumer Protection Act.

(Instalment sale contract)

If the consumer fails to perform his obligation in the manner prescribed in this contract, the merchant may:

- (a) either exact immediate payment of the instalments due;
- (b) or retake possession of the goods forming the object of the contract.

Before retaking possession of the goods, the merchant must give the consumer a notice in writing of 30 days during which the consumer may, as he chooses:

- (a) remedy the fact that he is in default;
- (b) return the goods to the merchant.

If the consumer returns the goods to the merchant, his obligation under this contract is extinguished and the merchant is not bound to restore the payments he has already received.

If, before his default, the consumer has paid at least one-half of the amount of the total obligation and of the down payment, the merchant may not recover possession of the good unless he obtains the permission of the court.

It is in the consumer's interest to refer to paragraphs *a* and *c* of section 138 and sections 139 to 142 of the Consumer Protection Act (chapter P-40.1) and, where necessary, to communicate with the Office de la protection du consommateur.”.

R.R.Q., 1981, c. P-40.1, r. 1, s. 40; O.C. 994-2018, s. 24.

41. An instalment sale contract that contains a clause of forfeiture of benefit of the term must, in addition to the clauses prescribed by sections 61.0.13 and 61.0.14 and the clause prescribed in section 38 or 39, as the case may be, and immediately after the reserve of ownership clause, contain the following compulsory clause:

“Clause required under the Consumer Protection Act.

(Instalment sale contract containing a clause of forfeiture of benefit of the term)

If the consumer fails to perform his obligation in the manner prescribed in this contract, the merchant may:

- (a) either exact immediate payment of the instalments due;
- (b) or avail himself of the clause of forfeiture of benefit of the term prescribed in this contract.

Before availing himself of that clause, the merchant must forward the consumer a notice in writing and a statement of account. Within 30 days following the receipt by the consumer of the notice and the statement of account, the consumer may:

- i. either remedy the fact that he is in default;
- ii. or present an application to the court to have the terms and conditions of payment prescribed in this contract changed;
- iii. or present an application to the court to obtain permission to return the goods that form the object of the contract to the merchant.

If the consumer returns the goods to the merchant with the permission of the court, his obligation under this contract is extinguished and the merchant is not bound to return to him the payments he has received from him;

- (c) or retake possession of the goods that form the object of the contract.

Before retaking possession of the goods, the merchant must give the consumer a notice in writing 30 days during which the consumer may, as he chooses:

- i. either remedy the fact that he is in default;
- ii. or return the goods to the merchant.

If the consumer returns the goods to the merchant, his obligation under this contract is extinguished and the merchant is not bound to return to him the payments he has received from him.

If, before his default, the consumer has paid at least one-half of the aggregate of the total obligation and of the down payment, the merchant may not recover possession of the goods unless he first obtains the permission of the court.

It is in the consumer's interest to refer to sections 104 to 110 and 138 to 142 of the Consumer Protection Act (chapter P-40.1) and, where necessary, to communicate with the Office de la protection du consommateur.”.

R.R.Q., 1981, c. P-40.1, r. 1, s. 41; I.N. 2016-01-01 (NCCP); O.C. 994-2018, s. 25.

42. A contract involving credit, other than a contract of instalment sale, that contains a clause of forfeiture of benefit of the term, must in addition to the clause prescribed by sections 61.0.15 and 61.0.16 and the clause prescribed in section 38 or 39, as the case may be, immediately after the clause of forfeiture of benefit of the term, contain the following compulsory clause:

“Clause required under the Consumer Protection Act.

(Clause of forfeiture of benefit of the term)

Before availing himself of this clause, the merchant must forward the consumer a notice in writing and a statement of account.

Within 30 days following receipt of the notice and statement of account by the consumer, the consumer may:

- (a) either remedy the fact that he is in default;
- (b) or present an application to the court to have the terms and conditions of payment prescribed in this contract changed;
- (c) or present an application to the court to obtain permission to return the goods forming the object of this contract to the merchant.

If the consumer returns the goods to the merchant with the permission of the court, his obligation under this contract is extinguished and the merchant is not bound to return to the consumer the payments he has received from him.

It is in the consumer’s interest to refer to sections 104 to 110 of the Consumer Protection Act (chapter P-40.1) and, where necessary, to communicate with the Office de la protection du consommateur.”.

R.R.Q., 1981, c. P-40.1, r. 1, s. 42; I.N. 2016-01-01 (NCCP); O.C. 994-2018, s. 26.

DIVISION III

CONTRACTS OTHER THAN CONTRACTS OF CREDIT

43. A contract other than a contract of credit that contains a clause of forfeiture of benefit of the term but not a reserve of ownership clause must, immediately after the clause of forfeiture of benefit of the term, contain the following compulsory clause:

“Clause required under the Consumer Protection Act.

(Contract other than a contract of credit that contains a clause of forfeiture of benefit of the term)

Before availing himself of this clause, the merchant must forward the consumer a notice in writing and a statement of account.

Within 30 days following the receipt by the consumer of the notice and the statement of account, the consumer may:

- (a) either remedy the fact that he is in default;
- (b) or present an application to the court to have the terms and conditions of payment prescribed in this contract changed;
- (c) or present an application to the court to obtain permission to return the goods forming the object of this contract to the merchant.

If the consumer returns the goods to the merchant with the permission of the court, his obligation under this contract is extinguished and the merchant is not bound to return to him the payments he has received from him.

It is in the consumer's interest to refer to sections 14, 104 to 110 of the Consumer Protection Act (chapter P-40.1) and, where necessary, to communicate with the Office de la protection du consommateur.”

R.R.Q., 1981, c. P-40.1, r. 1, s. 43; I.N. 2016-01-01 (NCCP).

44. A contract other than a contract of credit that contains the reserve of ownership clause but that does not contain a clause of forfeiture of benefit of the term must contain, in addition to the clauses prescribed by section 61.0.13 that apply thereto, immediately after the reserve of ownership clause, the following compulsory clause:

“Clause required under the Consumer Protection Act.

(Contract other than a contract of credit that contains the reserve of ownership clause)

If the consumer fails to perform his obligation in the manner prescribed in this contract, the merchant may:

- (a) either exact immediate payment of the instalments due;
- (b) or retake possession of the goods that form the object of the contract.

Before retaking possession of the goods, the merchant must give the consumer a notice in writing of 30 days during which the consumer may, as he chooses:

- (a) either remedy the fact that he is in default;
- (b) or return the goods to the merchant.

If the consumer returns the goods to the merchant, his obligation under this contract is extinguished and the merchant is not bound to return to him the payments he has received from him.

If, before his default, the consumer has paid at least one-half of the amount of the total obligation and of the down payment, the merchant may not recover possession of the goods unless he first obtains the permission of the court.

It is in the consumer's interest to refer to section 15, paragraphs *a* and *c* of section 138 and sections 139 to 142 of the Consumer Protection Act (chapter P-40.1) and, where necessary, to communicate with the Office de la protection du consommateur.”

R.R.Q., 1981, c. P-40.1, r. 1, s. 44; O.C. 994-2018, s. 27.

45. A contract other than a contract of credit that contains a clause of forfeiture of benefit of the term and the reserve of ownership clause must contain, in addition to the clauses prescribed by section 61.0.13 that apply thereto, immediately after the reserve of ownership clause, the following compulsory clause:

“Clause required under the Consumer Protection Act.

(Contract other than a contract of credit that contains a clause of forfeiture of benefit of the term and the reserve of ownership clause)

If the consumer fails to perform his obligation in the manner prescribed in this contract, the merchant may:

- (a) either exact immediate payment of the instalments due;

(b) or avail himself of the clause of forfeiture of benefit of the term prescribed in this contract.

Before availing himself of that clause, the merchant must forward the consumer a notice in writing and a statement of account.

Within 30 days following the receipt by the consumer of the notice and the statement of account, the consumer may:

- i. either remedy the fact that he is in default;
- ii. or present an application to the court to have the terms and conditions of payment prescribed in this contract changed;
- iii. or present an application to the court to obtain permission to return the goods forming the object of this contract to the merchant.

If the consumer returns the goods to the merchant with the permission of the court, his obligation under this contract is extinguished and the merchant is not bound to return to him the payments he had already received from him;

(c) or retake possession of the goods that form the object of the contract.

Before retaking possession of the goods, the merchant must give the consumer a notice in writing of 30 days during which the consumer may, as he chooses:

- i. either remedy the fact that he is in default;
- ii. or return the goods to the merchant.

If the consumer returns the goods to the merchant, his obligation under this contract is extinguished and the merchant is not bound to return to him the payments he has already received from him.

If, before his default, the consumer has paid at least one-half of the amount of the total obligation and of the down payment, the merchant may not recover possession of the goods unless he first obtains the permission of the court.

It is in the consumer's interest to refer to sections 14, 15, 104 to 110 and 138 to 142 of the Consumer Protection Act (chapter P-40.1) and, where necessary, to communicate with the Office de la protection du consommateur.”.

R.R.Q., 1981, c. P-40.1, r. 1, s. 45; I.N. 2016-01-01 (NCCP); O.C. 994-2018, s. 28.

DIVISION III.1

LONG-TERM CONTRACTS OF LEASE OF GOODS

O.C. 600-92, s. 5.

45.1. A long-term contract of lease evidenced in writing must contain the following compulsory clause:

“Clause required under the Consumer Protection Act.

(Long-term contract of lease)

The consumer has no right of ownership in the goods leased.

The merchant shall assume the risk of loss or deterioration by superior force of the goods forming the object of this contract except where the consumer withholds the goods without right or, where such is the case, after ownership of the goods has been transferred to him by the merchant.

The consumer benefits from the same warranties respecting the leased goods as a consumer owning such goods.

Where the consumer is in default to perform his obligation in the manner prescribed in this contract, the merchant may:

- (a) either exact immediate payment of that which is due;
- (b) or retake possession of the goods forming the object of the contract.

Before retaking possession of the goods, the merchant must give the consumer a notice in writing of 30 days, during which time the consumer may, as he chooses:

- (a) remedy the fact that he is in default;
- (b) return the goods to the merchant.

The consumer may also return the goods to the merchant at any time during the leasing period even if he has not received a notice of repossession.

If the consumer returns the goods to the merchant, the contract is rescinded of right. In such a case, the merchant is not bound to return to the consumer the amount of the payments due he has already received, and he cannot claim any damages other than those actually resulting, directly and immediately, from the rescission of the contract.

The merchant is bound to minimize his damages.

It is in the consumer's interest to refer to sections 103, 150.10, 150.11 and 150.13 to 150.17 of the Consumer Protection Act (chapter P-40.1) and, where necessary, to communicate with the Office de la protection du consommateur.”.

O.C. 600-92, s. 5; O.C. 994-2018, s. 29.

45.2. A contract of lease with guaranteed residual value must contain, in addition to the clauses prescribed by section 69.4.1 and the clauses prescribed in sections 45.1 and 45.3 or 45.4, as the case may be, the following compulsory clause appearing on the first page of the contract in a box measuring 25 mm by 150 mm and having a 14-point upper-case title:

“IMPORTANT NOTICE

The consumer may be required to pay a large sum at the end of the contract if the value of the goods is less than the residual value mentioned in the contract.”.

O.C. 600-92, s. 5; O.C. 994-2018, s. 30.

45.3. A contract of lease with guaranteed residual value entered into by an itinerant merchant and subject to sections 58 to 65 of the Act must contain, in addition to the clauses prescribed by section 69.4.1 and the clauses prescribed in sections 45.1 and 45.2, the following compulsory clause:

“Clause required under the Consumer Protection Act.

(Contract of lease with guaranteed residual value entered into by an itinerant merchant)

The merchant must obtain permission of the court before recovering possession of leased goods where the consumer in default has paid at least one-half or more of his maximum obligation.

The consumer may purchase leased goods at all times under the conditions fixed by the Act; to that end, he may require a statement of account.

The consumer's residual value exigible is limited by the Act.

The merchant may not, in some cases, sell leased goods at a price lower than the residual value without first offering it to the consumer at that price.

It is in the consumer's interest to refer to sections 58 to 65, 150.21 and 150.27 to 150.32 of the Consumer Protection Act (chapter P-40.1) and, if necessary, contact the Office de la protection du consommateur.”.

O.C. 600-92, s. 5; O.C. 932-98, s. 5; O.C. 994-2018, s. 31.

45.4. A contract of lease with guaranteed residual value other than a contract entered into by an itinerant merchant and subject to sections 58 to 65 of the Act must contain, in addition to the clauses prescribed by section 69.4.1 and the clauses prescribed in sections 45.1 and 45.2, the following compulsory clause:

“Clause required under the Consumer Protection Act.

(Contract of lease with guaranteed residual value)

If, before his default, the consumer has paid at least one-half of his maximum obligation, the merchant may not recover possession of the goods unless he first obtains the permission of the court.

The consumer may cancel this contract without cost or penalty within 2 days following the day on which each party takes possession of a duplicate of the contract, except in the case of the lease of a new road vehicle that the consumer has taken delivery of.

To cancel the contract, the consumer must:

(a) return the goods to the merchant or his representative if he received delivery of the goods at the time each party came into possession of a duplicate of the contract;

(b) forward a notice in writing for that purpose, or return the goods to the merchant or his representative if he did not receive delivery of the goods at the time each party came into possession of a duplicate of the contract.

The contract is cancelled, without further formality, as soon as the consumer returns the goods or sends the notice.

As soon as possible after the cancellation, the consumer and the merchant must return what they have received from one another.

The merchant shall assume the costs of restitution.

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

The consumer may acquire the goods at any time during the leasing period on paying the balance of his instalment obligation minus the implied credit charges not yet earned at the time of the acquisition, computed in accordance with the Act.

The consumer who wishes to acquire the goods during the leasing period may, at all times and without charge, request a statement of account from the merchant; the latter must furnish or forward it as soon as possible but not later than 10 days after the receipt of the request.

The consumer's obligation of guarantee as to the residual value of the goods is limited to the lesser of the following amounts:

- (a) the amount by which the residual value exceeds the value the merchant obtains from the alienation of the goods;
- (b) 20% of the residual value.

While the residual value of the goods is guaranteed by the consumer, the merchant cannot alienate the goods to a prospective acquirer who offers a price for them lower than such residual value without first offering the goods to the consumer at the same price by sending him a notice in writing to that effect.

It is in the consumer's interest to refer to sections 150.21, 150.23 and 150.27 to 150.32 of the Consumer Protection Act (chapter P-40.1) and, where necessary, to communicate with the Office de la protection du consommateur.”.

O.C. 600-92, s. 5; O.C. 994-2018, s. 32.

DIVISION III.2

CONTRACT RELATING TO TIMESHARE ACCOMMODATION RIGHTS

S.Q. 2018, c. 14, s. 24.

45.5. The Statement of consumer resolution and resiliation rights and the resolution and resiliation form that the merchant must attach to the contract under the second paragraph of section 187.14 of the Act constitute a document on which appears only the compulsory notice immediately followed by the following compulsory form:

“(CONSUMER PROTECTION ACT, SECTION 187.14)

STATEMENT OF CONSUMER RESOLUTION AND RESILIATION RIGHTS

You may resolve this contract for any reason within 10 days after you receive a duplicate of the contract along with the other documents that must be attached to it.

The resolution period may be extended to one year if the contract does not comply with the provisions of the Act.

You may also resiliate the contract for any reason, without cost or penalty, before the merchant begins performing his principal obligation.

To resolve or resiliate the contract, you must send the merchant or the merchant's representative the resolution and resiliation form printed below, or send him another written notice to that effect. The form or notice must be sent to the merchant at the address indicated on the form, or at any other address of the merchant or merchant's representative indicated in the contract. You may give notice of resolution or resiliation by personal delivery or by any other method. It is recommended to use a method that will allow you to prove that you gave notice, including registered mail, email, fax or courier.

If the contract is resolved or resiliated for the above reason, the merchant must, if applicable and within 15 days, refund all amounts you have paid him. You also have 15 days to return to the merchant any goods you received under the contract.

CONSUMER PROTECTION

It is in your interest to refer to sections 187.21 to 187.26 of the Consumer Protection Act (chapter P-40.1).

A contract related to timeshare accommodation rights is considered a service contract. You may resiliate your contract for other reasons, and you have other rights and recourses.

For further information, you may contact a legal adviser or the Office de la protection du consommateur.

RESOLUTION AND RESILIATION FORM (detachable from schedule)

TO BE COMPLETED BY THE MERCHANT

TO:
(*name of merchant*)

.....
.....
(*address of merchant or representative*)

Telephone number of merchant or representative:

(.....)

Fax number of merchant or representative:

(.....)

Technological address of merchant or representative:

.....

TO BE COMPLETED BY THE CONSUMER

DATE : (*date on which form is sent*)

Under section 187.21 or 187.26 of the Consumer Protection Act, I hereby cancel contract No. (*contract number, IF ANY*) entered into on (*date on which contract was entered into*)

..... (*name of consumer*)

Telephone number of consumer: (.....)

Fax number of consumer: (.....)

Technological address of consumer:

.....
(*address of consumer*)

.....
(*signature of consumer*)".

The statement must show

- (a) the heading, in bold type of at least 12 points;
- (b) the statement of the 10-day resolution rights contained in the first paragraph, in typeface of at least 12 points;
- (c) all numbers in bold type.

The remainder of the text of the statement and of the resolution and resiliation form must be in typeface of at least 10 points.

S.Q. 2018, c. 14, s. 24.

DIVISION IV

SERVICE CONTRACTS INVOLVING SEQUENTIAL PERFORMANCE FOR INSTRUCTION, TRAINING OR ASSISTANCE

R.R.Q., 1981, c. P-40.1, r. 1, Div. IV; O.C. 495-2010, s. 13.

§ 1. — *Principal contracts*

46. A service contract involving sequential performance for instruction, training or assistance, other than a contract entered into by a merchant who operates a physical fitness studio or by an itinerant merchant, must contain the following compulsory clause:

“Clause required under the Consumer Protection Act.

(Service contract involving sequential performance for instruction, training or assistance)

The consumer may cancel this contract at any time by sending the form attached hereto or another notice in writing for that purpose to the merchant.

This contract is cancelled, without further formality, upon the sending of the form or notice.

If the consumer cancels this contract before the merchant has begun the performance of his principal obligation, the consumer has no charge or penalty to pay.

If the consumer cancels this contract after the merchant has begun the performance of his principal obligation, the consumer must pay only:

(a) the price of the services rendered him, computed on the basis of the rate stipulated in the contract; and

(b) the less of the following 2 sums: \$50, or a sum representing not more than 10% of the price of the services that were not rendered him.

Within 10 days following the cancellation of the contract, the merchant must restore to the consumer the money he owes him.

It is in the consumer’s interest to refer to sections 190 to 196 of the Consumer Protection Act (chapter P-40.1) and, where necessary, to communicate with the Office de la protection du consommateur.”.

R.R.Q., 1981, c. P-40.1, r. 1, s. 46; O.C. 1148-90, s. 7; O.C. 495-2010, s. 5.

46.1. A service contract involving sequential performance for instruction, training or assistance entered into by an itinerant merchant, other than a contract entered into by a merchant who operates a physical fitness studio, must contain the following compulsory clause:

“Clause required under the Consumer Protection Act.

(Service contract involving sequential performance for instruction, training or assistance entered into by an itinerant merchant).

The consumer may cancel this contract at any time by sending the form attached hereto or another notice in writing for that purpose to the merchant.

This contract is cancelled, without further formality, upon the sending of the form or notice.

If the consumer cancels this contract before the merchant has begun to perform his principal obligation or within 10 days after that on which each of the parties is in possession of a duplicate of the contract, whichever period is longer, the consumer has no charge or penalty to pay.

If the consumer cancels the contract after the merchant has begun to perform his principal obligation and after the 10 days mentioned in the fourth paragraph, the consumer must pay only:

(a) the price of the services rendered to him, computed on the basis of the rate stipulated in the contract; and

(b) the lesser of the following 2 sums: \$50, or a sum representing not more than 10% of the price of the services that were not rendered to him;

Within 10 days following the cancellation of this contract, the merchant must restore to the consumer the sum of money he owes him.

It is in the consumer's interest to refer to sections 58 to 65, 190 to 196 of the Consumer Protection Act (chapter P-40.1) and, where necessary, to communicate with the Office de la protection du consommateur.”.

O.C. 1148-90, s. 8; O.C. 495-2010, s. 5.

47. A contract entered into by a merchant who operates a physical fitness studio must contain the following compulsory clause:

“Clause required under the Consumer Protection Act.

(Contract entered into by a merchant who operates a physical fitness studio)

The consumer may cancel this contract without charge or penalty before the merchant has begun the performance of his principal obligation by sending the form attached hereto or another notice in writing for that purpose to the merchant.

If the merchant has begun to perform his principal obligation, the consumer may cancel this contract within a time period equal to $\frac{1}{10}$ of the duration prescribed in this contract by sending the attached form or another notice in writing for that purpose to the merchant. Such time period shall begin at the time the merchant begins to perform his principal obligation. In that case, the merchant may not exact from the consumer payment of any sum greater than one-tenth of the total price prescribed in the contract.

The contract is cancelled, without further formality, upon the sending of the form or notice.

Within 10 days following the cancellation of this contract, the merchant must restore to the consumer the money he owes him.

It is in the consumer's interest to refer to sections 197 to 205 of the Consumer Protection Act (chapter P-40.1) and, where necessary, to communicate with the Office de la protection du consommateur.”.

R.R.Q., 1981, c. P-40.1, r. 1, s. 47.

§ 2. — *Accessory contracts*

48. A contract for the lease of services and goods entered into at the time of the entering into or the performance of a principal contract governed by section 46 must contain the following compulsory clause:

“Clause required under the Consumer Protection Act.

(Accessory contract of lease)

This contract is an accessory to the service contract involving sequential performance for instruction, training or assistance entered into on *(insert here the date on which the service contract involving sequential performance for instruction, training or assistance is entered into)*.

The consumer may cancel this contract at any time by sending the form attached hereto or another notice in writing for that purpose to the merchant.

This contract is cancelled, without further formality, upon the sending of the form or notice.

If the consumer cancels this contract before the merchant has begun the performance of his principal obligation, the consumer has no charge or penalty to pay.

If the consumer cancels this contract after the merchant has begun to perform his principal obligation, the consumer must pay only:

(a) the price of the lease of the goods and of the services furnished him, computed on the basis of the rate stipulated in the contract; and

(b) the lesser of the following 2 sums: \$50, or a sum representing not more than 10% of the price of the services that were not furnished him or the price of the term of the lease that has not elapsed.

Within 10 days following the cancellation of this contract, the merchant must return to the consumer the sum of money he owes him.

It is in the consumer’s interest to refer to sections 190 to 196 and 207 of the Consumer Protection Act (chapter P-40.1) and, where necessary, to communicate with the Office de la protection du consommateur.”.

R.R.Q., 1981, c. P-40.1, r. 1, s. 48; O.C. 495-2010, s. 5.

48.1. A contract for the lease of services and goods entered into by an itinerant merchant at the time of the entering into or of the performance of a principal contract governed by section 46 or 46.1 must contain the following compulsory clause:

“Clause required under the Consumer Protection Act.

(Accessory contract of lease entered into by an itinerant merchant).

This contract is an accessory to the service contract involving sequential performance for instruction, training or assistance entered into on *(insert here the date on which the service contract involving sequential performance for instruction, training or assistance is entered into)*.

The consumer may cancel this contract at any time by sending the form attached hereto or another notice in writing for that purpose to the merchant.

This contract is cancelled, without further formality, upon the sending of the form or notice.

If the consumer cancels this contract before the merchant has begun the performance of his principal obligation or within 10 days following the day on which each of the parties is in possession of a duplicate of the contract, whichever period is longer, the consumer has no charge or penalty to pay.

If the consumer cancels this contract after the merchant has begun to perform his principal obligation and after the 10 days mentioned in the fifth paragraph, the consumer must pay only:

(a) the price of the lease of the goods or of the services furnished him, computed on the basis of the rate stipulated in the contract; and

(b) the lesser of the following 2 sums: \$50, or a sum representing not more than 10% of the price of the services that were not furnished him or of the price of the term of the lease that has not elapsed.

Within 10 days following the cancellation of this contract, the merchant must return to the consumer the sum of money he owes him.

It is in the consumer's interest to refer to sections 58 to 65, 190 to 196 and 207 of the Consumer Protection Act (chapter P-40.1) and, where necessary, to communicate with the Office de la protection du consommateur.”.

O.C. 1148-90, s. 9; O.C. 495-2010, s. 5.

49. A contract for the lease of goods or services entered into at the time of the entering into or performance of a principal contract with a merchant who operates a physical fitness studio must contain the following compulsory clause:

“Clause required under the Consumer Protection Act.

(Accessory contract of lease)

This contract is accessory to the service contract involving sequential performance for instruction, training or assistance entered into (*insert here the date on which the service contract involving sequential performance for instruction, training or assistance was entered into*).

The consumer may cancel this contract without charge or penalty before the merchant has begun the performance of his principal obligation by sending the form attached hereto or another notice in writing for that purpose to the merchant.

If the consumer has begun to perform his principal obligation, the consumer may cancel this contract within a time period equal to $\frac{1}{10}$ of the term prescribed in this contract by sending the attached form or another notice in writing for that purpose to the merchant. Such time period shall begin at the time the merchant begins to perform his principal obligation. In that case, the merchant may not exact from the consumer payment of any sum greater than one-tenth of the total price prescribed in the contract.

The contract is cancelled, without further formality, upon the sending of the form or notice.

Within 10 days following the cancellation of the contract, the merchant must return to the consumer the money he owes him.

It is in the consumer's interest to refer to sections 197 to 205 and 207 of the Consumer Protection Act (chapter P-40.1) and, where necessary, to communicate with the Office de la protection du consommateur.”.

R.R.Q., 1981, c. P-40.1, r. 1, s. 49; O.C. 495-2010, s. 5.

50. A sales contract entered into at the time of the entering into or performance of a principal service contract involving sequential performance for instruction, training or assistance, and in which the total amount of the obligation of the consumer exceeds \$100, must contain the following compulsory clause:

“Clause required under the Consumer Protection Act.

(Accessory contract of sale)

This contract is accessory to the service contract involving sequential performance for instruction, training or assistance entered into on *(insert here the date on which the service contract involving sequential performance for instruction, training or assistance was entered into)*.

The consumer may cancel this contract within 10 days following:

- (a) either the date on which the goods sold are delivered;
- (b) or the date on which the merchant begins to perform his obligation under the principal contract referred to above;

whichever occurs last.

To cancel this contract, the consumer must:

- (a) either return the goods to the merchant;
- (b) or send the merchant the attached cancellation form or another notice in writing for that purpose.

The contract is cancelled, without further formality, as soon as the consumer returns the goods or forwards the form or notice to the merchant.

Moreover, if the consumer cancels the principal contract referred to above, he may also cancel this contract by returning the goods to the merchant within 10 days following the cancellation of the principal contract.

However, the consumer may not avail himself of that right if he has been in possession of the goods for 2 months or for a period equivalent to $\frac{1}{3}$ of the term stipulated in the principal contract, whichever is shorter.

Within 10 days following the cancellation, the parties must restore what they have received from one another.

The merchant shall assume the costs of restitution.

The merchant shall assume the risk of loss or deterioration, even by superior force, of the goods forming the object of the contract until the longer of the two terms provided for the cancellation.

It is in the consumer's interest to refer to sections 208 to 214 of the Consumer Protection Act (chapter P-40.1) and, where necessary, to communicate with the Office de la protection du consommateur.”.

R.R.Q., 1981, c. P-40.1, r. 1, s. 50; O.C. 495-2010, s. 5.

DIVISION V

CONTRACT ENTERED INTO BY A DEBT SETTLEMENT SERVICE MERCHANT

O.C. 994-2018, s. 33.

50.0.1. A debt settlement service contract that provides for services referred to in paragraph *a* or *b* of section 214.12 of the Act, must contain, at the very beginning, in addition to the clauses provided for in section 79.13, the following compulsory box:

“Clause required under the Consumer Protection Act.

(Contract entered into by a debt settlement service merchant)

Your creditors could refuse to reduce your debts.
Your creditors could make a judicial demand if you stop your payments. Ceasing payments could affect your credit rating.
The merchant is not allowed to advise against communicating with your creditors.
You do not have to pay the merchant before payments are made to your creditors. The merchant may not require charges and fees of more than 15% of the savings made. The charges and fees must be spread over the term of the contract.

”

The text of the compulsory box must be in bold type of at least 14 points.

O.C. 994-2018, s. 33.

50.0.2. A contract entered into by a debt settlement service merchant must contain at the very beginning of the contract, but immediately after the compulsory box provided for in section 50.0.1 where applicable, the following statement of consumer cancellation rights:

“STATEMENT OF CONSUMER CANCELLATION RIGHTS

You may cancel this contract for any reason within 10 days after the date on which each party has possession of a copy of the contract.

If the merchant does not provide a service stated in the contract within 30 days following the agreed date, you have 1 year to cancel the contract. You lose that right if you accept the service after that 30-day period. There are other grounds for an extension of the cancellation period to 1 year, for example if the merchant does not hold a permit or has not provided the required security at the time the contract is entered into or the services never performed, or if the contract is incorrectly made or worded. For more information, you may seek legal advice or contact the Office de la protection du consommateur.

If you cancel the contract, the debt settlement service merchant must refund all amounts you have paid, and return to you the goods received in payment, as a trade-in or on account; if the merchant is unable to return the goods, you are entitled to receive the highest of an amount of money corresponding to the value indicated in the contract or the cash value of the goods, within 15 days of cancellation. You also have 15 days to return to the debt settlement service merchant any goods you received from the merchant.”

To cancel, you must send the merchant the cancellation form attached to the contract or send the merchant another written notice to that effect. The form or notice must be sent to the debt settlement service merchant at the address indicated on the form, or at any other address for the debt settlement service merchant indicated in the contract. You may give notice of cancellation in person. You may also use any other method. It is recommended to use a method that will allow you to prove that you gave notice, including registered mail, email, fax and courier.

It is in the consumer’s interest to refer to sections 214.17 to 214.22 and 214.26 of the Consumer Protection Act (chapter P-40.1) and, if further information is necessary, contact the Office de la protection du consommateur.”

The statement must show

- (a) the heading, in bold type of at least 12 points;
- (b) the statement of the 10-day cancellation contained in the first paragraph, in typeface of at least 12 points;
- (c) all numbers in bold type; and

(d) the remainder of the text in typeface of at least 10 points.

O.C. 994-2018, s. 33.

CHAPTER IV.1

PRESENTATION STANDARDS

O.C. 1349-2002, s. 1.

50.1. A label must be attached to ready-to-wear reading glasses referred to in the second paragraph of section 15 of the Dispensing Opticians Act (chapter O-6) and in the fourth paragraph of section 25 of the Optometry Act (chapter O-7) when they are sold without prescription by a person other than a dispensing optician or an optometrist. The label must contain the following message, printed in typeface of at least 12 points:

“WARNING

Ready-to-wear reading glasses sold without prescription are designed for occasional use by persons 40 years of age or older who suffer from presbyopia. These glasses are not designed to replace corrective glasses sold by prescription. The use of ready-to-wear reading glasses does not replace regular eye examinations to assess the health of your eyes and determine your needs with respect to your vision.”

O.C. 1349-2002, s. 1.

CHAPTER IV.2

CONTRACT ENTERED INTO BY AN ITINERANT MERCHANT

O.C. 994-2018, s. 34.

50.2. The Statement of consumer cancellation rights and the cancellation form that the merchant must attach to the contract under the second paragraph of section 58 of the Act constitutes a document on which appear only the compulsory notice immediately followed by the following compulsory form:

(CONSUMER PROTECTION ACT, SECTION 58)

STATEMENT OF CONSUMER CANCELLATION RIGHTS

You may cancel this contract for any reason within 10 days after you receive a copy of the contract along with the other required documents.

If you do not receive the goods or services within 30 days of the date stated in the contract, you may cancel the contract within one year. You lose that right if you accept delivery after the 30-day period. There are other grounds for an extension of the cancellation period to one year, for example if the itinerant merchant does not hold a permit or has not provided the required security at the time the contract is entered into or if the contract is incorrectly made or worded. For more information, you may seek legal advice or contact the Office de la protection du consommateur.

If you cancel the contract, the itinerant merchant must refund all amounts you have paid, and return to you the goods received in payment, as a trade-in or on account; if the merchant is unable to return the goods, you are entitled to receive an amount of money corresponding to the value indicated in the contract or the cash value of the goods, within 15 days of cancellation. You also have 15 days to return to the merchant any goods you received from the merchant.

To cancel, you must return the items received from the merchant to the merchant or the merchant's representative, send the merchant the cancellation form printed below, or send the merchant another written notice of cancellation. The form or written notice must be sent to the merchant or the merchant's representative at the address indicated on the form, or at any other address indicated in the

contract. You may give notice of cancellation in person. You may also use any other method. It is recommended to use a method that will allow you to prove that you gave notice, including registered mail, email, fax and courier.

CANCELLATION FORM

(detachable from schedule)

TO BE COMPLETED BY THE MERCHANT

TO:
(name of itinerant merchant or representative)

.....
.....
(address of itinerant merchant or representative)

Telephone number of itinerant merchant
or representative: (.....)

Fax number of itinerant merchant
or representative: (.....)

Where applicable, technological address of itinerant merchant
or representative:

TO BE COMPLETED BY THE CONSUMER

DATE: (date on which form is sent)
Under section 59 of the Consumer Protection Act, I hereby cancel
the contract No.
(contract number, if any) entered into on
..... (date on which contract was entered into)
at:
(address where consumer entered into contract)

..... (name of consumer)
Telephone number of consumer: (.....)
Fax number of consumer: (.....)
Electronic address of consumer:

.....
(address of consumer)

.....
(signature of consumer)"

The statement must show

- (a) the heading, in bold type of at least 12 points;
- (b) the statement of the 10-day cancellation contained in the first paragraph, in typeface of at least 12 points;
- (c) all numbers in bold type.

The remainder of the text of the statement and cancellation form must be in typeface of at least 10 points.”.

CHAPTER V

CONTRACTS OF CREDIT

DIVISION I

COMPUTATION OF THE CREDIT RATE AND CREDIT CHARGES IN CONTRACTS FOR THE LOAN OF MONEY AND IN CONTRACTS INVOLVING CREDIT

51. For the purposes of this Division, “payment period” means a space of time, computed in days, that extends inclusively from the date from which the credit charges are payable to the date of the first payment and, subsequently, inclusively from the day following the date of a payment to the date on which the following payment is made.

R.R.Q., 1981, c. P-40.1, r. 1, s. 51.

52. The credit charges must be computed at the end of a payment period by multiplying the credit rate applicable under section 83 of the Act by the balance of the capital outstanding at the commencement of that payment period and, where applicable, of the credit charges outstanding at the commencement of that period, and by multiplying the product thus obtained by the fraction represented by the payment period in relation to 365.

However, a merchant may exact credit charges that are less than those computed in accordance with the first paragraph.

R.R.Q., 1981, c. P-40.1, r. 1, s. 52.

53. If a contract provides for weekly payments, payments every 2 weeks, bimonthly payments, payments every 4 weeks or monthly payments, the credit rate computed in accordance with the Act is the credit rate that, where used according to the method of computation prescribed in section 52, produces amounts whose sum is equal to the total sum of the credit charges indicated in the contract on the condition that:

(a) the parties perform their obligations in the manner prescribed in the contract; and that

(b) all the periods provided for in the contract are of a duration equal to $\frac{1}{52}$ of a year for weekly payments, $\frac{1}{26}$ for a year for payments every 2 weeks, $\frac{1}{24}$ of a year for bimonthly payments, $\frac{1}{13}$ of a year for payments every 4 weeks, and $\frac{1}{12}$ of a year for monthly payments.

R.R.Q., 1981, c. P-40.1, r. 1, s. 53.

54. If a contract provides for payments other than those mentioned in section 53, the credit rate computed in accordance with the Act is the credit rate that, where utilized according to the computation method prescribed in section 52, produces amounts whose sum is equal to the aggregate of the credit charges indicated in the contract on the condition that:

(a) the parties perform their obligations, in the manner prescribed in the contract; and that

(b) the duration of each period is that prescribed in the contract.

R.R.Q., 1981, c. P-40.1, r. 1, s. 54.

54.1. Where life, health, accident or employment insurance in respect of the consumer is established for the benefit of the merchant under a credit contract, and where the insurance premium constitutes credit charges within the meaning of sections 69 and 70 of the Act, and credit charges arising from payment of the premium by the merchant are imposed to the consumer, the merchant must disclose in the contract, as components of the credit charges, both the amount of the premium and the cost of the credit charges related

thereto, and must include both components in the total credit charges, as well as for the purpose of calculating and disclosing the credit rate in accordance with the Act.

O.C. 848-94, s. 5; O.C. 994-2018, s. 35.

DIVISION II

COMPUTATION OF THE CREDIT RATE AND CREDIT CHARGES IN AN OPEN CREDIT CONTRACT

R.R.Q., 1981, c. P-40.1, r. 1, Div. II; O.C. 994-2018, s. 75.

55. For the purposes of this Division,

(a) “daily balance” means the amount that, during a period, is determined at the end of each day by adding the value of any transaction debited to the account since the commencement of the period to the aggregate of the balance of net capital at the end of the preceding period and, where applicable, to the credit charges outstanding at the end of the preceding period, and by subtracting the value of any payment received by the merchant since the commencement of the period;

(b) “average daily balance” means the sum obtained by dividing the aggregate of all the daily balances of a period by the number of days in that period.

R.R.Q., 1981, c. P-40.1, r. 1, s. 55; O.C. 504-98, s. 1.

56. *(Revoked).*

R.R.Q., 1981, c. P-40.1, r. 1, s. 56; O.C. 504-98, s. 2.

57. A sum, other than a payment, that must be credited to the account of a consumer and that relates to a transaction, must be credited to the account not later than the date of its receipt by the merchant.

R.R.Q., 1981, c. P-40.1, r. 1, s. 57; O.C. 504-98, s. 3.

58. The credit rate must be computed as the annual percentage or scale of annual percentages that, when applied at the end of a period, as prescribed in section 60, to the average daily balance, produces the credit charges for the period.

R.R.Q., 1981, c. P-40.1, r. 1, s. 58.

59. Subject to section 61, the credit charges are computed at the end of each period by applying the credit rate applicable under section 83 of the Act as prescribed in section 60 to the average daily balance of the period.

However, a merchant may exact credit charges that are less than those computed in accordance with the first paragraph.

R.R.Q., 1981, c. P-40.1, r. 1, s. 59.

60. The percentage to be applied at the end of a period to the average daily balance of that period is equal to the credit rate applicable under section 83 of the Act multiplied by the fraction represented by the period in relation to 365 days.

R.R.Q., 1981, c. P-40.1, r. 1, s. 60.

61. Despite section 59, if a consumer makes a payment at least equal to the balance of the account at the end of the preceding period 21 days after the date of the end of the period, credit charges may not be exacted from him on the balance of account except for the portion of the balance that represents advances of money.

R.R.Q., 1981, c. P-40.1, r. 1, s. 61; O.C. 994-2018, s. 36.

DIVISION II.1

ASSESSMENT OF CONSUMER'S CAPACITY TO REPAY CREDIT OR PERFORM OBLIGATIONS

O.C. 994-2018, s. 37.

61.0.1. For the purposes of sections 103.2 and 150.3.1 of the Act, the merchant who takes into account the following information is deemed to have assessed the consumer's capacity:

- (a) the general level of the consumer's gross income;
- (b) the total of the monthly recurring disbursements related to housing, or the monthly cost if they are made on a basis other than monthly;
- (c) the total of the monthly disbursements required under a credit contract or to pay the lease of a long-term contract of lease of goods, or their monthly cost if they are made on a basis other than monthly;
- (d) the information contained in a contemporaneous credit report made on a consumer by a personal information officer within the meaning of the Act respecting the protection of personal information in the private sector (chapter P-39.1);
- (e) where applicable, the credit history with that merchant.

O.C. 994-2018, s. 37.

61.0.2. For the purposes of paragraph *a* of section 61.0.1, the information collected by the merchant on the consumer's main income must allow the identification of the consumer's gross income and the source of income and, where applicable, occupation, employment situation, employer and the duration of the employment relationship.

O.C. 994-2018, s. 37.

61.0.3. The credit contract under which the credit rate, calculated in accordance with the Act at the time the contract was entered into, exceeds the rate obtained by increasing by 22 percentage points the Bank Rate of the Bank of Canada is a high-cost credit contract.

For the purposes of the first paragraph, the Bank Rate is the rate in force on the expiry of a 2-day period following its announcement by the Bank of Canada.

In the case of an open credit contract, to determine if the contract is high cost, the credit rate applicable under the contract in case of default of the consumer is not taken into account

O.C. 994-2018, s. 37.

61.0.4. For the purposes of section 103.4 of the Act, the consumer's debt ratio corresponds to the expression in percentage of the fraction that constitutes the sum of the following monthly disbursements in relation to the consumer's monthly income:

- (a) the disbursements referred to in paragraphs *b* and *c* of section 61.0.1;

(b) the disbursements payable under the contract proposed to the consumer by the merchant or their monthly cost if they are established on a basis other than monthly.

For the purposes of subparagraph *a* of the first paragraph, disbursements required under a contract are not taken into account if the contract must be replaced by the contract referred to in subparagraph *b* of the first paragraph.

For the purposes of subparagraph *b* of the first paragraph, if the contract proposed is an open credit contract, the minimum periodic payment that would be payable if the credit limit were reached is used.

O.C. 994-2018, s. 37.

61.0.5. For the purposes of section 103.4 of the Act, the merchant must give to the consumer a document on which only appears the following information:

- (a) the information taken into account to assess the consumer's capacity to repay the credit;
- (b) the methods for calculating the debt ratio provided for in section 61.0.4;
- (c) the elements used in the calculation of the consumer's debt ratio;
- (d) the consumer's debt ratio, calculated in accordance with section 61.0.4;
- (e) if the debt ratio exceeds the ratio identified in section 61.0.6, the following compulsory clause:

“WARNING

You are about to enter into a high-cost credit contract The contract includes an obligation on your part that is presumed excessive, abusive or exorbitant within the meaning of the Consumer Protection Act.

It is in the consumer's interest to refer to sections 8 and 9 of the Consumer Protection Act (chapter P-40.1) and, if necessary, consult the Office de la protection du consommateur.”.

The compulsory clause must show the text in typeface of at least 12 points and the heading in bold type.

O.C. 994-2018, s. 37.

61.0.6. For the purposes of section 103.5 of the Act, the debt ratio, calculated in accordance with section 61.0.4 is 45%.

O.C. 994-2018, s. 37.

DIVISION II.2

CONTRACT FOR THE LOAN OF MONEY

O.C. 994-2018, s. 37.

61.0.7. The contract for the loan of money must comply with the following standard contract and provide as many lines as necessary to meet all the requirements:

CONTRACT FOR THE LOAN OF MONEY (*where applicable, add HIGH-COST at the beginning*)

(*CONSUMER PROTECTION ACT, S. 115*)

Date:

(date on which contract is entered into)

Place:

(place where contract is entered into)

.....

(name of merchant)

.....

.....

(address of merchant)

.....

(Where applicable, technological address of merchant)

.....

(Where applicable, merchant's permit number)

.....

(name of consumer)

.....

.....

(address of consumer)

1. Net capital \$.....

2. Interest \$.....

3. Other components of credit charges \$.....

4. Total of credit charges for the term of the loan \$.....

5. Total obligation of consumer \$.....

6. Credit rate ===== %

(Where the capital is paid in a number of advance payments, the amount and date of any advance payment made or to be made to the consumer or how that amount and the date are determined:

.....)

The term of this contract is

Date on which credit charges begin to accrue (or how that date is determined):

.....

The total obligation of the consumer is payable at *(address)* in *(number)* deferred payments of \$..... on *(number)* day of each consecutive month as of *(due date of the first payment)* and a final payment of \$..... on*(due date of the last payment)*

(Where applicable, mention the nature of any optional contracts, the charge for such contracts or how it is determined and that the consumer has a right of rescission with respect to such contracts.)

(Where applicable, mention the existence and the subject matter of any security given by the consumer to guarantee the performance of the consumer's obligations.)

The merchant performs the merchant's principal obligation when entering into this contract.

- ☐ Yes
☐ No

if “no”,
on

(date of the performance of the merchant's principal obligation)

O.C. 994-2018, s. 37.

61.0.8. The contract for the loan of money must include, at the very beginning, any of the boxes providing the following information, as the case may be:

INFORMATION BOX — CONTRACT FOR THE LOAN OF MONEY

Net capital paid in one instalment

(Consumer Protection Act, section 115)

Net capital	<i>Indicate the net capital of the loan.</i>
Credit rate	<i>Indicate the credit rate calculated in accordance with the Consumer Protection Act.</i>
Term of contract	<i>Indicate the term of the contract.</i>
Date on which credit charges begin to accrue or how that date is determined	<i>Indicate the date on which credit charges begin to accrue or how that date is determined.</i>
Payments	<i>Indicate the amount, frequency and date of the payments (or the day on which they are payable).</i>

INFORMATION BOX — CONTRACT FOR THE LOAN OF MONEY AT A VARIABLE RATE

Net capital paid in one instalment

(Consumer Protection Act, section 115)

Net capital	<i>Indicate the net capital of the loan.</i>
Initial credit rate	<i>Indicate the credit rate calculated in accordance with the Consumer Protection Act applicable on the date of the contract and the fact that it is variable during the contract.</i>
Term of the contract determined according to the initial credit rate	<i>Indicate the term of the contract according to the initial credit rate.</i>
Date on which credit charges begin to accrue or how that date is determined	<i>Indicate the date on which credit charges begin to accrue or how that date is determined.</i>
Payments determined according to the initial credit rate	<i>Indicate, according to the initial credit rate, the amount and the frequency of the payments, and the date of the payments (or the day on which they are payable).</i>

INFORMATION BOX — CONTRACT FOR THE LOAN OF MONEY

Net capital paid in a number of advance payments

CONSUMER PROTECTION

(Consumer Protection Act, section 115)

Net capital	<i>Indicate the net capital of the loan.</i>
Credit rate	<i>Indicate the credit rate calculated in accordance with the Consumer Protection Act.</i>
Term of contract	<i>Indicate the term of the contract.</i>
Amount and date advance payments on net capital or how they are determined	<i>Indicate the amount and date of the advance payments on the net capital of the loan or how they are determined.</i>
Date on which credit charges begin to accrue or how that date is determined	<i>Indicate the date on which credit charges begin to accrue or how that date is determined.</i>
Payments	<i>Indicate the amount, frequency and date of the payments (or the day on which they are payable).</i>

INFORMATION BOX — CONTRACT FOR THE LOAN OF MONEY AT A VARIABLE RATE

Net capital paid in a number of advance payments

(Consumer Protection Act, section 115)

Net capital	<i>Indicate the net capital of the loan.</i>
Initial credit rate	<i>Indicate the credit rate calculated in accordance with the Consumer Protection Act applicable on the date of the contract, and the fact that it is variable during the contract.</i>
Term of the contract established according to the initial credit rate	<i>Indicate the term of the contract according to the initial credit rate.</i>
Amount and date of advance payments on the net capital or how the amount and date are determined	<i>Indicate the amount and date of the advance payments on the net capital of the loan or how the amount and date are determined.</i>
Date on which credit charges begin to accrue or how that date is determined	<i>Indicate the date on which credit charges begin to accrue or how that date is determined.</i>
Payments established according to the initial credit rate	<i>Indicate, according to the initial credit rate, the amount and frequency of the payments, and the date of the payments (or the day on which they are payable).</i>

The box provided for in the first paragraph may be given to the consumer in a separate document provided no later than with the contract. The merchant is then exempt from the obligation of providing it at the very beginning of the contract.

O.C. 994-2018, s. 37.

DIVISION II.3

CREDIT CARD APPLICATION FORM

O.C. 994-2018, s. 37.

61.0.9. The credit card application form must include, at the very beginning, any of the boxes providing the following information, as the case may be:

INFORMATION BOX — CREDIT CARD APPLICATION FORM

(Consumer Protection Act, section 119.1)

Credit rate	<i>Indicate the credit rate calculated in accordance with the Consumer Protection Act.</i>
Grace period	<i>Indicate the period given to pay outstanding amounts without having to pay credit charges, except as regards money advances.</i>
Other charges	<i>Indicate the other charges likely to be required, in accordance with section 72 of the Consumer Protection Act or as charges other than credit charges.</i>

INFORMATION BOX — APPLICATION FORM FOR A CREDIT CARD AT A VARIABLE RATE

(Consumer Protection Act, section 119.1)

Initial credit rate	<i>Indicate the credit rate calculated in accordance with the Consumer Protection Act applicable on the date of the contract and the fact that the rate is variable during the contract.</i>
Grace period	<i>Indicate the period given to pay outstanding amounts without having to pay credit charges, except as regards money advances.</i>
Other charges	<i>Indicate the other charges likely to be required in accordance with section 72 of the Consumer Protection Act or as charges other than credit charges.</i>

The box provided for in the first paragraph may be given to the consumer in a separate document provided no later than with the credit card application form. The merchant is then exempt from the obligation of providing it at the very beginning of the form.

O.C. 994-2018, s. 37.

DIVISION II.4

OPEN CREDIT CONTRACT

O.C. 994-2018, s. 37.

61.0.10. The open credit contract must comply with the following standard contract and provide as many lines as necessary to meet all the requirements:

OPEN CREDIT CONTRACT (*where applicable, add HIGH-COST at the beginning*)

(CONSUMER PROTECTION ACT, S. 125)

Date:
(date on which contract is entered into)

Place:
(place where contract is entered into)

.....
(name of merchant)

.....
.....
(address of merchant)
.....
(where applicable, technological address of merchant)
.....
(Where applicable, the merchant's permit number)
.....
(name of consumer)
.....
.....
(address of consumer)

- 1. Amount up to which the credit is granted \$.....
- 2. Membership or renewal fees or fees for the replacement of a lost or stolen credit card \$.....
- 3. The length of each period for which a statement of account is provided
- 4. Minimum periodic payment or method of calculating that payment
- 5. Period during which the consumer may discharge the obligation without being compelled to pay credit charges
- 6. Credit rate ===== %
(Where applicable, mention the nature of any optional contracts, the charge for such contracts, or how it is determined and that the consumer has a right of resiliation with respect to such contracts.)
(Where applicable, mention the existence and the subject matter of any security given by the consumer to guarantee the performance of the consumer's obligations.)
Telephone number that the consumer can use, at no charge, to obtain information about the contract in the language of the contract (if not, clearly state that collect calls are accepted)

Table of examples of credit charges

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O.C. 994-2018, s. 37.

61.0.11. An open credit contract other than the contract entered into for using a credit card must include, at the very beginning, any of the boxes providing the following information, as the case may be:

INFORMATION BOX — OPEN CREDIT CONTRACT OTHER THAN FOR THE USE OF A CREDIT CARD

(Consumer Protection Act, section 125)

Credit limit granted	Indicate the amount of the credit limit granted.
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CONSUMER PROTECTION

Credit rate	<i>Indicate the credit rate calculated in accordance with the Consumer Protection Act.</i>
Minimum periodic payment	<i>Indicate the amount of the minimum periodic payment or the method of calculating that payment for each period.</i>
Other charges	<i>Indicate the other charges likely to be required in accordance with section 72 of the Consumer Protection Act or as charges other than credit charges.</i>

INFORMATION BOX — VARIABLE RATE OPEN CREDIT CONTRACT, OTHER THAN FOR USING A CREDIT CARD

(Consumer Protection Act, section 125)

Credit limit granted	<i>Indicate the amount of the credit limit granted.</i>
Initial credit rate	<i>Indicate the credit rate calculated in accordance with the Consumer Protection Act applicable on the date of the contract, and the fact that it is variable during the contract.</i>
Minimum periodic payment	<i>Indicate the amount of the minimum periodic payment or the method of calculating that payment for each period.</i>
Other charges	<i>Indicate the other charges likely to be required in accordance with section 72 of the Consumer Protection Act or as charges other than credit charges.</i>

The box provided for in the first paragraph may be given to the consumer in a separate document provided no later than with the contract. The merchant is then exempt from the obligation of providing it at the very beginning of the contract.

O.C. 994-2018, s. 37.

61.0.12. An open credit contract entered into for the use of a credit card must include, at the very beginning, any of the boxes providing the following information, as the case may be:

INFORMATION BOX — OPEN CREDIT CONTRACT FOR USING A CREDIT CARD

(Consumer Protection Act, section 125)

Credit limit granted	<i>Indicate the amount of the credit limit granted.</i>
Credit rate	<i>Indicate the credit rate calculated in accordance with the Consumer Protection Act.</i>
Grace period	<i>Indicate the period given to pay outstanding amounts without having to pay credit charges, except as regards money advances.</i>
Minimum periodic payment	<i>Indicate the amount of the minimum periodic payment or the method of calculating that payment for each period.</i>
Other charges	<i>Indicate the other charges likely to be required in accordance with section 72 of the Consumer Protection Act or as charges other than credit charges.</i>

CONSUMER PROTECTION

INFORMATION BOX — OPEN CREDIT CONTRACT FOR USING A CREDIT CARD WITH A VARIABLE RATE

(Consumer Protection Act, section 125)

Credit limit granted	<i>Indicate the amount of the credit limit granted.</i>
Initial credit rate	<i>Indicate the credit rate calculated in accordance with the Consumer Protection Act applicable on the date of the contract, and the fact that it is variable during the contract.</i>
Grace period	<i>Indicate the period given to pay outstanding amounts without having to pay credit charges, except as regards money advances.</i>
Minimum periodic payment	<i>Indicate the amount of the minimum periodic payment or the method of calculating that payment for each period.</i>
Other charges	<i>Indicate the other charges likely to be required in accordance with section 72 of the Consumer Protection Act or as charges other than credit charges.</i>

The box provided for in the first paragraph may be given to the consumer in a separate document provided no later than with the contract. The merchant is then exempt from the obligation of providing it at the very beginning of the contract.

O.C. 994-2018, s. 37.

DIVISION II.5

INSTALMENT SALE CONTRACT

O.C. 994-2018, s. 37.

61.0.13. An instalment sale contract must comply with the following standard contract and provided as many lines as necessary to meet all the requirements:

INSTALMENT SALE CONTRACT (*where applicable, add HIGH-COST at the beginning*)

(*CONSUMER PROTECTION ACT, S. 134*)

Date:
(*date on which contract is entered into*)

Place:
(*place where contract is entered into*)

.....
(*name of merchant*)

.....

.....

(*address of merchant*)

.....
(*where applicable, technological address of merchant*)

.....
(Where applicable, the merchant's permit number)

.....
(name of consumer)

.....
(address of consumer)

Description of the goods that are the subject matter of the contract

- | | | |
|----|--|---------|
| 1. | (a) Cash sale price of the goods | \$..... |
| | (b) Installation, delivery and other costs | \$..... |
| 2. | (a) Total cash price | \$===== |
| | (b) Cash payment | \$..... |
| | (c) Value of any goods given in exchange | \$..... |
| 3. | (a) Balance — Net capital | \$===== |
| | (b) Interest | \$..... |
| | (c) Other components of the credit charges | \$..... |
| 4. | Total of the credit charges for the term of the contract | \$===== |
| 5. | Consumer's total obligation | \$===== |
| | Credit rate | % |

The term of this contract is

Date on which credit charges begin to accrue (or how that date is determined):

.....
The consumer's total obligation is payable at (address) in deferred payments of \$..... on day (number) of each consecutive month as of (due date of the first payment) and a final payment of \$..... on (due date of the last payment).

(Where applicable, mention the nature of any optional contracts, the charge for such contracts, or how it is determined and that the consumer has a right of rescission with respect to such contracts.)

(Where applicable, mention the existence and the subject matter of any security given by the consumer to guarantee the performance of the consumer's obligations.)

The merchant delivers the good(s) subject to this contract when entering into this contract.

- ☐ Yes
☐ No

if "no",
on
(date of delivery of 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 entered into, but will take place only (describe the time and terms of the transfer of ownership).

61.0.14. An instalment sale contract must include, at the very beginning, any of the boxes providing the following information, as the case may be:

INFORMATION BOX — INSTALMENT SALE CONTRACT

(Consumer Protection Act, section 134)

Net capital	<i>Indicate the net capital of the instalment sale contract.</i>
Credit rate	<i>Indicate the credit rate calculated in accordance with the Consumer Protection Act.</i>
Term of contract	<i>Indicate the term of the contract, and the fact that the consumer may, without charges or penalties, prepay all or part of the outstanding balance.</i>
Date of delivery of the goods	<i>Indicate the date on which the goods must be delivered to the consumer.</i>
Date on which credit charges begin to accrue or how that date is determined	<i>Indicate the date on which credit charges begin to accrue or how that date is determined. Indicate that if the goods are delivered more than 7 days after the contract is entered into, credit charges may not accrue before the delivery date.</i>
Payments	<i>Indicate the amount, frequency and date of the payments (or the day on which they are payable).</i>
Cancellation period	<i>Indicate the consumer's cancellation period, of 2 or 10 days, as the case may be, except where the contract concerns a new road vehicle that the consumer has received.</i>

INFORMATION BOX — VARIABLE RATE INSTALMENT SALE CONTRACT

(Consumer Protection Act, section 134)

Net capital	<i>Indicate the net capital of the instalment sale contract.</i>
Initial credit rate	<i>Indicate the credit rate calculated in accordance with the Consumer Protection Act applicable on the date of the contract, and the fact that it is variable during the contract.</i>
Term of the contract established according to the initial credit rate	<i>Indicate the term of the contract, according to the initial credit rate, and the fact that the consumer may, without charges or penalties, prepay all or part of the outstanding balance.</i>
Date of delivery of the goods	<i>Indicate the date on which the goods must be delivered to the consumer.</i>
Date on which credit charges begin to accrue or how that date is determined	<i>Indicate the date on which credit charges begin to accrue or how that date is determined. Indicate that if the goods are delivered more than 7 days after the contract is entered into, credit charges may not accrue before the date of delivery.</i>
Payments determined according to the initial credit rate	<i>Indicate, according to the initial credit rate, the amount and frequency of payments and date of the payments (or the day on which they are payable).</i>
Cancellation period	<i>Indicate the consumer's cancellation period, of 2 or 10 days, as the case may be, except where the contract concerns a new road vehicle that the consumer has received.</i>

The box provided for in the first paragraph may be given to the consumer in a separate document provided no later than with the contract. The merchant is then exempt from the obligation of providing it at the very beginning of the contract.

O.C. 994-2018, s. 37.

DIVISION II.6

CONTRACT INVOLVING CREDIT OTHER THAN AN INSTALMENT SALE CONTRACT

O.C. 994-2018, s. 37.

61.0.15. A contract involving credit other than an instalment sale contract must comply with the following standard contract and provide as many lines as necessary to meet all the requirements:

CONTRACT INVOLVING CREDIT OTHER THAN AN INSTALMENT CONTRACT (*where applicable, add HIGH-COST at the beginning*)

(CONSUMER PROTECTION ACT, S. 150)

Date:
(date on which contract is entered into)

Place:
(place where contract is entered into)

.....
(name of merchant)

.....
(address of merchant)

.....
(where applicable, technological address of merchant)

.....
(Where applicable, the merchant's permit number)

.....
(name of consumer)

.....
(address of consumer)

Description of the object of the contract

1.	(a) Cash sale price of the goods or service	\$.....	
	(b) Installation, delivery and other costs	\$.....	
2.	(a) Total cash price		\$=====
	(b) Cash payment		\$.....
3.	(a) Balance — Net capital		\$=====
	(b) Interest		\$.....
	(c) Other components of the credit charges	\$.....	

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4. Total of credit charges for the term of the contract \$=====
5. Consumer’s total obligation
- Credit rate %

The term of this contract is
Date on which the credit charges begin to accrue (or how that date is determined):
.....

The consumer’s total obligation is payable at (address) in deferred payments of \$..... on day (number) of each consecutive month as of (due date of the first payment) and a final payment of \$..... on (due date of the last payment).
(Where applicable, mention the nature of any optional contracts, the charge for such contracts, or how it is determined and that the consumer has a right of resiliation with respect to such contracts.)

(Where applicable, mention the existence and the subject matter of any security given by the consumer to guarantee the performance of the consumer’s obligations.)

The merchant performs the merchant’s principal obligation when entering into this contract.
☐ Yes
☐ No

if “no”,
on
(date of the performance of the merchant’s principal obligation)

O.C. 994-2018, s. 37.

61.0.16. A contract involving credit other than an instalment sale contract must include, at the very beginning, any of the boxes providing the following information, as the case may be:

INFORMATION BOX — CONTRACT INVOLVING CREDIT OTHER THAN AN INSTALMENT SALE CONTRACT

(Consumer Protection Act, section 150)

Net capital	Indicate the net capital of a contract involving credit.
Credit rate	Indicate the credit rate calculated in accordance with the Consumer Protection Act.
Term of contract	Indicate the term of the contract, and the fact that the consumer may, without charges or penalties, prepay all or part of the outstanding balance.
Date of delivery of the goods or performance of the service	Indicate the date on which the goods must be delivered to the consumer or the date on which the service must be performed.
Date on which credit charges begin to accrue or how that date is determined	Indicate the date on which credit charges begin to accrue or how that date is determined.Indicate that if the goods are delivered more than 7 days after the contract is entered into, credit charges may not accrue before the date of delivery.
Payments	Indicate the amount, frequency and date of the payments (or the day on which they are payable).

Cancellation period	<i>Indicate the consumer's cancellation period, of 2 or 10 days, as the case may be, except where the contract concerns a new road vehicle that the consumer has received.</i>
---------------------	--

INFORMATION BOX — VARIABLE RATE CONTRACT INVOLVING CREDIT OTHER THAN AN INSTALMENT SALE CONTRACT

(Consumer Protection Act, section 150)

Net capital	<i>Indicate the net capital of the contract involving credit.</i>
Initial credit rate	<i>Indicate the credit rate calculated in accordance with the Consumer Protection Act applicable on the date of the contract, and the fact that it is variable during the contract.</i>
Term of the contract established according to the initial credit rate	<i>Indicate the term of the contract, according to the initial credit rate, and the fact that the consumer may, without charges or penalties, prepay all or part of the outstanding balance.</i>
Date of delivery of the goods or performance of the service	<i>Indicate the date on which the goods must be delivered to the consumer or the date on which the service must be performed.</i>
Date on which credit charges begin to accrue or how that date is determined	<i>Indicate the date on which credit charges begin to accrue or how that date is determined. Indicate that if the merchant's principal obligation is performed more than 7 days after the contract is entered into, credit charges may not accrue before the delivery date.</i>
Payments determined according to the initial credit rate	<i>Indicate, according to the initial credit rate, the amount and frequency of payments and date of the payments (or the day on which they are payable).</i>
Cancellation period	<i>Indicate the consumer's cancellation period, of 2 or 10 days, as the case may be, except where the contract concerns a new road vehicle that the consumer has received.</i>

The box provided for in the first paragraph may be given to the consumer in a separate document provided no later than with the contract. The merchant is then exempt from the obligation of providing it at the very beginning of the contract.

O.C. 994-2018, s. 37.

DIVISION III

DISCLOSURE OF THE CREDIT RATE

61.1. In accordance with section 100.1 of the Act, credit contracts that provide for a variable credit rate are exempt from the application of the Act mentioned in that section, provided that they

(a) include, depending on the nature of the contract, the information prescribed by section 115, 125, 134 or 150 of the Act;

(b) stipulate, except in the case of an open credit contract, equal deferred payments, except the final payment which may be less, by reserving the possibility that the amount of the payments and the number of payments be adjusted based on the variations of the credit rate.

For the application of section 52 or 59, as the case may be, to the contracts thus exempted, the credit rate application to the computation of credit charges is the rate that, according to the terms of the contract, was in force on the days included in the payment period for which the computation is made.

O.C. 712-95, s. 1; O.C. 994-2018, s. 38.

62. In the case of a contract for the loan of money and of a contract involving credit, the credit rate disclosed must be equal to the rate computed in the manner prescribed in section 53 or 54, as the case may be.

R.R.Q., 1981, c. P-40.1, r. 1, s. 62.

63. In a contract for the loan of money and in a contract involving credit, the credit rate disclosed must not be less than the annual percentage, computed in accordance with section 53 or 54, as the case may be, by more than $\frac{1}{4}$ of 1%.

R.R.Q., 1981, c. P-40.1, r. 1, s. 63.

64. In an open credit contract, the credit rate disclosed must be equal to the rate computed in the manner prescribed in section 58.

R.R.Q., 1981, c. P-40.1, r. 1, s. 64; O.C. 994-2018, s. 75.

DIVISION III.I

TIME LIMIT FOR NOTICE AMENDING OPEN CREDIT CONTRACT

O.C. 1429-85, s. 1; O.C. 994-2018, s. 75.

64.1. In the matter of open credit, the notice prescribed in section 129 of the Act must be sent to the consumer not later than 30 days preceding the date of the coming into force of the increase.

O.C. 1429-85, s. 1; O.C. 994-2018, s. 75.

DIVISION IV

STATEMENTS OF ACCOUNT

65. In the case of a contract for the loan of money and of a contract involving credit, the consumer may, once a month and without charge, request a statement of account from the merchant; the latter must furnish or forward it as soon as possible but not later than 10 days after the receipt of the request.

R.R.Q., 1981, c. P-40.1, r. 1, s. 65.

66. In addition to the statement of account prescribed in section 65, a consumer who wishes to pay the balance of his obligation before maturity may, at all times and without charge, request a statement of account from the merchant; the latter must furnish or forward it as soon as possible but not later than 10 days after the receipt of the request.

R.R.Q., 1981, c. P-40.1, r. 1, s. 66.

67. The statement of account prescribed in sections 65 or 66 must indicate the following information:

(a) the date of the statement of account;

(b) the balance of net capital at the date the contract was entered into or at the date of the preceding statement of account, as the case may be;

(c) the sum required of the consumer to discharge his total obligation on the date of the preceding statement of account;

(d) the date, nature and amount of each sum of money paid into the consumer's account since the contract was entered into or since the date of the preceding statement of account, as the case may be;

(e) the balance of net capital after each sum of money thus paid into the consumer's account;

(f) for each sum of money paid into the consumer's account, the portion used to pay the net capital and the portion used to pay credit charges; and

(g) the sum required from the consumer to discharge his total obligation on the date of the statement of account or, upon the consumer's request, on the date determined by him.

However, in the case of a contract entered into before 10 September 1980, the statement of account can only indicate:

(a) the date of the statement of account;

(b) the amount required for payment of the consumer's obligation; and

(c) the manner in which such amount was calculated.

R.R.Q., 1981, c. P-40.1, r. 1, s. 67.

68. Where the merchant wishes to avail himself of a clause of forfeiture of benefit of the term, the statement of account provided for in section 105 of the Act must include the following information:

(a) in the case of a contract for the loan of money or of a contract involving credit, the information provided for in section 67;

(b) in the case of an open credit contract, the information prescribed in subparagraphs *a* to *d*, *f* and *h* of the first paragraph of section 126 of the Act.

R.R.Q., 1981, c. P-40.1, r. 1, s. 68; O.C. 994-2018, ss. 39 and 75.

69. A merchant who is a party to an open credit contract and who, within 30 days prior to sending the notice of forfeiture of benefit of the term, has sent the consumer the statement of account provided for in section 126 of the Act, is not bound to attach the statement of account provided for in section 105 of the Act, provided that such notice contains the following compulsory clause:

“A consumer who wishes to know the details of his account may refer to the statement of account sent on (*indicate here the date of sending*).

A consumer who no longer has the statement of account in his possession may obtain another copy upon request to the merchant. The latter will send one to him without charge and as soon as possible.”.

R.R.Q., 1981, c. P-40.1, r. 1, s. 69; O.C. 994-2018, ss. 40 and 75.

69.0.1. For the purposes of the third paragraph of section 127 of the Act, the statement of account must be actually available for a period of 2 years from the date on which the consumer receives at the consumer's technological address a notice according to which the statement of account is available on the merchant's website.

O.C. 994-2018, s. 41.

DIVISION V

FORFEITURE OF BENEFIT OF THE TERM AND REPOSSESSION

O.C. 994-2018, s. 41.

69.0.2. Where the merchant wishes to avail himself of a clause of forfeiture of benefit of the term, the notice to the consumer must comply with the following standard notice and provide as many lines as necessary to meet all the requirements:

(CONSUMER PROTECTION ACT, S. 105)

NOTICE OF FORFEITURE OF BENEFIT OF THE TERM

Date:

(date on which notice is sent or given)

.....

(name of merchant)

.....

(telephone number of merchant)

.....

(address of merchant)

hereinafter called the merchant gives notice to:

.....

(name of consumer)

.....

.....

(address of consumer)

hereinafter called the consumer,

that the consumer has failed to fulfil the obligation in accordance with the contract

(No.)

(contract number, if any)

entered into by them

(place where contract was entered into)

on

(date on which contract was entered into)

and that the following payment or payments are due:

\$.....,

(amount of payment)

on

(due date of payment)

\$.....,

(amount of payment)

on

(due date of payment)

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

(or

description of another type of default, such as failure to insure goods as provided for in the contract, to the extent that that requirement is allowed under the Act)

Consequently, if the consumer does not remedy the default by paying the amount due (or other remedy, if applicable) within 30 days of receiving this notice, the balance of the obligation, in the amount of \$....., shall become payable at that time.

The consumer may, however, apply to 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 application must be served and filed in the office of the court within 30 days after the consumer receives this notice.

It is in the consumer's interest to examine the contract and, if further information is necessary, to contact the Office de la protection du consommateur.

O.C. 994-2018, s. 41.

69.0.3. Where the merchant wishes to avail himself of the right of repossession, the notice to the consumer must comply with the following standard notice and provide as many lines as necessary to meet all the requirements:

(CONSUMER PROTECTION ACT, S. 139)

NOTICE OF REPOSSESSION

Date:

(date on which notice is sent or given)

.....

(name of merchant)

.....

(telephone number of merchant)

.....

(address of merchant)

hereinafter called the merchant gives notice to:

.....

(name of consumer)

.....

.....

(address of consumer)

hereinafter called the consumer,

that the consumer has failed to fulfil the obligation in accordance with the contract

(No.) *(contract number, if any)* entered into by them at *(place where contract was entered into)*

on *(date on which contract was entered into)* and the following payment or payments are due:

\$....., *(amount of payment)*

on

(due date of payment)

\$....., *(amount of payment)*

on

(due date of payment)

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

(or description of another type of default, such as failure to insure goods as provided for in the contract, to the extent that that requirement is allowed under the Act)

The consumer may, within 30 days after receiving this notice,

(a) remedy the default by paying the amount due at this date (or other remedy, if applicable);

(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 30 days after receiving this notice, the merchant will exercise the 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 the right of repossession unless the merchant obtains the permission of the court.

In the case of voluntary return or forced repossession of the goods 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.

It is in the consumer's interest to examine the contract and, if further information is necessary, to contact the Office de la protection du consommateur.

O.C. 994-2018, s. 41.

CHAPTER V.1

LONG-TERM CONTRACTS OF LEASE

O.C. 600-92, s. 6.

69.1. A long-term contract of lease that provides for a first periodic instalment less than the regular periodic instalment, where that first periodic instalment is prorated in relation to the regular periodic instalment based on the time until the next periodic instalment, is exempt from the application of section 150.7 of the Act with regard to the first periodic instalment.

O.C. 600-92, s. 6.

69.2. A merchant who is a party to a contract of lease with guaranteed residual value of an automobile and who alienates the automobile by sale at public auction after the end of the leasing period is exempt from the obligation prescribed in section 150.30 of the Act, where all of the following conditions are met:

(a) *(paragraph implicitly revoked; 1996, chapter 56, s. 47);*

(b) the sale at public auction was organized by a person other than the merchant, his representative or his employee;

(c) the sale is concluded on the day of the auction without right of retraction for the acquirer.

O.C. 600-92, s. 6.

69.3. In a contract of lease with guaranteed residual value, the implied credit charges must be computed in the manner prescribed in section 52, and the implied credit rate computed in accordance with the Act is the rate computed in the manner prescribed in section 53 or 54, as the case may be.

For purposes of those computations, sections 51 to 54 apply, with the expressions "implied credit charges", "implied credit rate" and "net obligation" substituted for the expressions "credit charges", "credit rate" and "capital", respectively, wherever they appear.

O.C. 600-92, s. 6.

69.4. The implied credit rate disclosed in a contract of lease with guaranteed residual value must be equal to the rate computed in the manner prescribed in section 69.3, and the rate disclosed must not be less than the annual percentage so computed by more than $\frac{1}{4}$ of 1%.

O.C. 600-92, s. 6.

69.4.1. A contract of lease with guaranteed residual value must comply with the following standard contract and provide as many lines as necessary to meet all the requirements:

(CONSUMER PROTECTION ACT, S. 150.22)

CONTRACT OF LEASE WITH RESIDUAL VALUE GUARANTEED BY THE CONSUMER

Date:

(date on which contract is entered into)

Place:

(place where contract is entered into)

.....

(name of merchant)

.....

.....

(address of merchant)

.....

.....

(where applicable, technological address of merchant)

(name of consumer)

.....

.....

(address of consumer)

Description of the object of the contract:

.....

(make, model, serial number, year)

1. Total value of goods

(a) Retail price

\$.....

(b) Preparation, delivery and installation charges

\$.....

(c) Other

\$.....

(specify)

Total

\$.....

2. Payment on account

(except applicable taxes)

(a) Trade-in

\$.....

(b) First instalment

\$.....

(c) Instalment or instalments paid in advance, other than (b)		
.....		\$.....
(specify which)		
(d) Other amount received before the start of the leasing period, including the value of a payment instrument payable on demand		\$.....
Total		\$.....
3.	Amount of net obligation (1 - 2)	\$=====
4.	Instalments	
	(a) (i) X =	\$.....
	(instalment) (number)	
	(ii) Last instalment	
	(if less than i)	\$.....
	(iii) Total of instalments	
	(i + ii)	\$=====
	(b) (i) + =	\$.....
	(instalment) (taxes)	(periodic payment)
	(ii) X =	\$.....
	(instalment) (number)	
	(iii) + =	\$.....
	(last instalment) (taxes)	
	(iv) Total of instalments	
	(ii + iii)	\$=====
5.	Amount of instalment obligation	
	(a) Total of instalments minus those included in the payment on account (4 (a) iii - 2 (b) and	
	2 (c))	\$.....
	b) Residual value of goods	\$.....
	(wholesale value at the end of the leasing period)	
	Total	\$=====
6.	Implied credit charges and rate	
	(a) Implied credit charges (5 - 3)	\$.....
	(b) Leasing period months
	(c) Implied annual credit rate	===== %
7. MAXIMUM OBLIGATION OF THE CONSUMER		
(not including applicable taxes and charges relating to the degree of use of the goods)		
	(2 + 5)	\$=====
The obligation of the consumer is payable		
at		
(address)		

The amounts to be paid during the leasing period payable in instalments (number) of (*amount*) on the day of each consecutive (*period*) from(*date of delivery of goods*) and a final instalment of \$...... (*amount*) on

.....
(*date*).

The consumer shall defray the residual value if the consumer acquires the goods during the leasing period. If the consumer elects not to exercise this option, the consumer guarantees that the merchant will obtain from alienation of the goods by onerous title within a reasonable time of their return a value equal to or greater than the residual value and that, if the merchant fails to obtain at least such value, the consumer will assume the difference up to 20% of the residual value.

The consumer shall give to the merchant as acknowledgement of or security for the consumer's 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 (either box must be checked)

- ☐ Yes
☐ No

If "no", on
(*date of delivery of goods*)

O.C. 994-2018, s. 42.

69.5. A consumer who is a party to a contract of lease with guaranteed residual value and who, during the leasing period, wishes to acquire the leased goods may, at any time and without charge, request a statement of account from the merchant; the latter must furnish or forward it as soon as possible but not later than 10 days after the receipt of the request.

O.C. 600-92, s. 6.

69.5.1. Where the merchant must offer the goods to the consumer under section 150.30 of the Act, the notice to the consumer must comply with the following standard notice:

(*CONSUMER PROTECTION ACT, ART. 150.30*)

NOTICE OF RIGHT OF PREEMPTION

Date:
(*date on which notice is sent or given*)

.....
(*name of merchant*)

.....
(*telephone number of merchant*)

.....
(*address of merchant*)
hereinafter called the merchant, gives notice to

.....
(*name of consumer*)

.....

.....

(address of consumer)

hereinafter called the consumer,

1 - that the merchant has received from

(name and address)

(hereinafter called the prospective acquirer) an offer to purchase the goods which are the object of the contract of lease with guaranteed residual value

(No.) *(contract number, if any)* entered into by the merchant and the consumer at

(place where contract was entered into)

on *(date on which contract was entered into)*

and that this offer to acquire is in the amount of \$..... *(amount)*,

and that this amount is less than the residual value indicated in the contract, namely

\$.....;

(amount)

2 - that the consumer may, within 5 days after receipt of this notice,

(a) acquire the goods by paying in cash a price equal to that offered by the prospective acquirer;

(b) present a third person who agrees to pay in cash for the goods a price equal to or greater than that offered by the prospective acquirer.

In the latter case, if the merchant does not agree to sell the goods to the third person presented by the consumer, the consumer is released from his obligation to guarantee the residual value.

If the consumer fails to acquire the goods or to present a third person within 5 days after receipt of this notice, the merchant will sell the goods to the prospective acquirer at the price offered by the acquirer and indicated in paragraph 1.

It is in the consumer's interest to examine the contract and, if further information is necessary, to contact the Office de la protection du consommateur.

O.C. 994-2018, s. 43.

69.6. The statement of account prescribed in section 69.5 must indicate the following information:

(a) the date of the statement of account;

(b) the balance of net obligation at the date the contract was entered into or at the date of the preceding statement of account;

(c) the sum required of the consumer to acquire the goods on the date of the preceding statement of account;

(d) the date, nature and amount of each sum of money paid into the consumer's account since the contract was entered into or since the date of the preceding statement of account;

(e) the balance of the net obligation after each sum of money thus paid into the consumer's account;

(f) for each sum of money paid into the consumer's account, the portion used to pay the net obligation and the portion used to pay implied credit charges; and

(g) the sum required of the consumer to acquire the goods on the date of the statement of account or, upon the consumer's request, on the date determined by him.

O.C. 600-92, s. 6.

69.6.1. Where the merchant wishes to prevail himself of a clause of forfeiture of benefit of the term, the notice to the consumer must comply with the following standard notice and provide as many lines as necessary to meet the requirements:

(CONSUMER PROTECTION ACT, S. 150.13)

NOTICE OF FORFEITURE OF BENEFIT OF THE TERM CONCERNING LONG-TERM LEASE

Date:

(date on which notice is sent or given)

.....

(name of merchant)

.....

(telephone number of merchant)

.....

(address of merchant)

hereinafter called the merchant, gives notice to:

.....

(name of consumer)

.....

.....

(address of consumer)

hereinafter called the consumer,

that the consumer is in default to perform the obligation in accordance with the contract

(No.) *(contract number, if any)* entered into by them

(place where contract was entered into)

on *(date on which contract was entered into)* and that the following payment or payments are due

\$....., *(amount of payment)*

on *(due date of payment)*

\$....., *(amount of payment)*

on *(due date of payment)*

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

(or description of another type of default, such as failure to insure goods as provided for in the contract, to the extent that that requirement is allowed under the Act)

Consequently, if the consumer does not remedy the default by paying the amount due (or other remedy, if applicable) within 30 days of receiving this notice, the total amount of payments due and future instalments, in the amount of \$....., shall become payable at that time.

The consumer may, however, apply to the court to change the terms and conditions of payment or to be authorized to return the goods leased to the merchant. In that case, return of the goods authorized by the court entails the extinguishment of the obligation and the merchant is not required to return the amount of instalments he has received.

Such application must be served and filed in the office of the court within 30 days after the consumer receives this notice.

Furthermore, the consumer may also, without the authorization of the court, return the goods to the merchant and thus rescind his contract. In such case, the merchant is not bound to return the amount of the payments due the merchant has already received, and cannot claim any damages other than those actually resulting, directly and immediately, from the resiliation of the contract.

It is in the consumer's interest to examine the contract and, if further information is necessary, to contact the Office de la protection du consommateur.

O.C. 994-2018, s. 44; I.N. 2019-07-01.

69.7. Where the merchant wishes to avail himself of a clause of forfeiture of benefit of the term, the statement of account provided for in section 105 of the Act must include the following information:

- (a) the date of the statement of account;
- (b) the date, nature and amount of each sum of money paid into the consumer's account since the contract was entered into;
- (c) the amount and the due date stipulated in the contract of each periodic instalment for which the merchant intends to demand immediate payment; and
- (d) the total of the sums for which the merchant intends to demand immediate payment.

In the case of a contract of lease with guaranteed residual value, the statement of account must also indicate the sum that would be required of the consumer to acquire the goods on the date of the statement of account.

O.C. 600-92, s. 6.

69.8. Where the merchant wishes to prevail himself of the right to repossession, the notice to the consumer must comply with the following standard notice and provide as many lines as necessary to meet all the requirements:

(CONSUMER PROTECTION ACT, S. 150.14)

NOTICE OF REPOSSESSION CONCERNING LONG-TERM LEASE

Date:

(DATE ON WHICH NOTICE IS SENT OR GIVEN)

.....

(NAME OF MERCHANT)

.....

(TELEPHONE NUMBER OF MERCHANT)

.....

(ADDRESS OF MERCHANT)

hereinafter called the merchant, gives notice to

.....

(NAME OF CONSUMER)

.....

.....

(ADDRESS OF CONSUMER)

hereinafter called the consumer,

that the consumer is in default to perform the obligation in accordance with the contract

(No.) *(contract number, if any)* entered into by them at

(place where the contract was entered into)

on (*date on which contract was entered into*) and that the following payment or payments are due:
\$., (*amount of payment*),
on (*due date of payment*)
\$., (*amount of payment*),
on (*due date of payment*)
for a total of \$. (*amount due*) at this date.

(or description of another type of default, such as failure to insure goods as provided for in the contract, to the extent that that requirement is allowed under the Act)

The consumer may, within 30 days after receipt of this notice, either

- (a) remedy the default by paying the amount due at this date (or other remedy, if applicable); or
- (b) return the goods to the merchant.

If the consumer has not remedied the default or returned the goods to the merchant at

(*ADDRESS*)

within 30 days after receipt of this notice, the merchant will exercise the right of repossession by having the goods seized, at the consumer's expense.

However, if the consumer who is a party to a contract of lease with guaranteed residual value has already paid at least one-half of the maximum obligation, the merchant will not be entitled to exercise the right of repossession unless the merchant obtains the authorization of the court (section 150.32).

In the case of voluntary return or forced repossession of the goods following this notice, the contract is rescinded and the merchant is not bound to return the amount of the payments already received, and cannot claim any damages other than those actually resulting, directly and immediately, from the rescission of the contract (section 150.15).

It is in the consumer's interest to examine the contract and, if further information is necessary, to contact the Office de la protection du consommateur.

O.C. 994-2018, s. 45.

CHAPTER VI

AUTOMOBILES, MOTORCYCLES AND HOUSEHOLD APPLIANCES

DIVISION I

AUTOMOBILES AND MOTORCYCLES

70. Where the object of the contract is a new road vehicle that the consumer has taken delivery of, a contract involving credit is exempt from the application of section 73 of the Act and a contract of lease with guaranteed residual value is exempt from the application of section 150.23 of the Act.

R.R.Q., 1981, c. P-40.1, r. 1, s. 70; O.C. 600-92, s. 7; O.C. 994-2018, s. 46.

71. A sales contract for a used automobile or for a used motorcycle is exempt from the application of sections 37, 38, 53, 54 and 155 to 165 of the Act where:

(a) the used automobile or the used motorcycle was given in exchange to the merchant by a consumer at the time of purchase of an automobile or a motorcycle;

(b) the used automobile or the used motorcycle is sold to a consumer designated by the person who gave it in exchange; and

(c) the maximum sale price of the used automobile or of the used motorcycle corresponds to the credit granted for the exchange to the consumer by the merchant.

The exemption referred to in the first paragraph applies only to a contract containing written attestation, by the consumer who has given the used automobile or the used motorcycle in exchange to the effect that the vehicle has been sold to the consumer designated by him.

R.R.Q., 1981, c. P-40.1, r. 1, s. 71.

71.1. A merchant who sells a used automobile to one of his employees or to the spouse or children of such employee and a merchant who leases a used automobile on a long-term basis to an employee of his preceding lessee of that automobile or to the spouse or children of such employee, where the used automobile was regularly used by the employee during the 6-month period preceding the sale or lease, are exempt from the application of sections 37, 38, 53, 54 and 155 to 165 of the Act.

O.C. 739-85, s. 1; O.C. 600-92, s. 8.

71.2. A contract for the sale or long-term lease of an automobile may provide a stipulation requiring a consumer who does not take delivery of the automobile to pay penalties or damages, provided the penalties or damages do not exceed the greater of \$400 or an amount representing at most 2% of the sale price or, in the case of a long-term lease contract, the retail value of the automobile.

That stipulation is null if, at the time of formation of the contract, it was not expressly brought to the attention of the consumer.

O.C. 495-2010, s. 14.

72. The warranty provided for in section 164 of the Act does not include accessories which are not necessary for the good working order of the motorcycle.

R.R.Q., 1981, c. P-40.1, r. 1, s. 72.

73. The following are not repairs within the meaning of paragraph *b* of section 167 of the Act:

(a) work costing a total of \$50 or less, including parts and labour and, as regards the obligation to provide a written estimate, work costing a total of not more than \$100, including parts and labour;

(b) installation of tires on or a battery in an automobile or motorcycle if purchase and installation form the object of the same bill.

R.R.Q., 1981, c. P-40.1, r. 1, s. 73; O.C. 848-94, s. 6.

74. A merchant who repairs automobiles or motorcycles must post up, in a conspicuous place of his establishment, a sign giving the following particulars:

“Avis aux consommateurs.

I — En vertu de la Loi sur la protection du consommateur (chapter P-40.1), lorsqu’un consommateur fait effectuer une réparation d’automobile ou de motocyclette dans cet établissement, le commerçant doit, pour une réparation de plus de 50 \$:

(a) fournir une évaluation écrite, si cette réparation excède 100 \$;

(b) fournir une facture détaillée de la réparation effectuée;

(c) remettre les pièces remplacées si le consommateur l’a exigé au moment où il a demandé de faire la réparation.

II — Tarif horaire de la main-d'oeuvre:\$.

III — Une réparation d'automobile est garantie pour 3 mois ou 5 000 kilomètres selon le premier terme atteint.

Une réparation de motocyclette est garantie pour 1 mois, sans limite de kilométrage.

La garantie prend effet au moment de la livraison de l'automobile ou de la motocyclette.

Ces dispositions ne constituent qu'un résumé des droits du consommateur. Ces droits peuvent comporter des restrictions. Pour plus de détails, le consommateur aura avantage à consulter les articles 167 à 181 de la Loi sur la protection du consommateur et, au besoin, à communiquer avec l'Office de la protection du consommateur.”.

R.R.Q., 1981, c. P-40.1, r. 1, s. 74; O.C. 848-94, s. 7.

75. The particulars prescribed in section 74 must appear on a sign made of stiff material with a white non-glossy surface.

R.R.Q., 1981, c. P-40.1, r. 1, s. 75.

76. The sign must not be smaller than:

(a) 100 cm in height;

(b) 50 cm in width.

R.R.Q., 1981, c. P-40.1, r. 1, s. 76.

77. The text prescribed in section 74 must be printed in a dark non-glossy colour typeface equivalent to HELVETICA BOLD of at least 36 points.

R.R.Q., 1981, c. P-40.1, r. 1, s. 77.

77.1. A person who must replace a defective automobile odometer with a type of odometer that, for all practical purposes, is impossible to set to display the distance shown on the odometer being replaced is exempt from the application of paragraph *c* of section 237 of the Act, as long as that person, when replacing the odometer, affixes on the inside of the instrument panel window and near the new odometer a permanent label indicating the odometer replacement and the date of replacement, and specifying clearly, in easy-to-read characters, the number of kilometres on the odometer being replaced.

O.C. 848-94, s. 8.

78. (*Revoked*).

R.R.Q., 1981, c. P-40.1, r. 1, s. 78; O.C. 1148-90, s. 10.

DIVISION II

HOUSEHOLD APPLIANCES

79. Work whose total cost including shipping, the price of parts and the cost of labour does not exceed \$50 does not constitute a repair within the meaning of paragraph *c* of section 182 of the Act.

R.R.Q., 1981, c. P-40.1, r. 1, s. 79.

CHAPTER VI.1

CONTRACTS FOR THE SALE OF PREPAID CARDS

O.C. 495-2010, s. 15.

79.1. A contract for the sale of a prepaid card for mobile telephone services is exempt from the application of sections 187.3 and 187.5 of the Act.

O.C. 495-2010, s. 15.

79.2. A contract for the sale of a prepaid card for determined goods or services may provide, for the performance of the contract, after the date indicated on the card, for the payment of an extra amount equivalent to the difference between the price of the goods or services at the time of sale and the current price at the time of performance of the contract, provided this information and the price of the goods or services at the time of sale is indicated on the card.

Where the goods or services covered by the card are no longer offered by the merchant, the latter must provide the consumer with an equivalent consideration at the price of the goods or services at the time of sale of the card.

O.C. 495-2010, s. 15.

79.3. Despite section 187.3 of the Act, if a prepaid card must be replaced by a merchant at a determined date, the contract of sale for the card may provide for the date on which the card will be replaced provided that

(a) the replacement of the card does not deprive the consumer of the balance remaining on the card;

(b) the date of replacement of the card and, immediately following, the information given in paragraph a, appear on the card; and

(c) the merchant provides a new card to the consumer free of charge.

O.C. 495-2010, s. 15.

79.3.1. A stipulation providing an expiry date for a prepaid card if the card is issued by a tourism enterprise, is usable during an entire determined season and is exclusively for a determined service that, by its nature, is seasonal, provided that the nature of the service, the fact that the service is seasonal and the expiry date are on the card is exempt from the prohibition of section 187.3 of the Act until 31 December 2015.



This section ceases to have effect on 1 January 2016.

O.C. 555-2013, s. 3.

79.4. Despite section 187.4 of the Act, a contract for the sale of a prepaid card for the procurement of goods or services from several independent merchants who do not use the same name may provide for

(a) a fee not exceeding \$3.50 for the activation of the card, provided the fee is mentioned on the front of the card; or

(b) a fee not exceeding \$2.50 per month for non-use of the card, on the following conditions:

i. no fee may be charged before the 15th month following the conclusion of the contract;

ii. no fee may be charged between the 15th and the 18th month following the conclusion of the contract if, before the end of the 14th month, the consumer so requests by contacting the merchant identified for that purpose on the card;

iii. the amount of the fee for non-use of the card, along with the conditions provided for in subparagraphs i and ii, appear on the back of the card; and

iv. a statement is made on the front of the card in letters of at least 10-point typeface that the information on fees appears on the back of the card.

O.C. 495-2010, s. 15.

79.5. For the purposes of section 187.5 of the Act, the amount that must be refunded by a merchant to a consumer who so requests is equal to the balance remaining on the prepaid card when the balance is \$5 or less.

When a merchant is identified for that purpose on a prepaid card, only that merchant is required to refund the consumer.

O.C. 495-2010, s. 15.

79.6. A contract for the sale of a prepaid card issued by a financial institution for the procurement of goods or services from all merchants using the international payment network identified on the card is exempt from the application of sections 187.4 and 187.5 of the Act.

O.C. 495-2010, s. 15.

CHAPTER VI.1.1

CONTRACT RELATING TO A LOYALTY PROGRAM

O.C. 994-2018, s. 47.

79.6.1. Section 11.2 and Division V.2 of Chapter III of Title I of the Act do not apply to a contract relating to a loyalty program for a single good or service or a set of goods or services determined at the time of entering into a contract relating to a loyalty program.

O.C. 994-2018, s. 47.

79.6.2. Section 11.2 and Division V.2 of Chapter III of Title I of the Act do not apply to a contract relating to a loyalty program where the retail value of each good or service that the consumer may obtain does not exceed \$50.

O.C. 994-2018, s. 47.

79.6.3. Section 187.8 of the Act does not apply to the stipulation of a contract relating to a loyalty program that provides for the expiry of exchange units where all of the following conditions are met:

(a) the stipulation provides the expiry in case of inactivity of the consumer, that is, that no exchange unit has been received or exchanged over a given period;

(b) the stipulation provides the expiry in case of inactivity for a period that is not less than 1 year;

(c) the loyalty program merchant sends a notice of inactivity to the consumer exclusively on the fact that the inactivity will result in the expiry of the consumer's exchange units and specifying the date of expiry, where applicable;

(d) the notice of inactivity is sent to the consumer at least 30 days, but not more than 60 days before the date of expiry of the exchange units.

O.C. 994-2018, s. 47.

79.6.4. The information that the loyalty program merchant must give to the consumer in accordance with section 187.7 of the Act is

- (a) the conditions that allow receiving exchange units;
- (b) the terms applicable to the exchange of exchange units;
- (c) the terms applicable to the expiry of exchange units, where applicable; and
- (d) the conversion factor used to convert exchange units into another form of exchange unit, where applicable.

O.C. 994-2018, s. 47.

79.6.5. A stipulation that has the effect of allowing the expiry of exchange units following a conversion into another form of exchange unit is prohibited.

O.C. 994-2018, s. 47.

79.6.6. A stipulation that allows the loyalty program merchant to unilaterally modify to the detriment of the consumer the following elements of an indeterminate-term contract relating to a loyalty program is prohibited:

- (a) the number of exchange units received by the consumer;
- (b) the conversion factor identified in section 79.6.4 applicable to the exchange units received by the consumer.

O.C. 994-2018, s. 47.

79.6.7. A stipulation that allows the loyalty program merchant to unilaterally increase the exchange units required to obtain goods or a service in a disproportionate manner with respect to the increase of the retail value of the goods or service is prohibited.

O.C. 994-2018, s. 47.

79.6.8. The notice provided for in paragraph b of section 187.9 of the Act must be sent to the consumer between the 90th and the 60th day preceding the coming into force of the amendment.

O.C. 994-2018, s. 47.

79.6.9. Sections 11.2 and 187.9 of the Act do not apply to a stipulation allowing the merchant to unilaterally amend for a temporary period an essential element of a contract related to a loyalty program to the consumer's advantage.

O.C. 994-2018, s. 47.

CHAPTER VI.1.2

CONTRACT OF SERVICE INVOLVING SEQUENTIAL PERFORMANCE RELATED TO INSTRUCTION, TRAINING OR ASSISTANCE

O.C. 994-2018, s. 47.

79.6.10. The form that the merchant must attach to the duplicate of the contract in accordance with the second paragraph of section 190 of the Act must comply with the following standard form:

(CONSUMER PROTECTION ACT, S. 190)

RESILIATION FORM

TO:
(name of merchant)

.....

.....
(address of merchant)

Date:
(date on which form is sent)

Under section 193 of the Consumer Protection Act, I cancel the contract
(No.)
(contract number, if any)

entered into on at
(date when contract was entered into) (place where contract was entered into)

.....
(name of consumer)

.....
(signature of consumer)

.....

.....
(address of consumer)

O.C. 994-2018, s. 47.

79.6.11. The form that the merchant must attach to the duplicate of the contract in accordance with the second paragraph of section 199 of the Act must comply with the following standard form:

(CONSUMER PROTECTION ACT, S. 199)

RESILIATION FORM

TO:
(name of merchant)

.....

.....
(address of merchant)

Date:
(date on which form is sent)

Under section 204 of the Consumer Protection Act, I cancel the contract
(No.)
(contract number, if any)

entered into on at
(date on which contract was entered into) (place where contract was entered into)

.....
(name of consumer)

.....
(signature of consumer)

.....
.....
(address of consumer)

O.C. 994-2018, s. 47.

79.6.12. The form that the merchant must attach to the duplicate of the contract in accordance with the second paragraph of section 208 of the Act must comply with the following standard form:

(CONSUMER PROTECTION ACT, S. 208)

CANCELLATION FORM

TO:
(name of merchant)

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

Date:
(date on which form is sent)

Under section 209 of the Consumer Protection Act, I cancel the contract
(No.)
(contract number, if any)

entered into on at
(date on which contract was entered into) (place where contract was entered into)

.....
(name of consumer)
.....
(signature of consumer)
.....
.....
(address of consumer)

O.C. 994-2018, s. 47.

CHAPTER VI.2

CONTRACTS INVOLVING SEQUENTIAL PERFORMANCE FOR A SERVICE PROVIDED AT A DISTANCE

O.C. 495-2010, s. 15.

79.7. Contracts for financial services, contracts for lottery subscription services entered into with a legally authorized person, and contracts entered into with a travel agent within the meaning of the Travel Agents Act

(chapter A-10) and the regulations made under it, are exempt from the application of Division VII of Chapter III of Title I of the Act.

O.C. 495-2010, s. 15.

79.8. The information required under section 214.2 of the Act must be displayed at the very beginning of a contract involving sequential performance for a service provided at a distance, to the exclusion of all other information. The information must be drawn up clearly and legibly.

O.C. 495-2010, s. 15.

79.9. The second paragraph of section 214.6 of the Act does not apply to a contract for the leasing of goods entered into in relation with a remote monitoring service contract provided the service contract, in addition to the information required under section 214.2 of the Act, indicates the monthly rent payable by the consumer under the contract of lease in the manner prescribed in section 79.8.

O.C. 495-2010, s. 15.

79.10. For the purposes of section 214.7 of the Act, the indemnity that may be required if a consumer unilaterally cancels a fixed-term contract may not exceed the value of the economic inducement less the amount obtained by multiplying the economic inducement by a fraction representing the number of contract months completely elapsed as compared to the total number of contract months. The month started at the time of cancellation is deemed to be a month completely elapsed.

The economic inducement used to calculate the cancellation indemnity is the amount of the rebate granted to the consumer on the sale price charged for goods purchased on the making of the contract that are needed to use the service for which the contract was made.

O.C. 495-2010, s. 15.

79.11. For the purposes of section 214.8 of the Act, the indemnity that may be required if a consumer unilaterally cancels an indeterminate-term contract may not exceed the unpaid balance of the sales price of the goods at the time the contract was made less the amount obtained by multiplying $\frac{1}{48}$ of that balance by the number of contract months entirely elapsed. The month started at the time of cancellation is deemed to be a month completely elapsed.

O.C. 495-2010, s. 15.

79.12. For the purposes of section 214.11 of the Act, the rate of interest on the amount provided as a security deposit is the Bank Rate of the Bank of Canada increased by 1%.

The interest must be calculated from the date on which the consumer provided the security deposit until the date on which the merchant returns it to the consumer.

O.C. 495-2010, s. 15.

CHAPTER VI.3

CONTRACT MADE BY A DEBT SETTLEMENT SERVICE MERCHANT

O.C. 994-2018, s. 48.

79.13. A debt settlement service contract which provides the services provided for in paragraph *a* or *b* of section 214.12 of the Act must comply with the following standard contract and provide as many lines as necessary to meet all the requirements:

CONTRACT ENTERED INTO BY A DEBT SETTLEMENT SERVICE MERCHANT

(CONSUMER PROTECTION ACT, S. 214.16)

Date:
(date on which contract is entered into)

Place:
(place where contract is entered into)

.....
(name of merchant)

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

.....
.....
(telephone number of merchant)

.....
(where applicable, technological address of merchant)

.....
(merchant's permit number)

.....
(name of consumer)

.....
.....
(address of consumer)

1. Detailed description of each of the goods and services to be provided under the contract

.....
.....
.....

2. Scheduled dates for the performance of the merchant's obligations

.....
.....

3. Charges and fees that the consumer may be required to pay IF ALL the propositions are ACCEPTED by the creditors
\$.....

4. List of creditors disclosed by the consumer and the amount and description, including the credit rate, of each of their claims

.....
.....
.....

5. Total amount owed to creditors by the consumer
\$.....

6. Proposal the merchant undertakes to make to each of the consumer's creditors, including the terms and conditions of payment proposed for each debt

.....

.....
.....
.....
.....
.....

7. The amount of any payment to be made to the merchant by the consumer for remittance to the creditors, and the frequency and dates of the payments

.....
.....
.....

8. The merchant will receive or attempt to receive amounts from a creditor as consideration for entering into the contract (one of the boxes below must be checked)

- ☐ Yes
☐ No

9. If applicable, a description of the goods received in payment, as a trade-in or no account, their quantity, and the priced agreed on for each of them

.....
.....

10. The term and expiry date of the contract

11. The consumer may resolve the contract at the consumer's sole discretion within 10 days after that on which each of the parties is in possession of a copy of the contract.

O.C. 994-2018, s. 48.

79.14. The contract entered into by a debt settlement service merchant must include, as a schedule to the copy of the contract the merchant sends to the consumer and on a separate document, a cancellation form complying with the following standard form:

CANCELLATION FORM

TO BE COMPLETED BY THE MERCHANT

TO:.....

(name of debt settlement service merchant)

.....

.....

(address of debt settlement service merchant)

Telephone number of debt settlement service merchant, where applicable:

(.....)

Where applicable, technological address of debt settlement service merchant:

.....

TO BE COMPLETED BY THE CONSUMER

DATE: *(date on which form is sent)*

Under section 214.17 of the Consumer Protection Act, I hereby cancel the contract No. (*contract number, if any*) entered into on (*date on which contract is entered into*) at:

.....

.....

(*place where contract is entered into*)

.....

(*name of consumer*)

.....

(*signature of consumer*)

O.C. 994-2018, s. 48.

79.15. For the purposes of the fifth paragraph of section 214.26 of the Act, the maximum charges and fees that the merchant providing the services referred to in paragraph *a* or *b* of section 214.12 of the Act may collect from a consumer are set by multiplying by a rate each payment made by the merchant to a consumer's creditor and covered by an agreement in principle accepted by the consumer.

The rate is calculated by multiplying by 15% the amount equal to the reduction of the debt negotiated by the merchant and accepted by the consumer and on which is applied the payment referred to in the first paragraph, and by dividing the product thus obtained by the new debt of the consumer with regard to the creditor, as negotiated by the merchant and accepted by the consumer.

O.C. 994-2018, s. 48.

79.16. Sections 6.3, 46, 46.1 and 50 do not apply to a contract entered into by a debt settlement service merchant.

O.C. 994-2018, s. 48.

CHAPTER VII

BUSINESS PRACTICES

DIVISION I

ADVERTISING REGARDING CREDIT

§ 1. — *Availability of credit*

80. An advertisement for goods or services informing the consumer of the credit offered him may mention the availability of credit one or more of the following ways only:

(a) by indicating the name, trademark or corporate symbol of a merchant who enters into contracts of credit;

(b) by using the expression “credit offered”, “credit accepted” or “credit available”;

(c) by illustrating a credit card.

R.R.Q., 1981, c. P-40.1, r. 1, s. 80.

§ 2. — *Advertising regarding terms and conditions of credit*

81. For the purposes of this Subdivision, the credit charges must be computed in accordance with Chapter V.

R.R.Q., 1981, c. P-40.1, r. 1, s. 81.

82. This Subdivision governs all advertising by a merchant regarding the terms and conditions of the credit, other than the credit rate, which he offers to a consumer.

It does not, however, govern information given by one merchant to another merchant or contained in a publication that specializes in business information for merchants.

R.R.Q., 1981, c. P-40.1, r. 1, s. 82.

83. All advertising by a merchant regarding the terms and conditions of the credit he offers and contained in a writing of more than one page must, in the place where the advertising is effected, specify clearly on which of the pages of that writing the particulars prescribed in this Subdivision appear.

R.R.Q., 1981, c. P-40.1, r. 1, s. 83.

84. All advertising by a merchant regarding the terms and conditions of credit in a contract for the loan of money and including one of the following particulars:

- (a) a component of the credit charges;
- (b) the total credit charges;
- (c) the number and duration of the payment periods;
- (d) the amount of each deferred payment;
- (e) the total obligation of the consumer;
- (f) a reference table of credit charges payable;

must include all those particulars.

R.R.Q., 1981, c. P-40.1, r. 1, s. 84.

85. All advertising by a merchant regarding the terms and conditions of credit in an open credit contract and including one of the following particulars:

- (a) the duration of each period for which a statement of account is furnished;
- (b) membership or renewal fees;
- (c) the period during which the consumer may discharge his obligation without being required to pay credit charges;
- (d) the minimum payment required for each period;
- (e) a reference table of credit charges to be paid;

must include all those particulars.

R.R.Q., 1981, c. P-40.1, r. 1, s. 85; O.C. 994-2018, s. 75.

86. All advertising by a merchant regarding the terms and conditions of credit in a contract involving credit and including one of the following particulars:

- (a) a reference amount for which a credit may be granted;
- (b) the down payment required or the fact that no down payment is required;
- (c) a component of the credit charges;
- (d) the total credit charges;
- (e) the number and duration of the payment periods;
- (f) the amount of each deferred payment;
- (g) the total obligation of the consumer;
- (h) a reference table of credit charges to be paid;

must include all those particulars.

R.R.Q., 1981, c. P-40.1, r. 1, s. 86; O.C. 697-86, s. 3.

DIVISION 1.1

ADVERTISING REGARDING LONG-TERM LEASE

O.C. 600-92, s. 9.

86.1. All advertising by a merchant regarding the terms and conditions of the long-term lease he offers and contained in a writing of more than one page must, in the place where the advertising is effected, specify clearly on which of the pages of that writing the particulars prescribed in this Division appear.

O.C. 600-92, s. 9.

86.2. All advertising by a merchant regarding the terms and conditions of a lease by a long-term contract of lease and including one of the following particulars:

- (a) all or a part of the amount required before the beginning of the leasing period;
- (b) the number and duration of the payment periods;
- (c) the amount of the periodic instalments;
- (d) any limit on the degree to which the goods may be used and the cost of any use beyond that limit, if there is such a cost;

must include all those particulars and, where that advertising includes only a part of the amount required before the beginning of the leasing period, it must also indicate the total of that amount.

O.C. 600-92, s. 9.

86.3. All advertising by a merchant regarding the terms and conditions of a lease by a contract of lease with guaranteed residual value and including one of the particulars mentioned in section 86.2 or one of the following particulars:

- (a) the implied credit rate;

- (b) the amount of the implied credit charges;
- (c) the amount of the residual value;
- (d) the amount of the consumer's maximum obligation;
- (e) the retail price of the goods;

must include all those particulars.

O.C. 600-92, s. 9.

DIVISION II

ADVERTISING DIRECTED AT CHILDREN

87. For the purposes of this Division, the word “child” means a person under 13 years of age.

R.R.Q., 1981, c. P-40.1, r. 1, s. 87.

88. An advertisement directed at children is exempt from the application of section 248 of the Act, under the following conditions:

- (a) it must appear in a magazine or insert directed at children;
- (b) the magazine or insert must be for sale or inserted in a publication which is for sale;
- (c) the magazine or insert must be published at intervals of not more than 3 months; and
- (d) the advertisement must meet the requirements of section 91.

R.R.Q., 1981, c. P-40.1, r. 1, s. 88.

89. An advertisement directed at children is exempted from the application of section 248 of the Act if its purpose is to announce a programme or show directed at them, provided that advertisement is in conformity with the requirements of section 91.

R.R.Q., 1981, c. P-40.1, r. 1, s. 89.

90. An advertisement directed at children is exempt from the application of section 248 of the Act, if it is constituted by a store window, a display, a container, a wrapping or a label or if it appears thereon, provided that the requirements of paragraphs *a* to *g*, *j*, *k*, *o* and *p* of section 91 are met.

R.R.Q., 1981, c. P-40.1, r. 1, s. 90; O.C. 697-86, s. 4.

91. For the purposes of applying sections 88, 89 and 90, an advertisement directed at children may not:

- (a) exaggerate the nature, characteristics, performance or duration of goods or services;
- (b) minimize the degree of skill, strength or dexterity or the age necessary to use goods or services;
- (c) use a superlative to describe the characteristics of goods or services or a diminutive to indicate its cost;
- (d) use a comparative or establish a comparison with the goods or services advertised;
- (e) directly incite a child to buy or to urge another person to buy goods or services or to seek information about it;

- (f) portray reprehensible social or family lifestyles;
- (g) advertise goods or services that, because of their nature, quality or ordinary use, should not be used by children;
- (h) advertise a drug or patent medicine;
- (i) advertise a vitamin in liquid, powdered or tablet form;
- (j) portray a person acting in an imprudent manner;
- (k) portray goods or services in a way that suggests an improper or dangerous use thereof;
- (l) portray a person or character known to children to promote goods or services, except:
 - i. in the case of an artist, actor or professional announcer who does not appear in a publication or programme directed at children;
 - ii. in the case provided for in section 89 where he is illustrated as a participant in a show directed at children.

For the purposes of this paragraph, a character created expressly to advertise goods or services is not considered a character known to children if it is used for advertising alone;

- (m) use an animated cartoon process except to advertise a cartoon show directed at children;
- (n) use a comic strip except to advertise a comic book direct at children;
- (o) suggest that owning or using a product will develop in a child a physical, social or psychological advantage over other children of his age, or that being without the product will have the opposite effect;
- (p) advertise goods in a manner misleading a child into think that, for the regular price of those goods, he can obtain goods other than those advertised.

R.R.Q., 1981, c. P-40.1, r. 1, s. 91.

DIVISION III

INDICATION OF PRICES

O.C. 1326-82, s. 1.

91.1. Section 223 of the Act does not apply to goods that are:

- (a) for sale at a price not exceeding \$0.60;
- (b) sold in automatic vending machines;
- (c) food not packaged before sale;
- (d) not packaged before sale and whose sale price is based on a unit of measure;
- (e) for sale at a price lower than their usual price in the same establishment, where the usual price of those goods is clearly and legibly posted near the place where they are for sale;
- (f) not directly available to the consumer in the establishment and must be obtained from the merchant or his representative on request;

(g) part of package, where the price of the package is indicated on it or where the wrapper of the package is to be reused by the manufacturer; or

(h) marked with a sale price that the merchant does not intend to change;

(i) frozen food when sold;

(j) so small that it would be impossible to indicate the price on them legibly;

(k) not packaged and are usually sold in bulk, unless they are items of clothing;

(l) trees, plants or flowers; or

(m) sold in a returnable container.

O.C. 1326-82, s. 1; O.C. 10-2001, s. 1.

91.2. *(Revoked).*

O.C. 1326-82, s. 1; O.C. 10-2001, s. 2.

91.3. Where a merchant avails himself of an exemption pursuant to section 91.1, the price of an article thus exempted, including an article in a package, must be clearly and legibly displayed near the place where the article is sold.

Notwithstanding the first paragraph, rather than post the price of goods not directly available to consumers and referred to in paragraph *f* of section 91.1, where the goods are sold in an establishment other than an establishment where mainly food, non-prescription drugs, personal hygiene products and cleaning products are sold, their price may be indicated on a list or in a catalogue that consumers may refer to in the establishment.

O.C. 1326-82, s. 1; O.C. 10-2001, s. 3.

91.4. Section 223 of the Act does not apply to merchants who use the universal product code optical scanning technology in their establishments, where the following conditions are met:

(a) every optical scanner in the establishment, including those made available to the consumer, and the devices for printing the labels referred to in section 91.5 are connected to one data base containing the price of goods sold in the establishment;

(b) the optical scanners used at the check-outs and those made available to the consumer display the price of goods sold in the establishment on which universal product codes are affixed;

(c) the label referred to in section 91.5 is affixed in accordance with the requirements of that section on each item of goods sold in the establishment;

(d) the cash receipt given to the consumer for each transaction contains the following information:

i. the merchant's name;

ii. the merchant's telephone number and, as the case may be, the merchant's e-mail address or customer service e-mail address;

iii. the date of the transaction;

iv. the nature of each item purchased and any distinguishing mark; and

v. the price of each purchased item next to its description; and

(e) where the area of the establishment open to consumers is 697 m² or more, optical scanners, evenly distributed throughout the establishment and easily accessible, are made available to consumers in the following quantities:

- i. 1, where the area of the establishment open to consumers is 697 m² or more but less than 1,860 m²;
- ii. 2, where the area of the establishment open to consumers is 1,860 m² or more but less than 3,720 m²;
- iii. 3, where the area of the establishment open to consumers is 3,720 m² or more but less than 5,580 m²;
and
- iv. 4, where the area of the establishment open to consumers is 5,580 m² or more.

Merchants may not use this exemption for clothing sold in their establishments nor for goods on which the universal product code does not appear.

The requirement under subparagraph *e* of the first paragraph shall take effect on 23 June 2001.

O.C. 10-2001, s. 4.

91.5. A label containing the following information shall be affixed to each item of goods for which a merchant uses the exemption under section 91.4:

- (a) the nature of the item and the characteristics affecting its price or distinguishing it from other goods of the same nature, such as its brand and size;
- (b) the price of the item or, where the price is based on a unit of measurement, the price per unit of measurement; and
- (c) for food sold in an establishment for which the merchant must hold a permit issued under the Regulation respecting food (chapter P-29, r. 1), the price per unit of measurement in addition to the price of the item.

In all cases, the price on the label must be in at least 28-point bold type print and the other information in at least 10-point type print.

Where the item is sold on a shelf, the label prescribed under the first paragraph shall be affixed next to the product on the shelf and measure at least

- (a) 12.90 cm² in establishments for which the merchant is required to hold a permit under the Regulation respecting food; and
- (b) 9.67 cm² in other establishments.

Where the item is sold elsewhere than on a shelf, the label must be affixed near the product sold and measure at least 38.71 cm².

The requirement under subparagraph *c* of the first paragraph shall only take effect on 23 June 2001.

O.C. 10-2001, s. 4.

91.6. A merchant who is a member of an association established under a Québec private Act that sets out as one of its purposes to promote the development and operation of a year-round resort is not required to include, for goods sold in an establishment located on immovable property subject to that Act, an amount representing a percentage of the contribution payable to the association by its members in the price that must be indicated on each item sold in his establishment in accordance with section 223 of the Act, or in the price

that must be posted for each item in accordance with sections 91.3 and 91.5, if the merchant claims an exemption under those sections.

Where a merchant referred to in the first paragraph elects to add the contribution referred to in the first paragraph to the indicated or posted price of the goods sold in his establishment, the merchant shall:

(a) indicate on the invoice or cash receipt given to the consumer, for each transaction, the percentage of the contribution payable to the association of which he is a member, and the amount that percentage represents, that has been applied and added to the indicated or posted price of the goods sold; and

(b) post, in full view of customers at the entrance to his establishment and next to each cash register, a notice indicating, in clear and legible dark lettering on a white background, that an amount representing a percentage of the contribution payable to the association of which he is a member will be added to the indicated or posted price of each item sold in his establishment and specifying the percentage and the name of the association.

O.C. 547-2001, s. 1.

91.7. Paragraph *c* of section 224 of the Act does not apply to a merchant who is a member of an association referred to in section 91.6 with respect to goods or services sold in an establishment referred to in that section where the only difference between the advertised price and the price charged for the goods or services is an amount representing a percentage of the contribution payable to the association of which he is a member, provided that the following conditions are met:

(a) the invoice or cash receipt given to the consumer, for each transaction, indicates the percentage of the contribution payable to the association of which he is a member, and the amount that percentage represents, that has been applied and added to the advertised price of the goods sold or services provided;

(b) the notice prescribed in subparagraph *b* of the second paragraph of section 91.6 must be posted in accordance with the requirements of that section for the goods or services sold in his establishment; and

(c) any advertising at the merchant's specific request about goods or services sold in his establishment must indicate that an amount representing a percentage of the contribution payable to the association of which he is a member will be added to the advertised price and must state the percentage and the name of the association.

O.C. 547-2001, s. 1.

91.7.1. The merchant is exempt from the application of subparagraph *c* of the first paragraph of section 224 of the Act where the consumer pays cash and the only difference between the price advertised and the price charged for goods or services is the amount rounded off to the nearest multiple of 5 cents after calculating the Québec sales tax and the Goods and Services Tax if they are payable.

The rounding off is deemed not to constitute a pricing error within the meaning of the Order in Council respecting the Policy on accurate pricing for merchants who use optical scanner technology (chapter P-40.1, r. 2).

O.C. 555-2013, s. 4.

91.8. The merchant, manufacturer or advertiser is exempt from the obligation arising from the third paragraph of section 224 of the Act to include, in the advertised price, the duties chargeable under a federal or provincial Act where, under that Act, the duties must be charged directly to the consumer to be remitted to a public authority.

The merchant, manufacturer or advertiser is also exempt from the obligation of including in the advertised price the deposit payable by a consumer, for recycling purposes, on the purchase of containers, packaging, materials or products and that is refunded on their return.

O.C. 495-2010, s. 16; O.C. 555-2013, s. 5; O.C. 994-2018, s. 49.

DIVISION IV

INFORMATION ON THE LEGAL WARRANTY

O.C. 495-2010, s. 16.

91.9. Before proposing the conclusion of a contract for valuable consideration including an additional warranty on goods, the merchant must give the consumer a document in paper form containing only the following compulsory notice:

“NOTICE CONCERNING THE LEGAL WARRANTY

The Consumer Protection Act gives a warranty on all goods you purchase or lease from a merchant.

The goods must be usable

- for the purposes for which they are ordinarily used (section 37 of the Act) and
- in normal use for a reasonable length of time, which may vary according to the price paid, the terms of the contract and the conditions of use (section 38 of the Act).

For more information on this legal warranty, go to the website of the Office de la protection du consommateur at www.opc.gouv.qc.ca.”

O.C. 495-2010, s. 16.

91.10. The notice provided for in section 91.9 must contain, on the front,

- (a) the heading, in bold capital type of at least 14 points;
- (b) below the heading, the following text in type of at least 14 points in a rectangle: “The law provides a warranty on the goods you purchase or lease: they must be usable for normal use for a reasonable length of time.”;
- (c) below that rectangle, the following text in italic type of at least 12 points: “(The merchant is required to read you the above text)”;
- (d) the first two paragraphs, in type of at least 14 points in a rectangle;
- (e) the third paragraph, in type of at least 12 points.

O.C. 495-2010, s. 16.

91.11. For the purposes of section 228.1 of the Act, before proposing the making of a contract referred to in that section, the merchant must read to the consumer the text prescribed in paragraph *b* of section 91.10.

O.C. 495-2010, s. 16.

91.12. When the proposal to make a contract referred to in section 228.1 of the Act is made in writing from a distance:

(a) the notice prescribed in section 91.9 may not comply with section 91.10 and may be sent to the consumer otherwise than in paper form, on the following conditions:

- i. the notice is brought expressly to the attention of the consumer;
- ii. the notice is presented legibly;
- iii. the notice is presented in a manner that ensures that the consumer is able to easily retain it and print it;

(b) the merchant is exempt from the obligation provided for in the first paragraph of section 228.1 of the Act to inform the consumer verbally of the existence and nature of the warranty provided for in sections 37 and 38 of the Act and of the obligation provided for in section 91.11;

(c) the merchant is exempt from the obligation under the second paragraph of section 228.1 of the Act of informing the consumer verbally of the elements of the manufacturer's warranty, provided that

- i. the information is brought expressly to the attention of the consumer; and
- ii. the information is presented legibly.

O.C. 495-2010, s. 16.

91.13. When a proposal to make a contract referred to in section 228.1 of the Act is made orally from a distance, the merchant is exempt from the obligation under section 228.1 of the Act of informing the consumer in writing of the existence and nature of the warranty provided for in sections 37 and 38 of the Act, provided the merchant sends the consumer the notice prescribed by section 91.9 within 15 days of the making of the contract.

When the notice is sent using an information technology medium, it may not comply with section 91.10 and may be sent to the consumer otherwise than in paper form, on the following conditions:

- (a) the notice is presented legibly;
- (b) the notice is presented in a manner that ensures that the consumer is able to easily retain it and print it.

O.C. 495-2010, s. 16.

DIVISION V

ITINERANT MERCHANTS

S.Q. 2024, c. 32, s. 68.

91.14. Despite section 244.7 of the Act, an itinerant merchant may offer to enter into or may enter into a credit contract or long-term contract of lease with a consumer, help or encourage a consumer to enter into such a contract or solicit a consumer for the purpose of making such a contract in the circumstances described in paragraphs *a* to *b.1* of section 8 of this Regulation.

S.Q. 2024, c. 32, s. 68.

91.15. For the purposes of paragraph *c* of section 244.7 of the Act, the prohibited contracts are those concerning, even on an incidental basis, any of the following goods or services:

- (a) heating or air-conditioning appliances, including air conditioners, heat pumps, furnaces or geothermal systems;
- (b) decontamination services; or

(c) insulation services, unless the contract was entered into at the address of the consumer upon the latter's express request, provided the contract was not solicited elsewhere than at the merchant's address.

The first paragraph applies to any contract in connection with goods or services mentioned in the first paragraph, such as a maintenance or warranty contract, whether or not it is signed simultaneously with the contract for the procurement of the goods or services.

S.Q. 2024, c. 32, s. 68.

91.16. An itinerant merchant is exempt from the application of section 60.1 of the Act in any of the following cases:

(a) he entered into a contract in accordance with section 91.19 or 91.20 of this Regulation;

(b) he entered into a contract, at the address of the consumer and upon the latter's express request, the sole object of which is the urgent repair of a door, a window or the roofing of a building; or

(c) he entered into a broadcasting or telecommunications service contract and installs goods under that contract.

S.Q. 2024, c. 32, s. 68.

91.17. A financial services cooperative governed by the Act respecting financial services cooperatives (chapter C-67.3) or a bank governed by the Bank Act (S.C. 1991, c. 46) is exempt from the application of subparagraph *a* of the first paragraph of section 244.7 of the Act.

S.Q. 2024, c. 32, s. 68.

91.18. A merchant who offers a broadcasting or telecommunications service is exempt from the application of subparagraph *b* of the first paragraph of section 244.7 of the Act.

S.Q. 2024, c. 32, s. 68.

91.19. An itinerant merchant is exempt from the application of subparagraphs *b* and *c* of the first paragraph of section 244.7 of the Act where the following conditions are met:

(a) he presented himself at the address of the consumer upon the latter's express request;

(b) the consumer's request relates to the repair, at the consumer's address, of an appliance essential to heating or to the production of hot water;

(c) the appliance is beyond repair and must be replaced; and

(d) the itinerant merchant enters into a contract, upon the consumer's express request and at the consumer's address, the sole object of which is the replacement of the defective appliance.

S.Q. 2024, c. 32, s. 68.

91.20. An itinerant merchant is exempt from the application of subparagraphs *b* and *c* of the first paragraph of section 244.7 of the Act where the following conditions are met:

(a) he presented himself at the address of the consumer upon the latter's express request;

(b) the request does not follow initial contact by the merchant with the consumer, by telephone or otherwise, for the purpose of obtaining authorization or an invitation to call on the consumer in order to present a product or give an estimate, or for any other reason;

(c) the request is to obtain an estimate for goods or services;

(d) the itinerant merchant enters into a contract, upon the consumer's express request and at the consumer's address, the sole object of which is the estimate; and

(e) where the contract is a long-term contract of lease of goods, it must not be high-cost.

S.Q. 2024, c. 32, s. 68.

CHAPTER VIII

PERMITS, SECURITIES AND DUTIES

92. For the purposes of this Chapter,

(a) “application” means an application for a permit or for renewal of a permit made by an applicant;

(b) “applicant” means a natural person, a partnership, or a legal person that applies for a permit or renewal of a permit;

(c) “group” means a legal person, union, partnership, association or other group having subscribed, for the benefit of its members, security by a group guarantee bond;

(d) “member” means any person who is a shareholder, partner or member of a group and who is identifiable by a member's certificate drawn up in accordance with section 118 or any person who is a member of an association and who is identified by a member's certificate drawn up in accordance with subparagraph iii of subparagraph c of the first paragraph of section 112.1;

(e) (*paragraph revoked*).

R.R.Q., 1981, c. P-40.1, r. 1, s. 92; O.C. 848-94, s. 9; O.C. 495-2010, s. 17; O.C. 815-2015, s. 3; O.C. 994-2018, s. 50.

DIVISION I

PERMITS

93. There are 8 types of permit:

(a) an itinerant merchant's permit issued to a merchant referred to in paragraph a of section 321 of the Act;

(b) a money lender's permit issued to a merchant referred to in paragraph b of section 321 of the Act;

(c) a physical fitness studio operator's permit issued to a merchant referred to in paragraph c of section 321 of the Act;

(d) a merchant's permit to offer or make a contract of additional warranty, issued to a merchant referred to in paragraph d of section 321 of the Act;

(e) a road vehicle dealer's permit referred to in paragraph e of section 321 of the Act;

(f) a road vehicle recycler's permit referred to in paragraph f of section 321 of the Act;

(g) the permit of a merchant who enters into a high-cost credit contract referred to in paragraph g of section 321 of the Act; and

(h) the permit of a debt settlement service merchant referred to in paragraph h of section 321 of the Act.

R.R.Q., 1981, c. P-40.1, r. 1, s. 93; O.C. 1978-85, s. 3; O.C. 815-2015, s. 4; O.C. 994-2018, s. 51.

94. Every merchant applying for the issue or renewal of a permit must forward to the president, using the form provided by the president, the following information and documents:

- (a) the type of permit requested;
- (b) the merchant's name and the names under which the merchant does business which must appear on the permit;
- (c) the merchant's address, telephone number and, where applicable, technological address and fax number, and those of the establishment for which the permit is requested;
- (d) the name, address, telephone number and, where applicable, technological address and fax number of the natural person who signed the application for a permit and the person's date of birth;
- (e) in the case of a partnership or legal person, the name, date of birth, home address and telephone number of the partners or directors, along with their position in the partnership or legal person;
- (f) *(paragraph revoked)*;
- (g) when the merchant is required to be registered, the Québec business number (NEQ) assigned by the enterprise registrar;
- (h) *(paragraph revoked)*;
- (i) a statement that at the time of the application, the partnership or legal person, if constituted under the laws of Québec, was in compliance with the provisions governing legal publicity;
- (j) *(paragraph revoked)*;
- (k) the answers to the following questions concerning the merchant, concerning the person, in the case of a sole proprietorship, or concerning each partner and director:
 - i. whether they are an undischarged bankrupt;
 - ii. whether they have been found guilty, in the 3 preceding years, of an offence against an Act or regulation under the administration of the Office de la protection du consommateur or of an indictable criminal offence, unless a pardon has been obtained;
 - iii. if the answer to one of the questions in subparagraphs i and ii is affirmative, the name of the person concerned, the nature of the offence, the date of the judgment and the court file number;
- (l) at the request of the president, a copy of the contract that the merchant intends to enter into with consumers.

Every application for a permit must be submitted with the duties payable and the security required under Division II of Chapter VIII, along with a statement that the information provided pursuant to sections 94 to 94.03 is true, and be signed by the natural person making the application.

O.C. 495-2010, s. 18; O.C. 815-2015, s. 5; O.C. 1244-2017, s. 6.

94.01. In addition to the information and documents referred to in section 94, a person applying for the issue or renewal of an itinerant merchant's permit must forward the following information to the president:

- (a) the nature of the goods and services offered to consumers;
- (b) if applicable, a statement that the consideration for the applicant's contracts will always be below \$500 for the term of the permit requested;

- (c) the planned number of representatives for the term of the permit requested, even if they are not all as yet known;
- (d) the name, date of birth, home address, telephone number and, where applicable, technological address and fax number of all the applicant's known representatives;
- (e) the name, address, telephone number and, where applicable, technological address and fax number of the applicant's known merchant-representatives;
- (f) the name, date of birth, home address, telephone number and, where applicable, technological address and fax number of the employee-representatives of the applicant's known merchant-representatives;
- (g) the fact that the person holds a licence issued by the Régie du bâtiment du Québec under the Building Act (chapter B-1.1), the licence number and the amount of security furnished in accordance with the Regulation respecting the professional qualification of contractors and owner-builders (chapter B-1.1, r. 9).

O.C. 495-2010, s. 18; O.C. 1244-2017, s. 7.

94.02. In addition to the information and documents referred to in sections 94 and 94.1 to 94.4, a person applying for the issue or renewal of a merchant's permit who offers or makes a contract of additional warranty must forward the following information to the president:

- (a) the names and addresses of the dealers, independent garage owners and other intermediaries who will sell the contracts of additional warranty;
- (b) the addresses of the direct consumer sales outlets;
- (c) the nature of the goods to which the contracts relate (new or used automobiles, new or used motorcycles adapted for transportation on public highways);
- (d) the minimum and maximum price of the additional warranty in light of the nature of the goods;
- (e) the term of the contracts.

O.C. 495-2010, s. 18.

94.03. In addition to the information and documents referred to in section 94, a person who applies for the issue or renewal of a road vehicle dealer's permit or road vehicle recycler's permit must forward to the president the following information:

- (a) the address, telephone number and, where applicable, the technological address and fax number of all the establishments for which the permit is requested;
- (b) the following information concerning the dealer, the person, in the case of a sole proprietorship, or each partner and director:
 - i. whether they have been found guilty, in the 3 preceding years, of an offence against section 165 or 166 of the Highway Safety Code (chapter C-24.2), unless a pardon has been obtained;
 - ii. whether they have been found guilty, in the 5 preceding years, of a criminal offence relating to possession of stolen goods, fraud or theft involving a road vehicle or its parts, unless a pardon has been obtained;
 - iii. if the answer to one of the questions in subparagraphs i and ii is affirmative, the name of the person concerned, the nature of the offence, the date of the judgment and the court file number;
- (c) an attestation of the municipality according to which each of the new establishments comply with the by-laws relating to uses in force in that municipality;

A road vehicle dealer must indicate to the president, for each of the dealer's establishments, among the following classes of road vehicles, the class of road vehicles for which the permit is required:

- (a) vehicles with a net weight equal to or greater than 5,500 kg other than farm machines;
- (b) vehicles with a net weight of less than 5,500 kg other than the vehicles listed in subparagraph *c* of the second paragraph and other than trailers and semi-trailers with a net weight of less than 1,300 kg;
- (c) motorcycles, mopeds, half-tracks, snowmobiles, other off-highway vehicles within the meaning of the Act respecting off-highway vehicles (chapter V-1.3) and farm machines.

Upon request by the president, the road vehicle dealer must indicate, for each of the dealer's establishments, the type of road vehicles offered for sale or long-term leasing and, in the case of new road vehicles, their make.

O.C. 815-2015, s. 6; O.C. 1244-2017, s. 8; O.C. 994-2018, s. 52.

94.04. The holder of a road vehicle dealer's permit or road vehicle recycler's permit must notify the president of any change relating to the matters referred to in section 94.03, within 15 days following the change.

O.C. 815-2015, s. 6.

94.05. In addition to the information and documents referred to in section 94, a person applying for the issue or renewal of a merchant's permit who enters into a high-cost credit contract must notify the president of the type of credit contract entered into, according to the classes determined in section 66 of the Act.

O.C. 994-2018, s. 53.

94.1. An initial application for a merchant's permit to offer or make a contract of additional warranty must be accompanied by:

- (a) if the merchant is already operating, the financial statements for the last fiscal year of the business prepared according to generally accepted accounting principles and including an auditor's report or a review engagement report;
- (b) if the merchant has not begun his operations, financial forecasts and an opening balance sheet prepared by an accountant who is a member of the professional order governed by the Professional Code (chapter C-26).

O.C. 1978-85, s. 5; O.C. 1244-2017, s. 9.

94.2. Subject to section 94.3, an application for the renewal of a merchant's permit to offer or make a contract of additional warranty must be accompanied by:

- (a) a financial report showing the financial position of the applicant's business, including the particulars prescribed by section 170;
- (b) a proof of payment by the applicant of the costs referred to in section 260.24 of the Act.

O.C. 1978-85, s. 5; O.C. 1150-89, s. 3; O.C. 848-94, s. 10; O.C. 815-2015, s. 7.

94.3. Where it is submitted by a merchant referred to in section 25.2, an application must be accompanied by:

- (a) an attestation by a legal person authorized to act as an insurer in Québec and holding a permit issued by the Autorité des marchés financiers to the effect that any contract made or to be made by the merchant is the object of a contract of security complying with section 25.2;

(b) a contract of security and any agreement related to such security entered into by the merchant and a legal person referred to in paragraph *a*;

(c) for an initial application for a permit, the documents covered by paragraph *a* or *b* of section 94.1, as the case may be;

(d) for an application for the renewal of a permit, the documents covered by paragraph *a* of section 94.1 and paragraph *b* of section 94.2.

O.C. 1978-85, s. 5; O.C. 495-2010, ss. 9 and 19.

94.4. Except where it is submitted by a merchant referred to in section 25.2, an application for a permit or an application for the renewal of a permit must be accompanied in addition by:

(a) a notice informing the president of the place where the reserve account of the merchant has been opened and of the number of such account;

(b) the undertaking by the trust company with which such reserve account has been opened in accordance with section 260.9 of the Act.

O.C. 1150-89, s. 4.

94.5. For the renewal of a permit, the documents referred to in paragraphs *a* and *b* of section 94.3 and section 94.4 are not required to be forwarded again if they contain no change.

O.C. 815-2015, s. 8; O.C. 994-2018, s. 54.

94.6. An application for renewal of a permit must be forwarded to the president not later than 1 month before the expiry date of the permit.

O.C. 815-2015, s. 8.

95. An application made by a natural person must be signed by that person, that of a partnership by one of the partners, and that of a legal person by a duly authorized person.

R.R.Q., 1981, c. P-40.1, r. 1, s. 95; O.C. 495-2010, s. 9.

96. *(Revoked).*

R.R.Q., 1981, c. P-40.1, r. 1, s. 96; O.C. 495-2010, s. 20.

97. *(Revoked).*

R.R.Q., 1981, c. P-40.1, r. 1, s. 97; O.C. 495-2010, s. 20.

98. *(Revoked).*

R.R.Q., 1981, c. P-40.1, r. 1, s. 98; O.C. 495-2010, s. 20.

99. *(Revoked).*

R.R.Q., 1981, c. P-40.1, r. 1, s. 99; O.C. 495-2010, s. 20.

100. An application shall be sent to the president.

R.R.Q., 1981, c. P-40.1, r. 1, s. 100.

101. The permit is signed by the president. His signature may be handwritten or mechanically reproduced.

R.R.Q., 1981, c. P-40.1, r. 1, s. 101.

DIVISION II

SECURITY AND DUTIES

102. The applicant for a permit must, when he applies, pay the duties and, where applicable, furnish the security prescribed in this Division.

R.R.Q., 1981, c. P-40.1, r. 1, s. 102.

103. For the purposes of section 104, 105 and 106, the number of representatives of a merchant who avails himself of section 324 of the Act when applying for a permit for a group of merchants shall be equal to the projected total number of his own employee representatives and of all the employee representatives of the other merchants involved, and that total number must be revealed at the time of application.

R.R.Q., 1981, c. P-40.1, r. 1, s. 103; O.C. 1148-90, s. 11.

104. The security that an applicant for an itinerant merchant's permit must furnish is, until 30 April 2020, \$50,000 and, thereafter, \$100,000.

Despite the first paragraph, if the contracts entered into by the applicant are always lower than \$500, the security that the applicant must furnish is \$25,000.

The duties that must be paid by the applicant are fixed according to the following classes:

(a) if the applicant has less than 50 representatives (Class 1), the duties are fixed as follows:

Periods	Duties
From 1 July 2024 to 30 April 2025	\$1,084
From 1 May 2025	\$1,291

(b) if the applicant has 50 representatives or more (Class 2), the duties are fixed as follows:

Periods	Duties
From 1 July 2024 to 30 April 2025	\$5,992
From 1 May 2025	\$6,883

R.R.Q., 1981, c. P-40.1, r. 1, s. 104; O.C. 1148-90, s. 12; O.C. 600-92, s. 10; O.C. 1244-2017, s. 10.

105. Despite section 104, where the permit applicant must provide security of \$100,000 and the applicant also holds a licence issued by the Régie du bâtiment du Québec, the security to be furnished by the applicant to the president is reduced by the amount of the security furnished in accordance with the Regulation respecting the professional qualification of contractors and owner-builders (chapter B-1.1, r. 9).

R.R.Q., 1981, c. P-40.1, r. 1, s. 105; O.C. 1244-2017, s. 11.

106. If, during the term of the permit, the consideration for the permit holder's contract increases to \$500 or more, the permit holder must, without delay, make up the difference in the security required by the first paragraph of section 104.

If, during the term of the permit, the number of representatives of a permit holder increases to 50 or more, the permit holder must, without delay, make up the difference in the duties payable for Class 2 under the third paragraph of section 104.

R.R.Q., 1981, c. P-40.1, r. 1, s. 106; O.C. 1244-2017, s. 12.

107. The duties that must be paid by an applicant for a money lender's permit are fixed as follows:

Periods	Duties
From 1 July 2024 to 30 April 2025	\$2,409
From 1 May 2025	\$3,022

R.R.Q., 1981, c. P-40.1, r. 1, s. 107; O.C. 1148-90, s. 13; O.C. 600-92, s. 11; O.C. 1244-2017, s. 13.

108. The security that an applicant for a physical fitness studio operator's permit must furnish is \$25,000 per establishment used as a physical fitness studio.

The duties that must be paid by the applicant per establishment used as a physical fitness studio are fixed as follows:

Periods	Duties
From 1 July 2024 to 30 April 2025	\$1,506
From 1 May 2025	\$1,801

R.R.Q., 1981, c. P-40.1, r. 1, s. 108; O.C. 1148-90, s. 13; O.C. 600-92, s. 11; O.C. 848-94, s. 11; O.C. 1244-2017, s. 14.

108.1. The duties that must be paid by an applicant for a merchant's permit to offer or make a contract of additional warranty are fixed as follows:

Periods	Duties
From 1 July 2024 to 30 April 2025	\$2,409
From 1 May 2025	\$3,022

The security to be furnished by the applicant is:

(a) \$100,000 for an initial application for a permit;

(b) equal to the greater of the following two amounts, for subsequent applications: \$100,000 or the multiple of \$50,000 closest to 50% of the sales of the applicant's business without exceeding that 50% or the amount of maximum security.

The maximum security exigible, determined in relation to the expiry date of the permit to be renewed, is \$200,000 from 30 June 1995, and it must be increased thereafter by \$100,000 on 30 June of each year until it reaches \$500,000.

A merchant referred to in section 25.2 is exempt from the obligation of furnishing the security prescribed in this section.

O.C. 1978-85, s. 6; O.C. 1148-90, s. 13; O.C. 600-92, s. 11; O.C. 712-95, s. 2; O.C. 1244-2017, s. 15.

108.1.1. The duties to be paid by an applicant for a road vehicle dealer’s permit per establishment used for the trade of road vehicles and the duties to be paid for the renewal of the dealer’s permit per establishment used for that purpose are fixed as follows:

Periods	Issue	Renewal
As of 1 July 2024	\$918	\$694

The security to be furnished by the applicant per establishment used for the trade of road vehicles is fixed according to the class of road vehicles sold or leased under a long-term contract as follows:

- (a) an amount of \$200,000 for the trade of vehicles with a net weight equal to or greater than 5,500 kg other than farm machines;
- (b) an amount of \$100,000 for the trade of vehicles with a net weight of less than 5,500 kg other than the vehicles listed in subparagraph *c* of the second paragraph and other than trailers and semi-trailers with a net weight of less than 1,300 kg;
- (c) an amount of \$25,000 for the trade of motorcycles, mopeds, half-tracks, snowmobiles, other off-highway vehicles within the meaning of the Act respecting off-highway vehicles (chapter V-1.3) and farm machines.

If the road vehicle dealer trades in road vehicles from 2 classes or more, the dealer must furnish the security fixed for the class with the highest security.

Despite the foregoing, a dealer who trades in road vehicles referred to in subparagraph *c* of the second paragraph and who sells a used vehicle referred to in subparagraph *b* of the second paragraph, in the circumstances and on the conditions described in sections 71 and 71.1 with the necessary modifications, is not required to furnish the security prescribed by subparagraph *b* of the second paragraph.

O.C. 815-2015, s. 9; O.C. 1244-2017, s. 16.

108.1.2. The duties to be paid by an applicant for a road vehicle recycler’s permit per establishment used for the trade of disused road vehicles, vehicle carcasses or parts and the duties to be paid for the renewal of the recycler’s permit per establishment used for that purpose are the same as those fixed by section 108.1.1.

The security to be furnished by the applicant per establishment used for the trade of disused road vehicles, vehicle carcasses or parts is fixed at \$50,000.

O.C. 815-2015, s. 9.

108.1.3. For the simultaneous issue of a road vehicle dealer’s permit and of a road vehicle recycler’s permit, the duties to be paid by the applicant per establishment used for the trade of road vehicles, disused road vehicles, vehicle carcasses or parts and the duties to be paid for the renewal of the permit per establishment used for that purpose are fixed as follows:

Periods	Issue	Renewal
As of 1 July 2024	\$1,379	\$1,036

Where applicable, the applicant must pay the duties required for the applicant’s establishment used for the trade of road vehicles, in accordance with section 108.1.1, and the duties required for the applicant’s establishment used for the trade of disused road vehicles, vehicle carcasses or parts, in accordance with section 108.1.2.

If, in an establishment, the applicant is simultaneously engaged in the activities referred to in sections 108.1.1 and 108.1.2, the security to be furnished for that establishment must cumulatively cover the amounts applicable under those sections.

The applicant must attach to the application only one security covering the amounts applicable to each of the applicant's establishments, in accordance with sections 108.1.1 to 108.1.3.

O.C. 815-2015, s. 9.

108.1.3.1. The applicant for a merchant's permit who enters into a high-cost credit contract must pay the same duties as those set in section 107.

O.C. 994-2018, s. 55.

108.1.3.2. For the simultaneous issue of a money lender's permit and a merchant's permit who entered into a high-cost credit contract, the duties that the applicant must pay are 150% of the duties indicated in section 107.

O.C. 994-2018, s. 55.

108.1.3.3. The security that the applicant for a debt settlement service merchant permit must furnish is \$50,000.

The duties that the applicant must pay are set as follows:

Periods	Duties
From 1 July 2024 to 30 April 2025	\$1,506
From 1 May 2025	\$1,807

O.C. 994-2018, s. 55.

108.1.4. The duties payable under sections 104, 107 to 108.1.3, 108.1.3.1 to 108.1.3.3 and 146 are increased by 50% if priority processing is requested. The application must then be processed by the president within 3 working days.

O.C. 815-2015, s. 9; O.C. 994-2018, s. 56.

108.2. The fee for setting up a file, where the president refuses to issue or renew the permit or where the applicant withdraws his application, is 50% of the cost indicated in section 104 or sections 107 to 108.1.3.3, or \$1,918, whichever amount is less.

An applicant for a permit is deemed to have withdrawn his application if he does not complete it within 3 months of a summons enjoining him to do so.

O.C. 1148-90, s. 14; O.C. 815-2015, s. 10; O.C. 994-2018, s. 57.

109. If the duties are paid by cheque, postal money order, bank money order or order to pay drawn on a financial services cooperative, it must be made out to the order of the Minister of Finance.

R.R.Q., 1981, c. P-40.1, r. 1, s. 109.

110. The security must be furnished:

(a) by means of an individual security policy;

(b) by means of a group security policy;

(c) in cash, by cheque, by postal money order, by bank money order, or by order to pay drawn on a financial services cooperative, to the order of the Minister of Finance; or

(d) by means of a bond convertible at all times, issued or guaranteed by the Government of Canada or by one of the provinces, and whose market value is at least equal to the amount of the security exigible.

Despite the foregoing, the security furnished by a road vehicle dealer or a road vehicle recycler may be furnished only in the manner prescribed in subparagraph *a* or *b* of the first paragraph or section 112.1. If the security is furnished by means of a group security policy, the global amount of the policy is established as follows:

(a) \$125,000, where the amount of individual security of a majority of members is \$25,000;

(b) \$250,000, where the amount of individual security of a majority of members is \$50,000;

(c) \$500,000, where the amount of individual security of a majority of members is \$100,000;

(d) \$1,000,000, where the amount of individual security of a majority of members is \$200,000.

If the road vehicle dealer or road vehicle recycler owns 2 or more establishments, the dealer or recycler must furnish security for all the establishments with only one security policy.

R.R.Q., 1981, c. P-40.1, r. 1, s. 110; O.C. 495-2010, s. 21; O.C. 815-2015, s. 11; O.C. 488-2017, s. 13.

111. The security referred to in paragraphs *a* and *b* of section 110 may be issued only by a legal person authorized to stand surety under the Bank Act (S.C. 1991, c. 46), the Act respecting financial services cooperatives (chapter C-67.3), the Trust Companies and Savings Companies Act (chapter S-29.02) or the Insurers Act (chapter A-32.1).

R.R.Q., 1981, c. P-40.1, r. 1, s. 111; O.C. 1148-90, s. 15.

112. The security governed by paragraphs *c* and *d* of section 110 may be furnished for the applicant by a third party.

It may also be furnished by the applicant for himself; in that case, the applicant is under the same obligations as the surety as well as those incumbent upon him as principal debtor.

An applicant who furnishes security in the manner provided for in subparagraph *d* of the first paragraph of section 110 must pay duties of \$335 to cover the costs for opening a file.

R.R.Q., 1981, c. P-40.1, r. 1, s. 112; O.C. 1148-90, s. 16; O.C. 1244-2017, s. 17.

112.1. An association that acts as surety for its members, in accordance with the third paragraph of section 323 of the Act, must

(a) enter into an agreement with the president specifying the manner in which the security is to be furnished, particularly in respect of the elements provided for in subparagraphs *a* to *c* and *f* to *h* of section 113;

(b) deposit the amount fixed by the president in accordance with the third paragraph of section 323 of the Act, to the benefit of the president, with a trust company;

(c) give to the president

i. a written document from the trust company attesting to the deposit of the amount fixed;

- ii. an annual statement showing that the amount deposited is maintained at the level fixed;
 - iii. for each member of the association covered by the surety, a member's certificate attesting that the permit holder is a member of the association and acts as surety;
- (d) where the association pays for a judgment, an agreement, a transaction, a claim or a fine in accordance with section 121 or 122.1, make up the difference in the amount deposited in trust so as to maintain it at the level fixed at all times.

An association may terminate the agreement entered into under subparagraph *a* of the first paragraph only on written notice of at least 90 days to the president. Despite the expiry of the security, the association must maintain the amount deposited in trust for the period determined under the second paragraph of section 119.

O.C. 815-2015, s. 12; O.C. 994-2018, s. 58.

113. The security must be drawn up using the form provided by the president, and include

- (a) the date on which the security is furnished;
- (b) the total amount of the obligation which the surety is required to meet for the duration of the permit and its renewal as determined in section 104 or sections 108 to 108.1.3.3;
- (c) a solidary undertaking by the surety with the merchant towards the president, in the case of an individual security, or with any member of the group towards the president, in the case of a group security, up to the amount of the security, to pay any amount payable pursuant to section 120, 120.1, 120.2 or 120.3;
- (d) when the security is furnished by the merchant on his own behalf, an undertaking by the merchant, up to the amount of the security, to pay any amount payable pursuant to section 120, 120.1, 120.2 or 120.3;
- (e) a statement that the undertaking is binding on the administrators of the surety or the merchant in the case of security furnished by the merchant;
- (f) a waiver of the benefits of discussion and division, and the fact that the surety is subrogated in the rights of a consumer to whom an indemnity is paid up to the amount disbursed by the surety;
- (g) a statement that the surety or merchant may only terminate the security by sending at least 90 days' written notice to the president along with proof that a copy of the notice was notified to the merchant, if applicable the notice must be at least 45 days in the case of security furnished for a road vehicle dealer or recycler;
- (h) a statement that, despite the expiry of the security, the obligations of the surety continue to apply and the responsibility of the merchant continues to extend to the merchant's clients, when, as the case may be,
 - i. civil proceedings were instituted within the time prescribed by the Civil Code;
 - ii. the agreement or transaction, which was intended to prevent judicial proceedings, was entered into within the same time;
 - iii. penal proceedings were instituted within the time prescribed by section 290.1 of the Act;
 - iv. the act or omission that is the subject of the civil judgment, the agreement or transaction or, as the case may be, the conviction is related to a contract concluded or fault committed while the security was in effect, or occurred while the security was in effect.

The form must be signed by the surety or by the merchant if furnished by the latter and, at the request of the surety, by the principal debtor.

R.R.Q., 1981, c. P-40.1, r. 1, s. 113; O.C. 1978-85, s. 7; O.C. 495-2010, s. 22; O.C. 815-2015, s. 13; O.C. 994-2018, s. 59.

114. *(Revoked).*

R.R.Q., 1981, c. P-40.1, r. 1, s. 114; O.C. 1978-85, s. 8; O.C. 495-2010, s. 23.

115. *(Revoked).*

R.R.Q., 1981, c. P-40.1, r. 1, s. 115; O.C. 1978-85, s. 9; O.C. 495-2010, s. 23.

116. *(Revoked).*

R.R.Q., 1981, c. P-40.1, r. 1, s. 116; O.C. 1978-85, s. 10; O.C. 495-2010, s. 23.

117. *(Revoked).*

R.R.Q., 1981, c. P-40.1, r. 1, s. 117; O.C. 848-94, s. 12.

118. Each of the permit holders covered by a group security policy must be identified by a member's certificate containing the following information:

- (a) the name of the surety;
- (b) the name of the group for which the surety furnishes security;
- (c) the member's certificate number of the group;
- (d) the amount of security payable pursuant to section 104, 108 to 108.1.3.3;
- (e) the number of the group security policy and its date of issue;
- (f) a statement that the permit holder is a member of the group and is covered by the group security policy;
- (g) the signature of a duly authorized representative of the surety or of the association authorized by the surety, and the date of issue.

The surety may cancel the member's certificate only by sending at least 90 days' written notice to the president along with proof that a copy of the notice was notified to the dealer. The notice must be at least 45 days in the case of security furnished for a road vehicle dealer or recycler.

R.R.Q., 1981, c. P-40.1, r. 1, s. 118; O.C. 495-2010, s. 24; O.C. 815-2015, s. 14; O.C. 994-2018, s. 60.

119. Security referred to in subparagraphs *a* and *b* of the first paragraph of section 110 and member's certificates are kept by the president.

A security in cash, by cheque, by postal money order, by bank money order, by order to pay drawn on a financial services cooperative savings and credit union, or by means of a bearer bond is transmitted by the president to the Bureau général de dépôts pour le Québec. It is held on deposit until the date of its expiry and, after that date, for a period of 3 years or until the 90th day following the expiry of the period for appealing any final judgment disposing of civil or penal recourse of which the president is informed and of which the security may guarantee payment, whichever period is longer.

R.R.Q., 1981, c. P-40.1, r. 1, s. 119; O.C. 1148-90, s. 17; O.C. 495-2010, s. 25; O.C. 488-2017, s. 14.

120. Subject to sections 120.1 to 120.3 the security provided for in this Division is required in order to guarantee, for the duration of the security, the observance of the Act and fulfilment, by the merchant who furnished a security or by his representative, of the obligations arising from contracts entered into within the scope of the operations requiring the security:

(a) firstly, to indemnify in capital, interest and costs any consumer holding a liquidated debt resulting from non-compliance with the Act or from a contract covered by the security and certified either by a judgment rendered against the merchant, his representative or the surety, or by an agreement or transaction entered into between the consumer, on the one hand, and the merchant, his representative, the trustee or the surety, on the other hand;

(b) secondly, to recover the fine and costs imposed on the merchant or his representative under Chapter III of Title IV of the Act.

R.R.Q., 1981, c. P-40.1, r. 1, s. 120; O.C. 1978-85, s. 11; O.C. 1148-90, s. 18; O.C. 815-2015, s. 15; O.C. 994-2018, s. 61.

120.1. The security prescribed by section 108.1 is required to guarantee, for the duration of the security, compliance with the Act and respect for obligations arising from contracts of additional warranty by the merchant who has furnished security or by his representative:

(a) firstly, by the payment of administrative costs and the fees of the provisional administrator appointed under section 260.16 of the Act;

(b) secondly, to indemnify in capital, interest and costs any consumer holding a liquidated debt resulting from non-compliance with the Act or from a contract of additional warranty and certified, either by a judgment rendered against the merchant, his representative or the surety, or by an agreement or transaction entered into between the consumer, on the one hand, and the merchant, his representative, the trustee, the provisional administrator appointed in accordance with section 260.16 of the Act or the surety, on the other hand;

(c) lastly, to recover the fine and the costs imposed upon the merchant or his representative under Chapter III of Title IV of the Act.

O.C. 1978-85, s. 12; O.C. 1150-89, s. 5; O.C. 1148-90, s. 19.

120.2. The security prescribed by sections 108.1.1 to 108.1.3 is required to guarantee, for the duration of the security, compliance with the Act and respect for obligations arising from contracts entered into in the course of operations requiring such security by the road vehicle dealer or recycler who has furnished security or by his or her representative:

(a) for the indemnification in capital, interest and costs of any consumer holding a liquidated debt resulting from non-compliance with the Act or from a contract covered by the security and certified, either by a judgment rendered against the road vehicle dealer or recycler, his or her representative or the surety, or by an agreement or transaction entered into between the consumer, on the one hand, and the road vehicle dealer or recycler, his or her representative or the surety, on the other hand;

(b) for reimbursement to the true owner of the amount paid to the purchaser by the true owner as a condition for revendication of his or her road vehicle, in the case of the sale by the road vehicle dealer or recycler of the property of a third person;

(c) for reimbursement to the owner of a stolen road vehicle, dismantled or sold for parts by a road vehicle recycler of an amount corresponding to the vehicle's value at the time of the theft;

(d) for the recovery of the fine and costs imposed on that road vehicle dealer or recycler or his or her representative under Chapter III of Title IV of the Act.

O.C. 815-2015, s. 16.

120.3. The security provided for in section 108.1.3.3 is required to guarantee, for the duration of the security, compliance with the Act and fulfilment, by the merchant who furnished a security or by the merchant's representative, of the obligations arising from contracts entered into within the scope of the operations requiring the security

(a) firstly, to pay administrative expenses and fees of the provisional administrator appointed in accordance with section 214.29 of the Act;

(b) then to indemnify in capital, interest and costs any consumer holding a liquidated debt resulting from non-compliance with the Act or from a contract covered by the security and certified either by a judgment rendered against the merchant, the merchant's representative or the surety, or by an agreement or transaction entered into between the consumer, on the one hand, and the merchant, the merchant's representative, the trustee, the provisional administrator appointed in accordance with section 214.29 of the Act or the surety, on the other hand;

(c) lastly, to recover the fine and costs imposed on the merchant or the merchant's representative under Chapter III of Title IV of the Act.

O.C. 994-2018, s. 62.

121. When the President receives a copy of a final judgment or of an agreement or a transaction governed by section 120, 120.1 or 120.3 and settling a dispute, he shall open a claim file on the merchant in question and must advise the surety thereof. Any copy of a judgment or of an agreement or transaction received thereafter shall be added to that file.

R.R.Q., 1981, c. P-40.1, r. 1, s. 121; O.C. 1978-85, s. 13; O.C. 1148-90, s. 20; O.C. 994-2018, s. 63.

121.1. When the surety receives from a person other than the president a copy of a final judgment or of an agreement or transaction referred to in section 120, 120.1 or 120.3 and settling a dispute, he must transmit that copy to the president without following up on the claim.

O.C. 1148-90, s. 20; O.C. 994-2018, s. 64.

121.2. Subject to section 122.1, at the end of each 6-month period following the opening of the claim file, the president shall see to the payment, in capital, interest and costs, of the claims received during the preceding 6 months. For that purpose, he must:

(a) if the security was furnished by means of an individual or group security policy, notify the surety by transmitting to him a copy of the judgments or of the agreements or transactions with instructions to pay them up to the amount of the security;

(b) if the security was furnished by means of cash, cheque, postal money order, bank money order or order to pay drawn on a financial services cooperative, request the Bureau général de dépôts pour le Québec to transmit to him the sum necessary to pay those claims up to the amount of the security;

(c) if the security was furnished by means of a bearer bond, request the Bureau général de dépôts pour le Québec to convert the bearer bond and to transmit to him, out of the proceeds of the conversion, the sum necessary to pay those claims up to the amount of the security.

Following a notice or request of the president pursuant to paragraphs *a*, *b* or *c*, the surety or the Bureau général de dépôts pour le Québec must submit to him the necessary sum to pay those claims within 30 days after the receipt of the notice or request.

Where, as of the date of the notice or of the president's request, the total amount of the claims exceeds the sums available to pay them, the president shall ensure that they are paid *pro rata*.

O.C. 1148-90, s. 20; O.C. 495-2010, s. 26; O.C. 815-2015, s. 17; O.C. 488-2017, s. 15.

122. Sections 121, 121.1 and 121.2 apply, with the necessary modifications, to payment of the fine and costs imposed on a holder or on his representative under Chapter III of Title IV of the Act.

R.R.Q., 1981, c. P-40.1, r. 1, s. 122; O.C. 1148-90, s. 20.

122.1. Where the president receives a copy of a final judgment or of an agreement or transaction referred to in paragraph *a* of section 120.2 and terminating a dispute, the president forwards the copy to the surety with instructions to pay it up to the amount of the security. The president is to do the same for a claim by the true owner referred to in paragraph *b* of section 120.2 and for the owner's claim referred to in paragraph *c* of the same section.

Every 3 months, the surety must send to the president, on the form provided by the president, the list of claims from consumers received by the surety and of the claims paid by the surety.

The first paragraph applies, with the necessary modifications, to the payment of the fine and costs imposed on a permit holder or his or her representative under Chapter III of Title IV of the Act.

O.C. 815-2015, s. 18.

123. Where a judgment, an agreement or transaction has been executed in accordance with sections 121.2 to 122.1, the merchant must make up the difference in the security furnished, so that the amount of the security always meets the requirements of section 104 or sections 108 to 108.1.3.3, as the case may be.

In the case of an itinerant merchant who also holds a licence issued by the Régie du bâtiment du Québec, where the security furnished in accordance with the Regulation respecting the professional qualification of contractors and owner-builders (chapter B-1.1, r. 9) is reduced or cancelled, the merchant must make up the difference in the security furnished so that the amount of the security always meets the requirements of sections 104 and 105.

Where the security furnished in accordance with that Regulation is increased, the president releases, on request by the merchant, the amount representing the difference between that security and the security furnished to the president after the time periods provided for in section 119.

R.R.Q., 1981, c. P-40.1, r. 1, s. 123; O.C. 1978-85, s. 14; O.C. 1148-90, s. 20; O.C. 815-2015, s. 19; O.C. 1244-2017, s. 18; O.C. 994-2018, s. 65.

DIVISION III

TRANSFER OF PERMIT IN THE EVENT OF THE DEATH OF THE HOLDER

124. In the event of the death of a permit holder, the heir, liquidator of a succession or legal representative, as the case may be, may, after giving the president notice in writing of the death, obtain permission from the latter to continue the activities authorized by the permit, until its expiry.

R.R.Q., 1981, c. P-40.1, r. 1, s. 124.

125. Business may be continued for the period mentioned in section 124 upon payment of duties in the amount of \$14.

In such an event, the security, if any, must specify that it remains in force.

R.R.Q., 1981, c. P-40.1, r. 1, s. 125.

126. If the liquidation of a succession requires that business continue beyond the expiry date of the permit, the president may issued a permit to a person mentioned in section 124, as heir, liquidator of the succession or legal representative, as the case may be.

The term of that permit must not exceed 12 months.

R.R.Q., 1981, c. P-40.1, r. 1, s. 126.

127. The temporary permit governed by section 126 is issued after the formalities and conditions required of an applicant are carried out, but the amount of the duties to be paid under section 104 or sections 107 to 108.1.3.3 is reduced by half.

R.R.Q., 1981, c. P-40.1, r. 1, s. 127; O.C. 1244-2017, s. 19; O.C. 994-2018, s. 66.

DIVISION IV

CREDIT RECORDS

128. *(Implicitly revoked; 1993, chapter 17, s. 112).*

R.R.Q., 1981, c. P-40.1, r. 1, s. 128.

DIVISION V

(Revoked)

R.R.Q., 1981, c. P-40.1, c. VIII, Div. V; O.C. 1042-2007, s. 5.

129. *(Revoked).*

R.R.Q., 1981, c. P-40.1, r. 1, s. 129; O.C. 600-92, s. 12; O.C. 1042-2007, s. 5.

130. *(Revoked).*

R.R.Q., 1981, c. P-40.1, r. 1, s. 130; O.C. 1042-2007, s. 5.

131. *(Revoked).*

R.R.Q., 1981, c. P-40.1, r. 1, s. 131; O.C. 1042-2007, s. 5.

132. *(Revoked).*

R.R.Q., 1981, c. P-40.1, r. 1, s. 132; O.C. 1042-2007, s. 5.

133. *(Revoked).*

R.R.Q., 1981, c. P-40.1, r. 1, s. 133; O.C. 1042-2007, s. 5.

134. *(Revoked).*

R.R.Q., 1981, c. P-40.1, r. 1, s. 134; O.C. 1042-2007, s. 5.

135. *(Revoked).*

R.R.Q., 1981, c. P-40.1, r. 1, s. 135; O.C. 1042-2007, s. 5.

136. *(Revoked).*

R.R.Q., 1981, c. P-40.1, r. 1, s. 136; O.C. 1042-2007, s. 5.

137. *(Revoked).*

R.R.Q., 1981, c. P-40.1, r. 1, s. 137; O.C. 848-94, s. 13; O.C. 1042-2007, s. 5.

138. *(Revoked).*

R.R.Q., 1981, c. P-40.1, r. 1, s. 138; O.C. 848-94, s. 13; O.C. 1042-2007, s. 5.

139. *(Revoked).*

R.R.Q., 1981, c. P-40.1, r. 1, s. 139; O.C. 1042-2007, s. 5.

140. *(Revoked).*

R.R.Q., 1981, c. P-40.1, r. 1, s. 140; O.C. 1042-2007, s. 5.

141. *(Revoked).*

R.R.Q., 1981, c. P-40.1, r. 1, s. 141; O.C. 848-94, s. 14; O.C. 1042-2007, s. 5.

142. *(Revoked).*

R.R.Q., 1981, c. P-40.1, r. 1, s. 142; O.C. 1042-2007, s. 5.

143. *(Revoked).*

R.R.Q., 1981, c. P-40.1, r. 1, s. 143; O.C. 1148-90, s. 21; O.C. 1042-2007, s. 5.

144. *(Revoked).*

R.R.Q., 1981, c. P-40.1, r. 1, s. 144; O.C. 1148-90, s. 21; O.C. 1042-2007, s. 5.

145. *(Revoked).*

R.R.Q., 1981, c. P-40.1, r. 1, s. 145; O.C. 848-94, s. 15; O.C. 1042-2007, s. 5.

DIVISION VI**EXEMPTION FROM THE RULES RELATING TO CERTAIN AMOUNTS TRANSFERRED TO A TRUST**

R.R.Q., 1981, c. P-40.1, r. 1, Div. VI; O.C. 994-2018, s. 67.

146. Subject to the second paragraph of section 308 of the Act, a merchant wishing to be exempt from the application of sections 254 to 256 of the Act must furnish security to the president in accordance with this Division. The exemption is valid for 2 years and is renewable upon payment of the duties.

The duties that must be paid by an applicant for an exemption are fixed as follows:

Periods	Duties
From 1 July 2024 to 30 April 2025	\$2,529
From 1 May 2025	\$3,022

R.R.Q., 1981, c. P-40.1, r. 1, s. 146; O.C. 600-92, s. 13; O.C. 495-2010, s. 27; O.C. 1244-2017, s. 20; O.C. 994-2018, s. 68.

147. The security to be furnished by a merchant referred to in section 254 of the Act, but other than an itinerant merchant, is based on the sales indicated in the financial statements for the previous fiscal period and is established as follows:

Sales	Security
\$0.00 to \$999,999.99	\$10,000
\$1,000,000.00 to \$1,999,999.99	\$20,000
\$2,000,000.00 to \$4,999,999.99	\$30,000
\$5,000,000.00 or more	\$50,000

R.R.Q., 1981, c. P-40.1, r. 1, s. 147; O.C. 994-2018, s. 69.

148. During the first year of business operations, a merchant other than an itinerant merchant meets the requirements of section 147 if he furnishes \$10,000 security to the president.

R.R.Q., 1981, c. P-40.1, r. 1, s. 148.

149. An itinerant merchant who meets the requirements of sections 104 and 105 is not required to deposit in a trust account the amounts referred to in sections 255 and 256 of the Act and is not required to furnish additional security.

R.R.Q., 1981, c. P-40.1, r. 1, s. 149; O.C. 1244-2017, s. 21.

150. The security to be furnished by a merchant wishing to be exempt from the application of section 256 of the Act is based on the sales indicated in the financial statements for the previous fiscal period.

The security shall be determined, according to the following scale:

Sales	Security
\$0.00 to \$999,999.99	\$40,000
\$1,000,000.00 to \$1,999,999.99	\$80,000
\$2,000,000.00 to \$4,999,999.99	\$120,000
\$5,000,000.00 or more	\$160,000

R.R.Q., 1981, c. P-40.1, r. 1, s. 150; O.C. 848-94, s. 16; O.C. 1244-2017, s. 22; O.C. 994-2018, s. 70.

151. During the first year of operation of a business, a merchant meets the requirements of section 150 if he furnishes to the president security of \$40,000, plus \$20,000 for any establishment in operation in addition to the main establishment.

R.R.Q., 1981, c. P-40.1, r. 1, s. 151; O.C. 848-94, s. 16.

151.1. Where a business ceases to operate as a legal entity and continues to operate as a new legal entity, the security to be furnished for the exemption provided for in section 150 must be determined as though there had been no change in legal entity.

O.C. 848-94, s. 16.

152. A merchant, other than an itinerant merchant, who furnishes \$80,000 security or over for the exemption prescribed in section 150 is exempt from furnishing additional security in order to be exempt from the application of section 254 of the Act.

R.R.Q., 1981, c. P-40.1, r. 1, s. 152; O.C. 848-94, s. 17; O.C. 994-2018, s. 71.

153. A dealer holding a road vehicle dealer's or recycler's permit is exempt from the application of sections 254 to 256 of the Act.

R.R.Q., 1981, c. P-40.1, r. 1, s. 153; O.C. 697-86, s. 5; O.C. 1148-90, s. 22; O.C. 815-2015, s. 20.

154. *(Revoked).*

R.R.Q., 1981, c. P-40.1, r. 1, s. 154; O.C. 1244-2017, s. 23.

155. If the security referred to in this Division is furnished by means of a group guarantee bond on behalf of a group carrying on the same type of business, the global amount of the bond is established as follows:

- (a) \$200,000, if the security is for exemption from the application of section 254 of the Act;
- (b) \$500,000, if the security is for exemption from the application of section 256 of the Act;
- (c) \$600,000, if the security is for exemption from the application of sections 254 and 256 of the Act.

R.R.Q., 1981, c. P-40.1, r. 1, s. 155; O.C. 848-94, s. 18; O.C. 994-2018, s. 72.

156. Sections 110 to 112 apply, with the necessary modifications, to this Division.

R.R.Q., 1981, c. P-40.1, r. 1, s. 156.

157. *(Revoked).*

R.R.Q., 1981, c. P-40.1, r. 1, s. 157; O.C. 495-2010, s. 23.

158. *(Revoked).*

R.R.Q., 1981, c. P-40.1, r. 1, s. 158; O.C. 495-2010, s. 23.

159. *(Revoked).*

R.R.Q., 1981, c. P-40.1, r. 1, s. 159; O.C. 495-2010, s. 23.

160. *(Revoked).*

R.R.Q., 1981, c. P-40.1, r. 1, s. 160; O.C. 495-2010, s. 23.

161. Sections 118 and 119 apply, with the necessary modifications, to this Division.

R.R.Q., 1981, c. P-40.1, r. 1, s. 161; O.C. 848-94, s. 19.

162. A security provided for in this Division must be used to guarantee the indemnification in capital, interest and costs of any consumer holding a liquidated debt certified either by a judgment rendered against the merchant, his representative or the surety, or by an agreement or transaction entered into between the consumer, on the one hand, and the merchant, his representative, the trustee or the surety, on the other hand, and resulting from the fact that the merchant or his representative received from the consumer a sum of money in a case governed by section 254, 255 or 256 of the Act and has not performed his main obligation or refunded to the consumer, where applicable, the sum of money received.

R.R.Q., 1981, c. P-40.1, r. 1, s. 162; O.C. 1148-90, s. 23.

163. The duration of security furnished pursuant to this Division remains in force unless the merchant notifies the president in writing that he no longer intends to avail himself of the exemption, giving the date after which the exemption ceases to be effective.

R.R.Q., 1981, c. P-40.1, r. 1, s. 163; O.C. 495-2010, s. 28; O.C. 1244-2017, s. 24.

164. Upon receipt of a copy of a final judgment or of an agreement or a transaction governed by section 162 and settling a dispute, the president and the surety must comply with sections 121, 121.1 and 121.2.

R.R.Q., 1981, c. P-40.1, r. 1, s. 164; O.C. 1148-90, s. 24.

165. Where a judgment, an agreement or a transaction has been executed in accordance with section 164, the merchant must make up the difference in the security furnished, so that the amount of the security always meets the requirements of this Division.

R.R.Q., 1981, c. P-40.1, r. 1, s. 165; O.C. 848-94, s. 20.

DIVISION VII

INDEXING OF DUTIES

O.C. 600-92, s. 14.

165.1. The duties and charges exigible under this Regulation are indexed on 1 July of each year on the basis of the rate of variation in the general Consumer Price Index for Canada for the preceding calendar year, as determined by Statistics Canada; the duties and charges thus indexed take effect on that date.

The duties and charges indexed in the prescribed manner are reduced to the nearest dollar where they comprise a fraction of a dollar less than \$0.50; they are increased to the nearest dollar where they comprise a fraction of a dollar equal to or greater than \$0.50.

Each year, the president publishes the result of the annual indexation in Part 1 of the *Gazette officielle du Québec*.

O.C. 600-92, s. 14; O.C. 994-2018, s. 73.

CHAPTER IX

(Revoked)

R.R.Q., 1981, c. P-40.1, r. 1, c. IX; O.C. 1148-90, s. 25.

166. *(Revoked).*

R.R.Q., 1981, c. P-40.1, r. 1, s. 166; O.C. 1148-90, s. 25.

167. *(Revoked).*

R.R.Q., 1981, c. P-40.1, r. 1, s. 167; O.C. 1148-90, s. 25.

CHAPTER X

ADDITIONAL WARRANTY

O.C. 1978-85, s. 15.

168. Except for sections 168.1 to 172 which do not apply to a merchant referred to in section 25.2, this Chapter applies to a merchant required to hold a permit under paragraph *d* of section 321 of the Act.

O.C. 1978-85, s. 15; O.C. 1150-89, s. 6; O.C. 848-94, s. 21.

168.1. In addition to maintaining, in accordance with section 260.7 of the Act, sufficient reserves to guarantee obligations arising from any contracts of additional warranty he may make, a merchant must, at all times, in the reserve account referred to in that section, maintain additional reserves corresponding to 15% of the sufficient reserves.

For the purposes of sections 170 and 171, the obligation to take into account the additional reserves requirement in the actuary's report has effect only in respect of the merchant's fiscal years that begin after the coming into force of this section. Until he is sent an actuary's report attesting that that requirement has been taken into account therein, the merchant shall pay into the reserve account, in accordance with section 260.8 of the Act, 15% more than the portion that he is then required to pay into that account, and he shall not withdrawn any excess amount pursuant to section 172.

O.C. 848-94, s. 22.

168.2. The undertaking made by the trust company in accordance with section 260.9 of the Act must comply with the following standard undertaking:

“(CONSUMER PROTECTION ACT, S. 260.9)

UNDERTAKING BY A TRUST COMPANY

WE, THE UNDERSIGNED, undertake to assume the duties, obligations and responsibilities imposed on a trust company by the Consumer Protection Act with respect to the sums deposited in a reserve account pursuant to the Act by....., merchant.

Undertaking signed at

on

by

(*duly authorized person*)”

O.C. 994-2018, s. 74.

169. A merchant must furnish to the president a financial report giving the financial position of his business and must do so not more than 5 months after the end of each fiscal year or not less than 2 months before the expiry date of his permit, whichever deadline occurs first.

O.C. 1978-85, s. 15; O.C. 1150-89, s. 7; O.C. 848-94, s. 23.

170. The financial report referred to in section 169 and the financial report prescribed in subparagraph *a* of section 94.2 must include the financial statements for the last fiscal year of the business, including that of the reserve account. Such financial statements must be prepared according to generally accepted accounting principles and include an auditor's report or a review engagement report.

The financial report must also include an actuary's report containing an actuary's certificate attesting that the reserves are not less than the amounts prescribed in section 260.7 of the Act and in section 168.1 of this Regulation, in that they constitute a good and sufficient provision to guarantee obligations arising from any contracts of additional warranty made by the merchant and contain the additional reserves required or, where the opposite is true, an actuary's certificate indicating what percentage of the amounts received for the contracts should be deposited into the reserve account in accordance with section 260.8 of the Act in order to constitute a good and sufficient provision and to contain the additional reserves required, and attesting that the reserves declared to constitute a good and sufficient provision have been calculated according to generally recognized actuarial principles and adequate assumptions in regard to the merchant's financial position and the contracts he makes.

The financial report must also include proof that the merchant has complied with section 171.

The actuary referred to in the second paragraph must be a member of the Canadian Institute of Actuaries having the title of "Fellow".

O.C. 1978-85, s. 15; O.C. 1150-89, s. 7; O.C. 848-94, s. 24; O.C. 1244-2017, s. 25.

171. Where a financial report must be furnished to the president pursuant to sections 94.2 and 169 or section 306.2 of the Act, and where the report shows that the funds accumulated in the reserve account represent a sum less than that declared to constitute a good and sufficient provision and to contain the additional reserves by the actuary's certificate, the merchant must, before transmitting the financial report to the president, deposit in the reserve account a sum equal to the difference.

In addition, from the sending of the report, he must also deposit in the reserve account, pursuant to section 260.8 of the Act, a portion equal to the percentage indicated in the actuary's report.

O.C. 1978-85, s. 15; O.C. 1150-89, s. 7; O.C. 848-94, s. 25.

172. Where the financial report transmitted to the president pursuant to sections 94.2 or 169 or section 306.2 of the Act shows that the reserve account contains a sum greater than that declared to constitute a good and sufficient provision and to contain the additional reserves by the actuary's certificate accompanying the report, the merchant may, upon the expiry of a 45-day period from the transmission of the report to the president, withdraw the excess amount.

O.C. 1978-85, s. 15; O.C. 1150-89, s. 7; O.C. 848-94, s. 26.

173. A merchant may at any time withdraw the interest accrued on the amounts in the reserve account.

O.C. 1978-85, s. 15; O.C. 1150-89, s. 7.

173.1. The amounts in the reserve account may be withdrawn only in the cases listed below and only by cheque made out to the persons identified in each case:

(a) the consumer or repair man, in order to pay a claim arising from a contract of additional warranty in respect of which a sum was deposited in that account;

(b) the consumer, in order to refund the sums due to following the dissolution or cancellation of a contract of additional warranty in respect of which a sum was deposited in that account;

(c) the merchant, in order to pay him the interest accrued on the amounts in that account or to remit to him an excess amount pursuant to section 172.

O.C. 712-95, s. 3.

174. A merchant referred to in section 25.2 must furnish to the president, not later than 3 months after the end of the fiscal year, the financial statements for the last fiscal year of the business, prepared according to generally accepted accounting principles and audited according to generally accepted auditing standards.

O.C. 1978-85, s. 15; O.C. 1150-89, s. 7.

175. Where the merchant reserves for himself the selection of the kinds of investments to be made with the sums contained in the reserve account, the funds may be invested only by the trust company and only in the form of Treasury Bonds or bonds issued or guaranteed by the Government of Canada or a province or by a municipality, school service centre or school board in Canada, or in the form of deposit accounts or deposit certificates of a financial institution for a term not exceeding 5 years.

O.C. 1978-85, s. 15; O.C. 1150-89, s. 7; O.C. 816-2021, s. 78.

176. The burden of the costs referred to in section 260.24 of the Act is allotted among all merchants holding a permit prorata to their turnover as it appears in the last financial statement transmitted to the president.

Notwithstanding the foregoing, the costs incurred for the analysis or audit of actuarial reports are allocated equally among all merchants holding a permit whose reports were the object of such an analysis or audit.

O.C. 1978-85, s. 15; O.C. 1150-89, s. 7; O.C. 712-95, s. 4.

177. Such costs must be paid by the merchant within 30 days of the date of the statement of account sent to him by the president.

O.C. 1978-85, s. 15; O.C. 1150-89, s. 7.

178. Payment of such costs must be sent to the president and must be made by cheque to the order of the Minister of Finance.

O.C. 1978-85, s. 15; O.C. 1150-89, s. 7; O.C. 495-2010, s. 29.

179. *(Replaced).*

O.C. 1978-85, s. 15; O.C. 1150-89, s. 7.

180. *(Replaced).*

O.C. 1978-85, s. 15; O.C. 1150-89, s. 7.

FORM N-22

(Revoked)

R.R.Q., 1981, c. P-40.1, r. 1, Form N-22; O.C. 1148-90, s. 26; O.C. 495-2010, s. 30.

FORM N-23

(Revoked)

R.R.Q., 1981, c. P-40.1, r. 1, Form N-23; O.C. 495-2010, s. 30.

FORM N-24

(Revoked)

R.R.Q., 1981, c. P-40.1, r. 1, Form N-24; O.C. 495-2010, s. 30.

FORM N-24.1

(Revoked)

O.C. 1978-85, s. 16; O.C. 1150-89, s. 8; O.C. 495-2010, s. 30.

FORM N-25

(Revoked)

R.R.Q., 1981, c. P-40.1, r. 1, Form N-25; O.C. 1148-90, s. 27; O.C. 495-2010, s. 30.

FORM N-25.1

(Revoked)

O.C. 1978-85, s. 16; O.C. 1150-89, s. 9; O.C. 1148-90, s. 27; O.C. 495-2010, s. 30.

FORM N-26

(Revoked)

R.R.Q., 1981, c. P-40.1, r. 1, Form N-26; O.C. 1148-90, s. 27; O.C. 495-2010, s. 30.

FORM N-26.1

(Revoked)

O.C. 1978-85, s. 16; O.C. 1150-89, s. 10; O.C. 1148-90, s. 27; O.C. 495-2010, s. 30.

FORM N-27

(Revoked)

R.R.Q., 1981, c. P-40.1, r. 1, Form N-27; O.C. 1148-90, s. 27; O.C. 495-2010, s. 30.

FORM N-27.1

(Revoked)

O.C. 1978-85, s. 16; O.C. 1150-89, s. 11; O.C. 1148-90, s. 27; O.C. 495-2010, s. 30.

FORM N-28

(Revoked)

R.R.Q., 1981, c. P-40.1, r. 1, Form N-28; O.C. 1148-90, s. 27; O.C. 1042-2007, s. 6.

FORM N-29

(Revoked)

R.R.Q., 1981, c. P-40.1, r. 1, Form N-29; O.C. 1148-90, s. 27; O.C. 1042-2007, s. 6.

FORM N-30

(Revoked)

R.R.Q., 1981, c. P-40.1, r. 1, Form N-30; O.C. 1148-90, s. 27; O.C. 1042-2007, s. 6.

FORM N-31

(Revoked)

R.R.Q., 1981, c. P-40.1, r. 1, Form N-31; O.C. 1148-90, s. 27; O.C. 495-2010, s. 30.

FORM N-31.1

(Revoked)

O.C. 1978-85, s. 16; O.C. 1150-89, s. 12; O.C. 1148-90, s. 27; O.C. 495-2010, s. 30.

FORM N-32

(Revoked)

R.R.Q., 1981, c. P-40.1, r. 1, Form N-32; O.C. 1148-90, s. 27; O.C. 1042-2007, s. 6.

FORM N-33

(Revoked)

R.R.Q., 1981, c. P-40.1, r. 1, Form N-33; O.C. 848-94, s. 27; O.C. 495-2010, s. 30.

FORM N-43

(Revoked)

R.R.Q., 1981, c. P-40.1, r. 1, Form N-43; O.C. 1148-90, s. 27; O.C. 495-2010, s. 30.

FORM N-44

(Revoked)

R.R.Q., 1981, c. P-40.1, r. 1, Form N-44; O.C. 1148-90, s. 27; O.C. 495-2010, s. 30.

FORM N-45

(Revoked)

R.R.Q., 1981, c. P-40.1, r. 1, Form N-45; O.C. 1148-90, s. 27; O.C. 495-2010, s. 30.

FORM N-46

(Revoked)

R.R.Q., 1981, c. P-40.1, r. 1, Form N-46; O.C. 1148-90, s. 27; O.C. 495-2010, s. 30.

TRANSITIONAL

2024

(Notice of indexation, G.O. 1 (French) of 10 February 2024) AMENDMENTS TO SECTION 28 OF O.C. 1244-2017. Despite section 104 of the Regulation respecting the application of the Consumer Protection Act (chapter P-40.1, r. 3), as replaced by section 10 of this Regulation, the holder of an itinerant merchant's permit issued before the date of coming into force of this section and in force on that date, must

- (a)* in the case of a Class 7 permit, pay duties of \$3,776 until 30 April 2021;
- (b)* in the case of a Class 8 permit, pay duties of \$6,883 from 1 July 2024;
- (c)* in the case of a Class 12 permit, pay duties of \$1,084 until 30 April 2025, then, until 1 May 2025, pay duties of \$1,291;
- (d)* in the case of a Class 14 permit, pay duties of \$3,776 until 30 April 2021;
- (e)* in the case of a Class 15 permit, pay duties of \$6,883 from 1 July 2024;
- (f)* in the case of a Class 16 permit, pay duties of \$6,883 from 1 July 2024.

2023

(Notice of indexation, G.O. 1 (French) of 18 February 2023) AMENDMENTS TO SECTION 28 OF O.C. 1244-2017. Despite section 104 of the Regulation respecting the application of the Consumer Protection Act (chapter P-40.1, r. 3), as replaced by section 10 of this Regulation, the holder of an itinerant merchant's permit issued before the date of coming into force of this section and in force on that date, must

- (a)* in the case of a Class 7 permit, pay duties of \$3,776 until 30 April 2021;
- (b)* in the case of a Class 8 permit, pay duties of \$6,625 from 1 July 2023;
- (c)* in the case of a Class 12 permit, pay duties of \$1,043 until 30 April 2025, then, until 1 May 2025, pay duties of \$1,243;
- (d)* in the case of a Class 14 permit, pay duties of \$3,776 until 30 April 2021;
- (e)* in the case of a Class 15 permit, pay duties of \$6,625 from 1 July 2023;
- (f)* in the case of a Class 16 permit, pay duties of \$6,625 from 1 July 2023.

2022

(Notice of indexation, G.O. 1 (French) of 12 February 2022) AMENDMENTS TO SECTION 28 OF O.C. 1244-2017. Despite section 104 of the Regulation respecting the application of the Consumer Protection Act (chapter P-40.1, r. 3), as replaced by section 10 of this Regulation, the holder of an itinerant merchant's permit issued before the date of coming into force of this section and in force on that date, must

- (a) in the case of a Class 7 permit, pay duties of \$3,776 until 30 April 2021;
- (b) in the case of a Class 8 permit, pay duties of \$7,393 until 30 April 2023, then, from 1 May 2023, pay duties of \$6,203;
- (c) in the case of a Class 12 permit, pay duties of \$823 until 30 April 2023, then, until 30 April 2025, pay duties of \$977;
- (d) in the case of a Class 14 permit, pay duties of \$3,776 until 30 April 2021;
- (e) in the case of a Class 15 permit, pay duties of \$5,795 until 30 April 2023, then, from 1 May 2023, pay duties of \$6,203;
- (f) in the case of a Class 16 permit, pay duties of \$11,170 until 30 April 2023, then, from 1 May 2023, pay duties of \$6,203.

2021

(Notice of indexation, G.O. 1 (French) of 13 February 2021) AMENDMENTS TO SECTION 28 OF O.C. 1244-2017. Despite section 104 of the Regulation respecting the application of the Consumer Protection Act (chapter P-40.1, r. 3), as replaced by section 10 of this Regulation, the holder of an itinerant merchant's permit issued before the date of coming into force of this section and in force on that date, must

- (a) in the case of a Class 7 permit, pay duties of \$3,776 until 30 April 2021;
- (b) in the case of a Class 8 permit, pay duties of \$7,393 until 30 April 2023, then, from 1 May 2023, pay duties of \$5,999;
- (c) in the case of a Class 12 permit, pay duties of \$823 until 30 April 2023, then, until 30 April 2025, pay duties of \$945;
- (d) in the case of a Class 14 permit, pay duties of \$3,776 until 30 April 2021;
- (e) in the case of a Class 15 permit, pay duties of \$5,795 until 30 April 2023, then, from 1 May 2023, pay duties of \$5,999;
- (f) in the case of a Class 16 permit, pay duties of \$11,170 until 30 April 2023, then, from 1 May 2023, pay duties of \$5,999.

2018

(O.C. 1244-2017) SECTION 26. Despite section 104 of the Regulation respecting the application of the Consumer Protection Act, as replaced by section 10 of this Regulation, the security to be furnished by the holder of an itinerant merchant's permit issued before the date of coming into force of this section and in force on that date and who enters into contracts always lower than \$500 is, until 30 April 2019,

- (a) in the case of a Class 1 permit, \$1,000;
- (b) in the case of a Class 2 permit, \$2,500;
- (c) in the case of a Class 3 permit, \$5,000;
- (d) in the case of a Class 4 permit, \$10,000.

SECTION 27. Despite section 104 of the Regulation respecting the application of the Consumer Protection Act, as replaced by section 10 of this Regulation, the holder of a Class 7, Class 8 or Class 13 to Class 16 itinerant merchant's permit issued before the date of coming into force of this section and in force on that date, must furnish, as soon as the first and second paragraphs of section 104 come into force, security of \$100,000, unless the permit holder always enters into contracts lower than \$500.

SECTION 28. Despite section 104 of the Regulation respecting the application of the Consumer Protection Act (chapter P-40.1, r. 3), as replaced by section 10 of this Regulation, the holder of an itinerant merchant's permit issued before the date of coming into force of this section and in force on that date, must

(a) in the case of a Class 7 permit, pay duties of \$3,776 until 30 April 2021;

(b) in the case of a Class 8 permit, pay duties of \$7,393 until 30 April 2023, then, from 1 May 2023, pay duties of \$5,715;

(c) in the case of a Class 12 permit, pay duties of \$823 until 30 April 2023, then, until 30 April 2025, pay duties of \$900;

(d) in the case of a Class 14 permit, pay duties of \$3,776 until 30 April 2021;

(e) in the case of a Class 15 permit, pay duties of \$5,795 until 30 April 2023, then, from 1 May 2023, pay duties of \$5,715;

(f) in the case of a Class 16 permit, pay duties of \$11,170 until 30 April 2023, then, from 1 May 2023, pay duties of \$5,715.

SECTION 29. Itinerant merchant's permits, issued before the date of coming into force of this section and in force on that date, are deemed to be permits issued under section 104 of the Regulation respecting the application of the Consumer Protection Act, as replaced by section 10 of this Regulation.

SECTION 30. If, during the term of the itinerant merchant's permit, the amount of security payable under section 104 of the Regulation respecting the application of the Consumer Protection Act decreases by reason of the coming into force of this Regulation, the permit holder may replace it, subject to the second paragraph of section 119 of the Regulation respecting the application of the Consumer Protection Act, by the security payable under section 104 of the Regulation as replaced by section 10 of this Regulation.

SECTION 31. The increase in the amount of security payable under sections 104 and 108 of the Regulation respecting the application of the Consumer Protection Act, by reason of the replacement of those sections by this Regulation, applies at the time of an application for the renewal of a permit made by the permit holder.

SECTION 32. Despite section 108 of the Regulation respecting the application of the Consumer Protection Act, as replaced by section 14 of this Regulation, the security to be furnished by an applicant for a physical fitness studio operator's permit is, until 30 April 2021, \$20,000 per establishment used as a physical fitness studio.

2013

(O.C. 555-2013) SECTION 6. Section 79.3.1 of the Regulation respecting the application of the Consumer Protection Act (chapter P-40.1, r. 3), introduced by section 3 of this Regulation, ceases to have effect on 1 January 2016.

2010

(O.C. 495-2010) SECTION 31. Contracts in effect when this 30 June 2010 are exempt from the application of sections 214.6 to 214.8 of the Consumer Protection Act (chapter P-40.1).

Sections 25.4 to 25.9 of the Regulation respecting the application of the Consumer Protection Act (chapter P-40.1, r. 3), introduced by section 11 of this Regulation, do not apply to contracts in effect on 30 June 2010.

UPDATES

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O.C. 1739-83, 1983 G.O. 2, 3334
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S.Q. 2009, c. 30, s. 51
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O.C. 994-2018, 2018 G.O. 2, 3277
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S.Q. 2018, c. 23, s. 811
S.Q. 2018, c. 14, s. 25
S.Q. 2020, c. 26, s. 149
O.C. 816-2021, 2021 G.O. 2, 2103
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S.Q. 2024, c. 32, ss. 64 and 68

