

chapter P-40.1

CONSUMER PROTECTION ACT

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TITLE PRELIMINARY

INTERPRETATION AND APPLICATION

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

(a) “address”

i. of the merchant means the place of his establishment or office indicated in the contract, or of a new establishment or office of which he subsequently notifies the consumer, except a post office box;

ii. of the manufacturer means the place of one of his establishments in Canada, except a post office box;

iii. of the consumer means the place of his usual residence indicated in the contract, or of a new residence of which he subsequently notifies the merchant;

(b) “automobile” means a vehicle propelled by any power other than muscular force and adapted for transportation on the public highways, except a moped or a motorcycle;

(c) “used automobile” or “used motorcycle” means an automobile or a motorcycle which has been used for any purpose other than its delivery or preparation for delivery by the merchant, the manufacturer or their representative;

(d) “goods” means any movable property and, to the extent required for the application of section 6.1, any immovable property;

(d.1) “ticket” means any document or instrument that, on presentation, grants the ticket holder admission to a show, sporting event, cultural event, exhibition or any other kind of entertainment;

(e) “consumer” means a natural person, except a merchant who obtains goods or services for the purposes of his business;

(e.1) “contract of additional warranty” means a contract under which a merchant binds himself toward a consumer to assume directly or indirectly all or part of the costs of repairing or replacing goods or a part thereof in the event that they are defective or malfunction, otherwise than under a basic conventional warranty given gratuitously to every consumer who purchases the goods or has them repaired;

(f) “credit” means the right granted by a merchant to a consumer to perform an obligation within a term in consideration of certain charges;

(g) “manufacturer” means a person in the business of assembling, producing or processing goods, and, in particular,

i. a person who represents himself to the public as the manufacturer of goods;

ii. where the manufacturer has no establishment in Canada, a person who imports or distributes goods manufactured outside Canada or a person who allows his trademark to be used on goods;

(h) “advertisement” means a message designed to promote goods, services or an organization in Québec;

(i) “Minister” means the Minister of Justice;

(j) “Office” means the Office de la protection du consommateur established under section 291;

(k) “permit” means a permit required by this Act;

(l) “president” means the president of the Office;

(m) “advertiser” means a person who prepares, publishes or broadcasts an advertisement or who causes an advertisement to be prepared, published or broadcast;

(n) “regulation” means a regulation made by the Government under this Act;

(o) “representative” means a person acting for a merchant or a manufacturer or regarding whom a merchant or a manufacturer has given reasonable cause to believe that such person is acting for him;

(o.1) “road vehicle” means a road vehicle within the meaning of the Highway Safety Code (chapter C-24.2);

(p) *(subparagraph repealed)*.

In this Act, the word “merchant” includes any person doing business or extending credit in the course of his business.

1978, c. 9, s. 1; 1981, c. 10, s. 19; 1985, c. 34, s. 269; 1988, c. 45, s. 1; 1994, c. 12, s. 69; 1996, c. 21, s. 64; 2005, c. 24, s. 48; 2009, c. 51, s. 1; 2015, c. 4, s. 1; 2018, c. 14, s. 8.

2. This Act applies to every contract for goods or services entered into between a consumer and a merchant in the course of his business.

1978, c. 9, s. 2.

2.1. Despite section 2, the provisions of this Title, those of Title III.3, except section 260.28, and those of sections 261 and 263 to 267, Chapter III of Title IV and Title V, except subparagraph *a* of the first paragraph of section 338.1, also apply, with the necessary modifications, in the case where a road vehicle dealer or recycler enters into contracts with other merchants.

2015, c. 4, s. 2.

2.2. Despite section 2, sections 236.1, 236.2, 236.4, 261 and 263 to 267, Chapter III of Title IV and Title V also apply, with the necessary modifications, where a merchant enters or proposes to enter into a contract for the resale of tickets with other merchants.

2018, c. 14, s. 9.

3. Notwithstanding section 128 of the Cooperatives Act (chapter C-67.2), cooperatives are subject to the application of this Act.

Non-profit legal persons cannot invoke their non-profit status to avoid the application of this Act.

1978, c. 9, s. 3; 1982, c. 26, s. 313; 1988, c. 64, s. 560, s. 587; 1999, c. 40, s. 234; 2000, c. 29, s. 663; 2018, c. 23, s. 782.

4. The Government and the Government departments and agencies are subject to the application of this Act.

1978, c. 9, s. 4.

5. The following are exempt from the application of the title on contracts regarding goods and services and the title on sums transferred in trust:

(a) insurance and annuity contracts, except credit contracts entered into for the payment of insurance premiums;

(b) contracts of sale of electricity or gas by a distributor within the meaning of the Act respecting the Régie de l'énergie (chapter R-6.01), by Hydro-Québec established by the Hydro-Québec Act (chapter H-5), by a municipality or by a cooperative established under the Rural Electrification Act (1945, chapter 48);

(c) (paragraph repealed).

1978, c. 9, s. 5; 1986, c. 21, s. 17; 1988, c. 23, s. 98; 1988, c. 8, s. 92; 1996, c. 2, s. 791; 1996, c. 61, s. 128; 1997, c. 83, s. 44; 1999, c. 40, s. 234; 2006, c. 56, s. 1.

5.1. Contracts governed by the Act respecting arrangements for funeral services and sepultures (chapter A-23.001) are exempt from the application of the division on contracts entered into by itinerant merchants, of section 86 and of the title on sums transferred in trust.

1987, c. 65, s. 88; 1999, c. 40, s. 234; 2018, c. 14, s. 25.

6. Business practices and contracts regarding

(a) transactions governed by the Derivatives Act (chapter I-14.01) or the Securities Act (chapter V-1.1);

(b) the sale, lease or construction of an immovable, subject to section 6.1;

are exempt from the application of this Act.

1978, c. 9, s. 6; 1985, c. 34, s. 270; 2008, c. 24, s. 195; 2017, c. 24, s. 1.

6.1. This title, title II respecting business practices, sections 264 to 267 and 277 to 290.1 of title IV, chapter I of title V and paragraphs *c*, *k* and *r* of section 350 also apply to the sale, lease or construction of an immovable, but not to the leasing of an immovable governed by articles 1892 to 2000 of the Civil Code.

1985, c. 34, s. 271; 1999, c. 40, s. 234; 2017, c. 24, s. 2.

7. The surety of a consumer benefits to the same extent as the consumer by the provisions of sections 32, 33, 103, 103.1 and 105 to 110, section 150.12 regarding the application of section 103, sections 150.21 and 276, provided he is a consumer himself.

1978, c. 9, s. 7; 1991, c. 24, s. 1; 2017, c. 24, s. 3.

TITLE I

CONTRACTS REGARDING GOODS AND SERVICES

CHAPTER I

GENERAL PROVISIONS

8. The consumer may demand the nullity of a contract or a reduction in his obligations thereunder where the disproportion between the respective obligations of the parties is so great as to amount to exploitation of the consumer or where the obligation of the consumer is excessive, harsh or unconscionable.

1978, c. 9, s. 8.

9. Where the court must determine whether a consumer consented to a contract, it shall consider the condition of the parties, the circumstances in which the contract was entered into and the benefits arising from the contract for the consumer.

1978, c. 9, s. 9.

10. Any stipulation whereby a merchant is liberated from the consequences of his own act or the act of his representative is prohibited.

1978, c. 9, s. 10.

11. Any stipulation whereby a merchant reserves the right to decide unilaterally

- (a) that the consumer has failed to satisfy one or another of his obligations, or
- (b) that a fact or circumstance has occurred,

is prohibited.

1978, c. 9, s. 11.

11.1. Any stipulation that obliges the consumer to refer a dispute to arbitration, that restricts the consumer's right to go before a court, in particular by prohibiting the consumer from bringing a class action, or that deprives the consumer of the right to be a member of a group bringing a class action is prohibited.

If a dispute arises after a contract has been entered into, the consumer may then agree to refer the dispute to arbitration.

2006, c. 56, s. 2.

11.2. Any stipulation under which a merchant may amend a contract unilaterally is prohibited unless the stipulation also

- (a) specifies the elements of the contract that may be amended unilaterally;

(b) provides that the merchant must send to the consumer, at least 30 days before the amendment comes into force, a written notice drawn up clearly and legibly, setting out exclusively the new clause, or the amended clause and the clause as it read formerly, the date of the coming into force of the amendment and the rights of the consumer set forth in subparagraph c; and

(c) provides that the consumer may refuse the amendment and rescind or, in the case of a contract involving sequential performance, cancel the contract without cost, penalty or cancellation indemnity by sending the merchant a notice to that effect no later than 30 days after the amendment comes into force, if the amendment entails an increase in the consumer's obligations or a reduction in the merchant's obligations.

However, except in the case of an indeterminate-term service contract, such a stipulation is prohibited if it applies to an essential element of the contract, particularly the nature of the goods or services that are the object of the contract, the price of the goods or services or, if applicable, the term of the contract.

Any amendment of a contract in contravention of this section cannot be invoked against the consumer.

This section does not apply to the amendment of an open credit contract as provided for in section 129.

2009, c. 51, s. 2; I.N. 2016-12-01; 2017, c. 24, s. 68.

11.3. Any stipulation under which the merchant may unilaterally cancel a fixed-term service contract involving sequential performance is prohibited, except under articles 1604 and 2126 of the Civil Code and, in the latter case, only in accordance with article 2129 of the Code.

A merchant who intends to cancel an indeterminate-term service contract involving sequential performance must notify the consumer in writing at least 60 days before the date of cancellation if the consumer has not defaulted on his obligation.

2009, c. 51, s. 2.

11.4. Any stipulation which excludes the application of all or part of articles 2125 and 2129 of the Civil Code regarding the resiliation of contracts of enterprise and for services is prohibited.

2009, c. 51, s. 2.

12. No costs may be claimed from a consumer unless the amount thereof is precisely indicated in the contract.

1978, c. 9, s. 12.

13. Any stipulation requiring the consumer, upon the non-performance of his obligation, to pay a stipulated fixed amount or percentage of charges, penalties or damages, other than the interest accrued, is prohibited.

The prohibition under the first paragraph does not apply to contracts of sale or long-term contracts of lease of automobiles, except with respect to charges and subject to the conditions set out in the regulation.

This section does not apply to a contract of credit.

1978, c. 9, s. 13; 1980, c. 11, s. 105; 2009, c. 51, s. 3.

14. Sections 105 to 110 apply, with the necessary modifications, to resolutive clauses or to agreements to the same effect in favour of the merchant, and to contracts containing a clause of forfeiture of benefit of the term, whether or not such contracts are contracts of credit.

1978, c. 9, s. 14.

15. Sections 133 to 149 apply, with the necessary modifications, to a contract, whether a contract of credit or not, whereby the transfer of ownership of goods sold by a merchant to a consumer is deferred until the performance by the consumer of the whole or a part of his obligation.

1978, c. 9, s. 15.

16. The principal obligation of the merchant is to deliver the goods or to perform the service stipulated in the contract.

In a contract involving sequential fulfilment, the merchant is presumed to be performing his principal obligation when he begins to perform it in accordance with the contract.

1978, c. 9, s. 16; 1999, c. 40, s. 234.

17. In case of doubt or ambiguity, the contract must be interpreted in favour of the consumer.

1978, c. 9, s. 17; 1999, c. 40, s. 234.

18. Where a merchant inserts in a contract or document a clause that this Act or a regulation requires to be included in another contract or document, this clause is binding on the merchant and it may be invoked by the consumer.

1978, c. 9, s. 18.

19. Any stipulation in a contract that such contract is wholly or partly governed by a law other than an Act of the Parliament of Canada or of the Parliament of Québec is prohibited.

1978, c. 9, s. 19.

19.1. A stipulation that is inapplicable in Québec under a provision of this Act or of a regulation that prohibits the stipulation must be immediately preceded by an explicit and prominently presented statement to that effect.

2009, c. 51, s. 4.

20. *(Repealed).*

1978, c. 9, s. 20; 2006, c. 56, s. 3.

21. *(Repealed).*

1978, c. 9, s. 21; 2006, c. 56, s. 3.

22. *(Repealed).*

1978, c. 9, s. 22; 1987, c. 90, s. 1; 2006, c. 56, s. 3.

22.1. An election of domicile with a view to the execution of a juridical act or the exercise of the rights arising therefrom may not be set up against the consumer, except if it is made by notarial act.

1992, c. 57, s. 671.

CHAPTER II

RULES GOVERNING THE MAKING OF CERTAIN CONTRACTS IN RESPECT OF WHICH TITLE I REQUIRES A WRITING

2006, c. 56, s. 4.

23. This chapter applies to contracts which, under section 58, 80, the first paragraph of section 150.4, section 158, 187.14, 190, 199, 208, 214.2 or 214.16, must be evidenced in writing.

This chapter does not apply to notarial instruments.

1978, c. 9, s. 23; 1991, c. 24, s. 2; 2009, c. 51, s. 5; 2018, c. 14, s. 10; 2017, c. 24, s. 4.

24. The offers, promises or agreements prior to a contract that must be evidenced in writing are not binding on the consumer unless they are confirmed in a contract entered into in accordance with this title.

1978, c. 9, s. 24.

25. The contract must be drawn up clearly and legibly, at least in duplicate and, except in the case of a distance contract, in paper form.

1978, c. 9, s. 25; 2001, c. 32, s. 101; 2009, c. 51, s. 6.

26. The contract and the documents attached thereto must be drawn up in French. They may be drawn up in another language if the parties expressly agree thereto. Where they are drawn up in French and in another language, in the case of a divergence between the texts, the interpretation more favourable to the consumer prevails.

1978, c. 9, s. 26.

27. Subject to section 29, the merchant must sign the written contract duly filled out, give it to the consumer and grant him a sufficient time to become aware of its terms and scope before signing it.

1978, c. 9, s. 27; 1999, c. 40, s. 234.

28. Subject to section 29, the signature of the parties must appear on the page of each copy of the contract, at the end of all the conditions.

1978, c. 9, s. 28.

29. Sections 27 and 28 do not apply to an open credit contract made for the use of what are commonly called credit cards. In the case of such a contract, the issue of the card is in lieu of the merchant's signature and the use of the card by the consumer is in lieu of the consumer's signature.

1978, c. 9, s. 29; 2017, c. 24, s. 68.

30. The contract is concluded when the parties have signed it.

1978, c. 9, s. 30.

31. The signature of the representative of a merchant on a contract is binding on such merchant.

1978, c. 9, s. 31.

32. After the contract is signed, the merchant must give a duplicate of it to the consumer.

1978, c. 9, s. 32.

33. The consumer is bound to fulfil his obligations only from the moment he possesses a duplicate of the contract.

1978, c. 9, s. 33.

CHAPTER III

PROVISIONS RELATING TO CERTAIN CONTRACTS

DIVISION I

WARRANTIES

34. This division applies to contracts of sale or lease of goods and to contracts of service.

1978, c. 9, s. 34; 1999, c. 40, s. 234.

35. A warranty provided in this Act does not prevent the merchant or the manufacturer from offering a more advantageous warranty to the consumer.

1978, c. 9, s. 35.

36. A merchant transferring the ownership of goods to a consumer by way of a contract must free such goods from every charge or encumbrance in favour of a third person, or declare the existence of such charge or encumbrance at the time of the sale. He is bound to discharge the goods of every surety-bond, even declared, unless the consumer has assumed the debt so secured.

1978, c. 9, s. 36.

37. Goods forming the object of a contract must be fit for the purposes for which goods of that kind are ordinarily used.

1978, c. 9, s. 37.

38. Goods forming the object of a contract must be durable in normal use for a reasonable length of time, having regard to their price, the terms of the contract and the conditions of their use.

1978, c. 9, s. 38.

39. Where goods being the object of a contract are of a nature that requires maintenance, replacement parts and repair service must be available for a reasonable time after the making of the contract.

The merchant or the manufacturer may release himself from this obligation by warning the consumer in writing, before the contract is entered into, that he does not supply replacement parts or repair service.

1978, c. 9, s. 39.

40. The goods or services provided must conform to the description made of them in the contract.

1978, c. 9, s. 40.

41. The goods or services provided must conform to the statements or advertisements regarding them made by the merchant or the manufacturer. The statements or advertisements are binding on that merchant or that manufacturer.

1978, c. 9, s. 41.

42. A written or verbal statement by the representative of a merchant or of a manufacturer respecting goods or services is binding on that merchant or manufacturer.

1978, c. 9, s. 42.

43. A warranty respecting goods or services that is mentioned in a statement or advertisement of the merchant or the manufacturer is binding on that merchant or that manufacturer. This rule applies to the written warranties of the merchant or the manufacturer not written in the contract.

1978, c. 9, s. 43.

44. In a conventional warranty, exclusions are prohibited unless they are clearly indicated in separate and successive clauses.

1978, c. 9, s. 44.

45. Every writing evidencing a warranty must be clearly drawn up and state

- (a) the name and address of the person offering the warranty;
- (b) the description of the goods or services that are the object of the warranty;
- (c) the fact that the warranty may or may not be transferred;
- (d) the obligations of the person granting the warranty in the case of a defect in the goods or of the improper carrying out of the services covered by the warranty;
- (e) the manner in which the consumer is to proceed to obtain execution of the warranty, and the persons authorized to execute it; and
- (f) the duration of the warranty.

1978, c. 9, s. 45.

46. The duration of a warranty mentioned in a contract, a writing or in an advertisement of a merchant or a manufacturer must be determined precisely.

1978, c. 9, s. 46.

47. Where the manufacturer's conventional warranty is valid only if the goods or services are supplied by a merchant certified by the manufacturer, another merchant supplying such goods or such services without being certified by the manufacturer must, before supplying the goods or services to the consumer, notify the consumer in writing that the manufacturer's warranty is not valid. Failing that notification, the merchant is bound to assume that warranty at his expense.

1978, c. 9, s. 47.

48. No charge may be exacted by the merchant or the manufacturer for the performance of a conventional warranty unless the writing evidencing the warranty stipulates it and precisely determines the amount.

1978, c. 9, s. 48.

49. The merchant or the manufacturer shall assume the real cost of transportation or shipping incurred in respect of the performance of a conventional warranty, unless otherwise stipulated in the writing evidencing the warranty.

1978, c. 9, s. 49.

50. The duration of a warranty provided by this Act or of a conventional warranty shall be extended for a period equal to the time during which the merchant or the manufacturer has had the goods or a part of the goods in his possession for the performance of the warranty or pursuant to the recall of the goods or part of the goods by the manufacturer.

1978, c. 9, s. 50.

51. The designation by the merchant or the manufacturer of a third person to perform the warranty provided for by this Act or a conventional warranty does not free them of their obligation of warranty to the consumer.

1978, c. 9, s. 51.

52. The merchant or the manufacturer shall not make the validity of a conventional warranty conditional upon the consumer using a product which is identified by brand name, unless at least one of the three following conditions is fulfilled:

(a) the product is supplied to him free of charge;

(b) the warranted goods will not function properly unless that product is used;

(c) the conventional warranty forms the object of a separate contract entered into for valuable consideration.

1978, c. 9, s. 52.

52.1. The merchant or manufacturer may not require that the consumer prove that the previous owners or lessees of the goods complied with the conditions of the warranty.

2009, c. 51, s. 7.

53. A consumer who has entered into a contract with a merchant is entitled to exercise directly against the merchant or the manufacturer a recourse based on a latent defect in the goods forming the object of the contract, unless the consumer could have discovered the defect by an ordinary examination.

The same rule applies where there is a lack of instructions necessary for the protection of the user against a risk or danger of which he would otherwise be unaware.

The merchant or the manufacturer shall not plead that he was unaware of the defect or lack of instructions.

The rights of action against the manufacturer may be exercised by any consumer who is a subsequent purchaser of the goods.

1978, c. 9, s. 53.

54. A consumer having entered into a contract with a merchant may take action directly against the merchant or the manufacturer to assert a claim based on an obligation resulting from section 37, 38 or 39.

Rights of action against the manufacturer based on an obligation resulting from section 37 or 38 may be exercised by any consumer who is a subsequent purchaser of the goods.

1978, c. 9, s. 54.

DIVISION I.1

DISTANCE CONTRACTS

2006, c. 56, s. 5.

54.1. A distance contract is a contract entered into without the merchant and the consumer being in one another's presence and preceded by an offer by the merchant to enter into such a contract.

A merchant is deemed to have made an offer to enter into a distance contract if the merchant's proposal comprises all the essential elements of the intended contract, regardless of whether there is an indication of the merchant's willingness to be bound in the event the proposal is accepted and even if there is an indication to the contrary.

2006, c. 56, s. 5.

54.2. A distance contract is deemed to be entered into at the address of the consumer.

2006, c. 56, s. 5.

54.3. No merchant who makes an offer to enter into or enters into a distance contract may collect or offer to collect a partial or full payment from the consumer before performing the merchant's principal obligation, unless the consumer may request a chargeback of the payment under this Act or a regulation.

2006, c. 56, s. 5.

54.4. Before a distance contract is entered into, the merchant must disclose the following information to the consumer:

- (a) the merchant's name and any other name under which the merchant carries on business;
- (b) the merchant's address;
- (c) the merchant's telephone number and, if available, the merchant's fax number and technological address;
- (d) a detailed description of goods or services that are to be the object of the contract, including characteristics and technical specifications;

(d.1) if applicable, the information required under subparagraph *c* of the second paragraph of section 236.1 and under section 236.3;

(e) an itemized list of the prices of the goods or services that are to be the object of the contract, including associated costs charged to the consumer and any additional charges payable under an Act;

(f) a description of any possible additional charges payable to a third party, such as customs duties and brokerage fees, whose amounts cannot reasonably be determined;

(g) the total amount to be paid by the consumer under the contract and, if applicable, the amount of instalments, the rate applicable to the use of an incidental good or service and the terms of payment;

(h) the currency in which amounts owing under the contract are payable if not Canadian dollars;

(i) the date on which, or the time within which, the merchant's principal obligation must be performed;

(j) if applicable, the mode of delivery, the name of the carrier and the place of delivery;

(k) the applicable cancellation, rescission, return, exchange and refund conditions, if any; and

(l) any other applicable restrictions or conditions.

The merchant must present the information prominently and in a comprehensible manner and bring it expressly to the consumer's attention; in the case of a written offer, the merchant must present the information in a manner that ensures that the consumer is able to easily retain it and print it.

2006, c. 56, s. 5; 2018, c. 14, s. 11.

54.5. Before a distance contract is entered into, the merchant must provide the consumer with an express opportunity to accept or decline the proposal and to correct any errors.

2006, c. 56, s. 5.

54.6. A distance contract must be evidenced in writing and indicate:

(a) the consumer's name and address;

(b) the date the contract is entered into; and

(c) the information described in section 54.4, as disclosed before the contract was entered into.

2006, c. 56, s. 5.

54.7. The merchant must send a copy of the contract to the consumer within 15 days after the contract is entered into, in a manner that ensures that the consumer may easily retain it and print it.

2006, c. 56, s. 5.

54.8. The consumer may cancel the contract within seven days after receiving a copy if

(a) the merchant did not disclose to the consumer the information described in section 54.4 before the contract was entered into, or did not disclose it in accordance with that section;

(b) the merchant did not provide the consumer with an express opportunity, before the contract was entered into, to accept or decline the proposal or to correct any errors;

(c) the contract does not meet the requirements of section 54.6; or

(d) the merchant did not send a copy of the contract in a manner that ensures that the consumer may easily retain it and print it.

However, the cancellation period begins

(a) as of the performance of the merchant's principal obligation if the consumer, at that time, observes that the merchant has not disclosed all the information described in section 54.4 or has not disclosed it in accordance with that section; or

(b) where the consumer paid with a credit card or another payment instrument determined by regulation, as of the receipt of the statement of account if the consumer, at that time, observes that the merchant has not disclosed all the information described in section 54.4 or has not disclosed it in accordance with that section.

If the merchant does not send a copy of the contract to the consumer within the time provided for in section 54.7, the consumer has 30 days, as of the date the contract is entered into, in which to cancel the contract.

2006, c. 56, s. 5; 2017, c. 24, s. 5.

54.9. In addition to the cases provided for in section 54.8, a distance contract may be cancelled by the consumer at any time before performance of the merchant's principal obligation if

(a) the merchant's principal obligation is not performed within 30 days after the date specified in the contract or the later date agreed on in writing by the consumer and the merchant, or within 30 days after the contract is entered into in the case of a contract that does not specify a date or time limit for the merchant's principal obligation to be performed; or

(b) the contract is for transportation, lodging or restaurant services, or for a ticket, and the merchant does not provide the consumer, by the date specified in the contract or the later date agreed on in writing by the consumer and the merchant, with documents enabling the consumer to receive the services or be admitted to the event.

2006, c. 56, s. 5; 2018, c. 14, s. 12.

54.9.1. In addition to the cases provided for in sections 54.8 and 54.9, in the case of a distance contract relating to a resale ticket, the consumer may cancel the contract

(a) at any time after the date on which the event to which the ticket grants admission is cancelled, but before, if applicable, the new scheduled date of the event;

(b) at any time after the merchant has performed his principal obligation, but before the event to which the ticket grants admission, in any of the situations referred to in paragraph c of section 236.3.

2018, c. 14, s. 13.

54.10. The merchant's principal obligation is presumed to have been performed if the merchant attempted to perform it on the date specified in the contract, on a later date agreed on in writing by the consumer and the merchant, or on the date specified in a notice sent to the consumer within a reasonable time, but was prevented from doing so by the actions or negligence of the consumer.

2006, c. 56, s. 5.

54.11. The consumer's right to cancel the contract is exercised by sending a notice to that effect to the merchant.

2006, c. 56, s. 5.

54.12. The contract is cancelled by operation of law as of the sending of the cancellation notice.

The cancellation of the contract entails the cancellation of any accessory contract and of any warranty or security given to guarantee the amount payable under the contract.

A contract of credit entered into between the consumer and a third-party merchant under or in relation to a distance contract forms a whole with that contract and, as such, is also cancelled by operation of law if it results from an offer, representation or other action by the merchant who is party to the distance contract.

2006, c. 56, s. 5; 2018, c. 14, s. 14.

54.13. Within 15 days following the cancellation of the contract, the merchant must refund all sums paid by the consumer under the contract and any accessory contract, including sums paid to a third person.

Within 15 days following the cancellation of the contract or following delivery if it postdates cancellation, the consumer must restore the goods that were the object of the contract to the merchant in the same state in which they were received.

The merchant shall assume the reasonable costs of restitution.

2006, c. 56, s. 5.

54.14. If the merchant defaults on the obligation to make a refund under section 54.13 and the consumer has paid by credit card, the consumer may, within 60 days following the default, request the card issuer to chargeback all amounts paid under the contract and any accessory contract, and to cancel all charges made to the consumer's account in relation to those contracts.

2006, c. 56, s. 5.

54.15. A chargeback request must be in writing and contain the following information:

- (a) the credit cardholder's name;
- (b) the credit card number and expiry date;
- (c) the merchant's name;
- (d) the date the contract was entered into;
- (e) the amount charged to the credit card account and the sums to be refunded by the merchant;
- (f) a description of the goods or services that are the object of the contract and for which chargeback is requested;
- (g) the reason for cancelling the contract; and
- (h) the date of cancellation and the means used to send the cancellation notice.

2006, c. 56, s. 5.

54.16. A credit card issuer that receives a chargeback request must

- (a) acknowledge receipt within 30 days;
- (b) make the chargeback and cancel all credit card charges in connection with the distance contract and any accessory contract within 90 days or two complete periods, as defined in section 67, following receipt of the request, whichever comes first.

2006, c. 56, s. 5.

DIVISION II

CONTRACTS ENTERED INTO BY ITINERANT MERCHANTS

55. An itinerant merchant is a merchant who, personally or through a representative, elsewhere than at his address,

- (a) solicits a particular consumer for the purpose of making a contract; or
- (b) makes a contract with a consumer.

1978, c. 9, s. 55.

56. Sections 58 to 65 apply to contracts of sale or lease of goods and to contracts of service entered into by an itinerant merchant, except contracts excluded by regulation.

1978, c. 9, s. 56; 1998, c. 6, s. 1; 1999, c. 40, s. 234.

57. Subject to the regulations, a contract entered into at the address of the consumer upon his express demand does not constitute a contract entered into by an itinerant merchant, provided such contract was not solicited elsewhere than at the merchant's address.

1978, c. 9, s. 57.

58. The contract must be evidenced in writing and indicate:

- (a) the itinerant merchant's permit number;
- (b) the name, address and telephone number and, where applicable, the electronic address and fax number of each establishment of the itinerant merchant in Québec and each representative of the itinerant merchant who signed the contract;
 - (b.1) the name, address and telephone number and, where applicable, the electronic address and fax number of the consumer;
- (c) the date on which the contract is made and the address where it is signed;
- (d) the description and quantity of the goods that are the object of the contract, the year of the model or any other distinguishing mark, and the duration of each service provided for by the contract;
- (e) the cash price of each item of goods or services;
- (f) the amounts of all duties chargeable under any federal or provincial Act;
- (g) the total amount the consumer must pay under the contract;
 - (g.1) where applicable, the terms and conditions of payment; in the case of a contract of credit, the terms and conditions of payment must be stated in the manner prescribed in section 115, 125, 134 or 150;
 - (g.2) the frequency and dates of all deliveries of goods and the frequency and dates of all performances of services, as well as the date by which delivery or performance must be completed;
 - (g.3) where applicable, a description of all goods received as a trade-in or on account, their quantity, and the price agreed for each item;
- (h) the right granted to the consumer to cancel the contract at his sole discretion within ten days after that on which each of the parties is in possession of a duplicate of the contract;

- (i) any other information prescribed by regulation.

The merchant must attach a Statement of consumer cancellation rights and cancellation form in conformity with the model prescribed by regulation to the duplicate of the contract which he remits to the consumer.

1978, c. 9, s. 58; 1998, c. 6, s. 2; 2017, c. 24, s. 6.

59. The contract made between an itinerant merchant and a consumer may be cancelled at the discretion of the consumer within ten days following that on which each of the parties is in possession of a duplicate of the contract.

The time limit is, however, extended to one year from the date on which the contract is made in any of the following cases:

- (a) the merchant does not hold the permit required by this Act at the time the contract is made;
- (b) the security furnished by the itinerant merchant is invalid or is not in conformity with the security required under this Act at the time the contract is made;
- (c) the contract is inconsistent with any of the rules set out in sections 25 to 28 for the making of contracts, or one of the particulars required under section 58 does not appear in the contract;
- (d) a Statement of consumer cancellation rights and a cancellation form in conformity with the model prescribed by regulation have not been attached to the contract at the time the contract was made;
- (e) the merchant fails to deliver the goods or perform the service within 30 days from the delivery or performance date specified in the contract or a later date agreed to by the consumer, unless the consumer accepts delivery or performance after that time has expired.

1978, c. 9, s. 59; 1998, c. 6, s. 3; 2017, c. 24, s. 7.

60. The itinerant merchant cannot receive a partial payment or payment in full from the consumer before the expiry of the cancellation period provided for in the first paragraph of section 59 for as long as the consumer has not received the goods forming the object of the contract.

1978, c. 9, s. 60; 1999, c. 40, s. 234; 2017, c. 24, s. 8.

61. The consumer avails himself of his right of cancellation

- (a) by returning the goods to the itinerant merchant or his representative;
- (b) by returning the form referred to in section 58 to the itinerant merchant or his representative; or
- (c) by a notice in writing for that purpose to the itinerant merchant or his representative.

1978, c. 9, s. 61.

62. The contract is cancelled of right from the return of the goods or the sending of the form or the notice.

A contract of credit made by the consumer, even with a third-party merchant, under or in relation to a contract made with an itinerant merchant, forms part of the whole contract and is also cancelled of right if it was made as a result of an offer or representation made by, or any other action of, the itinerant merchant.

The third-party merchant referred to in the second paragraph may not, before the expiry of the cancellation period provided for in the first paragraph of section 59, remit directly to the itinerant merchant all or part of the sum for which credit is extended to the consumer.

1978, c. 9, s. 62; 1998, c. 6, s. 5; 2018, c. 14, s. 15; 2017, c. 24, s. 9.

63. Within 15 days following the cancellation, the parties must restore what they have received from one another.

If the itinerant merchant is unable to restitute to the consumer the goods received in payment, as a trade-in or on account, the merchant must remit to the consumer the value of the goods or the price of the goods as indicated in the contract, whichever is greater.

The itinerant merchant shall assume the costs of restitution.

1978, c. 9, s. 63; 1998, c. 6, s. 6.

64. The itinerant merchant shall assume the risk of loss or deterioration, even by superior force,

- (a) of the goods forming the object of the contract, until the expiry of the time provided for in section 63;
- (b) of the goods received in payment, as a trade-in or on account, until their restitution.

1978, c. 9, s. 64; 1998, c. 6, s. 7; 1999, c. 40, s. 234.

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

1978, c. 9, s. 65.

DIVISION III

CONTRACTS OF CREDIT

66. This division contemplates all contracts of credit, particularly

- (a) contracts for the loan of money;
- (b) open credit contracts;
- (c) contracts involving credit.

1978, c. 9, s. 66; 2017, c. 24, s. 68.

§ 1. — *General provisions*

67. For the purposes of this division,

- (a) “total obligation” means the aggregate of the net capital and the credit charges;
- (b) “period” means a space of time of not over thirty-five days;
- (c) “down payment” means a sum of money, the value of a negotiable instrument payable on demand, or the agreed value of goods, given on account at the time of the contract.

1978, c. 9, s. 67.

68. The net capital is

(a) in the case of a contract for the loan of money, the amount actually received by the consumer or paid into or credited to his account by the merchant;

(b) in the case of a contract involving credit or an open credit contract, the sum for which credit is actually extended.

Every component of the credit charges is excluded from this sum.

1978, c. 9, s. 68; 2017, c. 24, s. 68.

69. “Credit charges” means the amount the consumer must pay under the contract in addition to

(a) the net capital in the case of a contract for the loan of money or an open credit contract;

(b) the net capital and the down payment in the case of a contract involving credit.

1978, c. 9, s. 69; 2017, c. 24, s. 68.

70. The credit charges shall be determined as the sum of their components, particularly the following:

(a) the amount claimed as interest;

(b) the premium for an insurance contract the consumer subscribed to or participated in through the merchant;

(c) the rebate;

(d) administration charges, brokerage fees, appraiser’s fees, contract fees and the cost incurred for obtaining a credit report;

(e) membership or renewal fees;

(f) the commission;

(g) the value of the rebate or of the discount to which the consumer is entitled if he pays cash;

(h) the duties chargeable, under a federal or provincial Act, on the credit.

Despite any provision to the contrary, the following do not constitute credit charge components:

(a) the premium for insurance of persons if the merchant does not subject the entering into of the credit contract to subscribing to or participating in the insurance;

(b) the premium for insurance covering goods that are the subject of the credit contract or covering property that secures the performance of the consumer’s obligations;

(c) the premium for automobile insurance or home insurance;

(d) the fee for registration in or access to a public register of rights;

(e) in the case of an open credit contract,

i. the fee for an additional copy of a statement of account, and

ii. the fee for customizing a credit card; and

(f) in the case of a credit contract secured by an immovable hypothec,

- i. expenses and professional fees paid for the mandate assigned to a notary,
- ii. fees paid to obtain certified statements of rights registered in the public registers of rights or to cancel the registration of rights,
- iii. professional fees paid for the purpose of determining or confirming the value, condition, location or compliance with the law of the hypothecated property, provided the consumer is given a report signed by the professional and is free to give the report to third persons,
- iv. transaction fees paid in respect of a tax account relating to a hypothecated immovable,
- v. any amount payable as a prepayment charge, and
- vi. the premium charged by a hypothecary insurer for insurance to guarantee a hypothecary loan.

A regulation may be made to determine other components that are not credit charge components for one or more types of credit contracts.

1978, c. 9, s. 70; 2017, c. 24, s. 10.

71. The merchant must state the credit charges in terms of dollars and cents, and indicate that they apply

(a) to the entire term of the contract in the case of a contract for the loan of money or a contract involving credit, or

(b) to the period covered by the statement of account in the case of an open credit contract.

1978, c. 9, s. 71; 2017, c. 24, s. 68.

72. The credit rate is the amount of the credit charges expressed as an annual percentage. It must be computed and disclosed in the manner prescribed by regulation.

In computing the credit rate in the case of an open credit contract, the following components of the credit charges are not considered:

(a) membership or renewal fees;

(b) the value of the rebate or of the discount to which the consumer is entitled if he pays cash; and

(c) replacement fees for a lost or stolen credit card.

1978, c. 9, s. 72; 2017, c. 24, ss. 11 and 68.

73. Contracts for the loan of money and contracts involving credit may be cancelled without cost or penalty, at the discretion of the consumer, within two days following that on which each of the parties is in possession of a duplicate of the contract.

High-cost credit contracts within the meaning of section 103.4 may be cancelled on the same conditions within 10 days following that on which each of the parties is in possession of a duplicate of the contract.

1978, c. 9, s. 73; 2017, c. 24, s. 12.

74. In the case of a contract for the loan of money or of an open credit contract, the consumer avails himself of the right of cancellation

(a) by returning to the merchant or his representative the net capital, if the consumer received it at the time at which each of the parties came into possession of a duplicate of the contract, or the part of the credit extended already used; or

(b) by either returning the net capital or the part of the credit extended already used or sending notice in writing for that purpose to the merchant or his representative, in all other cases.

1978, c. 9, s. 74; 2017, c. 24, s. 13.

75. In the case of a contract involving credit, the consumer avails himself of the right of cancellation

(a) by returning the goods to the merchant or his representative, if he received delivery of the goods at the time at which each of the parties came into possession of a duplicate of the contract;

(b) by either returning the goods or sending notice in writing for that purpose to the merchant or his representative, in all other cases.

1978, c. 9, s. 75.

76. The contract is dissolved *plenojure* from the return of the goods, of the net capital or of the part of the credit extended already used or from the sending of the notice to the merchant or his representative.

1978, c. 9, s. 76; 2017, c. 24, s. 14.

77. Where a contract is cancelled by virtue of section 73, the parties must as soon as possible return to each other what they have received from one another. The merchant shall assume the costs of restitution.

1978, c. 9, s. 77.

78. 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 expiry of the time provided for in section 73.

1978, c. 9, s. 78; 1999, c. 40, s. 234.

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

1978, c. 9, s. 79.

80. Contracts of credit, except contracts for the loan of money payable on demand, must be evidenced in writing.

1978, c. 9, s. 80.

81. Contracts of credit, except open credit contracts, must stipulate only one credit rate.

1978, c. 9, s. 81; 2017, c. 24, s. 68.

82. (*Repealed*).

1978, c. 9, s. 82; 1987, c. 90, s. 2.

83. The merchant shall not exact, on a sum owing by the consumer, credit charges computed at a higher credit rate than the lesser of the two following rates: that computed in accordance with this Act and that stated in the contract.

1978, c. 9, s. 83.

84. The contract must provide for only one deferred payment during each period.

1978, c. 9, s. 84.

85. Notwithstanding section 84, the date on which the consumer must make his first payment may be fixed at will, but if it is fixed at over thirty-five days after that of the making of the contract, the credit charges do not accrue between the date of the contract and the commencement of the period for which that payment is stipulated.

1978, c. 9, s. 85.

86. If the merchant's principal obligation is performed more than seven days after the contract is entered into, the credit charges cannot accrue, and the merchant shall not demand any payment from the consumer, before the date of such performance.

1978, c. 9, s. 86.

87. Except for an open credit contract, deferred payments must be equal, except the final payment, which may be less.

1978, c. 9, s. 87; 2017, c. 24, s. 68.

88. A contract to which a consumer who earns his principal income from an occupation that he carries on for not more than eight months per year is a party is exempt from the application of sections 84, 85 and 87, provided that the contract contains the following clause, drawn up in accordance with the requirements of this Act and specially signed by the consumer:

“(Insert here the name of the consumer and the occupation which is his principal source of income) declares that his or her principal income is seasonal.”

The same rule applies to a contract between a merchant and a consumer for goods necessary for the carrying on of the trade, art or profession of the consumer, provided that the contract contains the following clause, drawn up in accordance with the requirements of this Act and 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.”

The merchant is entitled to act on the strength of a declaration so drawn up, unless he knows it to be false.

1978, c. 9, s. 88.

89. A contract for the loan of money is exempt from the application of sections 84, 85 and 87, subject to the conditions prescribed by regulation, whereunder

- (a) the consumer's total obligation is repayable in full on a fixed date,
- (b) the loan is payable on demand,
- (c) the date of maturity is not fixed, or
- (d) the amount of the payments is not fixed.

1978, c. 9, s. 89.

90. In the case of a contract for the loan of money, and notwithstanding the second paragraph of section 16, no credit charge may be exacted from the consumer except on such part of the net capital as he has received from the merchant and on such part as has been paid into or credited to his account by the merchant.

1978, c. 9, s. 90.

91. The credit charges must be computed according to the actuarial method prescribed by regulation.

1978, c. 9, s. 91.

92. Credit charges, whether imposed as a penalty, arrears charge, extension charge or otherwise must be computed in the manner provided in section 91, except the components mentioned in subparagraphs *a*, *b* and *c* of the second paragraph of section 72 in the case of an open credit contract.

1978, c. 9, s. 92; 2017, c. 24, s. 15; 2017, c. 24, s. 68.

93. The consumer may make full payment or partial payment of his obligation before maturity.

The balance owing is equal at all times to the aggregate of the net capital balance and the credit charges computed in accordance with section 91.

1978, c. 9, s. 93.

94. The merchant must, on such terms and conditions in respect of time and form as are prescribed by regulation, send to the consumer a statement of account setting out the information prescribed by regulation.

1978, c. 9, s. 94.

95. A consumer discovering a billing error in the statement of account provided to him by a merchant with whom he has entered into a contract of credit may address a writing to the merchant, informing him of

- (a) his identity,
- (b) the error discovered and the sum involved, where that is the case, and
- (c) his grounds for believing the error exists.

1978, c. 9, s. 95.

96. The merchant receiving the writing provided for in section 95 from a consumer shall, within sixty days from the date of mailing of that writing, advise the consumer, in writing,

- (a) that the billing error has been corrected, together with any credit charges erroneously billed; or
- (b) that he refuses to correct the statement of account, explaining to the consumer his grounds for not acceding to his request to make the correction; in this case, the merchant must, without charge, provide the consumer, on demand, with documentary proof of his grounds for refusal.

1978, c. 9, s. 96.

97. A merchant who contravenes section 96 loses his right to claim from the consumer the sum mentioned by the latter under the terms of paragraph *b* of section 95 and the corresponding credit charges.

1978, c. 9, s. 97.

98. If the parties to a contract of credit wish to amend certain provisions of the contract and if the credit rate or the credit charges are thereby increased, they must execute a new contract containing

- (a) the identification of the original contract;
- (b) the amount exacted from the consumer to discharge, before maturity, his obligation under the original contract;
- (c) the net capital, the credit charges and the credit rate; and
- (d) the amount of the consumer's total obligation and the terms and conditions of payment.

The change in the credit rate of a contract with a variable credit rate does not constitute a modification to the provisions of the contract.

1978, c. 9, s. 98; 2017, c. 24, s. 16.

99. In the case of a contract of credit resulting from the consolidation of debts owing to the same merchant, the particulars required under paragraphs *a* and *b* of section 98 must be set out separately for each of the original contracts.

1978, c. 9, s. 99.

100. The following are exempt from the application of section 98:

- (a) subject to the conditions prescribed by regulation, a contract for the loan of money providing no fixed date of maturity or providing no fixed amounts of payments; and
- (b) the correction of a clerical error in the contract with the agreement of both parties.

1978, c. 9, s. 100.

100.1. Contracts for the loan of money with a variable credit rate and contracts involving credit with a variable credit rate are exempt from the application of sections 71, 81, 83 and 87, on the conditions prescribed by regulation.

Open credit contracts with a variable credit rate are exempt from the application of sections 71 and 83, on the conditions prescribed by regulation.

1984, c. 27, s. 84; 2017, c. 24, s. 17.

100.2. The merchant who is a party to a credit contract with a variable credit rate must, at least once a year, send the consumer a statement containing

- (a) the credit rate at the beginning and at the end of the period covered by the statement;
- (b) the outstanding balance owed by the consumer at the beginning and at the end of the period; and
- (c) if the contract provides for scheduled payments, the outstanding balance on the total obligation and the number of remaining payments, based on the credit rate applicable at that time.

If the credit rate is not tied to a reference index, the merchant must also, within 30 days after increasing the credit rate to a rate that is more than one full percentage point higher than the rate most recently disclosed to the consumer, send the consumer a notice containing

- (a) the new credit rate;
- (b) the date the new rate takes effect; and
- (c) how the amount or timing of any payment is affected by the increase in the credit rate.

The first paragraph does not apply if the merchant sent a statement of account to the consumer within the 12 previous months.

2017, c. 24, s. 18.

101. When the consumer discharges his obligation in full, the merchant shall give him a discharge and return to him every object or document received as an acknowledgement of or security for that obligation.

1978, c. 9, s. 101.

102. A negotiable instrument signed at the time of a contract to acknowledge deferred payments forms part of the whole contract and neither such instrument nor the contract may be assigned separately by the merchant or any subsequent assignee.

1978, c. 9, s. 102.

103. The assignee of a debt owed to a merchant under a contract to which the latter is a party cannot have more rights than the merchant and is solidarily responsible with the merchant for the performance of the merchant's obligations up to the amount of such debt at the time it is assigned to him or, if he assigns it in turn, up to the amount of the payment he has received.

1978, c. 9, s. 103.

103.1. A consumer who used all or part of the net capital from a contract for the loan of money to make full or partial payment for the purchase or the lease of goods or for a service may plead against the lender, or against the lender's assignee, any ground of defence urgeable against the merchant who is the vendor, lessor, contractor or service provider if the loan contract 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 extending such credit to the consumer.

The consumer may also, in the circumstances described in the first paragraph, 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.

The first and second paragraphs also apply, with the necessary modifications, to a consumer who used all or part of the credit extended under an open credit contract entered into on the making of and in relation to a sale, lease or service contract, or whose credit limit was increased in the same circumstances.

2017, c. 24, s. 19.

0.1. — *ASSESSMENT OF CONSUMER'S CAPACITY TO REPAY CREDIT*

2017, c. 24, s. 19.

103.2. Before entering into a credit contract with a consumer or, if the credit contract is an open credit contract, before granting a credit limit increase, a merchant who is to enter or has entered into a credit contract must assess the consumer's capacity to repay the credit requested.

A merchant who, in carrying out an assessment, takes into account the information determined by regulation and collected, as the case may be, in accordance with the method that may be determined by regulation is deemed to comply with the obligation under the first paragraph.

A merchant who is subject to the Insurers Act (chapter A-32.1), the Act respecting financial services cooperatives (chapter C-67.3), the Trust Companies and Savings Companies Act (chapter S-29.02), the Bank Act (S.C. 1991, c. 46), the Insurance Companies Act (S.C. 1991, c. 47), the Cooperative Credit Associations Act (S.C. 1991, c. 48) or the Trust and Loan Companies Act (S.C. 1991, c. 45) and who must adhere to sound and prudent management practices or sound commercial practices in consumer credit matters is also deemed to comply with the obligation under the first paragraph.

If a contract is transferred to another merchant after having been entered into, and that merchant is the one who approved the contract, the transferee becomes the merchant bound by the obligations under this section and the one to whom the effects of section 103.3 apply.

2017, c. 24, s. 19; 2018, c. 23, s. 811.

103.3. A merchant who fails to carry out the assessment under section 103.2 loses the right to the credit charges and must refund any credit charges already paid by the consumer.

2017, c. 24, s. 19.

103.4. Before entering into a high-cost credit contract with a consumer or, if the high-cost credit contract is an open credit contract, before granting a credit limit increase, a merchant must, in accordance with the terms and conditions determined by regulation, give the consumer a written copy of the documents containing the assessment carried out under section 103.2 and information on the consumer's debt ratio.

A merchant who meets the conditions for applying the presumption under the second paragraph of section 103.2 but fails to comply with the first paragraph is deemed not to have carried out the assessment under section 103.2.

A credit contract is considered to be a high-cost credit contract if it has the characteristics determined by regulation.

The debt ratio is a measure of the consumer's liabilities expressed as a percentage. It is calculated in the manner prescribed by regulation.

2017, c. 24, s. 19.

103.5. A consumer who enters into a high-cost credit contract while his debt ratio exceeds the ratio determined by regulation is presumed to have contracted an excessive, harsh or unconscionable obligation within the meaning of section 8.

2017, c. 24, s. 19.

1. — *FORFEITURE OF BENEFIT OF THE TERM*

104. Every provision in a contract which has the effect of requiring the consumer in default to pay all or part of the balance of his debt before maturity is a clause of forfeiture of benefit of the term.

1978, c. 9, s. 104.

105. The merchant who avails himself of such a clause must advise the consumer thereof by means of a written notice in conformity with the model prescribed by regulation. The merchant must attach to that notice a statement of account containing the information prescribed by regulation.

1978, c. 9, s. 105; 2017, c. 24, s. 20.

106. The forfeiture of benefit of the term takes effect only after the expiry of 30 days following the receipt of the notice and statement of account provided for in section 105.

1978, c. 9, s. 106; 1999, c. 40, s. 234.

107. If the consumer does not remedy his default within the time provided for in section 106, the balance of his obligation becomes payable unless, upon an application by the consumer, the court changes the terms and conditions of payment according to such conditions as it considers reasonable or authorizes the consumer to return the goods to the merchant.

1978, c. 9, s. 107; 1999, c. 40, s. 234; I.N. 2016-01-01 (NCCP).

108. The application must be served before the expiry of the time, provided for in section 106.

1978, c. 9, s. 108; 1999, c. 40, s. 234; I.N. 2016-01-01 (NCCP).

109. The application must be heard and decided by preference, considering, in particular, the following facts:

- (a) the total of amounts that the consumer must disburse under the contract;
- (b) the sums already paid;
- (c) the value of the goods at the time of the consumer's default;
- (d) the balance due to the merchant;
- (e) the consumer's ability to pay; and
- (f) the reason for which the consumer is in default.

1978, c. 9, s. 109; I.N. 2016-01-01 (NCCP).

110. The return of the goods to the merchant authorized by virtue of section 107 extinguishes the consumer's contractual obligation and the merchant is not bound to return the amount of the payments he has received.

1978, c. 9, s. 110.

2. — *INSURANCE*

111. A merchant may not subordinate the making of a credit contract to the requirement that the consumer enter into an insurance contract with the insurer specified by the merchant.

1978, c. 9, s. 111; 2017, c. 24, s. 21.

112. A merchant who requires that the making of a credit contract be subordinate to the consumer entering into an insurance contract must inform the consumer, in accordance with the Act respecting the distribution of financial products and services (chapter D-9.2), that the consumer may purchase insurance from the insurer and insurance representative of the consumer's choice or may fulfil that requirement through an existing insurance policy if the coverage meets the conditions required by the merchant.

The merchant may not, without reasonable grounds, refuse the insurance selected or already held by the consumer.

1978, c. 9, s. 112; 2017, c. 24, s. 21.

113. A merchant who, on entering into a credit contract with a consumer, solicits the consumer's adhesion to group life, health or job loss insurance must provide the consumer with confirmation of insurance from the insurer, in accordance with the Act respecting the distribution of financial products and services (chapter D-9.2).

1978, c. 9, s. 113; 2018, c. 23, s. 811; 2017, c. 24, s. 21.

114. A merchant who, on entering into a credit contract with a consumer, purchases individual insurance for the consumer must, within 30 days after the insurer accepts the application relating to the consumer, provide the consumer with the insurance policy together with a copy of any written application made by the consumer or on the consumer's behalf.

1978, c. 9, s. 114; 2017, c. 24, s. 21.

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

115. In addition to the information that may be required by regulation, a contract for the loan of money must contain or state the following, presented in conformity with the model prescribed by regulation:

- (a) the net capital and, if more than one advance is involved, the amount and date of each advance made or to be made to the consumer under the contract, or how the amount and date are determined;
- (b) the credit charges claimed from the consumer and the consumer's total obligation under the contract;
- (c) the term of the contract;
- (d) the credit rate, specifying, if applicable, that it is subject to change, and the circumstances in which unpaid interest may be capitalized;
- (e) the date on which credit charges begin to accrue, or how that date is determined;
- (f) the amount and frequency of payments, and the date or day on which they are due;
- (g) the nature of any optional contracts, the charge for such contracts or how it is determined, and a statement that the consumer has a right of rescission with respect to such contracts;
- (h) a statement that the consumer may, without charges or penalties, prepay all or part of the outstanding balance;
- (i) the existence and the subject matter of any security given to guarantee the performance of the consumer's obligations;
- (j) if entering into an insurance contract is a condition for entering into the contract, a statement that the consumer has the right to use an existing insurance policy or to purchase insurance from the insurer and insurance representative of the consumer's choice, subject to the merchant's right to disapprove the insurance selected or held by the consumer on reasonable grounds; and
- (k) the merchant's permit number, if applicable.

If the credit rate is a variable rate, the contract must also contain the following:

- (a) a statement that the credit rate stipulated is the initial rate and that it is subject to change during the term of the contract;
- (b) a description of the reference index used to determine the variable credit rate;

(c) a description of the mechanics of credit rate changes and of how a change in the credit rate may affect the terms and conditions of payment;

(d) a clause specifying that the information relating to the terms and conditions of credit is provided for illustrative purposes only, on the basis of the initial credit rate, and that the information may vary with the credit rate; and

(e) a clause specifying the credit rate starting at which the amount of the scheduled payments will not cover the credit charges based on the initial capital, unless the contract provides for the automatic adjustment of the amount of the payments according to changes in the credit rate.

1978, c. 9, s. 115; 2017, c. 24, s. 22.

115.1. When a consumer sells goods to a merchant with a right of redemption, the sale is deemed to constitute a contract for the loan of money if the total amount payable by the consumer under the contract to redeem the goods is greater than the amount paid by the merchant to acquire them.

When a consumer sells goods to a merchant who acquires them in order to lease them to the consumer for a total amount, including the lease payments and all other charges the consumer must pay under the contract, including, if applicable, the amount the consumer must pay under the contract to avail himself of an option to purchase or to exercise the right of acquisition under section 150.29, that is greater than the amount the merchant paid to acquire them, the sale is also deemed to constitute a contract for the loan of money.

2017, c. 24, s. 23.

115.2. Unless the merchant invoked a clause of forfeiture of benefit of the term or exercised a hypothecary right, the merchant must, at least 21 days before the end of the term of a contract for the loan of money secured by an immovable hypothec, give notice in writing to the consumer of whether or not the merchant intends to renew the contract.

If the merchant intends to renew the contract, the notice must contain the information required under subparagraphs *a*, *d* and *g* of the first paragraph of section 115. If the notice is late, the consumer's rights and obligations under the original contract continue to apply until 21 days after the consumer receives the notice.

2017, c. 24, s. 23.

116. (*Repealed*).

1978, c. 9, s. 116; 1999, c. 40, s. 234; 2017, c. 24, s. 24.

117. Where legal proceedings intervene between the consumer and the merchant who is the vendor, lessor, contractor or service provider, the court may, on an application of the consumer, order the suspension of the repayment of the loan until final judgment is rendered.

At the time of the final judgment, the court shall indicate which party must pay the credit charges accrued during the suspension of repayment of the loan.

1978, c. 9, s. 117; 1999, c. 40, s. 234; I.N. 2016-01-01 (NCCP).

§ 3. — *Open credit contracts*

1978, c. 9, Sd. 3; 2017, c. 24, s. 68.

118. An open credit contract is a contract by which credit is extended in advance by a merchant to a consumer who may avail himself of it, in whole or in part, from time to time, in accordance with the terms and conditions of the contract.

Open credit contracts include credit card contracts, whether or not the use of the credit card requires a personal identification number or any other means designed to ensure consumer authorization; open credit contracts also include contracts for the use of what are commonly called lines of credit, credit accounts, budget accounts, revolving credit accounts, credit openings and any other contract of the same nature.

1978, c. 9, s. 118; 2017, c. 24, ss. 25 and 68 .

119. In the case of contracts described in section 118, the charges imposed for non-payment of amounts when due are credit charges.

1978, c. 9, s. 119; 1999, c. 40, s. 234; 2017, c. 24, s. 26.

119.1. A credit card application form or the accompanying documents must contain or state the following:

(a) the credit rate or, if it is a variable rate, the initial credit rate, the index to which the credit rate is linked and the relationship between the index and the credit rate;

(b) the grace period given the consumer to pay outstanding amounts without having to pay credit charges, except as regards money advances;

(c) the nature of the charges and how they are determined; and

(d) the date as of which the information referred to in subparagraphs *a* to *c* is current.

If the credit card is applied for remotely, the merchant must, before accepting the application, disclose to the consumer the information required under the first paragraph.

2017, c. 24, s. 27.

120. No person may issue or send a credit card to a consumer unless the consumer has applied for it in writing.

1978, c. 9, s. 120.

121. Section 120 does not apply to the renewal or replacement, on the same conditions, of a credit card which the consumer has applied for or used.

No person may, however, renew or replace a credit card if the consumer has notified in writing the issuer of the card of his intention to cancel such card.

1978, c. 9, s. 121.

122. No person may issue more than one credit card bearing the same number except on the written request of the consumer who is a party to the open credit contract.

1978, c. 9, s. 122; 2017, c. 24, s. 68.

122.1. 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.

2017, c. 24, s. 28.

123. The consumer is not liable for debts resulting from the use of a credit card by a third person after the card issuer is 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.

Any stipulation contrary to this section is prohibited.

1978, c. 9, s. 123; 2017, c. 24, s. 29.

123.1. Despite section 123, 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.

2017, c. 24, s. 29.

124. 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.

1978, c. 9, s. 124; 2017, c. 24, s. 29.

125. In addition to the information that may be required by regulation, an open credit contract must contain or state the following, presented in conformity with the model prescribed by regulation:

- (a) the credit limit granted;
- (b) the credit rate or, if it is a variable rate, the initial credit rate;
- (c) the nature of the credit charges and how they are determined;
- (d) the grace period given the consumer to pay outstanding amounts without having to pay credit charges, except as regards money advances;
- (e) if the credit rate is a variable rate, the reference index used to determine the credit rate, the credit rate change mechanics and how a change in the credit rate will affect the terms and conditions of payment;
- (f) the minimum periodic payment or the method of calculating the minimum payment required for each period;
- (g) the length of each period for which a statement of account is provided;
- (h) in the case of a credit card contract, the consumer liability limit in the circumstances described in section 123 and the circumstances in which the consumer may be held liable for the losses incurred by the card issuer;
- (i) the existence and the subject matter of any security given to guarantee the performance of the consumer's obligations;
- (j) the nature of any optional contracts, the charge for such contracts or how it is determined, and a statement that the consumer has a right of rescission with respect to such contracts;

(k) if entering into an insurance contract is a condition for entering into the contract, a statement that the consumer has the right to use an existing insurance policy or to purchase insurance from the insurer and insurance representative of the consumer's choice, subject to the merchant's right to disapprove the insurance selected or held by the consumer on reasonable grounds; and

(l) a telephone number that the consumer can use, at no charge, to obtain information about the contract in the language of the contract, or a telephone number that the consumer can use to obtain such information in the language of the contract, together with a clear statement that collect calls are accepted.

1978, c. 9, s. 125; 2017, c. 24, s. 30.

125.1. Despite section 125, information relating to optional contracts or to a specific transaction under the contract may be contained in a separate document delivered to the consumer before the debtor performs his obligation to the consumer under such optional contracts.

2017, c. 24, s. 30.

125.2. If the card issuer has a website, an up-to-date version of any credit card contract offered to consumers must be posted on that website.

2017, c. 24, s. 30.

126. Without delay at the end of each period, the merchant must send the consumer a statement of account specifying

- (a) the date of the end of the period;
- (b) the outstanding balance at the beginning of the period;
- (c) the date, a sufficient description and the amount of each transaction charged to the account during the period;
- (d) the date and amount of each payment or sum credited to the account during the period;
- (e) the credit rate or rates applicable; in the case of a variable credit rate, the rate applicable at the end of the period and the manner of obtaining a list of the rates during the period;
- (f) the charges charged to the account during the period;
- (g) the total of all advances and purchases charged to the account during the period;
- (h) the outstanding balance at the end of the period;
- (i) the credit limit applicable for the period;
- (j) the minimum payment required for the period;
- (k) in the case of a credit card, the estimated number of months and, if applicable, years required to pay off the outstanding balance if only the required minimum payment is made each period;
- (l) in the case of a credit card, the due date for payment;
- (m) the grace period given the consumer to pay outstanding amounts without having to pay credit charges, except as regards money advances;
- (n) the consumer's rights and obligations regarding billing errors; and

(o) a telephone number that the consumer can use, at no charge, to obtain information about the contract or the statement of account in the language of the contract, or a telephone number that the consumer can use to obtain such information in the language of the contract, together with a clear statement that collect calls are accepted.

For the purposes of subparagraph *c* of the first paragraph, a transaction is sufficiently described if the information given can reasonably be expected to enable the consumer to identify the transaction.

1978, c. 9, s. 126; 1999, c. 40, s. 234; 2017, c. 24, s. 31.



See transitional provision, 2017, c. 24, s. 82.

126.1. In the case of a credit card contract, the minimum payment required for a period may not be less than 5% of the outstanding balance at the end of the period.

For the purposes of the first paragraph, any debt paid in instalments determined according to special terms and conditions is not included in the balance of the account.

2017, c. 24, s. 31.



See transitional provision, 2017, c. 24, s. 82.

126.2. 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.

2017, c. 24, s. 31.

126.3. 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.

2017, c. 24, s. 31.

127. Until the consumer receives a statement of account at his address, the merchant shall not exact credit charges on the unpaid balance except on advances of money.

The statement of account may be sent to the consumer's technological address if expressly authorized by the consumer. The consumer may at any time withdraw the authorization by notifying the merchant.

The statement of account is deemed to have been sent to the consumer's technological address when

(a) the consumer has received at that address a notice to the effect that the statement of account is available on the merchant's website;

(b) the statement of account is actually available on the website for the period determined by the regulation; and

(c) the consumer is able to retain a copy of the statement of account by printing it or otherwise.

1978, c. 9, s. 127; 2001, c. 32, s. 102; 2017, c. 24, s. 32.

127.1. The merchant must give the consumer a grace period of at least 21 days after the date of the end of the period to pay outstanding amounts without having to pay credit charges.

The first paragraph does not apply in the case of an advance of money. The merchant may claim credit charges from the date of an advance of money until the date of payment.

2017, c. 24, s. 33.

128. A merchant may not increase the credit limit granted except on the express request of the consumer.

The merchant may not increase the credit limit beyond the new limit requested by the consumer.

The fact that a consumer makes a transaction resulting in the credit limit granted being exceeded does not constitute an express request.

1978, c. 9, s. 128; 2017, c. 24, s. 34.

128.1. The merchant may not allow the consumer to make transactions that exceed the credit limit during a period unless the merchant

(a) sends the consumer a notice stating that the consumer made a transaction resulting in the credit limit granted being exceeded; and

(b) imposes no charges on the consumer for exceeding the credit limit.

The withholding of an amount on a credit card is not considered to be a transaction for the purposes of this section.

2017, c. 24, s. 34.

128.2. Any unilateral increase of the credit limit by the merchant cannot be invoked against the consumer, and the consumer is not required to pay the amounts charged to the account that exceed the credit limit granted before that increase.

2017, c. 24, s. 34.

128.3. Any stipulation in an open credit contract whereby the merchant may unilaterally increase the credit limit is prohibited.

Any stipulation whereby the merchant may impose charges on the consumer if a transaction results in the credit limit granted being exceeded or if a transaction is refused on that ground is also prohibited.

2017, c. 24, s. 34.

129. Notwithstanding section 98, the merchant may amend the open credit contract to increase the amount chargeable as membership or renewal fees or as replacement fees for a lost or stolen credit card or to increase the credit rate.

The merchant must send to the consumer, according to the time limits prescribed by regulation, a notice setting out exclusively the amended clauses, as they formerly read and as they read now, and the date of the coming into force of the increase.

The unilateral amendment not conformable to this section of an open credit contract cannot be invoked against the consumer.

1978, c. 9, s. 129; 1984, c. 27, s. 85; 2017, c. 24, ss. 35 and 68.

130. No open credit contract may include a clause whereby the transfer of the ownership of the goods sold by a merchant to a consumer is deferred until the consumer's performance of all or part of his obligation.

1978, c. 9, s. 130; 2017, c. 24, s. 68.

§ 4. — *Contracts involving credit*

131. This subdivision applies to instalment sales and to all other contracts involving credit.

1978, c. 9, s. 131.

1. — *INSTALMENT SALES*

132. An instalment sale is a contract involving credit whereby a merchant selling goods to a consumer reserves ownership of the goods until the consumer's performance of all or part of his obligation.

1978, c. 9, s. 132; 1998, c. 5, s. 22.

133. The merchant shall assume the risk of loss or deterioration by superior force until the ownership of the goods is transferred to the consumer.

1978, c. 9, s. 133.

134. In addition to the information that may be required by regulation, an instalment sale contract must contain or state the following, presented in conformity with the model prescribed by regulation:

- (a) a description of the goods that are the subject matter of the contract;
- (b) the cash sale price of the goods, the cash down payment paid by the consumer, if any, and the net capital;
- (c) the value of any goods given in exchange;
- (d) the credit charges claimed from the consumer and the consumer's total obligation under the contract;
- (e) the term of the contract;
- (f) the credit rate, specifying, if applicable, that it is subject to change, and the circumstances in which unpaid interest may be capitalized;
- (g) the date on which credit charges begin to accrue, or how that date is determined;
- (h) the amount and due date of each payment;
- (i) the nature of any optional contracts, the charge for such contracts or how it is determined, and a statement that the consumer has a right of rescission with respect to such contracts;
- (j) a statement that the consumer may, without charges or penalties, prepay all or part of the outstanding balance;
- (k) the existence and the subject matter of any security given to guarantee the performance of the consumer's obligations;
- (l) if entering into an insurance contract is a condition for entering into the contract, a statement that the consumer has the right to use an existing insurance policy or to purchase insurance from the insurer and insurance representative of the consumer's choice, subject to the merchant's right to disapprove the insurance selected or held by the consumer on reasonable grounds;

(m) the date of delivery of the goods; and

(n) the fact that the merchant reserves ownership of the goods sold until the consumer has paid all or part of the outstanding balance.

If the credit rate is a variable rate, the contract must also contain the following:

(a) a statement that the credit rate stipulated is the initial rate and that it is subject to change during the term of the contract;

(b) a description of the reference index used to determine the variable credit rate;

(c) a description of the mechanics of credit rate changes and of how a change in the credit rate may affect the terms and conditions of payment;

(d) a clause specifying that the information relating to the terms and conditions of credit is provided for illustrative purposes only, on the basis of the initial credit rate, and that the information may vary with the credit rate; and

(e) a clause specifying the credit rate starting at which the amount of the scheduled payments will not cover the credit charges based on the initial capital, unless the contract provides for the automatic adjustment of the amount of the payments according to changes in the credit rate.

1978, c. 9, s. 134; 2017, c. 24, s. 36.

135. Every instalment sale not conformable to the requirements of Division III of this chapter is a sale with a term which transfers to the consumer the ownership of the goods sold.

1978, c. 9, s. 135.

136. Every provision

(a) intended to prevent the consumer from moving the goods within Québec without the permission of the merchant, or

(b) enabling the merchant to retake possession of the goods without the express consent of the consumer or the court,

is prohibited.

1978, c. 9, s. 136.

137. The balance owing by the consumer becomes exigible when the goods are sold under judicial authority or when the consumer conveys them to a third person without the merchant's consent.

1978, c. 9, s. 137; I.N. 2016-01-01 (NCCP).

138. If the consumer is in default to perform his obligation in accordance with the terms and conditions of the contract, the merchant may

(a) exact immediate payment of the instalments due;

(b) exact, in the manner provided for in sections 105 and following, immediate payment of the balance of the debt if the contract contains a clause of forfeiture of benefit of the term; or

(c) retake possession of the goods sold in the manner contemplated in sections 139 and following.

1978, c. 9, s. 138.

139. Before exercising the right conferred on him by paragraph *c* of section 138, the merchant must send to the consumer a written notice in conformity with the model prescribed by regulation.

1978, c. 9, s. 139; 2017, c. 24, s. 37.

140. The consumer may remedy the fact that he is in default or return the goods to the merchant within 30 days following receipt of the notice provided for in section 139.

The right of repossession cannot be exercised until the expiry of 30 days after receipt of the notice by the consumer.

1978, c. 9, s. 140; 1999, c. 40, s. 234.

141. If, following such notice, the voluntary return or forced repossession of the goods is effected, the contractual obligation of the consumer is extinguished and the merchant is not bound to return the amount of the payments he has already received.

1978, c. 9, s. 141.

142. If, upon his default, the consumer has already paid at least one-half of the amount of the total obligation and of the down payment, the merchant cannot exercise his right of repossession unless he obtains the permission of the court.

1978, c. 9, s. 142.

143. Such permission is applied for by an application served on the consumer which must be heard and decided by preference.

The court shall dispose of such application after taking into account the facts mentioned in section 109.

1978, c. 9, s. 143; I.N. 2016-01-01 (NCCP).

144. If the court dismisses the application, it shall allow the consumer to retain the goods and it may change the terms and conditions of payment of the balance according to such conditions as it deems reasonable.

1978, c. 9, s. 144; I.N. 2016-01-01 (NCCP).

145. A consumer who retains the goods in accordance with section 144 assumes, from the judgment, the risk of loss or deterioration, even by superior force.

1978, c. 9, s. 145.

146. The merchant who has opted for the recourse provided for in paragraph *b* of section 138 may, after the expiry of 30 days, avail himself of the recourse provided for in paragraph *c* of the same section.

The merchant who has opted for the recourse provided for in paragraph *c* of section 138 may, after the expiry of 30 days, avail himself of the recourse provided for in paragraph *b* of the same section.

The consumer may then, at his option, before the expiry of 30 days after receipt of a second notice, either remedy the default or return the goods.

If, following such second notice, the voluntary return or forced repossession of the goods is effected, the contractual obligation of the consumer is extinguished and the merchant is not bound to return the amount of the payments already received.

1978, c. 9, s. 146; 1999, c. 40, s. 234.

147. Instalment sales shall not involve open credit.

1978, c. 9, s. 147; 2017, c. 24, s. 68.

148. The contract of instalment sale must relate only to goods sold on the same day.

1978, c. 9, s. 148.

149. The application of section 98 or 99 to an instalment sale contract does not deprive the consumer of a right granted to him by sections 132 to 148.

1978, c. 9, s. 149.

2. — OTHER CONTRACTS INVOLVING CREDIT

150. In addition to the information that may be required by regulation, a contract involving credit, other than an instalment sale contract, must contain or state the following, presented in conformity with the model prescribed by regulation:

- (a) the nature and object of the contract and, if applicable, a description of the goods;
- (b) the net capital and, if applicable, the cash sale price of the goods and the cash down payment paid by the consumer;
- (c) the credit charges claimed from the consumer and the consumer's total obligation under the contract;
- (d) the term of the contract;
- (e) the credit rate, specifying, if applicable, that it is subject to change, and the circumstances in which unpaid interest may be capitalized;
- (f) the date on which credit charges begin to accrue, or how that date is determined;
- (g) the amount and due date of each payment;
- (h) the nature of any optional contracts, the charge for such contracts or how it is determined, and a statement that the consumer has a right of rescission with respect to such contracts;
- (i) a statement that the consumer may, without charges or penalties, prepay all or part of the outstanding balance;
- (j) the existence and the subject matter of any security given to guarantee the performance of the consumer's obligations; and
- (k) if entering into an insurance contract is a condition for entering into the contract, a statement that the consumer has the right to use an existing insurance policy or to purchase insurance from the insurer and insurance representative of the consumer's choice, subject to the merchant's right to disapprove the insurance selected or held by the consumer on reasonable grounds.

If the credit rate is a variable rate, the contract must also contain the following:

- (a) a statement that the credit rate stipulated is the initial rate and that it is subject to change during the term of the contract;
- (b) a description of the reference index used to determine the variable credit rate;

(c) a description of the mechanics of credit rate changes and of how a change in the credit rate may affect the terms and conditions of payment;

(d) a clause specifying that the information relating to the terms and conditions of credit is provided for illustrative purposes only, on the basis of the initial credit rate, and that the information may vary with the credit rate; and

(e) a clause specifying the credit rate starting at which the amount of the scheduled payments will not cover the credit charges based on the initial capital, unless the contract provides for the automatic adjustment of the amount of the payments according to changes in the credit rate.

1978, c. 9, s. 150; 2017, c. 24, s. 38.

DIVISION III.1

LONG-TERM LEASE OF GOODS

1991, c. 24, s. 3.

150.1. This division applies to long-term contracts of lease of goods.

1991, c. 24, s. 3.

150.2. For the purposes of this Act, a contract of lease of goods which provides for a leasing period of four months or more is a long-term contract.

A contract which provides for a leasing period of less than four months is deemed to be a long-term contract where the period may be extended to a period of four months or more by way of a clause of renewal or continuation or another agreement to the same effect.

1991, c. 24, s. 3.

150.3. The leasing period begins at the time the goods are put at the disposal of the consumer.

1991, c. 24, s. 3.

§ 1. — *General provisions*

1991, c. 24, s. 3.

150.3.1. Before entering into a long-term contract of lease with a consumer, a merchant must assess the consumer's capacity to perform the obligations under the contract.

A merchant who, in carrying out an assessment, takes into account the information determined by regulation and collected, as the case may be, in accordance with the method that may be determined by regulation is deemed to comply with the obligation under the first paragraph.

If a contract is transferred to another merchant after having been entered into, and that merchant is the one who approved the contract, the transferee becomes the merchant bound by the obligations under this section.

2017, c. 24, s. 39.

150.4. Contracts which include a conventional option to purchase the goods leased and contracts of lease with guaranteed residual value referred to in subdivision 2 must be evidenced in writing.

Every other long-term contract of lease, if evidenced in writing, must comply with the rules governing the making of a contract prescribed in Chapter II of this Title in the same manner as if it were a contract which must be evidenced in writing.

1991, c. 24, s. 3.

150.5. Contracts which include a conventional option to purchase must indicate the amount the consumer must pay to acquire the goods or the manner of calculating that amount, and any other conditions of exercising the option.

1991, c. 24, s. 3.

150.6. The rent must be payable before the expiration of the leasing period, except any amount due under the obligation of guarantee provided by a contract of lease with guaranteed residual value and charges relating to the degree of use of the goods, where they are exigible.

No charge relating to the degree of use of the goods may be required unless the goods are equipped with a device enabling their degree of use to be measured in hours or in kilometres and the rate per hour or per kilometre is specified in the contract.

1991, c. 24, s. 3.

150.7. The rent payable during the leasing period must be divided into instalments. All instalments must be equal, except the last, which may be less. The dates the instalments are payable must be fixed in such a manner as to be situated at the beginning of approximately equal divisions of the leasing period, not exceeding thirty-five days.

The merchant cannot require the consumer to pay more than two instalments in advance, and may only collect such instalments before the beginning of the leasing period.

1991, c. 24, s. 3.

150.8. Contracts entered into with a consumer contemplated in section 88, or with regard to goods contemplated in section 88 are exempt from the application of section 150.7, on the conditions provided in that section.

1991, c. 24, s. 3.

150.9. No long-term contract of lease may contain an agreement

- (a) obliging the consumer to return the goods in better condition than that resulting from normal wear;
- (b) which aims to specify normal wear;
- (c) contemplated in paragraph *a* or *b* of section 136.

1991, c. 24, s. 3.

150.10. The merchant assumes the risk of loss or deterioration of the goods by superior force; however, the merchant is not required to assume those risks while the consumer withholds the goods without right or after the merchant has transferred ownership of the goods to the consumer, where such is the case.

1991, c. 24, s. 3.

150.11. Any conventional warranty granted to a consumer and owner of goods benefits a consumer who is party to a long-term contract of lease as if he were the owner of the goods.

In the same manner, any conventional warranty available to a consumer and owner of goods must be available, on the same conditions and at the option of the consumer, to a consumer who is party to a long-term contract of lease of goods of the same kind and, if the consumer acquires that warranty, he benefits from it as if he were the owner of the goods.

1991, c. 24, s. 3.

150.12. Section 101 relating to discharge and the return of objects or documents, sections 102 and 103 relating to the rights and obligations of an assignee and sections 111 to 114 relating to insurance apply, adapted as required, to long-term contracts of lease.

1991, c. 24, s. 3.

150.13. Where a consumer is in default to perform his obligation in accordance with the terms and conditions of the contract, the merchant may either

(a) exact immediate payment of that which is due;

(b) exact, in the manner provided for in sections 105 and following, immediate payment of that which is due and all future instalments if the contract includes a clause of forfeiture of benefit of the term or another agreement to the same effect. However, the notice which must be sent by the merchant under section 105 must be in conformity with the model prescribed by regulation; or

(c) retake possession of the goods leased in the manner contemplated in sections 150.14, 150.15 and, where applicable, 150.32.

1991, c. 24, s. 3; 2017, c. 24, s. 40.

150.14. Before exercising his right of repossession of the goods leased, the merchant must send to the consumer a written notice in conformity with the model prescribed by regulation.

The consumer may remedy his default or return the goods to the merchant within thirty days following receipt of the notice referred to in the first paragraph, and the right of repossession cannot be exercised until the expiry of those thirty days.

1991, c. 24, s. 3; 2017, c. 24, s. 41.

150.15. If, following a notice of repossession, the voluntary return or forced repossession of the goods is effected, the contract is rescinded of right from the date of such return.

The merchant is not, in such a case, bound to return 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.

1991, c. 24, s. 3.

150.16. The merchant who has opted for the recourse provided for in paragraph *b* of section 150.13 may, after the expiry of 30 days, avail himself of the recourse provided for in paragraph *c* of the same section.

The merchant who has opted for the recourse provided for in paragraph *c* of section 150.13 may, after the expiry of 30 days, avail himself of the recourse provided for in paragraph *b* of the same section.

1991, c. 24, s. 3; 1999, c. 40, s. 234.

150.17. The consumer may, during the leasing period and at his discretion, return the goods to the merchant. The contract is rescinded of right from the date of return of the goods, with the same consequences as a rescission under section 150.15.

1991, c. 24, s. 3.

§ 2. — *Contracts of lease with guaranteed residual value*

1991, c. 24, s. 3.

150.18. A contract of lease with guaranteed residual value is a long-term contract of lease of goods by which the consumer guarantees that the merchant, once the leasing period is expired, will obtain a certain minimum value from the alienation of the goods.

For the purposes of this division, “residual value” means the value guaranteed by the consumer who is a party to such a contract.

1991, c. 24, s. 3.

150.19. The residual value must be established by a reasonable estimate by the merchant of the wholesale value which the goods will have at the end of the leasing period.

1991, c. 24, s. 3.

150.20. The residual value must be indicated in the contract and be expressed in terms of dollars and cents.

1991, c. 24, s. 3.

150.21. The consumer’s obligation of guarantee as to the residual value 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 percent of the residual value.

1991, c. 24, s. 3.

150.22. In addition to the information that may be required by regulation, a contract of lease with guaranteed residual value must contain or state the following, presented in conformity with the model prescribed by regulation:

(a) a description of the goods to be provided under the contract;

(b) the retail value of the goods and, if applicable, the payment on account paid by the consumer and the amount of the net obligation;

(c) the value of any goods given in exchange;

(d) the implied credit charges claimed from the consumer and the consumer’s maximum obligation under the contract;

(e) the term of the contract;

(f) the implied credit rate;

(g) the date on which the implied credit charges begin to accrue, or how that date is determined;

(h) the amount and due date of each payment;

(i) if entering into an insurance contract is a condition for entering into the contract, a statement that the consumer has the right to use an existing insurance policy or to purchase insurance from the insurer and insurance representative of the consumer's choice, subject to the merchant's right to disapprove the insurance selected or held by the consumer on reasonable grounds; and

(j) the date of delivery of the goods.

1991, c. 24, s. 3; 2018, c. 14, s. 16.

150.23. The contract may be cancelled without cost or penalty, at the discretion of the consumer, in the manner provided in sections 75 to 77 and on the condition provided in section 79, within two days following that on which each of the parties is in possession of a duplicate of the contract.

1991, c. 24, s. 3.

150.24. The net obligation refers to the total value of the goods, namely the aggregate of the retail value of the goods and the preparation, delivery, installation and other charges, minus the payment on account.

The payment on account includes the agreed value of goods given to the merchant as a trade-in, the first instalment and any sum received by the merchant before the beginning of the leasing period, including the value of a negotiable instrument payable on demand and the instalments paid in advance, if any.

The instalment obligation refers to the aggregate of the residual value and the periodic instalments other than those included in the payment on account.

1991, c. 24, s. 3.

150.25. The amount by which the instalment obligation exceeds the net obligation constitutes the implied credit charges. The merchant must mention those charges in terms of dollars and cents and indicate that they apply to the entire leasing period.

1991, c. 24, s. 3.

150.26. The implied credit rate is the expression of the implied credit charges expressed as an annual percentage. It must be computed and disclosed in the manner prescribed by regulation.

The contract must stipulate only one implied credit rate.

1991, c. 24, s. 3.

150.27. Sections 83 and 91 apply to the computing of implied credit charges, replacing the expressions "credit charges" and "credit rate", wherever they appear, by the expression "implied credit charges" and "implied credit rate", respectively.

1991, c. 24, s. 3.

150.28. Sections 94 to 97 relating to statements of account apply to contracts of lease with guaranteed residual value, replacing the expression "credit charges", wherever it appears, by the expression "implied credit charges".

1991, c. 24, s. 3.

150.29. A consumer who is a party to a contract of lease with guaranteed residual value may, at any time during the leasing period, acquire the goods which are the object of the contract on paying the balance of his instalment obligation minus the implied credit charges not yet earned at the time of the acquisition.

1991, c. 24, s. 3.

150.30. Except in the cases and on the conditions prescribed by regulation, the merchant cannot, while the residual value of the goods is guaranteed by the consumer, 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 by sending him a written notice in conformity with the model prescribed by regulation.

The consumer, within five days following receipt of the notice, may acquire the goods by paying in cash a price equal to that offered by the prospective acquirer.

The consumer may, instead of acquiring the goods, within the same time, present a third person who agrees to pay in cash for the goods a price equal to that offered by the prospective acquirer.

1991, c. 24, s. 3; 1999, c. 40, s. 234; 2017, c. 24, s. 42.

150.31. The consumer is released from his obligation of guarantee in one or other of the following cases:

(a) where the residual value of the goods is not specified in the contract in accordance with section 150.20;

(b) where the merchant alienates the goods in contravention of section 150.30 or where he refuses to sell the goods to the third person presented in accordance with the third paragraph of that section;

(c) where the alienation of the goods is not effected by onerous title;

(d) where the alienation of the goods is not effected within a reasonable time after return of the goods to the merchant at the end of the leasing period;

(e) where the merchant, after return of the goods at the end of the leasing period, uses those goods or allows them to be used by a third person otherwise than with a view to their alienation by onerous title.

1991, c. 24, s. 3.

150.32. The merchant cannot exercise a right of repossession under sections 150.13 to 150.16 unless he obtains the permission of the court if the consumer, at the time he defaults, has already paid at least one-half of the aggregate of his instalment obligation and his payment on account.

When the merchant applies to the court for this purpose, sections 143 to 145 apply.

1991, c. 24, s. 3.

DIVISION IV

CONTRACTS RELATING TO AUTOMOBILES AND MOTORCYCLES

§ 1. — *General provisions*

151. In the case of repairs under a warranty provided for by this division or under a conventional warranty:

(a) the merchant or the manufacturer shall assume the reasonable costs of towing or breakdown service for the automobile, whether the towing or breakdown service is carried out by the merchant, the manufacturer or a third person;

(b) the merchant or the manufacturer shall carry out the repairs to the automobile and assume their cost or shall permit the consumer to have the repairs carried out by a third person and shall assume their cost.

1978, c. 9, s. 151.

152. The merchant or the manufacturer is liable for the performance of a warranty provided for by this division or of a conventional warranty, to a consumer who is the subsequent purchaser of the automobile.

1978, c. 9, s. 152.

153. The warranty provided for by this division includes parts and labour.

1978, c. 9, s. 153.

154. Paragraph *b* of section 151 and sections 152 and 153 apply, with the necessary modifications, to motorcycles adapted for transportation on public highways.

1978, c. 9, s. 154.

§ 2. — Contracts of sale and long-term contracts of lease of used automobiles and used motorcycles

1991, c. 24, s. 4.

155. The merchant must affix a label on every used automobile that he offers for sale or for long-term lease.

The label must be so affixed that it may be read entirely from outside the automobile.

1978, c. 9, s. 155; 1991, c. 24, s. 5.

156. The label must disclose:

(a) if the used automobile is offered for sale, its price, and, if it is offered for long-term lease, its retail value;

(b) the number of miles or kilometres registered on the odometer, and the number of miles or kilometres actually travelled by the automobile, if different from that indicated on the odometer;

(c) the model year ascribed by the manufacturer, the serial number, the make, the model and the cubic capacity of the engine;

(d) if such is the case, the fact that the automobile has been used to offer remunerated passenger transportation by automobile governed by the Act respecting remunerated passenger transportation by automobile (chapter T-11.2) or as, a drivers' school automobile, a police car, an ambulance, a leased automobile, an automobile for customers or a demonstrator and the identity of every business or of every public agency that owned the automobile or rented it on a long term basis;

(e) if such is the case, every repair done on the used automobile since it has been in the possession of the merchant;

(f) the class provided for in section 160;

(g) the characteristics of the warranty offered by the merchant;

(h) that a certificate of mechanical inspection issued under the Highway Safety Code (chapter C-24.2) will be given to the consumer upon the signing of the contract;

(i) that the merchant must, at the request of the consumer, provide him with the name and telephone number of the last owner other than the merchant.

For the application of paragraphs *b* and *d* of this section, the merchant may base himself on a written declaration of the last owner unless he has reasonable grounds to believe that it is false.

1978, c. 9, s. 156; 1986, c. 91, s. 665; 1991, c. 24, s. 6; 2019, c. 18, s. 253.

157. The label must be appended to the contract or, in the case of a long-term contract of lease which is not evidenced in writing, given to the consumer at the making of the contract.

All that is disclosed on the label forms an integral part of the contract, except the price at which the automobile is offered and the specifications of the warranty, which may be changed.

1978, c. 9, s. 157; 1991, c. 24, s. 7.

158. The contract of sale must be evidenced in writing and indicate:

- (a) the number of the road vehicle dealer's permit;
- (b) the place and date of the contract;
- (c) the name and address of the consumer and of the merchant;
- (d) the price of the automobile;
- (e) the duties chargeable, under a federal or provincial Act;
- (f) the total amount the consumer must pay under the contract; and
- (g) the specifications of the warranty.

1978, c. 9, s. 158; 1980, c. 11, s. 106; 1986, c. 91, s. 666; 1991, c. 24, s. 8; 2015, c. 4, s. 3.

159. The sale or long-term lease of a used automobile carries with it a warranty that the automobile will remain in good working order

(a) for a period of six months or 10 000 kilometres, whichever occurs first, in the case of a class A automobile;

(b) for a period of three months or 5 000 kilometres, whichever occurs first, in the case of a class B automobile;

(c) for a period of one month or 1 700 kilometres, whichever occurs first, in the case of a class C automobile.

1978, c. 9, s. 159; 1991, c. 24, s. 9.

160. For the application of section 159, used automobiles are divided into the following classes:

(a) class A automobiles, namely, where not more than two years have elapsed between the date the manufacturer put his automobiles of the same model and of the same model year on the market and the date of the sale or long-term lease contemplated in the said section, provided that the automobile has not covered more than 40,000 kilometres;

(b) class B automobiles, namely, where they are not contemplated in paragraph *a* and not more than three years have elapsed between the date the manufacturer put his automobiles of the same model and of the same

model year on the market and the date of the sale or long-term lease contemplated in the said section, provided that the automobile has not covered more than 60,000 kilometres;

(c) class C automobiles, namely, where they are not contemplated in paragraph *a* or *b* and not more than five years have elapsed between the date the manufacturer put his automobiles of the same model and of the same model year on the market and the date of the sale or long-term lease contemplated in the said section, provided that the automobile has not covered more than 80,000 kilometres;

(d) class D automobiles, namely, automobiles not contemplated in any of paragraphs *a*, *b* and *c*.

1978, c. 9, s. 160; 1991, c. 24, s. 10.

161. The warranty provided for by section 159 does not cover:

- (a) normal maintenance service and the replacement of parts resulting from it;
- (b) interior upholstery or exterior decorative items;
- (c) damage resulting from abuse by the consumer after delivery of the automobile; and
- (d) any accessory provided for by regulation.

1978, c. 9, s. 161.

162. Where the merchant offers a class A, B or C automobile for sale or for long-term lease, he may indicate on the label all the defects which exist in the automobile, with an estimate of the cost of repair thereof. The merchant is bound by the estimate and he guarantees that the repair may be carried out for the price mentioned in the estimate.

In that case, the merchant is not subject to the obligation of warranty for the defects mentioned on the label.

1978, c. 9, s. 162; 1991, c. 24, s. 11.

163. The warranty takes effect upon the delivery of the used automobile.

1978, c. 9, s. 163.

164. Sections 155 to 158 and 161 to 163 apply, with the necessary modifications, to the sale or long-term lease of a used motorcycle adapted for transportation on public highways.

The sale or long-term lease of a used motorcycle adapted for transportation on public highways carries with it a warranty that the motorcycle and its accessories will remain in good working order

- (a) for a period of two months, in the case of a class A motorcycle;
- (b) for a period of one month, in the case of a class B motorcycle.

Used motorcycles adapted for transportation on public highways are divided into the following classes:

(a) class A motorcycles, namely, where not more than two years have elapsed between the date the manufacturer put his motorcycles of the same model and of the same model year on the market and the date of the sale or the long-term lease contemplated in this section;

(b) class B motorcycles, namely, where more than two years but not more than three years have elapsed between the date the manufacturer put his motorcycles of the same model and of the same model year on the market and the date of the sale or the long-term lease contemplated in this section;

(c) class C motorcycles, namely, motorcycles not contemplated in either of paragraphs *a* and *b*.

1978, c. 9, s. 164; 1991, c. 24, s. 12.

165. A person who, for valuable consideration, acts as an intermediary between consumers in the sale of used automobiles or used motorcycles adapted for transportation on public highways is subject to the obligations imposed on the merchant under this division.

1978, c. 9, s. 165.

166. Sections 155 to 165 do not apply to a new automobile which has been the object of a contract of lease comprising an option to purchase of which the lessee decides to avail himself or comprising a right of acquisition in section 150.29 or 150.30 which the consumer decides to exercise.

1978, c. 9, s. 166; 1991, c. 24, s. 13.

§ 3. — *Automobile and motorcycle repairs*

167. For the purposes of this subdivision,

(a) “merchant” means a person who carries out repairs for remuneration;

(b) “repair” means work carried out on an automobile, except work determined by regulation.

1978, c. 9, s. 167.

168. Before carrying out any repairs, the merchant must give the consumer a written estimate. The merchant cannot be released from this obligation without a waiver written in its entirety by and signed by the consumer.

No estimate is required where the repairs are to be made free of charge to the consumer.

A merchant cannot charge a price for making an estimate unless he advises the consumer of the price before undertaking to make the estimate.

1978, c. 9, s. 168.

169. If, to make an estimate, it is necessary to disassemble an automobile or part of an automobile in whole or in part, the amount mentioned under section 168 must include the cost of reassembly should the consumer decide not to have the repairs carried out and the costs of labour and of any component required to replace a part that is not recoverable or re-usable that was destroyed during the disassembling.

1978, c. 9, s. 169.

170. The estimate must indicate:

(a) the name and address of the consumer and of the merchant;

(b) the make, the model and the registration number of the automobile;

(c) the nature and total price of the repairs to be made;

(d) the part to be installed, specifying whether it is a new, used, re-tooled or reconditioned part; and

(e) the date and duration of that estimate.

1978, c. 9, s. 170.

171. Once accepted by the consumer, the estimate is binding on the merchant. No additional costs may be charged to the consumer for the repairs provided for in the estimate.

1978, c. 9, s. 171.

172. The merchant shall not carry out any repairs not provided for in the accepted estimate before obtaining the express authorization of the consumer.

In the case where the merchant obtains a verbal authorization, he must record it in the estimate, indicating the date, the time, the name of the person who gave it and, where such is the case, the telephone number dialed.

1978, c. 9, s. 172.

173. When the merchant has carried out repairs, he must give the consumer a bill indicating:

- (a) the name and address of the consumer and of the merchant;
- (b) the make, the model and the registration number of the automobile;
- (c) the date of delivery of the automobile to the consumer and the number of miles or kilometres registered on the odometer of the automobile on that date;
- (d) the repairs carried out;
- (e) the part installed, specifying whether it is a new, used, re-tooled or reconditioned part and its price;
- (f) the number of hours of labour billed, the hourly rate and the total cost of labour;
- (g) the duties chargeable under a federal or provincial Act;
- (h) the total amount the consumer must pay for that repair; and
- (i) the characteristics of the warranty.

1978, c. 9, s. 173; 1980, c. 11, s. 107.

174. Where repairs are carried out by a subcontractor, the merchant has the same obligation as if he had carried them out himself.

1978, c. 9, s. 174.

175. The merchant must, if the consumer so requires when requesting the repairs to be made, hand over to the consumer, at the same time as the latter takes delivery of his automobile, the parts that have been replaced, except:

- (a) where the repairs are carried out without charge to the consumer;
- (b) where the part is exchanged for a re-tooled or reconditioned part; or
- (c) where the replaced part is subject to a warranty contract under which the merchant must return that part to the manufacturer or to the distributor.

1978, c. 9, s. 175.

176. Repairs are guaranteed for three months or 5 000 kilometres, whichever occurs first. The guarantee takes effect upon the delivery of the automobile.

1978, c. 9, s. 176.

177. The guarantee provided for in section 176 does not cover damage resulting from abuse by the consumer after the repairs.

1978, c. 9, s. 177.

178. Acceptance of the estimate or payment by the consumer does not prejudice his recourse against the merchant based upon the absence of prior authorization for the repairs, bad workmanship or the price exceeding, as the case may be, the price indicated in the estimate or the total of the price indicated in the estimate and the price agreed upon when the change was authorized.

1978, c. 9, s. 178.

179. Notwithstanding articles 974 and 1592 of the Civil Code, the merchant shall not retain possession of the consumer's automobile

(a) if the merchant has failed to give an estimate to the consumer before carrying out the repairs; or

(b) if the total price of the repairs exceeds the price indicated in the estimate, provided that the consumer pays the price indicated in the estimate; or

(c) if the total price of the repairs exceeds the aggregate amount of the price indicated in the estimate and the price agreed to when the modification was authorized, provided that the consumer pays a price equal to that amount.

1978, c. 9, s. 179; 1999, c. 40, s. 234.

180. A merchant who carries out automobile repairs shall, in accordance with the requirements prescribed by regulation, post in a conspicuous place in his establishment a sign informing consumers of the principal provisions of this subdivision.

1978, c. 9, s. 180.

181. Sections 167 to 175 and 177 to 180 apply, with the necessary modifications, to the repair of a motorcycle adapted for transportation on public highways.

Repairs to a motorcycle adapted for transportation on public highways are guaranteed for one month. The guarantee takes effect upon the delivery of the motorcycle.

1978, c. 9, s. 181.

DIVISION V

REPAIR OF HOUSEHOLD APPLIANCES

182. For the purposes of this division,

(a) "household appliance" means a kitchen range, a refrigerator, a freezer, a dishwasher, a microwave oven, a clothes washer, a clothes dryer, an audio device, an audio-video device, a computer and its peripheral equipment, an air conditioner, a dehumidifier, a heat pump or any other appliance determined by regulation;

(b) "merchant" means a person who carries out repairs for remuneration;

(c) “repair” means work carried out on a household appliance except work determined by regulation.

1978, c. 9, s. 182; 2006, c. 56, s. 6.

183. Before carrying out any repairs, the merchant must give the consumer a written estimate. The merchant cannot be released from this obligation without a waiver written in its entirety by and signed by the consumer.

No estimate is required where the repairs are to be made free of charge to the consumer.

A merchant cannot charge a price for making an estimate unless he advises the consumer of the price before undertaking to make the estimate.

1978, c. 9, s. 183.

184. The estimate must indicate:

- (a) the name and address of the consumer and of the merchant;
- (b) the description of the household appliance;
- (c) the nature and the total price of the repairs to be carried out;
- (d) the date and duration of the estimate.

1978, c. 9, s. 184.

185. When the repair has been carried out, the merchant must remit to the consumer a bill indicating:

- (a) the name and address of the consumer and of the merchant;
- (b) the description of the household appliance;
- (c) the repair carried out;
- (d) the part installed, specifying whether it is a new, used, retooled or reconditioned part and its price;
- (e) the number of hours of labour billed, the hourly rate and the total cost of labour;
- (f) the duties chargeable under a federal or provincial Act;
- (g) the total amount the consumer must pay for the repair; and
- (h) the characteristics of the warranty.

1978, c. 9, s. 185; 1980, c. 11, s. 108; 1987, c. 90, s. 5.

186. Every repair is guaranteed for three months. The guarantee includes parts and labour and takes effect upon the delivery of the household appliance.

1978, c. 9, s. 186.

187. Sections 171, 172, 174, 175, 177, 178 and 179 apply, with the necessary modifications, to the repair of household appliances.

1978, c. 9, s. 187.

DIVISION V.1

CONTRACTS FOR THE SALE OF PREPAID CARDS

2009, c. 51, s. 9.

187.1. For the purposes of this division, “prepaid card” means a certificate, card or other medium of exchange that is paid in advance and allows the consumer to acquire goods or services from one or more merchants.

2009, c. 51, s. 9.

187.2. Before entering into a contract for the sale of a prepaid card, the merchant must inform the consumer of the conditions applicable to the use of the card and explain how to check the balance on the card.

If the information required under the first paragraph does not appear on the card, the merchant must provide it to the consumer in writing.

2009, c. 51, s. 9.

187.3. Subject to any applicable regulations, any stipulation providing that a prepaid card may expire on a set date or by the lapse of time is prohibited unless the contract provides for unlimited use of a service.

2009, c. 51, s. 9; 2017, c. 24, s. 43.

187.4. Subject to any applicable regulations, no charge may be made to the consumer for the issue or use of a prepaid card.

2009, c. 51, s. 9.

187.5. The merchant who is party to a contract for the sale of a prepaid card must, when the consumer so requests, refund to the consumer an amount equal to the balance on the card when the balance is lower than the amount or percentage prescribed by regulation.

2009, c. 51, s. 9.

DIVISION V.2

CONTRACTS RELATING TO LOYALTY PROGRAMS

2017, c. 24, s. 44.

187.6. For the purposes of this division,

(a) “loyalty program merchant” means a person who offers to enter into or enters into a contract relating to a loyalty program with a consumer;

(b) “loyalty program” means a program under which consumers, on entering into contracts, receive exchange units in consideration of which they may obtain goods or services free of charge or at a reduced price from one or more merchants;

(c) “exchange unit” means any form of benefit granted to a consumer that has an exchange value within the meaning of a loyalty program.

For the purposes of this division, a contract for the sale of a prepaid card does not constitute a contract relating to a loyalty program.

2017, c. 24, s. 44.

187.7. Before entering into a contract relating to a loyalty program, the loyalty program merchant must inform the consumer in writing of the information determined by regulation.

2017, c. 24, s. 44.

187.8. Subject to any applicable regulations, any stipulation providing that the exchange units received by the consumer under a loyalty program may expire on a set date or by the lapse of time is prohibited.

2017, c. 24, s. 44.

187.9. Despite section 11.2 and subject to any applicable regulations, any stipulation in an indeterminate-term contract under which the loyalty program merchant may amend an essential element of the contract unilaterally is not prohibited provided the stipulation also

(a) specifies the elements of the contract that may be amended unilaterally; and

(b) provides that the loyalty program merchant must send to the consumer, within the time limit prescribed by regulation, a written notice drawn up clearly and legibly, setting out the new clause only, or the amended clause and the clause as it read formerly, and the date of the coming into force of the amendment.

2017, c. 24, s. 44.

DIVISION V.3

CONTRACT RELATING TO TIMESHARE ACCOMMODATION RIGHTS

2018, c. 14, s. 17.

187.10. For the purposes of this division, a contract relating to timeshare accommodation rights is a contract whose object is the obtaining, by onerous title, of

(a) one or more accommodation rights, allowing the use of an accommodation unit or item of goods, whether situated in Québec or not, for a determinate or determinable period, with or without the possibility of exchanging the right as consideration for another determinate or determinable item of goods or service, including another accommodation unit;

(b) points or any other medium of exchange conferring on the consumer the right to exchange them as consideration for one or more accommodation rights defined in subparagraph *a*;

(c) a right to participate in an exchange system that allows the consumer to obtain, as consideration for the goods or services contemplated in subparagraphs *a* and *b*, another accommodation right, item of goods, service or benefit.

This division does not apply to a contract whose term is less than one year unless, by way of a clause of renewal or another stipulation, the contract could extend beyond a one-year period.

A consideration referred to in the first paragraph may be accompanied by a benefit, service or medium of exchange allowing the acquisition of goods or services and it may be offered by the merchant or by a third-party merchant with whom the merchant cooperates with a view to granting goods, services or other benefits under the contract relating to timeshare accommodation rights.

For the purposes of this division, any other contract having the characteristics determined by regulation is also a contract relating to timeshare accommodation rights.

2018, c. 14, s. 17.

187.11. This division, except section 187.13, applies, with the necessary modifications, to any contract not otherwise contemplated in this division and entered into by the consumer, even with a third-party merchant, on the making of or in relation to a contract relating to timeshare accommodation rights.

2018, c. 14, s. 17.

187.12. Sections 56, 58 and 60 to 63 and Divisions V.1 and V.2 do not apply to contracts relating to timeshare accommodation rights.

2018, c. 14, s. 17.

187.13. A contract relating to timeshare accommodation rights is deemed to be a service contract.

2018, c. 14, s. 17.

187.14. A contract relating to timeshare accommodation rights must be evidenced in writing. In addition to the information that may be required by regulation, it must contain or state the following, presented in conformity with the model prescribed by regulation:

(a) a statement, in the title and before any other indication, that the contract is a contract relating to timeshare accommodation rights;

(b) the date on which the contract is made and the address where it is signed;

(c) the consumer's name, address, telephone number and, if applicable, technological address;

(d) the merchant's name, the address and telephone number of the merchant's principal establishment in Québec and, if applicable, the merchant's fax number, technological address, itinerant merchant's permit number and Québec business number assigned under the Act respecting the legal publicity of enterprises (chapter P-44.1);

(e) if applicable, the name, address and telephone number of any accommodation establishment mentioned in the contract where the consumer obtains mainly an accommodation right or, as the case may be, the location of any item of goods where the consumer obtains mainly such a right;

(f) if applicable, the name, address, telephone number, technological address and, if any, fax number of each representative of the merchant, or of any enterprise and each of its representatives acting on behalf of the merchant, that made representations to the consumer or negotiated or signed the contract;

(g) the date on which the merchant must begin to perform his principal obligation and, if applicable, the start and end dates of any period during which the merchant is required to perform the obligations stipulated in the contract;

(h) the term and expiry date of the contract;

(i) a detailed description of the goods and services to be provided under the contract, including a description of any other goods and services put at the consumer's disposal, as well as the conditions for the consumer to benefit from them, including, if applicable, the deadline for the consumer to set the date on which he will exercise his accommodation right during a performance period and the fees to benefit from optional goods or services;

(j) the fees to obtain an accommodation right, their amount on an annual basis if they are calculated on a basis other than annual, and the total of such amounts for the entire term of the contract;

(*k*) a detailed description of the compulsory associated costs under the contract, other than those referred to in subparagraph *n*, as well as their amount on an annual basis if they are calculated on a basis other than annual, and the total of such amounts for the entire term of the contract;

(*l*) if applicable, a detailed description of the rights granted under the exchange system and the conditions applicable to the exercise of those rights;

(*m*) if applicable, the name of the third-party merchant providing an exchange system, and that merchant's address, telephone number and, if any, technological address and fax number;

(*n*) if applicable, a detailed description of the fees charged for participation in the exchange system, including membership fees and compulsory associated costs, their amount on an annual basis if they are calculated on a basis other than annual, and the total of such amounts for the entire term of the contract;

(*o*) the total amount to be paid by the consumer under the contract, including any credit charges;

(*p*) if applicable, the total amount to be paid by the consumer under any contract entered into with a third-party merchant on the making of the contract relating to timeshare accommodation rights, including any credit charges;

(*q*) the total of the amounts referred to in subparagraphs *o* and *p*;

(*r*) the terms and conditions of payment, including a payment schedule that complies with section 187.17 and the currency in which all amounts owing are payable if not Canadian dollars;

(*s*) if the contract is also a credit contract, the terms and conditions of payment indicated as provided for in section 115, 125 or 150, as the case may be;

(*t*) a statement that the merchant may not collect payment from the consumer before beginning to perform his obligation;

(*u*) the right granted to the consumer to resolve the contract at his sole discretion within 10 days after that on which each of the parties is in possession of a duplicate of the contract; and

(*v*) the other circumstances in which the consumer may resolve or resiliate the contract, any applicable conditions and the time within which the merchant must refund the consumer.

The merchant must attach a Statement of consumer resolution and resiliation rights and a resolution and resiliation form that are in conformity with the model prescribed by regulation to the duplicate of the contract which he remits to the consumer.

For the purposes of subparagraph *d* of the first paragraph, "principal establishment" means the establishment or office in which the merchant mainly carries on business. The merchant must, after the signing of the contract, notify the consumer of any change regarding that place.

2018, c. 14, s. 17.

187.15. Any stipulation that results in the automatic renewal of a contract relating to timeshare accommodation rights is prohibited.

2018, c. 14, s. 17.

187.16. The merchant may not make the entering into or the performance of a contract relating to timeshare accommodation rights dependent upon the entering into of a credit contract.

2018, c. 14, s. 17.

187.17. The total of the amounts referred to in subparagraph *q* of the first paragraph of section 187.14 is divided into approximately equal annual instalments.

The annual instalments must appear in a payment schedule stating the total to be paid each year and the dates on which the instalments must be paid.

2018, c. 14, s. 17.

187.18. Any stipulation that results in a departure from the conditions provided for in section 187.17 is prohibited.

2018, c. 14, s. 17.

187.19. The merchant may not collect a partial or full payment from the consumer before the expiry of the resolution period provided for in the first paragraph of section 187.21.

2018, c. 14, s. 17.

187.20. The merchant must send the consumer a statement of account at least 21 days before the date on which the creditor may demand payment of the annual instalment concerned.

The statement of account must mention the amount payable and, if applicable, the deadline for the consumer to fulfill his obligation without being required to pay credit charges.

The statement of account may be sent to the consumer's technological address if expressly authorized by the consumer. The consumer may withdraw his authorization at either time by notifying the merchant.

The statement of account must be sent in such a way that the consumer is able to easily retain it by printing it or otherwise.

2018, c. 14, s. 17.

187.21. The contract may be resolved at the discretion of the consumer within 10 days following that on which each of the parties is in possession of a duplicate of the contract.

That period is, however, extended to one year from the date on which the contract is made in either of the following cases:

(a) the contract is inconsistent with any of the rules set out in sections 25 to 28 for the making of contracts, or one of the particulars required under section 187.14 does not appear in the contract; or

(b) a Statement of consumer resolution and resiliation rights and a resolution and resiliation form that are in conformity with the model prescribed by regulation were not attached to the contract at the time the contract was made.

2018, c. 14, s. 17.

187.22. The consumer avails himself of the right of resolution or resiliation by returning the form provided for in section 187.14 or by sending the merchant or the merchant's representative another written notice to that effect.

2018, c. 14, s. 17.

187.23. The contract is resolved by operation of law from the sending of the form or notice.

2018, c. 14, s. 17.

187.24. Any contract entered into by a consumer, even with a third-party merchant, on the making of or in relation to a contract relating to timeshare accommodation rights and that results from an offer, representation or other action by the merchant who is party to the contract relating to timeshare accommodation rights forms a whole with the latter contract and is resolved or resiliated by operation of law at the time the contract relating to timeshare accommodation rights is resolved or resiliated.

In addition, the consumer may, with respect to a contract entered into with a third-party merchant and contemplated in the first paragraph, exercise directly against the merchant a recourse based on the non-performance of the contract or on the provisions of this Act.

The third-party merchant to whom the first paragraph applies because of a credit contract may not, before the expiry of the resolution period provided for in the first paragraph of section 187.21, remit directly to the merchant all or part of the sum for which credit is extended to the consumer.

2018, c. 14, s. 17.

187.25. Within 15 days after resolution or resiliation, for the reason set out in section 187.26, of the contract relating to timeshare accommodation rights, the merchant must refund all sums paid by the consumer under the contract and under any other contract contemplated in section 187.24, including sums paid to a third-party merchant.

Within 15 days after such resolution or resiliation of the contract, the consumer must, if applicable, make restitution to the merchant of the goods provided under the contract in the condition in which they were received by the consumer.

The merchant shall assume the costs of restitution.

2018, c. 14, s. 17.

187.26. The consumer may, at his discretion, resiliate the contract without cost or penalty before the merchant begins performing his principal obligation.

2018, c. 14, s. 17.

187.27. If the parties to a contract relating to timeshare accommodation rights agree to amend the contract and if the amendment increases the consumer's obligation or reduces the merchant's obligation, the merchant must sign a new contract containing the amendments agreed on and provide it to the consumer for signature.

2018, c. 14, s. 17.

DIVISION VI

SERVICE CONTRACTS INVOLVING SEQUENTIAL PERFORMANCE FOR INSTRUCTION, TRAINING OR ASSISTANCE

1999, c. 40, s. 234; 2009, c. 51, s. 10.

§ 1. — *General provisions*

188. For the purpose of this division, every person offering or providing any of the services referred to in section 189 is considered to be a merchant, except:

- (a) school service centres, school boards and the educational institutions under their authority;
- (b) general and vocational colleges;

- (c) universities;
- (d) faculties, schools or institutes of a university that are administered by a legal person distinct from that which administers the university;
- (e) educational institutions governed by the Act respecting private education (chapter E-9.1), for educational service contracts subject thereto;
- (f) *(paragraph repealed)*;
- (f.1) institutions whose instructional program is the subject of an international agreement within the meaning of the Act respecting the Ministère des Relations internationales (chapter M-25.1.1), for the subsidized teaching they provide;
- (g) Government departments and schools administered by the Government or by one of the Government departments;
- (g.1) the Conservatoire de musique et d'art dramatique du Québec established under the Act respecting the Conservatoire de musique et d'art dramatique du Québec (chapter C-62.1);
- (h) municipalities;
- (i) persons who are members of a professional order governed by the Professional Code (chapter C-26);
- (j) persons and classes of persons who carry on an activity referred to in section 189 without demanding or receiving any remuneration, directly or indirectly; and
- (k) persons and classes of persons specified by regulation.

1978, c. 9, s. 188; 1988, c. 84, s. 700; 1989, c. 17, s. 12; 1992, c. 68, s. 151; 1994, c. 15, s. 33; 1994, c. 40, s. 457; 1994, c. 2, s. 78; 1996, c. 2, s. 791; 1996, c. 21, s. 70; 1997, c. 96, s. 193; 1999, c. 40, s. 234; 1994, c. 2, s. 78; 2020, c. 1, s. 310.

§ 2. — *Principal contracts*

189. This subdivision applies to contracts of service involving sequential performance, except contracts made by a merchant operating a physical fitness studio, the object of which is

- (a) to obtain instruction, training or assistance for the purpose of developing, maintaining or improving the health, appearance, skills, qualities, knowledge or the intellectual, physical or moral faculties of a person,
- (b) to assist a person in establishing, maintaining or developing personal or social relations, or
- (c) to grant a person the right to use goods to attain any of the purposes provided for in paragraph *a* or *b*.

1978, c. 9, s. 189; 1999, c. 40, s. 234.

190. The contract must be evidenced in writing and indicate:

- (a) the name and address of the consumer and of the merchant;
- (b) the place and date of the contract;
- (c) the description of the object of the contract and the date on which the merchant is to begin the performance of his obligation;
- (d) the duration of the contract and the address where it is to be performed;

(e) the number of hours, days or weeks over which the services are distributed and the hourly rate, daily rate or weekly rate, as the case may be;

(f) the total amount the consumer must pay under the contract;

(g) the terms and conditions of payment; and

(h) any other information prescribed by regulation.

The merchant must attach a form in conformity with the model prescribed by regulation to the duplicate of the contract which he remits to the consumer.

1978, c. 9, s. 190; 1992, c. 68, s. 152; 2017, c. 24, s. 45.

191. The hourly rate, the daily rate or the weekly rate must be the same for the whole duration of the contract.

1978, c. 9, s. 191.

192. The merchant shall not collect any payment from the consumer before beginning to perform his obligation.

The merchant shall not collect payment of the consumer's obligation in less than two approximately equal instalments. The dates of payment of the instalments must be fixed in such a way as to be situated approximately at the beginning of approximately equal periods of the term of the contract.

1978, c. 9, s. 192.

193. The consumer may, at any time and at his discretion, cancel the contract by sending the form provided for in section 190 or another written notice to that effect to the merchant. The contract is cancelled of right from the sending of the form or notice.

1978, c. 9, s. 193.

194. If the consumer cancels the contract before the merchant has begun the performance of his principal obligation, the cancellation is effected without cost or penalty to the consumer.

1978, c. 9, s. 194.

195. If the consumer cancels the contract after the merchant has begun the performance of his principal obligation, the only sums that the merchant may exact from him are:

(a) the price of the services rendered, computed on the basis of the hourly, daily or weekly rates stipulated in the contract, and

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

1978, c. 9, s. 195; I.N. 2016-09-01.

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

1978, c. 9, s. 196.

§ 3. — *Physical fitness studios*

197. This subdivision applies to contracts of service involving sequential performance made between a consumer and a merchant who operates a physical fitness studio.

1978, c. 9, s. 197; 1999, c. 40, s. 234.

198. For the purposes of this subdivision, “physical fitness studio” means an establishment providing goods or services designed to help improve a person’s physical fitness through a change of weight, weight control, treatment, diet or exercise.

1978, c. 9, s. 198.

199. The contract must be evidenced in writing and indicate:

- (a) the licence number of the merchant;
- (b) the name and address of the consumer and of the merchant;
- (c) the place and date of the contract;
- (d) the description of the object of the contract and the date on which the merchant must begin to perform his obligation;
- (e) the duration of the contract and the address where it is to be executed;
- (f) the total amount the consumer must pay under the contract;
- (g) the terms and conditions of payment; and
- (h) any other information prescribed by regulation.

The merchant must attach a form in conformity with the model prescribed by regulation to the duplicate of the contract which he remits to the consumer.

1978, c. 9, s. 199; 2017, c. 24, s. 46.

200. The duration of the contract shall not exceed one year.

1978, c. 9, s. 200.

201. No payment may be collected from the consumer by the merchant before the merchant has begun the performance of his obligation.

The merchant shall not collect payment of the consumer’s obligation in fewer than two approximately equal instalments. The dates the instalments are payable must be fixed in such a manner as to be situated approximately at the beginning of approximately equal divisions of the duration of the contract.

1978, c. 9, s. 201.

202. The consumer may, at his discretion, cancel the contract without charge or penalty before the merchant has begun the performance of his principal obligation.

1978, c. 9, s. 202.

203. The consumer may also, at his discretion, cancel the contract within a period equal to one-tenth of the intended duration of the contract, from the time the merchant begins to perform his principal obligation. In

such a case, the merchant shall not exact from the consumer payment of any sum greater than one-tenth of the total price provided in the contract.

1978, c. 9, s. 203.

204. The consumer may cancel the contract by means of the form provided for in section 199 or of another written notice to that effect to the merchant. The contract is cancelled of right from the sending of the form or notice.

1978, c. 9, s. 204.

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

1978, c. 9, s. 205.

§ 4. — *Accessory contracts*

206. No merchant may make the entering into or the performance of the principal contract dependent upon the making of another contract between him and the consumer.

1978, c. 9, s. 206.

207. Where at the time of the entering into or performance of a principal contract, the consumer enters into a contract of service or for the lease of goods with the merchant that would not otherwise be contemplated in this division, such contract is governed by sections 190 to 196 or 197 to 205, as the case may be, with the necessary modifications.

1978, c. 9, s. 207; 1999, c. 40, s. 234.

208. Where, upon the making or the performance of a principal contract, the merchant sells goods to the consumer, he must remit to him a written contract indicating:

- (a) the name and address of the consumer and of the merchant;
- (b) the place and date of the contract;
- (c) the description of the object of the contract, including, where such is the case, the year of the model or any other distinguishing mark;
- (d) the cash price of each item of goods;
- (e) the duties chargeable under a federal or provincial Act;
- (f) the total amount the consumer must pay under the contract; and
- (g) any other information prescribed by regulation.

The merchant must attach a form in conformity with the model prescribed by regulation to the duplicate of the contract which he remits to the consumer.

1978, c. 9, s. 208; 1980, c. 11, s. 109; 2017, c. 24, s. 47.

209. The consumer may, at his discretion, cancel the contract contemplated in section 208 within ten days following the day the goods are delivered or the day the merchant begins the performance of his obligation under the principal contract, whichever occurs last.

1978, c. 9, s. 209.

210. The consumer avails himself of his right of cancellation

- (a) by returning the goods to the merchant;
- (b) by returning to the merchant the form provided for in section 208; or
- (c) by another written notice to that effect to the merchant.

The contract is cancelled of right from the return of the goods or the sending of the form or notice.

1978, c. 9, s. 210.

211. Within 10 days following the cancellation, the parties must restore to each other 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 being the object of the contract until the longer of the two terms contemplated in section 209 has expired.

1978, c. 9, s. 211.

212. Where a consumer cancels a principal contract, he may also, even after the time provided for in section 209 has expired, cancel a contract contemplated in section 208 by returning the goods to the merchant within 10 days following the cancellation of the first contract.

However, the consumer shall not cancel a contract contemplated in section 208 if he has been in possession of the goods for a period of two months or a period equivalent to one-third of the term stipulated in the principal contract, whichever is shorter.

1978, c. 9, s. 212; 1999, c. 40, s. 234.

213. Notwithstanding sections 209 and 212, the consumer shall not cancel a contract contemplated in section 208 if, as a result of any act or fault for which he is liable, he is unable to return the goods to the merchant in the condition in which he received them.

1978, c. 9, s. 213.

214. Sections 208 to 213 do not apply to a contract under which the total amount of the consumer's obligation does not exceed \$100.

1978, c. 9, s. 214.

DIVISION VII

CONTRACTS INVOLVING SEQUENTIAL PERFORMANCE FOR A SERVICE PROVIDED AT A DISTANCE

2009, c. 51, s. 11.

214.1. This division applies to contracts involving sequential performance for a service provided at a distance. However, it does not apply to contracts governed by Division VI, even if entered into by a person listed in section 188.

2009, c. 51, s. 11.

214.2. The contract must be evidenced in writing and include

- (a) the name and address of the consumer and the merchant;
- (b) the merchant's telephone number and, if available, the merchant's technological address;
- (c) the place and date of the contract;
- (d) a detailed description of the service or of each of the services to be provided under the contract;
- (e) the monthly rate for each of the services to be provided under the contract, including the monthly rate for any optional services, or the monthly cost if the rate is calculated on a basis other than a monthly basis;
- (f) the monthly rate for each of the associated costs or the monthly cost if the rate is calculated on a basis other than a monthly basis;
- (g) the total amount the consumer must pay each month under the contract;
- (h) any restrictions on the use of the service or services as well as the geographical limits within which they may be used;
- (i) the description of any goods sold or offered as a premium on the purchase of the service or services, specifying whether they are reconditioned, and their regular price;
- (j) the description of any service offered as a premium;
- (k) if applicable, the nature of the economic inducements given by the merchant in consideration of the contract, including such premiums as a rebate on the price charged for goods or services purchased or leased on the making of the contract;
- (l) the total value of any economic inducements prescribed by regulation to be used to calculate the cancellation indemnity that may be charged to the consumer under section 214.7;
- (m) a statement that only the value of the economic inducements referred to in subparagraph *l* will be used to calculate the cancellation indemnity charged to the consumer;
- (n) the manner of easily obtaining information on the rate for services that are not provided under the contract, and the rate for services that are subject to restrictions or geographical limits as mentioned in subparagraph *h*;
- (o) the term and expiry date of the contract;
- (p) without limiting the scope of section 214.6, the circumstances allowing the consumer to rescind, cancel or amend the contract and the related terms and costs or indemnity, if any; and
- (q) the formalities that must be fulfilled by the consumer to terminate the contract upon its expiry.

This information must be presented in the manner prescribed by regulation.

2009, c. 51, s. 11.

214.3. Any stipulation under which a contract whose term exceeds 60 days is renewed upon its expiry is prohibited, unless the renewal is for an indeterminate term

2009, c. 51, s. 11.

214.4. The merchant must inform the consumer of the expiry date of the contract by means of a written notice sent between the 90th and 60th day before that date.

The first paragraph does not apply to contracts whose term is 60 days or less.

2009, c. 51, s. 11.

214.5. The merchant may not demand payment for services of which the consumer was deprived during the repair of goods supplied free of charge or sold to the consumer on the making of the contract or during the term of the contract, if

- (1) the goods were given to the merchant for repair while they were still under warranty and the merchant did not provide a replacement free of charge;
- (2) the goods are necessary for the use of the services purchased.

Likewise, the merchant may not demand payment for services of which the consumer was deprived during the repair of goods leased from the merchant for the use of the services purchased.

2009, c. 51, s. 11.

214.6. The consumer may, at any time and at the consumer's discretion, cancel the contract by sending a notice to the merchant. The cancellation takes effect by operation of law on the sending of the notice or the date specified in the notice.

The total of the charges the merchant may then claim from the consumer, other than the price of the services provided to the consumer calculated at the rate provided in the contract, constitutes the contract cancellation indemnity. For the purposes of this paragraph, a service contract or a contract for the lease of goods concluded on the making of or in consideration of the service contract forms a whole with that contract.

2009, c. 51, s. 11.

214.7. If the consumer unilaterally cancels a fixed-term contract in consideration of which one or more economic inducements were given to him by the merchant, the cancellation indemnity may not exceed the value of the economic inducements determined by regulation that were given to him. The indemnity decreases as prescribed by regulation.

When no economic inducement determined by regulation was given to the consumer, the maximum indemnity the merchant may charge is the lesser of \$50 and an amount representing not more than 10% of the price of the services provided for in the contract that were not supplied.

2009, c. 51, s. 11.

214.8. If the consumer unilaterally cancels an indeterminate-term contract, no cancellation indemnity may be claimed from the consumer unless the merchant gave the consumer a rebate on all or part of the sales price of the goods purchased in consideration of the service contract and entitlement to the rebate is acquired progressively according to the cost of the services used or the time elapsed. In such a case, the cancellation indemnity may not exceed the amount of the unpaid balance of the sales price of the goods at the time the contract was made. The indemnity decreases as prescribed by regulation.

2009, c. 51, s. 11.

214.9. If the consumer has paid a security deposit, the merchant may not cancel the contract for failure to pay outstanding amounts under the contract when they become due for as long as the amounts due do not exceed the amount of the deposit.

2009, c. 51, s. 11.

214.10. The merchant must notify the consumer in writing on using all or part of the security deposit to collect amounts not paid when they become due.

2009, c. 51, s. 11.

214.11. The merchant must return the security deposit to the consumer, with interest at the rate determined by regulation, minus any amounts due under the contract, within 30 days after the date on which the contract expires if it is not renewed or the date on which the contract is cancelled.

2009, c. 51, s. 11.

DIVISION VIII

CONTRACTS ENTERED INTO BY DEBT SETTLEMENT SERVICE MERCHANTS

2017, c. 24, s. 48.

§ 1. — *General provisions*

2017, c. 24, s. 48.

214.12. A debt settlement service merchant is a person who offers to enter into or enters into a contract with a consumer that has the following object:

- (a) to negotiate the settlement of the consumer's debts with creditors;
- (b) to receive amounts from or for the consumer in order to distribute them to the consumer's creditors;
- (c) to improve the credit reports prepared about the consumer by a personal information agent within the meaning of the Act respecting the protection of personal information in the private sector (chapter P-39.1); or
- (d) to provide the consumer with education or raise the consumer's awareness regarding budget management or debt settlement.

2017, c. 24, s. 48.

214.13. Despite section 214.12, the following persons are not debt settlement service merchants:

(1) if the object of the contract is that described in paragraph *a* of section 214.12, consumer advocacy bodies, trustees holding a licence issued by the Superintendent of Bankruptcy under the Bankruptcy and Insolvency Act (R.S.C. 1985, c. B-3), members of the Barreau du Québec, members of the Chambre des notaires du Québec, members of the Ordre des comptables professionnels agréés du Québec, members of the Ordre des administrateurs agréés, members of the Ordre des huissiers de justice and liquidators of undeclared partnerships;

(2) if the object of the contract is that described in paragraph *b* of section 214.12, trustees holding a licence issued by the Superintendent of Bankruptcy under the Bankruptcy and Insolvency Act, members of the Barreau du Québec, members of the Chambre des notaires du Québec, members of the Ordre des administrateurs agréés, members of the Ordre des huissiers de justice and liquidators of undeclared partnerships;

(3) if the object of the contract is that described in paragraph *c* of section 214.12, consumer advocacy bodies, members of the Barreau du Québec, members of the Chambre des notaires du Québec, members of the Ordre des administrateurs agréés and members of the Ordre des huissiers de justice; and

(4) if the object of the contract is that described in paragraph *d* of section 214.12, consumer advocacy bodies, educational institutions under the authority of a school service centre, general and vocational colleges,

universities, faculties, schools or institutes of a university that are administered by a legal person distinct from that which administers the university, educational institutions governed by the Act respecting private education (chapter E-9.1), for educational service contracts subject to that Act, institutions whose instructional program is the subject of an international agreement, within the meaning of the Act respecting the Ministère des Relations internationales (chapter M-25.1.1), for the subsidized teaching they provide, schools administered by the Government or by one of the government departments, the Conservatoire de musique et d'art dramatique du Québec established under the Act respecting the Conservatoire de musique et d'art dramatique du Québec (chapter C-62.1), trustees holding a licence issued by the Superintendent of Bankruptcy under the Bankruptcy and Insolvency Act, financial planners holding a certificate issued by the Autorité des marchés financiers, members of the Barreau du Québec, members of the Chambre des notaires du Québec, members of the Ordre des comptables professionnels agréés du Québec, members of the Ordre des administrateurs agréés and members of the Ordre des huissiers de justice.

2017, c. 24, s. 48; 2020, c. 1, s. 312.

§ 2. — *Debt settlement service contracts*

2017, c. 24, s. 48.

214.14. No merchant may make the entering into or the performance of a debt settlement service contract dependent upon the entering into of another contract.

2017, c. 24, s. 48.

214.15. If, at the time of the entering into or performance of a debt settlement service contract, the consumer enters into any other contract with the merchant, the merchant must evidence the contracts in a contract that complies with section 214.16.

2017, c. 24, s. 48.

214.16. The contract must be evidenced in writing. In addition to the information that may be required by regulation, the contract must contain or state the following, presented in conformity with the model prescribed by regulation:

- (a) the merchant's permit number;
- (b) the name and address of both the consumer and the merchant;
- (c) the merchant's telephone number and, if available, the merchant's technological address;
- (d) the place and date of the contract;
- (e) a detailed description of each of the goods and services to be provided under the contract;
- (f) the scheduled dates for the performance of the merchant's obligations;
- (g) the charges and fees that the consumer may be required to pay to the merchant;
- (h) the list of creditors disclosed by the consumer and the amount and description, including the credit rate, of each of their claims;
- (i) the total amount owed to creditors by the consumer;
- (j) the proposal the merchant undertakes to make to each of the consumer's creditors, including the terms and conditions of payment proposed for each debt;
- (k) 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;

(l) the term and expiry date of the contract;

(m) if applicable, the fact that the merchant will receive or attempt to receive amounts from a creditor as consideration for entering into the contract;

(n) if applicable, a description of the goods received in payment, as a trade-in or on account, their quantity, and the price agreed on for each of them; and

(o) the right granted to the consumer to resolve the contract at his sole discretion within 10 days after that on which each of the parties is in possession of a copy of the contract.

The merchant must attach a resolution form in conformity with the model prescribed by regulation to the copy of the contract the merchant remits to the consumer.

2017, c. 24, s. 48.

214.17. A contract may be resolved at the discretion of the consumer within 10 days after that on which each of the parties is in possession of a copy of the contract.

The contract may also be resolved within a year from the date it was entered into

(a) in all cases,

i. if the merchant fails to perform a service within 30 days after the performance date specified in the contract or a later date agreed to by the consumer, unless the consumer accepts performance after that time has expired,

ii. if the contract is inconsistent with any of the rules set out in sections 25 to 28 or 54.4 to 54.7, as the case may be,

iii. if the contract does not contain the information required under section 214.16, or

iv. if no resolution form in conformity with the model prescribed by regulation is attached to the contract at the time the contract is entered into; or

(b) in the case of a contract providing for services described in paragraph *a* or *b* of section 214.12,

i. if the merchant does not hold the permit required by this Act at the time the contract is entered into, or

ii. if the security furnished by the merchant is invalid or is not in conformity with the security required under this Act at the time the contract is entered into.

2017, c. 24, s. 48.

214.18. The consumer avails himself of the right of resolution by returning the form provided for in section 214.16 or by sending the merchant another written notice to that effect.

2017, c. 24, s. 48.

214.19. The contract is resolved by operation of law from the sending of the form or the notice.

2017, c. 24, s. 48.

214.20. Within 15 days following the resolution, the merchant must make restitution to the consumer of what was received from the consumer, who must return any goods received from the merchant.

If the merchant is unable to make restitution to the consumer of the goods received in payment, as a trade-in or on account, the merchant must remit to the consumer the greater of the value of the goods and the price of the goods specified in the contract.

The merchant shall assume the costs of restitution.

2017, c. 24, s. 48.

214.21. The merchant shall assume the risk of loss or deterioration, even by superior force,

(a) of the goods forming the object of the contract, until the expiry of the time provided for in section 214.20; and

(b) of the goods received in payment, as a trade-in or on account, until their restitution.

2017, c. 24, s. 48.

214.22. The consumer may not resolve the contract if, as a result of an act or a fault for which he is liable, he is unable to make restitution of the goods to the merchant in the condition in which they were received.

2017, c. 24, s. 48.

214.23. The merchant must negotiate with the consumer's creditors on the basis of the proposal agreed to with the consumer and evidenced in the contract in accordance with subparagraph *j* of the first paragraph of section 214.16.

If the creditor refuses the proposal, the merchant must inform the consumer both orally and in writing without delay.

If the creditor accepts the proposal, an agreement in principle regarding debt settlement entered into by the merchant with that creditor must be evidenced in writing. The merchant must send a copy of the agreement in principle to the consumer within 15 days after it is entered into and enclose a document containing the information required under subparagraphs *j* and *k* of the first paragraph of section 214.16, as it appears in the contract.

If the merchant has not received the creditor's acceptance of a proposal at the time the summary document described in section 214.25 is provided or within 45 days after entering into the contract, whichever comes first, the creditor is deemed to have refused the proposal.

2017, c. 24, s. 48.

214.24. The consumer may refuse the agreement in principle.

The merchant must obtain the consumer's written consent for an agreement in principle to be accepted by the consumer.

2017, c. 24, s. 48.

214.25. The merchant must provide to the consumer, within 45 days after entering into the contract, a summary document containing or stating

(a) a list of the creditors who have accepted or refused the proposal;

(b) the total amount of the payments the merchant must make to each creditor;

(c) the amount of the charges and fees the merchant intends to collect from the consumer; and

(d) the amount, total number and frequency of the payments to be made by the consumer to the merchant and the dates on which they must be made.

Such a document must, subsequently and until the contract ends, be provided to the consumer every 60 days.

2017, c. 24, s. 48.

214.26. In the case of a debt settlement service contract providing for services described in paragraph *a* or *b* of section 214.12, the merchant may not receive any sum from the consumer until

(a) an agreement in principle has been evidenced in writing and the consumer has received a copy within the time prescribed in section 214.23;

(b) the agreement in principle referred to in subparagraph *a* has been accepted by the consumer; and

(c) the summary document described in section 214.25 has been provided to the consumer.

If the sum mentioned in the first paragraph represents charges or fees, the merchant may not collect them unless the conditions set out in the first paragraph have been met and a payment has been made for the benefit of the creditor in accordance with the agreement.

All the sums the merchant may collect from the consumer under another contract referred to in section 214.15 constitute charges and fees for the purposes of this division.

In the case of a debt settlement service contract providing for services described in paragraph *c* of section 214.12 but not for services described in paragraph *a* or *b* of that section, the merchant may not collect a payment from the consumer before having improved the credit reports prepared about the consumer by a personal information agent within the meaning of the Act respecting the protection of personal information in the private sector (chapter P-39.1).

A regulation may be made to set conditions and limits for the charges and fees the merchant may claim from the consumer.

2017, c. 24, s. 48.

214.27. A sum of money received by the merchant from a consumer must be transferred in trust. The merchant is the trustee of the sum and must deposit it in a trust account until entitled to withdraw it in accordance with section 214.28.

The sums of money held in the trust account are unassignable and unseizable.

Sections 257 to 260 apply to the merchant, with the necessary modifications.

2017, c. 24, s. 48.

214.28. The merchant shall withdraw from the trust account, for or on behalf of a consumer, only the sums deposited and held in that account for that consumer.

Except for the interest on the sums paid into the trust account, the merchant may withdraw sums from the account for the following purposes only:

(a) remitting to a creditor the payment due, in accordance with the debt settlement agreement;

(b) collecting the charges and fees due to the merchant under the contract; or

(c) in the case of the cancellation, resolution, resiliation or expiry of the contract, making restitution of the sums due to the consumer.

2017, c. 24, s. 48.

214.29. The president may appoint a provisional administrator to manage temporarily, continue or terminate the current business of a merchant in any of the cases described in section 260.16, with the necessary modifications.

Sections 260.17 to 260.23 apply, with the necessary modifications, to the provisional administrator's appointment and mandate.

2017, c. 24, s. 48.

214.30. Only sections 214.14, 214.15, subparagraph *o* of the first paragraph of section 214.16, the second paragraph of section 214.16 and sections 214.17 to 214.22 and 214.26 of this subdivision apply in the case of debt settlement service contracts that do not provide for services described in paragraph *a* or *b* of section 214.12.

Section 195 does not apply in the case of debt settlement service contracts that provide for services described in paragraph *d* of section 214.12.

2017, c. 24, s. 48.

TITLE II

BUSINESS PRACTICES

215. Any practice contemplated in sections 219 to 251.2 or, in case of the sale, lease or construction of an immovable, in sections 219 to 222, 224 to 230, 232, 235, 236 and 238 to 243 constitutes a prohibited practice for the purposes of this title.

1978, c. 9, s. 215; 1985, c. 34, s. 272; I.N. 2019-10-01.

216. For the purposes of this title, representation includes an affirmation, a behaviour or an omission.

1978, c. 9, s. 216.

217. The fact that a prohibited practice has been used is not subordinate to whether or not a contract has been made.

1978, c. 9, s. 217.

218. To determine whether or not a representation constitutes a prohibited practice, the general impression it gives, and, as the case may be, the literal meaning of the terms used therein must be taken into account.

1978, c. 9, s. 218.

219. No merchant, manufacturer or advertiser may, by any means whatever, make false or misleading representations to a consumer.

1978, c. 9, s. 219.

220. No merchant, manufacturer or advertiser may, falsely, by any means whatever,

(a) ascribe certain special advantages to goods or services;

(b) hold out that the acquisition or use of goods or services will result in pecuniary benefit;

(c) hold out that the acquisition or use of goods or services confers or insures rights, recourses or obligations.

1978, c. 9, s. 220.

221. No merchant, manufacturer or advertiser may, falsely, by any means whatever,

- (a) hold out that goods or services include certain parts, components or ingredients;
- (b) hold out that goods have a particular dimension, weight, size or volume;
- (c) hold out that goods are of a specified standard;
- (d) represent that goods are of a particular category, type, model or year of manufacture;
- (e) hold out that goods are new, reconditioned or used to a specified degree;
- (f) hold out that goods have particular antecedents or have been used for a particular purpose;
- (g) ascribe certain characteristics of performance to goods or services.

1978, c. 9, s. 221.

222. No merchant, manufacturer or advertiser may, falsely, by any means whatever,

- (a) invoke specific circumstances to offer goods or services;
- (b) discredit goods or services offered by others;
- (c) hold out that goods or services have been furnished;
- (d) hold out that goods are made according to a specified method of manufacture;
- (e) hold out that goods or services are necessary in order to replace a part or make a repair;
- (f) hold out that goods or services have a specified geographic origin;
- (g) indicate the quantity of goods or services at his disposal.

1978, c. 9, s. 222.

223. A merchant must indicate the sale price clearly and legibly on all the goods or, if the goods are wrapped, on the wrapping of all the goods offered for sale in his establishment, subject to the regulations.

1978, c. 9, s. 223.

223.1. A merchant, manufacturer or advertiser must, in an advertisement concerning goods or services, present the information in a clear, legible and understandable manner, and as prescribed by regulation.

2017, c. 24, s. 49.

224. No merchant, manufacturer or advertiser may, by any means whatever,

- (a) lay lesser stress, in an advertisement, on the price of a set of goods or services than on the price of any goods or services forming part of the set;

(a.1) use the expression “cost price” or any other expression suggesting that goods are for sale or for lease at a price or retail value based on their cost to the merchant, unless the expression refers to the price or retail value actually paid by the merchant to purchase the goods;

(b) disclose, in an advertisement, the amount of the instalments to be paid for the purchase or long-term lease of goods or for a service without also disclosing, and laying greater emphasis on, the total price of the goods or service or, in the case of a long-term lease, the retail value of the goods; or

(c) charge, for goods or services, a higher price than that advertised.

For the purposes of subparagraph *a.1* of the first paragraph, the price actually paid by the merchant is the price the merchant paid reduced by all the charges the merchant paid but that have been or will be reimbursed.

For the purposes of subparagraph *c* of the first paragraph, the price advertised must include the total amount the consumer must pay for the goods or services. However, the price advertised need not include the Québec sales tax or the Goods and Services Tax. More emphasis must be put on the price advertised than on the amounts of which the price is made up.

1978, c. 9, s. 224; 2009, c. 51, s. 12; 2017, c. 24, s. 50.

225. No merchant, manufacturer or advertiser may, falsely, by any means whatever,

(a) invoke a price reduction;

(b) indicate a regular price or another reference price for goods or services;

(c) let it be believed that the price of certain goods or services is advantageous.

1978, c. 9, s. 225.

226. No merchant or manufacturer may refuse to perform the warranty granted by him on the pretext that the document evidencing it has not reached him or was not validated.

1978, c. 9, s. 226.

227. No merchant, manufacturer or advertiser may, by any means whatever, make false representations concerning the existence, the scope or the duration of a warranty.

1978, c. 9, s. 227.

227.1. No person may, by any means whatever, make false or misleading representations concerning the existence, charge, amount or rate of duties payable under a federal or provincial statute.

1997, c. 85, s. 369.

228. No merchant, manufacturer or advertiser may fail to mention an important fact in any representation made to a consumer.

1978, c. 9, s. 228.

228.1. Before proposing to a consumer to purchase a contract that includes an additional warranty on goods, the merchant must inform the consumer orally and in writing, in the manner prescribed by regulation, of the existence and nature of the warranty provided for in sections 37 and 38.

In such a case, the merchant must also inform the consumer orally of the existence and duration of any manufacturer’s warranty that comes with the goods. At the request of the consumer, the merchant must also explain to the consumer orally how to examine all of the other elements of the warranty.

Any merchant who proposes to a consumer to purchase a contract that includes an additional warranty on goods without first providing the information mentioned in this section is deemed to have failed to mention an important fact, and therefore to have used a practice prohibited under section 228.

2009, c. 51, s. 13.

229. No merchant, manufacturer or advertiser may, by any means whatever, when soliciting or making a contract, make false representations concerning the profitability or any other aspect of a business opportunity offered to a consumer.

1978, c. 9, s. 229.

229.1. No person may, when making or promoting a contract relating to timeshare accommodation rights, make representations implying that the contract is an investment, unless the person gives the consumer a document showing the truthfulness of the representations.

2018, c. 14, s. 18.

229.2. No merchant engaged in the business of contracts relating to timeshare accommodation rights may make representations to directly or indirectly promote timeshare accommodation rights without indicating that the merchant is engaged in such business.

2018, c. 14, s. 18.

230. No merchant, manufacturer or advertiser may, by any means whatever,

(a) charge any sum whatever for any goods or services that he has sent or rendered to a consumer without the consumer having ordered them;

(b) give any reason as a pretext for soliciting the sale of goods or the provision of services;

(c) require that a consumer to whom he has provided services or goods free of charge or at a reduced price for a fixed period send a notice at the end of that period indicating that the consumer does not wish to obtain the services or goods at the regular price.

1978, c. 9, s. 230; 1991, c. 24, s. 14; 1999, c. 40, s. 234; 2009, c. 51, s. 14.

230.1. No credit broker may collect a partial or full payment from a consumer for services rendered or to be rendered.

For the purposes of the first paragraph, “credit broker” means a person who, for the purposes of a credit contract, acts as an intermediary between a consumer and a person willing to advance money or make money available. However, this provision does not apply to a member of a professional order governed by the Professional Code (chapter C-26).

2017, c. 24, s. 51.

231. No merchant, manufacturer or advertiser may, by any means whatever, advertise goods or services of which he has an insufficient quantity to meet public demand unless mention is made in his advertisement that only a limited quantity of the goods or services is available and such quantity is indicated.

The merchant, manufacturer or advertiser who establishes to the satisfaction of the court that he had reasonable cause to believe that he could meet public demand or who offered the consumer, for the same price, other goods of the same nature and of an equal or greater cost price is not guilty of any infraction of this section.

1978, c. 9, s. 231.

231.1. No merchant, manufacturer or advertiser may, in an advertisement concerning specific goods or services and disclosing their price or retail value, show a picture of the goods or services that is not an accurate depiction of them.

2017, c. 24, s. 52.

232. No merchant, manufacturer or advertiser may, by any means whatever, put greater emphasis, in an advertisement, on a premium than on the goods or services offered.

“Premium” means any goods, services, rebate or other benefit offered or given at the time of the sale of goods or the performance of a service, which may be granted or obtained immediately or in a deferred manner, from the merchant, manufacturer or advertiser, either gratuitously or on conditions explicitly or implicitly presented as advantageous.

1978, c. 9, s. 232; 1999, c. 40, s. 234.

232.1. No person may offer a consumer a premium, within the meaning of section 232, as an incentive to enter into a debt settlement service contract.

2017, c. 24, s. 53.

233. No merchant, manufacturer or advertiser may offer a gift, a prize or a rebate on any goods in connection with a contest or a drawing without clearly disclosing all the terms and conditions for obtaining it.

1978, c. 9, s. 233.

234. No person may refuse to enter into an agreement with a merchant, or terminate an agreement binding between him and a merchant, by reason of the fact that such merchant grants a rebate to the consumer who pays him cash or by payment instrument.

1978, c. 9, s. 234; 2017, c. 24, s. 54.

235. No person may, directly or indirectly, in a contract made with a consumer, make the grant of a rebate, payment or other benefit dependent upon the making of a contract of the same nature between that person or consumer and another person.

1978, c. 9, s. 235.

236. The contract commonly called a sale by reference, a multiple level sale, a pyramid sale, or a chain sale and any other similar mode of sale is in particular contemplated in section 235.

1978, c. 9, s. 236.

236.1. No merchant may sell a ticket to a consumer at a price above that announced by the vendor authorized to sell the tickets by the producer of the event.

The prohibition set out in the first paragraph does not apply to a merchant who

- (a) has the prior authorization of the producer of the event to resell a ticket at a higher price;
- (b) resells the ticket in a manner that is compliant with the agreement the merchant entered into with the producer of the event;
- (c) clearly informs the consumer before reselling the ticket
 - i. of the identity of the authorized vendor referred to in the first paragraph, of the fact that tickets may be available from the latter and of the advertised price of the tickets;

ii. that the ticket is being resold and, where applicable, of the maximum resale price agreed to by the producer of the event;

iii. of the place or seat the ticket authorizes the ticket holder to occupy, unless no specific place or seat is assigned by the ticket.

2011, c. 22, s. 1; 2018, c. 14, s. 19.

236.2. No person may sell or use software enabling the purchase of tickets by circumventing a security measure or control system put in place by the producer of a show or by the seller authorized by the producer.

No person may resell, or facilitate the resale of, a ticket obtained using software referred to in the first paragraph.

2018, c. 14, s. 20.

236.3. No person may resell a ticket without first informing the consumer that the price paid for the ticket will be refunded to the consumer in any of the following situations:

(a) the event to which the ticket grants admission is cancelled;

(b) the ticket does not grant the buyer admission to the event for which the ticket was purchased; or

(c) the event to which the ticket grants admission, the place or seat the ticket authorizes the ticket holder to occupy or the value of the ticket does not correspond to the representations made to the consumer.

2018, c. 14, s. 20.

236.4. No person may resell a ticket that is not in his possession or under his control.

2018, c. 14, s. 20.

237. No person may

(a) alter the odometer of an automobile so as to cause it to give an inaccurate reading of the distance travelled by the automobile;

(b) repair the odometer of an automobile except if he sets it so that it indicates the same distance as that it indicated before the repair;

(c) replace the odometer of an automobile except if he sets the new odometer so that it indicates the same distance as that shown on the replaced odometer.

1978, c. 9, s. 237; 1987, c. 90, s. 6.

238. No merchant, manufacturer or advertiser may, falsely, by any means whatever,

(a) hold out that he is certified, recommended, sponsored or approved by a third person, or that he is affiliated or associated with the latter;

(b) hold out that a third person recommends, approves, certifies or sponsors certain goods or services;

(c) state that he has a particular status or identity.

1978, c. 9, s. 238.

239. No merchant, manufacturer or advertiser may, by any means whatever,

(a) distort the meaning of any information, opinion or testimony;

(b) rely upon data or analyses falsely presented as scientific.

1978, c. 9, s. 239.

240. Subject to any contrary provision contained in this Act or a regulation, no person may invoke the fact that he holds a permit or has furnished security required by this Act or a regulation, or is the representative of a person holding a permit or having furnished security required by this Act or a regulation, to hold out that his competence, solvency, conduct or operations are recognized or approved.

1978, c. 9, s. 240; 1980, c. 11, s. 110.

241. Subject to any contrary provision of this Act or a regulation, no person may invoke in any advertisement the fact that he holds a permit or has furnished security required by this Act or a regulation, or that he is the representative of a person who holds a permit or has furnished security required by this Act or a regulation.

1978, c. 9, s. 241; 1980, c. 11, s. 111.

242. No merchant may fail to mention his identity, and the fact that he is a merchant, in any advertisement.

1978, c. 9, s. 242.

243. No merchant or manufacturer may, in any advertisement of goods or services offered to the consumer, give a post office box as his address without mentioning at least his address.

1978, c. 9, s. 243.

244. No person may in any advertisement of goods or services, advise consumers of the credit offered to them except to mention the availability of credit in the manner prescribed by regulation.

1978, c. 9, s. 244.

244.1. No person may, by any means, in any advertisement, falsely or misleadingly represent to consumers that credit may improve their financial situation or solve their debt problems.

2017, c. 24, s. 55.

244.2. No merchant may, by any means, falsely or misleadingly represent to consumers that credit reports prepared about them will be improved.

2017, c. 24, s. 55.

244.3. No merchant may, by any means, represent to consumers that their obligations with regard to a creditor will be reduced, except if the creditor concerned expressly consents to the reduction of such obligations.

2017, c. 24, s. 55.

244.4. No merchant may, by any means, at the time of the entering into of a debt settlement service contract with a consumer or at the time of the performance of such a contract, offer to enter into or enter into a credit contract with the consumer, or help or encourage the consumer to enter into such a contract.

2017, c. 24, s. 55.

244.5. No debt settlement service merchant may, by any means, communicate to a third person any information about a consumer, unless that person is acting as surety for the consumer or is a creditor with whom the merchant has been authorized to communicate by the consumer.

2017, c. 24, s. 55.

244.6. No debt settlement service merchant may, by any means, restrict communication between a consumer and the consumer's creditors.

2017, c. 24, s. 55.

245. No person may, in any advertisement concerning credit, urge consumers to obtain goods or services on credit or illustrate goods or services.

1978, c. 9, s. 245.

245.1. No person may send a credit offer, a loan certificate or any writing which, if it bears the consumer's signature, becomes a contract of credit to a consumer who has not applied therefor in writing.

1987, c. 90, s. 7.

245.2. No merchant may enter into a credit contract or a long-term contract of lease of goods with a consumer, or grant a credit limit increase to a consumer, without carrying out the assessment under section 103.2 or 150.3.1.

2017, c. 24, s. 56.

245.3. No merchant may, personally or through a representative, in an educational institution referred to in any of paragraphs *a*, *b* and *e* to *g*.1 of section 188, propose open credit in person to consumers.

The first paragraph does not apply where the proposal takes place in the establishment of the merchant that is situated in an educational institution.

2018, c. 14, s. 21; 2017, c. 24, s. 68.

246. No person may, in any advertisement concerning credit,

(*a*) refer to a credit rate without disclosing that rate; or

(*b*) disclose a rate relating to credit unless the credit rate, calculated in accordance with this Act, is also disclosed with equal emphasis.

Subparagraph *b* of the first paragraph applies, among other cases, if a consumer is offered a rebate or discount on the cash purchase of goods; the credit rate disclosed must in that case include the value of the rebate or discount to which the consumer is entitled on paying cash.

1978, c. 9, s. 246; 1991, c. 24, s. 15; 2017, c. 24, s. 57.

247. No person may make use of advertising regarding the terms and conditions of credit, except the credit rate, unless such advertising includes the particulars prescribed by regulation.

1978, c. 9, s. 247.

247.1. No person may make use of advertising regarding the terms and conditions of long-term lease of goods, unless such advertising states expressly that the offer concerns long-term lease and includes the particulars prescribed by regulation in the manner therein provided.

1991, c. 24, s. 16.

247.2. No person may let it be believed that no credit charges are payable during a certain period following a transaction, unless the credit rate that will apply at the end of that period if the net capital has not been repaid in full is clearly specified.

2017, c. 24, s. 58.

248. Subject to what is provided in the regulations, no person may make use of commercial advertising directed at persons under thirteen years of age.

1978, c. 9, s. 248.

249. To determine whether or not an advertisement is directed at persons under thirteen years of age, account must be taken of the context of its presentation, and in particular of

- (a) the nature and intended purpose of the goods advertised;
- (b) the manner of presenting such advertisement;
- (c) the time and place it is shown.

The fact that such advertisement may be contained in printed matter intended for persons thirteen years of age and over or intended both for persons under thirteen years of age and for persons thirteen years of age and over, or that it may be broadcast during air time intended for persons thirteen years of age and over or intended both for persons under thirteen years of age and for persons thirteen years of age and over does not create a presumption that it is not directed at persons under thirteen years of age.

1978, c. 9, s. 249.

250. No person shall advertise that a merchant exchanges or accepts as payment cheques or other orders to pay issued by the government of Québec or of Canada or by a municipality.

1978, c. 9, s. 250; 1996, c. 2, s. 791.

251. No person may charge a consumer for exchanging or cashing a cheque or other order to pay issued by the government of Québec or of Canada or by a municipality.

1978, c. 9, s. 251; 1996, c. 2, s. 791.

251.1. No person may, when a consumer is about to pay with a credit card, withhold an amount on the credit card, unless the person discloses, before the transaction, the amount that will be withheld and why and for how long it will be withheld.

A regulation may be made to set a limit for the amount that may be withheld on a credit card and for how long it may be withheld.

2017, c. 24, s. 59.

251.2. No person may inform a personal information agent, within the meaning of the Act respecting the protection of personal information in the private sector (chapter P-39.1), of the exercise by a consumer of the right of resolution or resiliation under an Act whose application is under the supervision of the Office, or send a personal information agent information unfavourable to the consumer concerning amounts that are no longer payable following the exercise of that right.

Similarly, no person may inform such an agent of the fact that a loan has not been repaid following an order made by the court under section 117.

2017, c. 24, s. 59.

252. For the purposes of sections 231, 246, 247, 247.1, 248 and 250, “to advertise” or “to make use of advertising” means to prepare, utilize, distribute, publish or broadcast an advertisement, or to cause it to be distributed, published or broadcast.

1978, c. 9, s. 252; 1991, c. 24, s. 17.

253. Where a merchant, manufacturer or advertiser makes use of a prohibited practice in case of the sale, lease or construction of an immovable or, in any other case, of a prohibited practice referred to in paragraph *a* or *b* of section 220, *a*, *b*, *c*, *d*, *e* or *g* of section 221, *d*, *e* or *f* of section 222, *c* of section 224 or *a* or *b* of section 225, or in section 227, 228, 229, 237 or 239, it is presumed that had the consumer been aware of such practice, he would not have agreed to the contract or would not have paid such a high price.

1978, c. 9, s. 253; 1985, c. 34, s. 273.

TITLE III

SUMS TRANSFERRED IN TRUST

1999, c. 40, s. 234.

254. Any sum of money received by a merchant from a consumer before the making of a contract shall be transferred in trust. The merchant is the trustee of the sum, and must deposit it in a trust account until the sum is repaid to the consumer on demand or until the contract is made.

1978, c. 9, s. 254; 1999, c. 40, s. 234.

255. Any sum of money collected from a consumer by a merchant under a contract contemplated in section 56 shall be transferred in trust. The merchant is the trustee of the sum and must deposit it in a trust account until the cancellation period provided for in the first paragraph of section 59 has expired or until the contract is cancelled under that paragraph.

1978, c. 9, s. 255; 1999, c. 40, s. 234; 2017, c. 24, s. 60.

256. Any sum of money collected from a consumer by a merchant under a contract that stipulates that the principal obligation of the merchant is to be performed more than two months after the contract is made shall be transferred in trust. The merchant is the trustee of the sum and must deposit it in a trust account until the principal obligation has been performed.

1978, c. 9, s. 256; 1999, c. 40, s. 234.

257. The merchant shall, at all times, have only one trust account in a chartered bank, financial services cooperative, authorized trust company or other deposit institution authorized under the Deposit Institutions and Deposit Protection Act (chapter I-13.2.2) to receive deposits, to keep the sums of money contemplated in sections 254 to 256.

From the time the account is opened, he must inform the president of the place where such account is kept and the number of such account.

1978, c. 9, s. 257; 2000, c. 29, s. 664; 2018, c. 23, ss. 783 and 786.

258. Every merchant must enter in his books or registers the appropriate accounting items in regard to the amounts he receives from a consumer and that must be transferred in trust under sections 254 to 256.

The merchant must, on demand of the consumer, render account of every sum he has received from him.

1978, c. 9, s. 258; 1999, c. 40, s. 234.

259. Interest on sums deposited in a trust account pursuant to this title belongs to the merchant.

1978, c. 9, s. 259.

260. Where the merchant is a legal person, each director is solidarily liable with the legal person for the sums which are transferred in trust in accordance with sections 254 to 256, unless the director proves that he acted in good faith.

1978, c. 9, s. 260; 1999, c. 40, s. 234.

TITLE III.1

INFORMATION AGENTS

Repealed, 1993, c. 17, s. 112.

1980, c. 11, s. 112; 1993, c. 17, s. 112.

260.1. *(Repealed).*

1971, c. 74, s. 43; 1980, c. 11, s. 112; 1993, c. 17, s. 112.

260.2. *(Repealed).*

1971, c. 74, s. 44; 1980, c. 11, s. 112; 1993, c. 17, s. 112.

260.3. *(Repealed).*

1971, c. 74, s. 45; 1980, c. 11, s. 112; 1993, c. 17, s. 112.

260.4. *(Repealed).*

1971, c. 74, s. 46; 1980, c. 11, s. 112; 1993, c. 17, s. 112.

TITLE III.2

ADMINISTRATION OF SUMS COLLECTED IN RESPECT OF ADDITIONAL WARRANTIES

260.5. This title applies to every merchant required to hold a permit under paragraph *d* of section 321.

1988, c. 45, s. 2.

260.6. *(Repealed).*

1988, c. 45, s. 2; 2009, c. 51, s. 15.

260.7. The merchant must at all times maintain sufficient reserves to guarantee the obligations arising from any contract of additional warranty he may make.

1988, c. 45, s. 2; 1999, c. 40, s. 234.

260.8. For the purpose of maintaining sufficient reserves as required by section 260.7, the merchant must deposit forthwith in a separate trust account identified as a “reserve account”, a portion equal to not less than 50% of any sum he receives as consideration for a contract of additional warranty.

Any sum received by the merchant as consideration for a contract of additional warranty is, to the extent of the portion that he must deposit in the reserve account, transferred in trust and the merchant is the trustee thereof.

1988, c. 45, s. 2; 1999, c. 40, s. 234.

260.9. The reserve account must remain open at all times in Québec with a trust company authorized under the Trust Companies and Savings Companies Act (chapter S-29.02) which has made a written undertaking that it will assume the duties, obligations and responsibilities imposed on it by this Act with respect to the sums entrusted to it by the merchant.

Upon opening the account, the merchant must inform the president of the number of the account and of the place where it is held and transmit to him the undertaking of the authorized trust company.

The undertaking must be in conformity with the model prescribed by regulation.

1988, c. 45, s. 2; 2018, c. 23, ss. 784 and 786; 2017, c. 24, s. 61.

260.10. The merchant must provide a statement of his operations to the president at such intervals and in the manner prescribed by regulation.

1988, c. 45, s. 2.

260.11. The reserve account funds may be applied to the following purposes only:

(a) paying a claim arising from a contract of additional warranty in respect of which a sum was deposited in the account pursuant to section 260.8;

(b) refunding the sums due to a consumer following the dissolution or cancellation of a contract of additional warranty in respect of which a sum was deposited in the account pursuant to section 260.8.

The merchant may reserve the right to choose how the reserve account funds are to be invested. The only investments permitted in that case are investments of a class prescribed by regulation, made by the authorized trust company.

1988, c. 45, s. 2; 2018, c. 23, s. 786.

260.12. No authorized trust company with which a reserve account has been opened may permit that the reserve account funds be applied otherwise than to one of the purposes set out in section 260.11 and on presentation of the proper supporting documents.

1988, c. 45, s. 2; 2018, c. 23, s. 786.

260.13. The merchant must keep separate accounting records of all operations affecting the reserve account, in which the application of funds must appear in detail.

In addition, the merchant must keep and update a register of all consumers having entered into a contract of additional warranty with him, stating in respect of each contract the date of signing, the date of expiry and the price, the sum deposited in trust, and any amount used or withdrawn.

1988, c. 45, s. 2.

260.14. The sums collected by a merchant to be deposited in trust in his reserve account pursuant to section 260.8 are deemed to be held in trust for the consumers by the merchant so long as they have not been applied to the discharge of a claim arising from a contract of additional warranty or to the refund of sums due to a consumer following the dissolution or cancellation of a contract of additional warranty or so long as the residual value of the contracts has not been refunded to the consumers, and an amount equal to the aggregate

of the sums deemed to be held in trust shall be regarded as a separate fund not forming part of the merchant's property, whether or not the amount has been kept separate and apart from the merchant's own funds or the mass of his property.

The residual value of the contracts must be calculated according to recognized actuarial hypotheses and methods as it stands on the date of a winding-up order in respect of the merchant, on the date of an assignment, seizure or taking of possession of his property, on the date of a receiving order against him or on the date fixed by a provisional administrator appointed under section 260.16.

1988, c. 45, s. 2.

260.15. The reserve account funds are unassignable and unseizable.

1988, c. 45, s. 2.

260.16. The president may appoint a provisional administrator to manage temporarily, continue or terminate the current business of a merchant in any of the following cases:

- (a) where the merchant operates without a permit;
- (b) where the merchant no longer meets one of the requirements prescribed by this Act or the regulations for obtaining a permit;
- (c) where the merchant's permit is cancelled or suspended by the president or where the latter refuses to renew the permit;
- (d) where the president has reasonable grounds to believe that, during the term of his permit, the merchant did not comply with every obligation under sections 260.7 to 260.13;
- (e) where the president is of the opinion that the rights of consumers may be jeopardized if such action is not taken.

1988, c. 45, s. 2.

260.17. Before appointing a provisional administrator, the president must give the merchant an opportunity to present observations.

However, in an urgent situation, the president may first appoint the provisional administrator, provided that he allows the merchant at least 10 days to present observations.

1988, c. 45, s. 2; 1997, c. 43, s. 461.

260.18. (*Repealed*).

1988, c. 45, s. 2; 1997, c. 43, s. 462.

260.19. The decision to appoint a provisional administrator must state the reasons therefor and the president shall notify the merchant of the decision in writing.

1988, c. 45, s. 2.

260.20. The provisional administrator shall have the necessary powers to carry out the mandate entrusted to him by the president.

Subject to the restrictions included in his mandate, he may, of his own initiative, in particular,

- (a) take possession of the funds held in trust or otherwise by or for the merchant;

(b) commit the said funds to carry out the mandate entrusted to him by the president and enter into such contracts as are necessary for that purpose;

(c) establish the number and identity of the holders of contracts of additional warranty;

(d) assign, transfer or otherwise dispose of the contracts of additional warranty;

(e) fix the residual value of the contracts of additional warranty as it stands on the date he determines and, where applicable, establish a method of distribution of the funds;

(f) transact upon any claim by a consumer against the merchant for the performance of a contract of additional warranty;

(g) sue for the purposes of the carrying out of his mandate.

In no case may the provisional administrator be sued by reason of acts performed in good faith in the performance of his duties.

1988, c. 45, s. 2.

260.21. Where a provisional administrator is appointed, every person in possession of documents, records, books, computer data, computer programs or other effects relating to the merchant's business must hand them over on request to the provisional administrator and give him access to such premises, equipment or computers as he may require.

1988, c. 45, s. 2.

260.22. After receiving a notice to that effect from the provisional administrator appointed for a merchant, no depositary of funds for the merchant may make any withdrawal or payment from the funds, except with the written authorization of the provisional administrator. The funds must, on request, be put in the possession of the provisional administrator according to his directives.

1988, c. 45, s. 2.

260.23. The costs of the provisional administration and the fees of the provisional administrator shall be charged to the merchant and become payable upon being approved by the president. If the merchant fails to pay the account within 30 days of its presentation, the costs and fees shall be payable by preference to any other debt, out of the security required of the merchant where such is the case, and in case of a lack or insufficiency of funds, they shall be payable out of the reserve account funds and the sums so applied shall affect proportionally the claim of each consumer. In such a case, each consumer is subrogated to the rights of the provisional administrator against the merchant for an amount equal to the amount of his claim applied to the payment.

1988, c. 45, s. 2.

260.24. The costs incurred for the administration of the provisions of this title shall be charged to the merchants holding a permit.

The Government shall determine, each year, the quantum of the costs, which shall be claimed and collected from the merchants, in accordance with the criteria of apportionment and the terms and conditions prescribed by regulation.

1988, c. 45, s. 2.

TITLE III.3

SPECIAL PROVISIONS RESPECTING ROAD VEHICLE DEALERS AND RECYCLERS

2015, c. 4, s. 4.

260.25. A road vehicle dealer is a merchant who acquires road vehicles for trading purposes.

2015, c. 4, s. 4.

260.26. A road vehicle recycler is a merchant who dismantles or sells discarded road vehicles, vehicle carcasses or parts taken from road vehicles that have been dismantled or are destined for dismantling or destruction or for sale for parts only.

For the purposes of the first paragraph, a carcass may consist of a complete road vehicle.

2015, c. 4, s. 4.

260.27. Road vehicle dealers and recyclers must indicate the number of their permit on all contracts of sale or long-term contracts of lease, within the meaning of section 150.2, of a road vehicle and contracts of sale of a major component.

For the purposes of the first paragraph, “major component” has the meaning assigned by a regulation made under section 155 of the Highway Safety Code (chapter C-24.2).

2015, c. 4, s. 4.

260.28. If a road vehicle must undergo a mechanical inspection under the Highway Safety Code (chapter C-24.2) before being authorized to travel on a public highway, the road vehicle dealer or recycler selling the vehicle or leasing it under a long-term contract of lease, within the meaning of section 150.2, must give the consumer a certificate of mechanical inspection attesting that the vehicle meets the requirements of that Code.

2015, c. 4, s. 4.

260.29. Holders of a road vehicle dealer’s or recycler’s permit may sell road vehicles, or lease road vehicles under long-term contracts of lease, within the meaning of section 150.2, at their establishment only.

2015, c. 4, s. 4.

260.30. Holders of a road vehicle dealer’s or recycler’s permit must keep it posted in public view in their establishment.

2015, c. 4, s. 4.

260.31. A person who, by onerous title, acts as an intermediary between consumers in the sale of road vehicles is subject to the obligations imposed on road vehicle dealers under Title III.3 and paragraph *e* of section 321.

2015, c. 4, s. 4.

260.32. A member of the Sûreté du Québec or of a municipal police force may enforce sections 260.27 to 260.31 and paragraphs *e* and *f* of section 321 in any territory in which that member provides police services.

2015, c. 4, s. 4.

TITLE IV

PROOF, PROCEDURE AND PENALTIES

CHAPTER I

PROOF AND PROCEDURE

261. No person may derogate from this Act by private agreement.

1978, c. 9, s. 261.

262. No consumer may waive the rights granted to him by this Act unless otherwise provided herein.

1978, c. 9, s. 262.

263. Notwithstanding article 2863 of the Civil Code, a consumer, when exercising a right provided by this Act, may make proof by testimony, even to contradict or vary the terms of a writing, to establish that this Act has not been complied with.

1978, c. 9, s. 263; 1999, c. 40, s. 234.

264. Every document certified true to the original by the president or any person empowered under this Act to conduct an investigation is receivable as proof and has the same value as the original.

1978, c. 9, s. 264; 1995, c. 38, s. 1.

265. The minutes of the sittings of the Office certified true by the president are authentic. The same rule applies to documents or copies emanating from the Office or forming part of its records when they are signed by the president of the Office.

1978, c. 9, s. 265; 1995, c. 38, s. 2.

266. The Attorney General, the president and a body referred to in section 316 are exempt from the obligation to give security in order to obtain an injunction under this Act.

1978, c. 9, s. 266; 2009, c. 51, s. 16.

267. Where an injunction granted under this Act is not complied with, an application for contempt of court may be presented before the court of the place where the contempt was committed.

1978, c. 9, s. 267; I.N. 2016-01-01 (NCCP).

268. Every notice given by a merchant under this Act must be drawn up in the language of the contract to which it refers.

1978, c. 9, s. 268.

269. In computing any time provided for by any Act or regulation the application of which is under the supervision of the Office,

(a) the day which marks the start of the time is not counted, but the terminal day is counted;

(b) holidays are counted; but when the last day is a holiday, the time is extended to the next following working day;

(c) Saturday is considered a holiday, as are 2 January and 26 December.

1978, c. 9, s. 269; 1999, c. 40, s. 234; I.N. 2016-01-01 (NCCP).

270. The provisions of this Act are in addition to any provision of another Act granting a right or a recourse to a consumer.

1978, c. 9, s. 270.

CHAPTER II

CIVIL RECOURSES

271. If any rule provided in sections 25 to 28 governing the making of contracts is not observed or if a contract does not conform to the requirements of this Act or the regulations, the consumer may demand the nullity of the contract.

In the case of a contract of credit, if any of the terms and conditions of payment, or the computation or any indication of the credit charges or the credit rate does not conform to this Act or the regulations, the consumer may at his option demand the nullity of the contract or demand that the credit charges be cancelled and that any part of them already paid be restored.

The court shall grant the demand of the consumer unless the merchant shows that the consumer suffered no prejudice from the fact that one of the above mentioned rules or requirements was not respected.

1978, c. 9, s. 271.

272. If the merchant or the manufacturer fails to fulfil an obligation imposed on him by this Act, by the regulations or by a voluntary undertaking made under section 314 or whose application has been extended by an order under section 315.1, the consumer may demand, as the case may be, subject to the other recourses provided by this Act,

- (a) the specific performance of the obligation;
- (b) the authorization to execute it at the merchant's or manufacturer's expense;
- (c) that his obligations be reduced;
- (d) that the contract be rescinded;
- (e) that the contract be set aside; or
- (f) that the contract be annulled,

without prejudice to his claim in damages, in all cases. He may also claim punitive damages.

1978, c. 9, s. 272; 1992, c. 58, s. 1; 1999, c. 40, s. 234.

273. *(Repealed).*

1978, c. 9, s. 273; 2006, c. 56, s. 7.

274. *(Repealed).*

1978, c. 9, s. 274; 2006, c. 56, s. 7.

275. *(Repealed).*

1978, c. 9, s. 275; 2006, c. 56, s. 7.

276. The consumer may set up in defence or by cross-demand an exception provided by this Act which tends to rebut an action or to justify a right against the merchant even if the time to avail himself thereof by a direct action has expired.

1978, c. 9, s. 276; 1999, c. 40, s. 234.

CHAPTER III

PENAL PROVISIONS

1992, c. 61, s. 475.

277. Every person who

- (a) contravenes this Act or any regulation;
 - (b) gives false information to the Minister, the president or any person empowered to make an investigation under this Act;
 - (c) hinders the application of this Act or of any regulation;
 - (d) does not comply with a voluntary undertaking made under section 314 or whose application has been extended by an order under section 315.1;
 - (e) disobeys a decision of the president;
 - (f) being subject to an order of the court under section 288, omits or refuses to comply with such order;
 - (g) does not hold a permit although required to hold one under any of the paragraphs of section 321,
- is guilty of an offence.

1978, c. 9, s. 277; 1992, c. 58, s. 2; 2015, c. 4, s. 5.

278. A person convicted of an offence constituting a prohibited practice or an offence under any of paragraphs *b* to *g* of section 277 is liable

- (a) in the case of a natural person, to a fine of \$600 to \$15,000;
- (b) in the case of a legal person, to a fine of \$2,000 to \$100,000.

For a second or subsequent conviction, the offender is liable to a fine with minimum and maximum limits twice as high as those prescribed in subparagraph *a* or *b*, as the case may be.

1978, c. 9, s. 278; 1990, c. 4, s. 703; 1992, c. 58, s. 3; 1999, c. 40, s. 234; 2015, c. 4, s. 6.

279. A person convicted of an offence other than an offence under section 278 is liable

- (a) in the case of a natural person, to a fine of \$600 to \$6,000;
- (b) in the case of a legal person, to a fine of \$1,000 to \$40,000.

For a second or subsequent conviction, the offender is liable to a fine with minimum and maximum limits twice as high as those prescribed in subparagraph *a* or *b*, as the case may be.

1978, c. 9, s. 279; 1990, c. 4, s. 704; 1992, c. 58, s. 4; 1999, c. 40, s. 234; 2015, c. 4, s. 7.

280. In determining the amount of the fine, the court shall take into account, in particular,

(a) first, the economic loss caused by the offence to a consumer or to several consumers;

(b) secondly, the benefits and the income that the person who committed the offence derived from committing it.

1978, c. 9, s. 280.

281. *(Repealed).*

1978, c. 9, s. 281; 1990, c. 4, s. 705.

282. Where a legal person is guilty of an offence against this Act or any regulation, every director or representative of such legal person who had knowledge of the said offence is deemed to be a party to the offence and is liable to the penalty provided for in section 278 or 279 for a natural person, unless he establishes to the satisfaction of the court that he did not acquiesce in the commission of such offence.

1978, c. 9, s. 282; 1999, c. 40, s. 234.

283. Every person who performs or omits to perform an act in view of aiding a person to commit an offence against this Act or a regulation or who advises, encourages or incites a person to commit an offence is himself guilty of the offence and is liable to the same penalty.

1978, c. 9, s. 283.

284. *(Repealed).*

1978, c. 9, s. 284; 1990, c. 4, s. 706; 1992, c. 61, s. 476.

285. *(Repealed).*

1978, c. 9, s. 285; 1990, c. 4, s. 707; 1992, c. 61, s. 477.

286. *(Repealed).*

1978, c. 9, s. 286; 1990, c. 4, s. 708.

287. No penal proceedings may be sustained if the accused establishes that he employed reasonable diligence by taking all the necessary precautions to ensure that this Act or the regulations were complied with.

Penal proceedings instituted against a merchant or an advertiser under Title II shall not be maintained if it is established that the offence alleged was committed only because the accused had reasonable grounds to rely on information given by the merchant or, as the case may be, the manufacturer.

1978, c. 9, s. 287.

288. A judge may, on the application of the prosecutor, order that a person convicted of an offence under a provision of section 278 distribute, in accordance with the terms and conditions which the court considers appropriate to ensure a prompt and adequate communication to consumers, the conclusions of the judgment rendered against him, and the corrections, explanations, warnings and other information which the court considers necessary to re-establish the facts concerning any goods or services or any advertisement made in relation to any goods or services which have or could have misled consumers.

Prior notice of the application for an order shall be given by the prosecutor to the person who could be compelled, under such an order, to distribute certain information, except where they are in the presence of the judge.

1978, c. 9, s. 288; 1992, c. 61, s. 478.

289. Where a person convicted of an offence provided for in section 278, the court may request from the Office a written report on the economic and commercial activities of the offender, in order to enable it to pronounce the sentence.

1978, c. 9, s. 289; 1990, c. 4, s. 709.

290. If a person commits repeated offences against this Act or the regulations, the Attorney General, after the Director of Criminal and Penal Prosecutions has instituted penal proceedings against him, may apply to the Superior Court for an interlocutory injunction enjoining such person, his directors, agents or employees to cease committing the offences complained of until a final judgment has been rendered in the penal proceedings.

After such judgment has been rendered, the Superior Court shall itself render a final judgment on the application for an injunction.

1978, c. 9, s. 290; 2005, c. 34, s. 65; I.N. 2016-01-01 (NCCP).

290.1. Penal proceedings for an offence under a provision of this Act shall be prescribed by two years from the date of the commission of the offence.

1992, c. 61, s. 479.

290.2. Penal proceedings for an offence under any of sections 260.27 to 260.31 or paragraph *e* or *f* of section 321 may be instituted by a municipality if the offence was committed in its territory, excluding any part of the territory covered by an agreement entered into under the second paragraph.

Likewise, where an agreement has been entered into for that purpose with the Government, penal proceedings for such an offence may be instituted

(a) by a Native community, represented by its band council, if the offence is committed in the territory assigned to that community and in respect of which a police service agreement has been entered into under section 90 of the Police Act (chapter P-13.1);

(b) by a Cree community, represented by its band council, if the offence is committed in a part of the territory described in section 102.6 of that Act and specified in the agreement;

(c) by the Naskapi Village, if the offence is committed in the territory described in section 99 of that Act;

(d) by the Cree Nation Government, if the offence is committed in the territory described in section 102.6 of that Act, excluding any part of the territory covered by an agreement entered into with a Cree community under this paragraph; and

(e) by the Kativik Regional Government, if the offence is committed in the territory referred to in section 369 of the Act respecting Northern villages and the Kativik Regional Government (chapter V-6.1).

Fines collected under this section belong to the prosecutor.

Proceedings in respect of such an offence committed in the territory of a municipality may be instituted before the competent municipal court.

The costs relating to proceedings instituted before a municipal court belong to the municipality under the jurisdiction of that court, except the part of the costs remitted to another prosecutor by the collector under article 345.2 of the Code of Penal Procedure (chapter C-25.1), and the costs remitted to the defendant or imposed on the municipality under article 223 of that Code.

2015, c. 4, s. 8.

TITLE V

ADMINISTRATION

CHAPTER I

OFFICE DE LA PROTECTION DU CONSOMMATEUR

DIVISION I

ESTABLISHMENT AND ADMINISTRATION OF THE OFFICE

291. A body is established under the name of “Office de la protection du consommateur”.

1978, c. 9, s. 291.

292. It is the duty of the Office to protect consumers and, to that end,

(a) to supervise the application of this Act and of any other Act under which it is charged with such supervision;

(b) to receive complaints from consumers;

(c) to educate and inform the population on matters of consumer protection;

(d) to carry out studies respecting consumer protection and where required, make recommendations to the Minister;

(e) to promote and subsidize the establishment and development of consumer protection services or bodies and to cooperate with such services and bodies;

(f) to make merchants, manufacturers and advertisers aware of consumer needs and demands;

(g) to promote the interests of consumers before those governmental bodies whose activities affect consumers;

(h) *(paragraph repealed)*;

(i) to cooperate with the various governmental departments and bodies of Québec in matters of consumer protection and to coordinate the work done by such departments and bodies for such purpose;

(j) *(paragraph repealed)*.

1978, c. 9, s. 292; 2006, c. 56, s. 8.

293. The Office has its head office at the place determined by the Government; notice of the place or, of a change of place of the head office is published in the *Gazette officielle du Québec*.

The Office may hold its sittings at any place in Québec.

1978, c. 9, s. 293.

294. The Office is composed of not more than ten members, including a president and a vice-president, appointed by the Government.

The members of the Office shall be persons who, by reason of their activities, are likely to contribute in a particular manner to the solution of consumer problems.

1978, c. 9, s. 294; 1988, c. 45, s. 3; 1995, c. 38, s. 3; 2002, c. 55, s. 31.

295. The president and the vice-president are appointed for not more than five years. The other persons chosen as members of the Office are appointed for a term of not more than three years.

1978, c. 9, s. 295; 1988, c. 45, s. 4; 1995, c. 38, s. 4; 2002, c. 55, s. 32.

296. Each of the members of the Office shall remain in office at the expiry of his term, until he is replaced or reappointed.

1978, c. 9, s. 296; 1988, c. 45, s. 4; 1995, c. 38, s. 5; 2002, c. 55, s. 33.

297. If a member of the Office other than the president or the vice-president does not complete his term of office, the Government shall appoint a person to replace him for the remainder of the term.

1978, c. 9, s. 297; 1988, c. 45, s. 4; 1995, c. 38, s. 6; 2002, c. 55, s. 34.

298. The Government shall fix the fees, allowances or salaries of the members of the Office. The president and the vice-president are subject to the Act respecting the Government and Public Employees Retirement Plan (chapter R-10).

1978, c. 9, s. 298; 1988, c. 45, s. 4; 1995, c. 38, s. 7; 2002, c. 55, s. 35.

299. The other officers and employees of the Office are appointed in accordance with the Public Service Act (chapter F-3.1.1).

The president shall exercise in that regard the powers vested by the said Act in the chief executive officer of an agency.

1978, c. 9, s. 299; 1978, c. 15, s. 133, s. 140; 1983, c. 55, s. 161; 2000, c. 8, s. 242.

300. The president and the vice-president shall exercise their functions on a full time basis.

1978, c. 9, s. 300; 1988, c. 45, s. 4; 1995, c. 38, s. 8; 2002, c. 55, s. 36.

301. The president presides at meetings of the Office. He is responsible for the administration of the Office.

1978, c. 9, s. 301.

302. The vice-president shall replace the president when the president is absent or unable to act.

1978, c. 9, s. 302; 1988, c. 45, s. 5; 1995, c. 38, s. 9; 2002, c. 55, s. 37.

303. The Office shall each year submit to the Minister a report of its activities for the preceding fiscal year. The Minister shall table such report before the National Assembly. If it is not in session, the report shall be tabled within thirty days after the opening of the next session or after resumption.

1978, c. 9, s. 303.

304. The Office may pass by-laws for its internal management.

These by-laws come into force, after being approved by the Government, on their publication in the *Gazette officielle du Québec* or on any other date indicated therein.

1978, c. 9, s. 304; I.N. 2019-10-01.

DIVISION II

POWERS OF THE PRESIDENT

305. The president may investigate any matter respecting any Act or regulation the application of which is under the supervision of the Office. For such purpose, he has the powers and immunity granted to commissioners appointed under the Act respecting public inquiry commissions (chapter C-37), except the power to order imprisonment.

The president may authorize a person generally or specially to investigate any matter relating to any law or regulation the application of which is under the supervision of the Office. Every person so authorized is vested with the immunity granted to commissioners appointed under the Act respecting public inquiry commissions (chapter C-37). Such person must, on demand, produce a certificate signed by the president, attesting his authority.

1978, c. 9, s. 305; 1992, c. 61, s. 480.

306. The president may, in the performance of his duties, enter at any reasonable time the establishment of a merchant, a manufacturer or an advertiser and inspect it and, in particular, examine the registers, books, accounts, vouchers and other documents and the goods offered for sale or sold by the merchant and take specimens for the purposes of expert appraisal.

The president shall, on request, identify himself and produce a certificate of his capacity.

1978, c. 9, s. 306; 1986, c. 95, s. 261.

306.1. The president may require, for the purposes of an investigation or inspection, any information relevant to the administration of an Act or regulation the administration of which is under the supervision of the Office.

Every book, register or other document having been examined by the president or produced to him may be copied or photocopied and every copy or photocopy of such book, register or document certified by the president to be a copy or photocopy of the original is receivable as evidence and has the same probative value as the original.

1986, c. 95, s. 261.

306.2. The president may at any time require that a merchant submit a report on his activities or on any matter relating to his reserve account or trust accounts, at such intervals and in the manner determined by the president.

1988, c. 45, s. 6.

307. It is prohibited to hinder the action of the president in any way or any person authorized by him in the performance of his duties, to mislead him by concealment or misrepresentation, to refuse to give him any information or document which he is entitled to obtain under any Act or regulation the application of which is under the supervision of the Office.

1978, c. 9, s. 307.

308. The president may exempt from the application of sections 254 to 257 every merchant who delivers to him security the form, terms, conditions and amount of which are prescribed by regulation.

The president may refuse the exemption on grounds provided for in section 325, 326 or 327, with the necessary modifications.

1978, c. 9, s. 308; 1980, c. 11, s. 113.

309. *(Repealed).*

1978, c. 9, s. 309; 2006, c. 56, s. 9.

310. Where the president has reason to believe that the funds that must be kept in trust in accordance with sections 254, 255 and 256 may be misappropriated, he may apply for an injunction ordering any person in Québec having the deposit, control or custody of such funds to keep them in trust for the period and on the conditions determined by the court.

1978, c. 9, s. 310.

311. The president may require that a merchant, a manufacturer or an advertiser communicate to him the content of the advertising that he uses.

1978, c. 9, s. 311.

312. The president may require that a merchant, a manufacturer or an advertiser show the truthfulness of an advertisement.

1978, c. 9, s. 312.

313. The president may require that a merchant who makes contracts of credit contemplated by this Act communicate to him any information regarding the credit rates he charges consumers and the criteria used to establish such rates.

The president may make public any such information.

1978, c. 9, s. 313.

314. The president may accept a voluntary undertaking from a person with the object of governing the relations between a merchant, or group of merchants, and consumers, in particular in order to determine the information to be given to consumers, the quality of the goods or services with which they are to be provided, standard contracts, methods of settling disputes or rules of conduct.

Where he believes that a person has contravened or is contravening any Act or regulation the application of which is supervised by the Office, the president may also accept a voluntary undertaking from that person to comply with the Act or regulation in question.

1978, c. 9, s. 314; 1992, c. 58, s. 5.

315. The president shall determine the terms and conditions of the voluntary undertaking, which may provide in particular for

- (a) the publication or distribution of the content of the voluntary undertaking;
- (b) the compensation of consumers;
- (c) the reimbursement of the costs of investigation and any other expenses;
- (d) the obligation to give security or another form of guarantee to indemnify consumers.

1978, c. 9, s. 315.

315.1. The Government may, by order and with or without modification, extend the application of a voluntary undertaking made under section 314 to all merchants in the same sector of activity, for all or part of the territory of Québec.

1992, c. 58, s. 6.

316. The president may apply to the court for an injunction ordering

- (a) a person to cease engaging in a practice prohibited under Title II;
- (b) a merchant to cease including in a contract a stipulation prohibited under this Act or a regulation;
- (c) a merchant to comply with section 19.1 when including a stipulation inapplicable in Québec; or
- (d) a merchant to cease engaging in an activity without holding the permit required by this Act or by any other Act whose application is under the supervision of the Office.

A consumer advocacy body that has been constituted as a legal person for at least one year may apply for an injunction under this section and is deemed to have the interest required for that purpose. The court may not decide on the application for injunction filed by such a body unless a notice, attached to the application to institute proceedings or the application for an interlocutory injunction, as the case may be, is notified to the president.

If an injunction granted under this section is not complied with, an application for contempt of court may be brought by the president or the body referred to in the second paragraph.

1978, c. 9, s. 316; 2009, c. 51, s. 17; I.N. 2016-01-01 (NCCP); 2017, c. 24, s. 62.

317. The court may, in addition, order the person in respect of whom a permanent injunction is granted

- (a) to reimburse the costs of investigation incurred by the applicant;
- (b) to publish and distribute, in the manner and on the conditions which the court considers appropriate to insure a prompt and adequate communication to consumers, the conclusions of the judgment rendered against him, and the corrections, explanations, warnings and other information which the court considers necessary to re-establish the facts concerning any goods or services or any advertising made in relation to any goods or services which have or could have misled consumers.

1978, c. 9, s. 317.

318. In any action relating to any Act or regulation the application of which is under the supervision of the Office, the president may intervene, of right, at any time before the judgment.

1978, c. 9, s. 318.

319. The president may authorize a person generally or specially to exercise the powers that are conferred upon him by sections 306, 306.1, 314 and 315.

1978, c. 9, s. 319; 1986, c. 95, s. 262.

320. The president may authorize the vice-president or a member of the personnel of the Office to exercise all the powers granted to the president under an Act or regulation the application of which is under the supervision of the Office.

1978, c. 9, s. 320; 1988, c. 45, s. 7; 1995, c. 38, s. 10; 2002, c. 55, s. 38.

CHAPTER II

PERMITS

321. Subject to the exceptions prescribed by regulation, the following persons must hold a permit:

- (a) every itinerant merchant, except the itinerant merchant who makes a contract contemplated in section 57;

(b) every merchant who makes contracts of loan of money governed by this Act;

(c) every merchant who operates a physical fitness studio;

(d) every merchant who offers or makes a contract of additional warranty relating to an automobile or a motorcycle adapted for transportation on public roads or relating to other property or another class of property defined by regulation, except an insurer authorized under the Insurers Act (chapter A-32.1);

(e) every road vehicle dealer;

(f) every road vehicle recycler;

(g) every merchant who enters into a high-cost credit contract; and

(h) every debt settlement service merchant who offers services described in paragraph *a* or *b* of section 214.12.

No person who holds a debt settlement service merchant's permit may simultaneously hold a permit or certificate issued under the Act respecting the collection of certain debts (chapter R-2.2).

1978, c. 9, s. 321; 1984, c. 47, s. 128; 1988, c. 45, s. 8; 1999, c. 40, s. 234; 2002, c. 45, s. 550; 2004, c. 37, s. 90; 2015, c. 4, s. 9; 2017, c. 24, s. 63; 2018, c. 23, s. 785.

322. Where the merchant does not hold the permit required by this Act, a consumer may apply to have the contract annulled.

In the case of a contract for the loan of money, the consumer may apply instead, at his option, for the suppression of the credit charges and the return of any part of the credit charges already paid.

1978, c. 9, s. 322; 1986, c. 91, s. 667; 2015, c. 4, s. 10.

323. Every person wishing to obtain a permit must send his application to the president in the form prescribed by regulation, together with the documents prescribed by regulation.

Such application must, in the cases provided for by regulation, be accompanied by security in the amount and form prescribed therein.

A merchants association may act as surety for its members, in the form, on the conditions and in the manner prescribed by regulation. In such a case, the association must deposit an amount with an authorized trust company. The amount is fixed by the president.

1978, c. 9, s. 323; 2017, c. 24, s. 64; 2018, c. 23, s. 786; I.N. 2019-09-01.

323.1. Despite the second paragraph of section 323, an application for a road vehicle dealer's or recycler's licence must be accompanied by security, in the amount and form prescribed by regulation.

2015, c. 4, s. 11; 2017, c. 24, s. 65.

324. Where several itinerant merchants deal in the goods or services of the same merchant or the same manufacturer, the latter may apply in their place and stead for an itinerant merchant's permit.

In such a case, the itinerant merchants carrying on business in the goods and services of the applicant are, for the purposes of this Act, deemed to be his representatives in the course of that business.

1978, c. 9, s. 324; 1999, c. 40, s. 234.

325. The president may refuse to issue a permit, if

(a) the applicant, by reason of his financial condition, is not in a position to assume the obligations arising from his business;

(b) in his opinion, there are reasonable grounds to believe that the permit must be refused to ensure, in the public interest, that the business activities contemplated in this chapter will be performed with honesty and competence;

(c) the name of the partnership or legal person applying for the permit is identical to that of another partnership or legal person holding a permit, or so resembles it that it may be mistaken for it;

(d) the applicant does not meet a requirement prescribed by this Act or by regulation; or

(e) the applicant has not complied with a voluntary undertaking made under section 314 or whose application has been extended by an order under section 315.1.

1978, c. 9, s. 325; 1986, c. 95, s. 263; 1999, c. 40, s. 234; 2009, c. 51, s. 18.

326. If the applicant is a legal person or a partnership, the president may require every director or partner thereof to comply with the same requirements as those prescribed by this Act in respect of any person applying for a permit.

1978, c. 9, s. 326; 1999, c. 40, s. 234.

327. The president may refuse to issue a permit to any applicant who, during the three years preceding his application, was found guilty of

(a) an offence against any Act or regulation the administration of which is under the supervision of the Office and for which he has not obtained a pardon;

(b) an indictable offence in connection with the occupation of merchant and for which he has not obtained a pardon.

1978, c. 9, s. 327; 1986, c. 95, s. 264.

327.1. The president may refuse to issue a permit to any applicant for a road vehicle dealer's or recycler's permit who, during the five years preceding the application, was found guilty of a criminal offence relating to possession of stolen goods, fraud or theft involving a road vehicle or its parts and for which the applicant has not obtained a pardon.

2015, c. 4, s. 12.

327.2. Without limiting the powers conferred on the president by sections 325 to 327.1, the president may, on the recommendation of the Société de l'assurance automobile du Québec, refuse to issue a permit to any applicant for a road vehicle dealer's or recycler's permit who was found guilty of an offence under the Highway Safety Code (chapter C-24.2) in connection with the occupation of road vehicle dealer or recycler, as the case may be, and for which the applicant has not obtained a pardon.

2015, c. 4, s. 12.

328. The president may suspend or cancel the permit of any holder who, during the term of the permit, has been found guilty of

(a) an offence against any Act or regulation the application of which is under the supervision of the Office, or

(b) an indictable offence in connection with the occupation of merchant.

1978, c. 9, s. 328; 1986, c. 95, s. 265.

329. The president may suspend or cancel the permit of any holder who, during the term of his permit

(a) no longer meets the requirements prescribed by this Act or the regulations for the issuance of a permit;

(b) is unable, owing to his financial position, to assume the obligations arising from his business;

(c) is unable to ensure, in the interest of the public, that his business activities will be performed with honesty and competence;

(d) does not comply with an obligation prescribed in sections 260.7 to 260.13;

(e) does not comply with a voluntary undertaking made under section 314 or whose application has been extended by an order under section 315.1.

1978, c. 9, s. 329; 1984, c. 47, s. 130; 1986, c. 95, s. 266; 1988, c. 45, s. 9; 2009, c. 51, s. 19.

329.1. Without limiting the powers conferred on the president by sections 328 and 329, the president may, on the recommendation of the Société de l'assurance automobile du Québec, suspend or cancel the permit of any holder of a road vehicle dealer's or recycler's permit who was found guilty of an offence under the Highway Safety Code (chapter C-24.2) in connection with the occupation of road vehicle dealer or recycler, as the case may be, and for which the holder has not obtained a pardon.

The terms and conditions as well as the duration of the suspension are determined after consultation with the Société.

2015, c. 4, s. 13.

329.2. If the president renders a decision to suspend or cancel a road vehicle dealer's or recycler's permit, the president may maintain the permit subject to certain conditions for a period the president determines.

2015, c. 4, s. 13.

329.3. A road vehicle dealer or recycler whose permit has been suspended or cancelled must, on the president's request, return the permit to the president immediately.

If the permit is not returned, the president may seize and confiscate or destroy it.

The president may request a peace officer to seize and confiscate or destroy the cancelled or suspended permit. The peace officer is authorized to seize and confiscate or destroy any suspended or cancelled permit. The person in possession of the permit must surrender it immediately to a peace officer on the officer's request. When confiscating a permit, the peace officer issues a receipt to the person in possession of the permit and then remits the permit to the president; when the peace officer destroys a permit, the officer informs the president of that fact.

2015, c. 4, s. 13.

330. Every holder of a permit must have an establishment in Québec.

Such establishment must be situated in an immovable or part of an immovable in which the holder carries on business.

1978, c. 9, s. 330.

331. Every holder of a permit must notify the president within 15 days of any change

(a) of address;

- (b) of name;
- (c) of directors, in the case of a legal person; or
- (d) of partners, in the case of a partnership.

1978, c. 9, s. 331; 1999, c. 40, s. 234.

332. The president may refuse to issue and may suspend or cancel a permit by reason of the fact that an applicant or holder made misrepresentations or distorted an important fact when he applied for a permit.

1978, c. 9, s. 332.

333. The president, before refusing to issue a permit to a person or before suspending or cancelling the permit he has issued to him, must notify the person in writing as prescribed by section 5 of the Act respecting administrative justice (chapter J-3) and allow the person at least 10 days to present observations.

1978, c. 9, s. 333; 1997, c. 43, s. 463.

334. Any decision refusing to issue, suspending or cancelling a permit must give the reason therefor. The president must give written notice of his decision to the person concerned.

1978, c. 9, s. 334.

335. A permit is valid for two years. It is renewed on the conditions prescribed by this Act and the regulations.

The president may, however, issue a permit for a shorter period if he deems that the public interest is at stake or for administrative reasons.

A permit whose renewal is applied for remains in force until the president's decision on the renewal application.

1978, c. 9, s. 335; 2015, c. 4, s. 14.

336. If a permit holder becomes bankrupt, the trustee in bankruptcy who continues the business of the holder does so under the same permit and security. In such case, he is subject to all the obligations imposed on such holder by this Act and by regulation.

1978, c. 9, s. 336.

337. The rights conferred by a permit cannot be transferred except in the case of the death of the holder of such permit. In such case, the president may authorize the transfer upon payment of the duties exigible and on the conditions prescribed by this Act and by regulation.

1978, c. 9, s. 337.

338. In accordance with the terms and conditions prescribed by regulation, the security shall be used, first, to compensate any consumer who has a claim against the person who gave the security or his representative, then, to pay the fine imposed on him.

1978, c. 9, s. 338.

338.1. Section 338 does not apply to security given by a road vehicle dealer or recycler. In both cases and on the terms and conditions prescribed by regulation, the security is to be used

(a) to indemnify any consumer who has a claim against the person who gave the security or that person's representative;

(b) to reimburse to the true owner of a road vehicle an amount equal to the price the true owner was required to pay to the purchaser as a condition for revindicating the road vehicle from the purchaser, in the case of the sale of the property of another by the road vehicle dealer or recycler;

(c) to reimburse to the owner of a stolen road vehicle that was dismantled or sold for parts by the road vehicle recycler an amount equal to the value of the vehicle at the time of the theft; and

(d) to pay the fine imposed on the person who gave the security or that person's representative.

For the purposes of subparagraph *b* of the first paragraph, the following persons have no recourse against the surety in respect of a road vehicle that has been sold or leased:

(a) the transferee of a contract of sale of a road vehicle if the contract has a reserve of ownership or the transferee of a long-term contract of lease, within the meaning of section 150.2, of a road vehicle; and

(b) road vehicle dealer who has reserved the ownership of a road vehicle that the dealer has sold or a dealer who has leased a road vehicle under a long-term contract of lease within the meaning of section 150.2.

2015, c. 4, s. 15.

338.2. *(Repealed).*

1984, c. 47, s. 131; 1988, c. 45, s. 8.

338.3. *(Repealed).*

1984, c. 47, s. 131; 1988, c. 45, s. 8.

338.4. *(Repealed).*

1984, c. 47, s. 131; 1988, c. 45, s. 8.

338.5. *(Repealed).*

1984, c. 47, s. 131; 1988, c. 45, s. 8.

338.6. *(Repealed).*

1984, c. 47, s. 131; 1988, c. 45, s. 8.

338.7. *(Repealed).*

1984, c. 47, s. 131; 1988, c. 45, s. 8.

338.8. *(Repealed).*

1984, c. 47, s. 131; 1988, c. 45, s. 8.

338.9. *(Repealed).*

1984, c. 47, s. 131; 1988, c. 45, s. 8.

CHAPTER III

PROCEEDING BEFORE THE ADMINISTRATIVE TRIBUNAL OF QUÉBEC

1997, c. 43, s. 464.

339. Every person whose application for a permit has been dismissed by the president or whose permit has been suspended or cancelled by the president and a merchant for whom a provisional administrator has been appointed may contest the decision of the president before the Administrative Tribunal of Québec within 30 days of notification of the decision.

1978, c. 9, s. 339; 1984, c. 47, s. 132; 1988, c. 21, s. 66; 1997, c. 43, s. 465.

340. The Tribunal shall, in exercising its power to suspend the execution of the contested decision, give particular consideration to the interests of consumers.

1978, c. 9, s. 340; 1988, c. 21, s. 66; 1997, c. 43, s. 466.

341. When assessing the facts or the law, the Tribunal shall not substitute its assessment of the public interest or of the interest of the public for the assessment made by the president, pursuant to section 325, 329 or 335, before he made his decision.

1978, c. 9, s. 341; 1988, c. 21, s. 66; 1997, c. 43, s. 466.

342. *(Replaced).*

1978, c. 9, s. 342; 1997, c. 43, s. 466.

343. *(Replaced).*

1978, c. 9, s. 343; 1997, c. 43, s. 466.

344. *(Replaced).*

1978, c. 9, s. 344; 1997, c. 43, s. 466.

345. *(Replaced).*

1978, c. 9, s. 345; 1997, c. 43, s. 466.

346. *(Replaced).*

1978, c. 9, s. 346; 1997, c. 43, s. 466.

347. *(Replaced).*

1978, c. 9, s. 347; 1997, c. 43, s. 466.

348. *(Replaced).*

1978, c. 9, s. 348; 1997, c. 43, s. 466.

349. *(Replaced).*

1978, c. 9, s. 349; 1997, c. 43, s. 466.

CHAPTER IV

REGULATIONS

350. The Government may make regulations

(a) determining the content and physical presentation and the terms and conditions of distribution or remittance of all contracts, statements of account or other documents contemplated by the laws and regulations the application of which is under the supervision of the Office;

(b) establishing models for contracts or other documents contemplated by the laws and regulations the application of which is under the supervision of the Office;

(c) determining standards for instructions respecting the maintenance or use of goods, packing, labelling or presentation of goods and the disclosure of the price of goods or services;

(d) determining standards of quality, safety and warranty for goods or services;

(e) determining the rules respecting the terms and conditions of calculation and disclosure of the conditions of payment, the credit rate and credit charges or implied credit rate and implied credit charges in a contract, an example chart or another document or in advertising;

(f) identifying the contracts that, notwithstanding section 57, constitute contracts made by an itinerant merchant;

(g) determining the conditions of renewal or extension of credit, or those of credit resulting from a consolidation of debts;

(g.1) determining the threshold beyond which a credit contract is presumed to constitute an excessive, harsh or unconscionable obligation within the meaning of section 8;

(g.2) determining the information a merchant must take into account to benefit from the presumption provided for in the second paragraph of sections 103.2 and 150.3.1 and the method for collecting such information;

(g.3) determining, for the purposes of section 103.4, the method for calculating the debt ratio;

(g.4) determining, for the purposes of section 103.4, the characteristics a credit contract must have to be considered a high-cost credit contract;

(g.5) determining, for the purposes of section 187.8, the cases or circumstances in which a stipulation may prescribe that the exchange units may expire at a set date or by the lapse of time;

(g.6) identifying, for the purposes of section 187.9, the elements of a contract relating to a loyalty program that a merchant may not amend unilaterally, and the time limit for sending a consumer a notice of unilateral amendment of an essential element of the contract;

(g.7) setting, for the purposes of section 214.26, conditions and limits for the charges and fees a debt settlement service merchant may claim from a consumer;

(g.8) setting, for the purposes of section 251.1, a limit for the amount that may be withheld on a credit card and a limit for how long it may be withheld;

(h) determining the content, the physical presentation and the position of signs required by this Act;

(i) identifying the accessories of a used automobile or a used motorcycle that are not covered by the warranty established by this Act;

- (j) determining the work that does not constitute repairs within the meaning of this Act;
- (k) establishing standards regarding the content and physical presentation of an advertisement;
- (l) determining the cases where security may be required, the form, terms and conditions and amount of the security and the manner of disposing of the security in case of cancellation or confiscation or for the indemnification of a consumer or the execution of a judgment in a penal matter;
 - (l.1) fixing the amount of the security required under section 323.1 and establishing its form and terms and the manner of disposing of it in case of cancellation or confiscation or for the indemnification of a consumer, the reimbursement of the owner of a road vehicle or the execution of a judgment in a penal matter;
 - (l.2) establishing the form, the conditions and the manner in or on which a merchants association may act as surety for its members;
- (m) *(paragraph repealed)*;
- (n) determining the qualifications required of any person applying for a permit or the renewal of a permit, or in the case provided for in section 337, the transfer of a permit, the conditions he must fulfil, the information and documents he must furnish and the duties he must pay;
- (o) determining standards, conditions and modes and procedures for the receipt and keeping of sums transferred in trust;
- (p) establishing rules for the keeping of merchants' registers, accounts, books and records to the extent that consumer protection is involved;
- (q) exempting, on such conditions as it may determine, an advertisement from the application of section 248;
- (r) exempting, in whole or in part, from the application of this Act, any class of persons, goods, services or contracts that it determines and fixing conditions for that exemption;
- (s) *(paragraph repealed)*;
- (t) determining, for the purposes of paragraph *d* of section 321, the other property or classes of property for which no merchant may offer or make a contract of additional warranty unless he holds a permit;
- (u) establishing, for merchants required to hold a permit under paragraph *d* of section 321, norms relating to the establishment, conservation and application of the reserves they are required to maintain and of any additional reserves it may see fit to require, and determining the dates when the merchants must provide a statement of their operations to the president and the form and content of the statement;
- (v) determining the criteria of apportionment according to which the costs contemplated in section 260.24 must be assumed by the merchants to whom the costs are charged under that section, and establishing the modalities for claiming, paying and collecting the costs;
- (w) prescribe the classes of investment that may be chosen by a merchant under section 260.11;
- (x) determining the duties to be paid by a person requesting an exemption under section 308;
- (y) determining cases where a distance contract may not be cancelled by the consumer under sections 54.8 and 54.9 and determining payment instruments for the purposes of section 54.8;
- (z) determining cases, other than that described in section 54.14, where the consumer may request a credit card chargeback following cancellation of a distance contract, and specifying the information to be included with the request and the chargeback terms;

(z.1) determining appliances, other than those mentioned in section 182, that constitute household appliances;

(z.2) establishing any fund for the purpose of indemnifying customers in business sectors governed by an Act the administration of which is under the supervision of the Office, prescribing the amount and the form of the contributions required and determining the circumstances for and the terms and the conditions of collection, payment, administration and use of the fund, in particular, fixing a maximum amount, per customer or event, that may be paid out of a fund;

(z.3) prescribing, with respect to any indemnity fund established under paragraph z.2, that the investment income on the sums accrued in the fund may be used by the Office, on the terms and conditions the Government determines, to inform and educate consumers with regard to their rights and obligations under this Act or an Act governing the business sector covered by the fund;

(z.4) identifying prohibited contract stipulations, in addition to those provided for in this Act;

(z.5) prescribing the rules respecting the method of calculating the cancellation indemnity provided for in section 214.7 and the cancellation indemnity provided for in section 214.8, the mechanics of the decrease in those indemnities, as well as the elements of the economic inducement to be used in calculating the cancellation indemnity provided for in section 214.7;

(z.6) determining the characteristics of any other contract that constitutes a contract relating to timeshare accommodation rights for the purposes of Division V.3 of Chapter III of Title I.

1978, c. 9, s. 350; 1980, c. 11, s. 114; 1984, c. 47, s. 133; 1987, c. 90, s. 8; 1988, c. 45, s. 10, s. 11; 1988, c. 45, s. 12; 1990, c. 4, s. 710; 1991, c. 24, s. 18; 1999, c. 40, s. 234; 2006, c. 56, s. 10; 2009, c. 51, s. 20; 2015, c. 4, s. 16; I.N. 2018-08-01; 2017, c. 24, s. 66; 2018, c. 14, s. 22.

351. No draft regulation may be adopted unless it is preceded by a notice of thirty days published in the *Gazette officielle du Québec*. Such prior notice must reproduce the text of the draft.

A regulation comes into force on the day of the publication in the *Gazette officielle du Québec* of a notice indicating that it has been adopted by the Government or, if amended by the latter, on the day of the publication of its final text or on any later date fixed in the notice or final text.

1978, c. 9, s. 351; 1980, c. 11, s. 115.

TITLE VI

TRANSITIONAL AND MISCELLANEOUS PROVISIONS

352. The Minister has charge of the carrying out of this Act.

1978, c. 9, s. 352.

353. (Omitted).

1978, c. 9, s. 353.

354. In any Act, proclamation, order in council, contract or document, a reference to the Consumer Protection Act (chapter P-40) replaced by this Act, is a reference to this Act or to the equivalent provision of this Act.

1978, c. 9, s. 354; 1999, c. 40, s. 234.

355. (Omitted).

1978, c. 9, s. 355.

356. Permits issued under the Consumer Protection Act (chapter P-40) replaced by this Act remain in force until their date of expiry pursuant to the Act so replaced, whereupon they are renewed in accordance with this Act.

1978, c. 9, s. 356.

357. The regulations made by the Government by virtue of the Consumer Protection Act (chapter P-40) remain in force, to such extent as they are consistent with this Act, until they are repealed, or until they are amended or replaced by regulations made by virtue of this Act.

1978, c. 9, s. 357.

358. Proceedings instituted under the Consumer Protection Act (chapter P-40) are continued, as are contraventions to and prescriptions begun under the said Act, and these, respectively, shall be prosecuted or are completed under the said Act.

1978, c. 9, s. 358.

359. *(Amendment integrated into c. E-9, s. 63.1).*

1978, c. 9, s. 359.

360. *(Amendment integrated into c. C-24, s. 22).*

1978, c. 9, s. 360.

361. *(Amendment integrated into c. C-24, s. 25.1).*

1978, c. 9, s. 361.

362. Appropriations for the carrying out of the Consumer Protection Act (chapter P-40) shall be transferred to enable the carrying out of this Act.

Supplementary appropriations for the carrying out of this Act for the fiscal year 1978/1979 and the appropriations for the fiscal year 1979/1980 shall be taken out of the Consolidated Revenue Fund.

For subsequent fiscal years, the appropriations shall be taken out of the moneys granted each year by Parliament.

1978, c. 9, s. 362.

363. This Act will come into force on the date to be fixed by proclamation of the Government, except any provisions excluded by that proclamation, which will come into force on any later date that may be fixed by proclamation of the Government.

1978, c. 9, s. 363.

364. *(This section ceased to have effect on 17 April 1987).*

1982, c. 21, s. 1; U. K., 1982, c. 11, Sch. B, Part I, s. 33.

SCHEDULE 1

(Repealed).

1978, c. 9, Schedule 1; 1998, c. 6, s. 8; 2017, c. 24, s. 67.

SCHEDULE 2

(Repealed).

1978, c. 9, Schedule 2; I.N. 2016-01-01 (NCCP); 2017, c. 24, s. 67.

SCHEDULE 3

(Repealed).

1978, c. 9, Schedule 3; 2017, c. 24, s. 67.

SCHEDULE 4

(Repealed).

1978, c. 9, Schedule 4; 1999, c. 40, s. 234; 2017, c. 24, s. 67.

SCHEDULE 5

(Repealed).

1978, c. 9, Schedule 5; 2017, c. 24, s. 67.

SCHEDULE 6

(Repealed).

1978, c. 9, Schedule 6; 2017, c. 24, s. 67.

SCHEDULE 7

(Repealed).

1978, c. 9, Schedule 7; 2017, c. 24, s. 67.

SCHEDULE 7.1

(Repealed).

1991, c. 24, s. 19; I.N. 2016-01-01 (NCCP); 2017, c. 24, s. 67.

SCHEDULE 7.2

(Repealed).

1991, c. 24, s. 19; 2017, c. 24, s. 67.

SCHEDULE 7.3

(Repealed).

1991, c. 24, s. 19; 2017, c. 24, s. 67.

SCHEDULE 7.4

(Repealed).

1991, c. 24, s. 19; 2017, c. 24, s. 67.

SCHEDULE 8

(Repealed).

1978, c. 9, Schedule 8; 2017, c. 24, s. 67.

SCHEDULE 9

(Repealed).

1978, c. 9, Schedule 9; 2017, c. 24, s. 67.

SCHEDULE 10

(Repealed).

1978, c. 9, Schedule 10; 2017, c. 24, s. 67.

SCHEDULE 11

(Repealed).

1988, c. 45, s. 13; 2018, c. 23, s. 786; 2017, c. 24, s. 67.

REPEAL SCHEDULES

In accordance with section 17 of the Act respecting the consolidation of the statutes and regulations (chapter R-3), chapter 9 of the statutes of 1978, in force on 1 June 1979, is repealed, except section 355, effective from the coming into force of chapter P-40.1 of the Revised Statutes.

In accordance with section 17 of the Act respecting the consolidation of the statutes and regulations (chapter R-3), subparagraphs *a* to *h*, *k*, and *m* to *o* of section 1, sections 2 to 5, paragraphs *a* and *b* of section 6, sections 7 to 155, subparagraphs *a* to *g* and *i* of the first paragraph as well as the second paragraph of section 156, sections 157 to 222, 224 to 245, 247 to 255, 257 to 290, 300, 305 to 307, 309 to 349, 353, 354, 356 to 361, the first paragraph of section 362 and Schedules 1 to 10 of chapter 9 of the statutes of 1978, in force on 1 November 1980, are repealed effective from the coming into force of the updating to 1 November 1980 of chapter P-40.1 of the Revised Statutes.

In accordance with section 17 of the Act respecting the consolidation of the statutes and regulations (chapter R-3), sections 256 and 308 of chapter 9 of the statutes of 1978, in force on 31 December 1981, are repealed effective from the coming into force of the updating to 31 December 1981 of chapter P-40.1 of the Revised Statutes.

In accordance with section 17 of the Act respecting the consolidation of the statutes and regulations (chapter R-3), section 223 of chapter 9 of the statutes of 1978, in force on 1 January 1983, is repealed effective from the coming into force of the updating to 1 January 1983 of chapter P-40.1 of the Revised Statutes.

