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Legislative Summary

BILL C-30: AN ACT TO IMPLEMENT CERTAIN PROVISIONS OF THE BUDGET TABLED IN PARLIAMENT ON APRIL 19, 2021 AND OTHER MEASURES

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For clarity of exposition, the legislative proposals set out in the bill described in this Legislative Summary are stated as if they had already been adopted or were in force. It is important to note, however, that bills may be amended during their consideration by the House of Commons and Senate, and have no force or effect unless and until they are passed by both houses of Parliament, receive Royal Assent, and come into force.

Any substantive changes in this Library of Parliament Legislative Summary that have been made since the preceding issue are indicated in **bold print**.

Legislative Summary of Bill C-30
(Legislative Summary)

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LEGISLATIVE SUMMARY OF BILL C-30: AN ACT TO IMPLEMENT CERTAIN PROVISIONS OF THE BUDGET TABLED IN PARLIAMENT ON APRIL 19, 2021 AND OTHER MEASURES*

1 BACKGROUND

Bill C-30, An Act to implement certain provisions of the budget tabled in Parliament on April 19, 2021 and other measures (short title: Budget Implementation Act, 2021, No. 1), was introduced and read for the first time in the House of Commons on 30 April 2021.[1]

On 27 May 2021, the bill passed second reading and was referred to the House of Commons Standing Committee on Finance. The committee reported the bill with amendments on 7 June 2021, and the bill was passed by the House of Commons on 23 June 2021. That day, it received first reading in the Senate. The Senate passed the bill without amendment on 29 June 2021, and it received Royal Assent the same day.

As both the short and long titles suggest, the purpose of the bill is to implement the government's overall budget policy, introduced in the House of Commons on 19 April 2021.[2] This bill is the first budget implementation bill of 2021. Consistent with established legislative practice, a second such bill may follow in fall 2021.

The bill has four parts:

- Part 1 implements certain income tax measures, such as revising the eligibility criteria and subsidization levels under the Canada Emergency Wage Subsidy and the Canada Emergency Rent Subsidy (clauses 2 to 99).
- Part 2 implements certain Goods and Services Tax/Harmonized Sales Tax measures (clauses 100 to 116).
- Part 3 implements certain excise measures on tobacco products (clauses 117 to 125).
- Part 4 implements a range of measures and is subdivided into 36 divisions. It enacts the Retail Payment Activities Act (Division 7) and amends several Acts, including the *Federal-Provincial Fiscal Arrangements Act* (Division 10: "Fiscal Stabilization Payments" and Division 11: "Additional Health Payments"); the *Old Age Security Act* (Division 31: "Increase to Old Age Security Pension and Payment"); and the *Canada Recovery Benefits Act* (Division 34: "Benefits and Leave") (clauses 126 to 362).

This Legislative Summary provides a brief description of the main measures proposed in the bill. For ease of reference, the information is presented in the same order as it appears in the summary of the bill.

2 DESCRIPTION AND ANALYSIS

2.1 PART 1: IMPLEMENTATION OF CERTAIN INCOME TAX MEASURES

2.1.1 COVID-19 Relieving Measures: Use of an Employer-Provided Automobile

When an employer or a person related to the employer provides an employee or a person related to an employee – such as a spouse, common-law partner or other family member – with an automobile for work and personal use, under section 6(1)(e) of the *Income Tax Act* (ITA),[3] the employee may be required to include a "standby charge" in calculating taxable income.[4] In addition, section 6(1)(k) of the ITA provides that the employee receives a taxable benefit – the automobile operating expense benefit – if the employer pays for that automobile's operating expenses, such as gas, insurance or maintenance.

Clause 2 of Bill C-30 adds sections 6(2.2) and 6(2.3) to the ITA to provide special rules that apply to the automobile operating expense benefit formula and the reasonable standby charge, respectively, for the 2020 and 2021 taxation years. Under new section 6(2.2) of the ITA, for these taxation years, the automobile operating benefit is equal to the lesser of one-half of the standby charge and the per-kilometre prescribed rate. New section 6(2.3) allows for a reduced reasonable standby charge to apply for these taxation years. For the special rules to apply, the employer-provided automobile must have been used primarily in the performance of the employee's work. If this condition was met for the 2019 taxation year, it is deemed to exist for the 2020 and 2021 taxation years, provided the employer is the same.

2.1.2 Limiting the Benefit of the Employee Stock Option Deduction

Employees who exercise stock options must pay tax on the difference between the market value of the stock and the exercise price paid under section 7(1) of the ITA. Provided certain conditions are met, the employee can claim an offsetting deduction equal to 50% of the taxable benefit under section 110(1)(d) of the ITA, which effectively reduces the tax payable by the employee by half. There is currently no dollar limit on this deduction.

2.1.2.1 Employees

Clause 15 of Bill C-30 amends section 110 of the ITA to restrict the 50% deduction to the first $200,000 worth of employee stock options that vest in the same calendar year, with the $200,000 determined by reference to fair market value of the shares underlying the options. Any options that exceed this cap are deemed to be non-qualified securities under new section 110(1.31) and do not qualify for the deduction. Where there is uncertainty as to the time the stock options vested, clause 15(1) of the bill adds section 110(0.1) to the ITA, which provides clarification under the definition of "vesting year." If an individual is employed by more than one employer that deals with one another at arm's length, the employee will have a separate annual cap in respect of each employer. Employers that are Canadian-controlled private corporations (CCPCs) are generally not subject to these new rules, nor are non-CCPC employers whose annual gross revenue does not exceed $500 million. The determination of the $500 million annual gross revenue limit is outlined in new section 110(0.1) under the definition of "specified person." Irrespective of annual gross revenue or CCPC status, the $200,000 annual limit applies to all stock options from an employer to an individual that does not deal at arm's length.

Employees may exchange their security option rights to their employer for a cash payment or other in-kind benefit. Generally, where an employee opts for a cash-out of options that would have been eligible for an offsetting deduction equal to 50% of the taxable benefit, they may still claim the deduction on the cash payment provided their employer elects to forgo any deduction otherwise available to it in respect of the payment. Clause 15(5) adds section 110(1.44), which prohibits an employer from claiming a deduction on cash-out amounts paid to the employee, other than for certain "designated amounts" listed in amended section 110(1.2).

2.1.2.2 Employers

Clause 15(3) of Bill C-30 adds section 110(1)(e) to the ITA to provide a deduction to a qualifying employer equal to 100% of the stock option benefit realized by the employee in respect of a non-qualified security. Non-qualified securities include those securities that are in excess of the $200,000 annual vesting limit and options that the employer chooses to designate as such. To be eligible for the deduction, the following conditions must be met:

- the employer is a corporation or a mutual fund trust;
- the employer was the employer of the individual at the time the stock option was granted;
- the amount being claimed as a deduction is not claimed as a deduction by another corporation or mutual fund trust;

- the stock option deduction would have been available to the employee if the underlying securities were not non-qualified securities;
- in the case of an employee not resident in Canada throughout the year, the stock option benefit was included in the employee's taxable income earned in Canada for the year; and
- the employer provided
  - a notice in writing to the employee within 30 days after the option agreement was entered into that the securities is a non-qualified security; and
  - a notice to the Canada Revenue Agency (CRA) of any non-qualified securities by filing a prescribed form with its income tax return for the year in which the stock options were granted.

Clause 15(5) of the bill adds section 110(1.4) to allow an eligible employer that enters into a stock option agreement with an employee to designate one or more securities under that agreement to be non-qualified securities for the purposes of section 110, irrespective of the annual vesting limit. Such a designation would enable an employer to claim a section 110(1)(e) deduction from its taxable income and deny employees from claiming the 50% deduction on the first $200,000 worth of employee stock options.

These amendments apply to options granted on or after 1 July 2021; however, in certain circumstances, options issued after June 2021 in exchange for options issued before July 2021 will not be subject to the proposed changes. Existing options are not affected.

Clauses 3, 13(3), 16(2), 17(2), 25 and 29 make consequential amendments to sections 7(7), 87(2), 111(8), 115(1)(d), 126 and 143.3(5) of the ITA, respectively.

2.1.3 Determining Capital Cost Allowance for Certain Zero-Emission Vehicles: Providing an Adjustment

A capital cost allowance (CCA) is a tax deduction that a taxpayer can claim for the cost of depreciable property used while carrying out a business. When calculating the CCA for zero-emission passenger vehicles, special rules apply to adjust the "proceeds of disposition" – generally the sale price – that are deducted from the undepreciated capital cost of these vehicles. Section 13(7)(i) of the ITA provides rules relating to the calculation of the capital cost of a zero-emission passenger vehicle when it is sold to a person or partnership at arm's length. With such a sale, the "proceeds of disposition" used to calculate the vehicle's CCA is equal to the sale price multiplied by a prescribed amount divided by the "total cost" of the vehicle to the taxpayer. This tax treatment is limited to zero-emission passenger vehicles with a cost exceeding $55,000 plus applicable sales taxes.

Clause 4 of Bill C-30 amends section 13(7)(i)(ii) to alter, for purposes of determining the CCA, the calculation of the "total cost" of the vehicle to the taxpayer. In particular, that cost now takes into account any payments or repayments of government assistance that the taxpayer has received or repaid in respect of the vehicle.

This amendment applies to zero-emission passenger vehicles sold after 29 July 2019.

2.1.4 Expanding the Scope of the Foreign Affiliate Dumping Rules

Section 212.3 of the ITA contains the rules with respect to "foreign affiliate dumping" that are intended to prevent foreign enterprises from using Canadian corporations as intermediaries to invest in entities outside of Canada. In particular, these rules counter the erosion of the tax base that results from transactions in which a corporation resident in Canada (CRIC) that is controlled by a non-resident buys or otherwise invests in a foreign affiliate using borrowed or surplus funds. Generally, a "foreign affiliate" is a non-resident corporation in which the CRIC owns 10% or more of the shares, measured by votes or value. One example of a foreign affiliate dumping transaction involves a CRIC using retained earnings to acquire shares of a foreign affiliate from its foreign parent corporation. Absent the foreign affiliate dumping rules, this transaction would provide a mechanism for the foreign parent corporation to extract surplus from the CRIC free of dividend withholding tax.

Subject to certain exceptions, the foreign affiliate dumping rules generally apply where a CRIC makes an "investment" (as defined in the rules) in a foreign affiliate of the CRIC and the CRIC is controlled by a non-resident corporation. The rules can also apply where a CRIC makes an investment in a foreign affiliate of a corporation that does not deal at arm's length with the CRIC if the CRIC or the non–arm's-length corporation is controlled by a non-resident corporation. When they apply, the foreign affiliate dumping rules usually result in the following:

- a suppression of paid-up capital otherwise created because of the investment or a reduction in the paid-up capital of one or more relevant classes of shares of the CRIC under section 212.3(2)(b); and
- a deemed dividend paid by the CRIC to the controlling non-resident corporation under section 212.3(2)(a). The amount of the deemed dividend is equal to the amount by which the investment exceeds the amount of the paid-up capital suppressed or reduced. This deemed dividend is subject to non-resident withholding tax, which may be reduced by an applicable tax treaty.

Foreign affiliate dumping rules apply only in respect of CRICs that are controlled by a non-resident corporation.

Clause 53(1) of Bill C-30 amends section 212.3(1)(b) of the ITA to extend the application of the foreign affiliate dumping rules to a non-resident person – whether a natural person or a trust – or to a group of non-resident persons, each member of which does not deal at arm's length with the other members. Clause 53(2) of the bill makes consequential amendments to section 212.3(2)(a) to ensure that, where the CRIC is controlled by a group of non-resident persons, each member of the group is deemed to receive a dividend from the CRIC. In particular, the amount that would have been the amount of the deemed dividend, had a single non-resident person controlled the CRIC, is allocated between the group members based on the relative fair market values of the shares of the CRIC that are held by them. Clause 53(2) also provides for the calculation of the dividend deemed to be paid by the CRIC.

Clause 53(22) adds section 212.3(26) in respect of trusts to the ITA. New section 212.3(26)(a) sets out special rules to determine the ownership of, or interest in, a trust, where each trust is treated as a corporation having a single class of 100 voting shares. Ownership of those shares is allocated to the beneficiaries under the trust in accordance with their proportionate interests (based on fair market value) in the trust. Where a Canadian resident trust owns shares of a corporation, new section 212.3(26)(b) deems each beneficiary under the trust to own – as opposed to being owned by the trust itself – a number of shares of each class of the corporation in accordance with the beneficiary's proportionate interest (based on fair market value) in the trust. In the case of a discretionary trust – where the entitlements of the beneficiaries are not fixed, such as being at the discretion of the trustee – new section 212.3(26)(c) treats each beneficiary as though they held a 100% interest in the trust if it can reasonably be considered that one of the main reasons for the discretionary nature of the trust is to avoid or limit the application of the expanded foreign affiliate dumping rules.

These amendments apply to transactions and events that occur on or after 18 March 2019.

Clauses 5, 26 and 54 of the bill make consequential amendments to sections 17.1(2), 128.1(1)(c.3) and 219.1(2)(b) of the ITA, respectively.

2.1.5 Providing Change in Use Rules for Multi-unit Residential Properties

Section 45 of the ITA contains rules that determine if there is a capital gain or allowable capital loss concerning a property that has been used for more than one purpose, such as a principal residence and income-producing rental unit.

Sections 45(2) and 45(3) provide that, where the use of an entire property changes from non–income producing to income producing or the reverse, the taxpayer may file an election with the CRA to deem that there has been no such change in use; as a consequence, the realization of any accrued capital gain on the property is deferred until it is realized on a future disposition. Without this election, under sections 45(1)(a)(i) and 13(7)(b), there is a deemed disposition and reacquisition of the property for tax purposes, which may give rise to a capital gain or loss. The election is currently not available where there is an increase in the proportion of the property's use for the purpose of gaining or producing income.

Clause 6 of Bill C-30 amends sections 45(2) and 45(3) to allow a taxpayer to file an election – to deem there to be no change in the property's use – in the following circumstances:

- when there is an increase in the proportion of the property's use for gaining or producing income;
- when there is a change in the entire use of a taxpayer's property from a non–income-producing purpose to an income-producing purpose, or vice versa; and
- when sections 45(1)(a)(i) and 13(7)(b) would otherwise apply.

In addition, the amendments allow a taxpayer to rescind this election for a subsequent taxation year.

These amendments apply in respect of changes in the use of a taxpayer's property that occurred after 18 March 2019.

2.1.6 Establishing Rules for Advanced Life Deferred Annuities

An annuity is a financial product that provides an individual (the annuitant) with a guaranteed income over a defined period in exchange for an initial lump sum. A "life annuity" provides individuals with a guaranteed income over the course of their lifetime, and annuities purchased with funds from a registered account – such as a registered retirement savings plan (RRSP) – generally must commence making payments by the end of the year in which the annuitant attains 71 years of age.

Clause 34 of Bill C-30 adds section 146.5 to the ITA to create the advanced life deferred annuity (ALDA) and to provide for its corresponding tax treatment. Purchases of an ALDA may only be made through transfers from registered pension plans, RRSPs, registered retirement income funds (RRIFs), deferred profit-sharing plans and pooled registered pension plans (PRPPs) (all of which are qualifying plans).

Under new section 146.5(1), an ALDA must be issued by a licensed annuities provider and must commence payments to the annuitant no later than the end of the calendar year in which the annuitant attains 85 years of age. The ALDA may either be a single-life annuity, payable only during the lifetime of the annuitant, or a joint-lives annuity where payments are made until both the annuitant and the annuitant's spouse or common-law partner are deceased. The periodic annuity payments must be in equal amounts unless they are adjusted to reflect increases in the Consumer Price Index (CPI) or at an annual rate not exceeding 2%, but the payments may be reduced on the death of either the annuitant or the annuitant's spouse or common-law partner. If the annuitant dies before a joint-lives annuity becomes payable, and if the surviving spouse chooses to commence the periodic annuity payments at an earlier date than the date that payments would have commenced to be paid, then the payment amount is adjusted in accordance with generally accepted actuarial principles.

ALDA purchases are subject to a specified lifetime limit up to the lesser of 25% of the value of all property in qualifying plans, or $150,000 for the 2020 tax year; this amount is indexed to the CPI for future years. The value of an ALDA would not be included for the purpose of determining the minimum required withdrawal from a taxpayer's RRIF, and the ALDA contract with the issuer cannot be assigned, charged, anticipated, given as security or surrendered.

Clause 49 of the bill establishes a 1% tax – calculated monthly – for excess contributions to the ALDA under new Part XI of the ITA, entitled "Tax in Respect of Advanced Life Deferred Annuity" (new sections 205 and 206). This tax may be waived by the Minister of National Revenue where this excess is the result of a reasonable error and if reasonable steps are being taken to eliminate the excess amount.

Clauses 34(1) and 7(3) create new sections 146.5(2) to 146.5(7) and 56(1)(z.5) of the ITA to require payments from the ALDA to be included in the annuitant's income in the taxation year they are received, or in their spouse or common-law partner's income under a joint-lives contract upon the death of the annuitant. After the deaths of the annuitant or of the annuitant and the spouse in the case of a joint-lives annuity, a lump-sum death benefit from the ALDA may be paid to one or more beneficiaries under new section 146.5(1)(f). The death benefit must be paid as soon as practicable and cannot exceed the total amounts transferred to purchase the annuity less the total annuity payments made from the ALDA. Under new section 146.5(3), the beneficiary of a lump-sum death benefit must include such sums in their taxable income if they were the spouse or common-law partner of the deceased, or were the child or grandchild of the deceased and were financially dependent on the deceased; in all other cases, the death benefit is taxed in the hands of the deceased. Under new section 146.5(6), a death benefit paid to the deceased annuitant's estate can be rolled over into a qualifying plan on a tax-deferred basis, provided the beneficiary to that estate is the annuitant's spouse or common-law partner, or the dependant child or grandchild.

Clause 8(1) amends section 60(l)(v) to allow any amount transferred upon the death of an annuitant to an RRSP to take place on a tax-deferred basis to a beneficiary who is the spouse or common-law partner of the deceased annuitant or a financially dependent child or grandchild by reason of physical or mental infirmity.

Clause 19(9) amends the definition of "pension income" under section 118(7) of the ITA to make ALDA payments to taxpayers 65 years of age or older eligible for the pension credit and for pension income splitting. The pension credit under section 118(7) allows a taxpayer to claim a federal non-refundable tax credit on up to $2,000 of eligible pension income, and income-splitting rules allow taxpayers to split up to 50% of eligible pension income with a spouse or common-law partner.

In the event that any portion of the premium paid for the contract exceeds the annuitant's ALDA limit, new section 146.5 of the ITA permits a refund to the annuitant if that refund would reduce the tax payable by the annuitant under new Part XI of the ITA. The refund must be paid to either the annuitant, the issuer of their RRSP, the carrier of their RRIF, the administrator of their PRPP, or of a money purchase provision of their registered pension plan. Where an ALDA amount is refunded to the annuitant, it is considered taxable income under new section 146.5(4) but is not taxable if refunded to a qualifying plan.

The amendments to the ITA contained in clauses 7, 8, 19 and 34 are deemed to have come into force on 1 January 2020.

Clauses 7, 19(9), 31, 32, 34 to 38, 41, 52, 61 and 63 of the bill make consequential amendments to other provisions of the ITA with respect to these changes. Clauses 81 and 83 make consequential amendments to the *Income Tax Regulations* (ITR).[5]

2.1.7 Option to Deduct Repaid Emergency Benefit Amounts and Clarifying the Tax Treatment of Non-resident Beneficiaries

Generally, if a taxable benefit paid to a taxpayer in error is repaid by the taxpayer, the repayment of this amount will give rise to a corresponding deduction in the year the repayment takes place.

Clause 8(2) of Bill C-30 adds section 60(v.3) to the ITA to allow taxpayers the option to claim a deduction in respect of the repayment of certain COVID-19 benefit amounts in computing their income for the year in which the benefit amount was received rather than the year in which the repayment was made. This option is available for benefit amounts that have been repaid before 2023. The applicable COVID-19 benefits include the following:

- the Canada Emergency Response Benefit/Employment Insurance Emergency Response Benefit;
- the Canada Emergency Student Benefit;

- the Canada Recovery Benefit;
- the Canada Recovery Sickness Benefit; and
- the Canada Recovery Caregiving Benefit.

Clause 17 of the bill amends section 115(1)(a) of the ITA to ensure that these benefit amounts, and similar provincial or territorial benefit amounts, are included in the taxable income of individuals who reside in Canada but are considered non-resident persons for income tax purposes. COVID-19 benefits received by these persons are taxable in a manner generally similar to employment and business income earned in Canada by non-resident persons.

These amendments are deemed to have come into force on 1 January 2020.

2.1.8 Removing the Time Limitation for a Registered Disability Savings Plan and Modifying Grant and Bond Repayment Obligations

A registered disability savings plan (RDSP) is a tax-assisted savings vehicle established for a beneficiary who is eligible for the disability tax credit (DTC). The DTC is a non-refundable tax credit – equal to $1,299 in 2021 – that is intended to recognize the impact of non-itemizable disability-related costs on the ability to pay tax. The Canada Disability Savings Grant (CDSG) and Canada Disability Savings Bond (CDSB) are deposited directly into the RDSP. The CDSG matches contributions to the RDSP up to 300%, or $3,500 per year, with a lifetime limit of $70,000. The CDSB maximum is $1,000 per year – depending on the beneficiary's family income – with a $20,000 lifetime limit. An RDSP must be closed when the beneficiary ceases to qualify for the DTC or within five years thereof in certain circumstances.

Clause 33 of Bill C-30 amends section 146.4 of the ITA to ensure beneficiaries of RDSPs who cease to be eligible for the DTC can keep their RDSP open indefinitely. Transitional rules apply under new section 146.4(4.01) for RDSPs that would have been terminated due to DTC-ineligibility between 19 March 2019 and 31 December 2020, which prevents the need for their termination. These changes allow RDSP beneficiaries to keep their CDSG and CDSB amounts for the periods in which they qualified for the DTC which would otherwise be repaid to the government. Section 146.4(1) is also amended to permit a DTC-ineligible beneficiary to replace an existing RDSP with an RDSP issued by another financial institution. The RDSP of a DTC-ineligible individual will nevertheless no longer accept contributions, the CDSG or the CDSB.

Certain financially dependent DTC-eligible RDSP beneficiaries are permitted to receive a tax-free rollover of proceeds from a deceased parent or grandparent's RRSP and/or RRIF to their RDSP. Clause 9 of the bill amends the definition of "specified RDSP payment" in section 60.02(1) of the ITA to permit a tax-deferred rollover of proceeds from such plans of a deceased individual to the RDSP of an eligible beneficiary before the end of the fifth taxation year following the beneficiary becoming DTC-ineligible.

Clauses 95 and 96 make consequential amendments to sections 5(3), 5(4) and 5.1 of the *Canada Disability Savings Regulations* (CDSR)[6] to remove the current requirement under section 5(1)(c) of the CDSR for an RDSP issuer to repay to the government any grants and bonds held in the plan as a consequence of an individual becoming DTC-ineligible. Such funds will now only be repaid upon the closure of the plan, the death of the beneficiary or when the plan ceases to be an RDSP.

A disability assistance payment is any payment from an RDSP to the beneficiary or to their estate after their death. It is a singular payment that can be requested at any time and may consist of contributions, grant, bond, proceeds from rollovers and income earned in the account. These payments may comprise a portion that is taxable in the hands of an RDSP beneficiary (grants, bonds and investment earnings) and a portion that is not (contributions). Under the CDSR,[7] an "assistance holdback amount" is generally required to be repaid to the government if any disability assistance payment is paid from the RDSP. The assistance holdback amount is defined in the CDSR as the total amount of bonds and grants paid into the RDSP within the last 10-year period, less any part of that amount that has been repaid to the government.

Clause 99(1) amends section 5.4(1) of the CDSR to alter the repayment requirements of disability assistance payments where an RDSP beneficiary is no longer DTC-eligible. Clause 98 amends section 5.3 of the CDSR to ensure that no grants and bonds are repayable if the disability assistance payment is made after the end of the calendar year in which the beneficiary has attained age 59.

Clause 99(2) amends section 5.4(1)(c) of the CDSR to progressively decrease the amount of grants and bonds that an issuer may be obliged to repay after the calendar year in which a beneficiary attains age 50. Clause 99(3) amends section 5.4(2) of the CDSR to set out the order in which the repayment of grants and bonds occurs, based on the principle of first in, first out.

Clause 97 of the bill makes consequential amendments to section 5.2 of the CDSR.

The changes to the rollover rules (clause 9) and the transitional rule (clause 33) are deemed to have come into force as of 19 March 2019. All other changes are deemed to have come into force as of 1 January 2021.

2.1.9 Increasing the Basic Personal Amount

The basic personal amount is a non-refundable tax credit that is indexed to inflation and can be claimed by all individuals. The purpose of the basic personal amount is to provide full relief from federal income tax to all individuals with taxable income below the basic personal amount and partial relief to taxpayers with taxable income above the basic personal amount.

Clause 19(8) of Bill C-30 adds section 118(1.1) to the ITA to provide for the new calculation of an individual's basic personal amount. The new basic personal amount consists of two elements: the existing basic personal amount and an additional amount that is determined by the formula C – D × E, where C is the maximum additional amount, which is expressed as the formula F – G.

F is the maximum basic personal amount for any particular year and G is the minimum basic personal amount. D is the same as the amount determined for C, and E is the lesser of one and the proportion of the individual's income that is between the bottom of the fourth tax bracket and the bottom of the fifth tax bracket. The values for F are as follows:

- $13,229 for the 2020 taxation year;
- $13,808 for the 2021 taxation year;
- $14,398 for the 2022 taxation year;
- $15,000 for the 2023 taxation year; and
- for subsequent taxation years, an amount equal to $15,000 indexed for inflation.

Therefore, the amount of the additional basic personal amount is reduced for individuals with net incomes in excess of the bottom of the fourth federal tax bracket ($150,473 in 2020) and eliminated for individuals with net incomes equal to or in excess of the bottom of the fifth (or top) federal tax bracket ($214,368 in 2020).

Clause 19 of the bill also makes consequential amendments to portions of section 118(1) of the ITA to similarly increase the maximum spousal or common-law partner amount and the amount for an eligible dependant. These amounts are also gradually reduced for individuals with net incomes in excess of the bottom of the fourth tax bracket and continue to be reduced dollar-for-dollar based on the net income of the dependant.

Clauses 10, 14, 18, 31 and 62 make consequential amendments to sections 63(3), 108(1), 117.1, 146(1.1) and 250(1)(f) of the ITA, respectively. Clause 82 makes consequential amendments to section 103.1(2) of the ITR.

These amendments apply to 2020 and subsequent taxation years.

2.1.10 Special Reading of Certain Rules Relating to the Child Care Expense Deduction and the Disability Supports Deduction

The child care expense deduction (CCED) allows child care expenses to be deducted from a taxpayer's income when those expenses are incurred to earn employment or business income, pursue education or perform research. The disability supports deduction (DSD) allows certain medical expenses to be deducted from a taxpayer's income where those expenses enable the taxpayer to perform employment duties, to carry on a business, or to attend a designated educational institution for study or research. Furthermore, Employment Insurance (EI) benefits are not included in the taxpayer's income against which eligible expenses can be deducted for the CCED or the DSD, whereas COVID-19 emergency income benefits are included.

Clauses 10(2) and 11 of Bill C-30 add sections 63(3.1) and 64.01 to the ITA, respectively, to deem that expenses incurred by taxpayers in receipt of the CCED, DSD and COVID-19 emergency income benefits do not have to enable the taxpayer to perform employment duties, to carry on a business, or to attend a designated educational institution for study or research to be eligible for the deductions in 2020 and 2021. They also add – for the 2020 and 2021 tax years – regular EI benefits, EI special benefits and Quebec Parental Insurance Plan benefits to the definition of income for the purposes of these deductions.

These measures apply for the 2020 and 2021 taxation years.

2.1.11 Providing Flow-Through Share Issuers with Temporary Additional Time to Incur Eligible Expenses to Be Renounced to Investors

A flow-through share allows certain corporations to obtain financing for expenditures on mineral exploration and development in Canada. By issuing flow-through shares, a company can "flow through" certain expenses to the share investor/purchaser. These expenses are then deemed to have been incurred by the purchaser, not the corporation, which can reduce the purchaser's taxable income on account of allowable deductions for the Canadian exploration expenses and the Canadian development expenses that are transferred (renounced) to the investor by the corporation.

This tax treatment is conditional on the corporation actually incurring the eligible expense within certain time limits of the share's purchase. For these expenses, the "general rule" under section 66(12.6) of the ITA allows an issuing corporation 24 months starting from the month after the agreement is made to incur the eligible expenditures. Issuing corporations can also use a "look-back rule" provided by section 66(12.66) to transfer eligible expenses to the purchaser effective as of 31 December of the year of the agreement as long as the expenses are incurred before the end of December of the following year. Where an issuing corporation enters a flow-through share agreement under the look-back rule and does not incur the expense during that period, it is subject to a 10% tax on the value of the unspent expense under Part XII.6 of the ITA.

Clause 12 of Bill C-30 amends section 66 of the ITA to extend the time limits in which the eligible expenses are incurred. For flow-through share agreements entered into under the look-back rule or general rule, the issuing company is granted an additional 12 months to incur the eligible expenses. The extension applies to flow-through share agreements entered into after February 2018 and before 2021.

Clause 51 of the bill amends Part XII.6 (section 211.91) of the ITA in a number of ways. New section 211.91(2.1)(a) extends the filing and payment deadline in respect of Part XII.6 tax by one year. New section 211.91(2.1)(b) deems certain expenditures to be incurred earlier than they are actually incurred to provide a reduction of the Part XII.6 tax that would otherwise be payable. New section 211.91(2.1)(b)(iii) provides that, in applying Part XII.6, expenses incurred in the calendar year following the normal look-back year are deemed to be incurred 12 months earlier than they are actually incurred. These changes apply to share agreements entered into in 2019 or 2020.

2.1.12 Accelerated Investment Incentive for Resource Expenditures

A "short taxation year" is a tax year that is less than 12 months in length, which can occur in such circumstances as when a business commences operations midyear or changes its accounting period. In general, the short taxation year rule in section 66(13.1) of the ITA limits – on a proportional basis – the amount of certain resource expenses that a taxpayer may deduct in a year where the taxation year is less than 51 weeks. In such cases, the amount that may be deducted by the taxpayer will be prorated relative to the remaining days in the taxation year.

Clause 12(3) of Bill C-30 amends section 66(13.1) of the ITA to ensure that this short taxation year rule applies in determining the amount of a taxpayer's accelerated Canadian development expenses and accelerated Canadian oil and gas property expenses.

Clause 12(4) of the bill provides that this amendment applies to taxation years that end after 30 July 2019.

2.1.13 Canada Recovery Hiring Program

Clauses 24(22) and 24(23) of Bill C-30 introduce the Canada Recovery Hiring Program (CRHP) through new section 125.7(2.2) of the ITA. The CRHP is intended to facilitate the hiring back of employees that had been laid off and the hiring of new employees for employers that have experienced qualifying declines in revenues relative to their operations prior to the COVID-19 pandemic. The CRHP is an alternative to the Canada Emergency Wage Subsidy (CEWS) and is available for qualifying periods between 6 June 2021 and 20 November 2021. The qualifying periods for the CRHP are the same as those for the CEWS. An eligible employer is permitted to claim the higher of the CRHP or the CEWS for a particular qualifying period but not both.

To qualify for the CRHP, the employer must be a "qualifying recovery entity," which includes CCPC, cooperative corporations eligible for the small business deduction, individuals, non-profit organizations, registered charities and certain partnerships. Publicly listed companies are not eligible for the CRHP, nor are corporations and trusts that are ineligible for the CEWS because they are public institutions. In addition, employers – or their payroll service provider – must have had a payroll account open with the CRA by 15 March 2020 to be eligible for the CRHP.

The decline in revenue test is the same for the CRHP as it is for the CEWS: either the year-over-year test that compares revenues on a monthly basis to revenues from 12 months prior, or that which compares current revenues to the average revenue earned in the months of January and February of 2020. In either case, the employer must continue to follow the same method for the CRHP that they had been using for the CEWS. To qualify for a hiring subsidy in a qualifying period, an eligible employer has to have experienced a decline in revenues sufficient to qualify for the CEWS in that same qualifying period. For qualifying periods where the CEWS is no longer in effect, an eligible employer must have experienced a decline in revenues of more than 10%.

The subsidy rate under the CRHP will decline over time to incentivize hiring in the short term. The subsidy for the initial three periods – from 6 June 2021 to 28 August 2021 – is equal to 50% of the employer's "incremental remuneration" paid to the eligible employee. The rate then declines by 10% for each period thereafter until it reaches a rate of 20% for the final period from 24 October 2021 to 20 November 2021. Incremental remuneration is calculated as the difference between the employer's aggregate eligible remuneration for the qualifying period and aggregate eligible remuneration for the baseline period, where both sums are capped at $1,129 per week. Employee eligibility for the CRHP is the same as that for the CEWS. The CRHP is not available for furloughed employees, but it is available for employees on leave with pay for the purposes of vacation leave, sick leave, or a sabbatical.

As with the CEWS, CRHP payments are considered "government assistance" and are included in the employee's taxable income under section 12(1)(x) of the ITA.

Clauses 13(1), 40(3), 43 and 44(2) of the bill make consequential amendments to sections 87(2)(g.6), 152(3.4), 125.7(2.2), 163 and 164(1.6) of the ITA.

2.1.14 Conversion of Health and Welfare Trusts

A health and welfare trust is a trust established by an employer for the purpose of providing health and welfare benefits to its employees. The tax treatment of such a trust is not set out in the ITA. Employee life and health trusts (ELHTs) – which also provide health benefits for employees, in particular, group sickness or accident insurance plans, private health services plans and group-term life insurance policies – were added to the ITA in 2010. The rules governing ELHTs in the ITA are very similar to the CRA's administrative positions for health and welfare trusts.

Clause 30(10) of Bill C-30 adds sections 144.1(14) to 144.1(18) to the ITA to provide transitional rules to allow for the tax-free conversion of health and welfare trusts to ELHTs such that there is only one set of rules for these types of trusts starting in 2022.

Clause 30 of the bill also amends the following provisions of section 144.1 of the ITA to clarify and expand on the rules governing ELHTs:

- Section 144.1(1) ("designated employee benefit") is amended to allow the following additional benefits to be provided by an ELHT: a $10,000 death benefit, certain types of paid leave such as bereavement and jury duty leave, and additional counselling benefits provided for mental health purposes.
- Section 144.1(2)(a) is amended to allow an ELHT to provide for benefits that are not explicitly listed in the ITA (designated employee benefits), so long as substantially all of the total cost of the benefits provided are designated employee benefits.
- Section 144.1(2)(c) is amended to allow the provision of benefits outside Canada.
- Section 144.1(2)(d) is amended to ensure retirees and former employees of the employer can still receive designated employee benefits even if the employer no longer contributes to the ELHT but previously did so.
- Section 144.1(2)(e) is amended to modify the requirements for the percentage of employees represented by the ELHT.
- Section 144.1(2)(e) is also amended to allow family members access to a certain portion of a beneficiary's ELHT.
- Section 144.1(2)(i) is amended to ensure that trustees who do not deal at arm's length with one or more participating employers do not constitute a majority of the trustees of the ELHT.
- Section 144.1(3)(a) is amended to ease tax restrictions on an ELHT for breaches of its terms where the trustees could not have reasonably known about such breaches.
- Section 144.1(6) is amended to ensure that the deductibility of employer contributions to an ELHT – whether an ELHT is a single-employer or

multi-employer arrangement – is linked to the terms of a collective bargaining agreement, if applicable, and to ensure that such sums are deductible where there is a minimum of 50 eligible employee-beneficiaries of an ELHT and each employee deals at arm's length with each participating employer.

Clause 16(1) amends section 111(7.4) of the ITA to extend the three-year carry-forward for non-capital losses of an ELHT to seven years.

Clauses 30 and 16(1) are deemed to have come into force on 27 February 2018.

Clause 50 of the bill adds Part XI.5, entitled "Tax in Respect of Employee Life and Health Trust" (new section 207.9) to the ITA to introduce a special tax in respect of the acquisition of prohibited investments and related income and capital gains for an ELHT. The tax is equal to 50% of the fair market value of the property at the time it is acquired and 50% of any income from prohibited investments or any taxable capital gains from the disposition of prohibited investments. The ELHT may be refunded such amounts if it disposes of the property before the end of the calendar year following the calendar year in which the tax arose so long as trustees could not reasonably have known at the time that the property was, or would become, a prohibited investment.

The amendments in clause 50 apply to the 2014 and subsequent taxation years.

2.1.15 Canada Workers Benefit

The Canada Workers Benefit (CWB) is a refundable tax credit under section 122.7 of the ITA, which is intended to supplement the earnings of low- and modest-income workers. The CWB has two components: a base amount and a supplement for certain individuals with disabilities. Each of these components also has a phase-in threshold rate and a phase-out threshold and rate.

Clauses 22(2) and 22(3) of Bill C-30 amend section 122.7 of the ITA to expand the thresholds and rates for the base amount and disability supplement in the following ways:

- For the base amount (amended section 122.7(2)),
  - the phase-in rate is increased from 26% to 27% for single individuals without dependants and families;
  - the phase-out rate is being increased from 12% to 15% for both single individuals without dependants and families; and
  - the phase-out thresholds from $12,820 to $22,944 for single individuals without dependants and from $17,025 to $26,177 for families.

- For the disability supplement (amended section 122.7(3)),
  - the phase-in rate is being increased from 26% to 27% for both single individuals without dependants and families;
  - the phase-out rate is being increased from 12% to 15% for both single individuals without dependants and most families;
  - the phase-out rate is being increased from 6% to 7.5%, for couples who are both disabled; and
  - the phase-out income threshold is being increased from $24,111 to $32,244 for single individuals without dependants and from $36,483 to $42,197 for families.

Clause 22(1) of the bill adds section 122.7(1.3) to the ITA to introduce a secondary earner exemption to the CWB, which allows the lower-earning spouse or common-law partner in a couple to exclude up to $14,000 of their working income from their adjusted net income for the purpose of the CWB income test. This allows secondary earners in a couple to earn up to that amount before their CWB entitlement starts being reduced as a result.

These amendments apply for the 2021 and subsequent taxation years.

Clause 18(2) adds section 117.1(2) to the ITA to index for inflation the new thresholds for the base amount, the disability supplement and the secondary earner exemption amount beginning in 2022.

2.1.16 Support for Canadian Journalism

Budget 2019 introduced three tax measures to support Canadian journalism: a personal tax credit for eligible digital news subscriptions; a tax credit for certain labour expenditures of qualifying journalism organizations; and permission for registered non-profit news organizations to issue tax receipts for donations. To access these measures, journalism organizations must be vetted by a panel of experts to determine whether they can be designated as a "qualified Canadian journalism organization" (QCJO) as defined in section 248(1) of the ITA.

Section 118.02 of the ITA provides a 15% non-refundable tax credit to individuals who have eligible digital news subscriptions. Clause 20(1) of Bill C-30 amends the definition of "digital news subscription" in section 118.02(1) to remove the requirement that the QCJO be primarily engaged in the production of original written news content and instead to require that the content provided under the subscription is primarily written news and that the organization offering the subscription is not a licence holder under the *Broadcasting Act*.[8] Clause 20(2) of the bill adds sections 118.02(4) and 118.02(5) to the ITA to address the circumstances where subscription expenses no longer qualify for the tax credit.

Clause 58 amends section 241(3.4) of the ITA to provide that, in addition to permitting the Minister of National Revenue to publish the names of QCJOs whose subscribers may be eligible for the digital news subscription tax credit, the minister can also publish information regarding the eligibility of their subscriptions.

Section 125.6 of the ITA provides qualifying journalism organizations with a 25% refundable tax credit for certain labour expenditures provided that they meet certain conditions. Clauses 23(1) to 23(4) amend the following definitions in section 125.6(1) of the ITA:

- the definition of "assistance" is amended to provide that amounts from the Aid to Publishers component of the Canada Periodical Fund are not considered assistance for the purposes of the labour tax credit;
- the definition of "eligible newsroom employee" is amended to clarify that the employee must send at least 75% of their time engaged in the production of original written news content;
- the definition of "qualifying journalism organization" is amended to add that a qualifying journalism organization cannot hold a licence under the *Broadcasting Act*, and to remove the following requirements:
  - that the organization be primarily engaged in the production of original written news content, and
  - that the organization not receive an amount from the Aid to Publishers component of the Canada Periodical Fund; and
- the definition of "qualifying labour expenditure" is amended to include reference to an organization that was a qualifying journalism organization at any point in time during the tax year.

Clause 23(5) amends section 125.6(2) of the ITA to reduce the amount of the tax credit available to a qualifying journalism organization in a taxation year by the amount of any funding received from the Aid to Publishers component of the Canada Periodical Fund. It also adds sections 125.6(2.1) and 125.6(2.2) to the ITA, and amends section 125.6(3) to introduce a new tax credit for those qualifying journalism organizations that are partnerships. Clauses 40(1), 42(1) and 42(2), and 43(1) and 44(1) make consequential amendments to sections 152(1)(b), 157(3)(e) and 157(3.1)(c), 163(2)(h)(i) and 164(1)(a)(ii) of the ITA, respectively, to include references to new section 125.6(2.1).

Clause 39(2) amends the definition of "qualifying journalism organization" in section 149.1(1) of the ITA ("Qualified Donees"), which sets out the rules for non-profit journalism organizations that are issuing tax receipts, to add a requirement that the organizations be primarily engaged in the production of original news content.

Clause 46 adds section 168.1 to the ITA to clarify the procedure involved in the designation of an organization as a QCJO and the power of the Minister of National Revenue to revoke this designation. Clauses 61(2) and 61(3) amend the definition of a QCJO found in section 248(1) of the ITA to remove the requirements that the organization must be *primarily* engaged in the production of original news content and that the organization not be significantly engaged in the production of content to promote goods or services.

Clauses 23, 39(2), 40(1), 42, 43(1), 44(1), 46, 61(2) and 61(3) are deemed to have come into force on 1 January 2019.

Clauses 20(1) and 58 of the bill are deemed to have come into force on 1 January 2020.

2.1.17 Canada Child Benefit: Definition of Shared-Custody Parent

Clause 21 of Bill C-30 amends the definition of "shared-custody parent" in section 122.6 of the ITA, to replace the requirement that the parent reside with the child on an "equal or near equal basis," and to instead require the parent to reside with the child either at least 40% of the time or on an approximately equal basis.

Clause 21 of the bill is deemed to have come into force on 1 July 2011.

2.1.18 Canada Emergency Wage Subsidy and Canada Emergency Rent Subsidy

The framework for the CEWS, the Canada Emergency Rent Subsidy (CERS) and the Lockdown Support (LS), which are structured as refundable tax credits for businesses with respect to the COVID-19 pandemic, is provided in section 125.7 of the ITA and is set to expire in June 2021.

Clauses 24(1) to 24(21) of Bill C-30 amend several definitions in section 125.7(1) of the ITA to extend these provisions:

- Claims under the CEWS and the CERS are made in respect of a "qualifying period." This definition is amended to add new qualifying periods that extend the CEWS, the CERS and the LS to 25 September 2021, with a possibility of further extension to 20 November 2021, should it be required.
- Consequential amendments add references to the new qualifying periods in the definitions for "eligible employee," "baseline remuneration," "base percentage," "current reference period," "prior reference period," "qualifying entity," "specified percentage," "rent subsidy percentage," "rent top-up percentage" and "top-up revenue reduction percentage."

- The CEWS offers a base subsidy and a top-up subsidy. The top-up subsidy is intended for employers with revenue declines of over 50%. The definitions for "base percentage" and "top-up percentage" are amended to gradually reduce the base percentage and top-up percentage beginning in July 2021. After 25 September 2021, the base percentage will be reduced to zero if there is no percentage determined by regulation and the top-up subsidy will no longer be offered.
- Similarly, the CERS offers a rent subsidy and the LS, which is a rent top-up subsidy for businesses shut down by a public health order. The definition of "rent subsidy percentage" is amended to gradually reduce the CERS beginning 4 July 2021, with the rent subsidy percentage reduced to zero if there is no percentage determined by regulation after 25 September 2021. The definition of "rent top-up percentage" is amended to confirm that the LS is a 25% subsidy until 25 September 2021 and is no longer offered after that date. Lastly, the definition "public health restriction" is amended in clause 24(12) of the bill to allow landlords who rent their property to non–arm's length tenants, directly or indirectly, to be able to claim the LS. Clause 24(12) is deemed to have come into force on 27 September 2020.

Clause 24(22) includes definitions for "executive compensation repayment amount" and "executive remuneration" to section 125.7(1) of the ITA, while clause 24(32) adds sections 125.7(14) and 125.7(15) to introduce a CEWS repayment scheme for certain publicly listed companies. Businesses have to repay the CEWS amounts received for the 17th and subsequent qualifying periods, which begins 5 June 2021, based on the formula set out in the definition for "executive compensation repayment amount." This definition provides that amount to be repaid is the amount by which the aggregate 2021 compensation for specified executives exceeds the aggregate 2019 compensation for specified executives, up to the total amount of the CEWS received in those qualifying periods. The definition for "executive remuneration" indicates that the compensation for these specified executives is generally already disclosed under securities law.

During its study of Bill C-30, the House of Commons Standing Committee on Finance added clauses 24(32.1) and 24(32.2) to the bill to require the Minister of Finance to table a report in both houses of Parliament describing measures that would do the following:

- prevent publicly traded companies and their subsidiaries from paying dividends or repurchasing their own shares while receiving the CEWS; and
- recover CEWS amounts from publicly traded companies and their subsidiaries that paid dividends or repurchased their own shares while receiving the CEWS.

The report is to be tabled no later than 30 days after the day on which Bill C-30 receives Royal Assent or, if either house is not sitting, on any of the first 15 days on which that house is sitting.[9]

2.1.19 Use by Mutual Fund Trusts of a Method of Allocating Capital Gains or Income to Their Redeeming Unitholders

When a mutual fund trust unitholder redeems their units, the trust may be required to dispose of assets, potentially resulting in capital gains for both the trust when the assets are sold and the unitholder when the units are redeemed. To relieve this double taxation, section 132 of the ITA allows a mutual fund trust to claim a corresponding deduction for that capital gains allocation using what is referred to as the "allocation to redeemers methodology." However, some mutual fund trusts are using this methodology to allocate excess capital gains to their redeeming unitholders, which has resulted in the mutual fund trust inappropriately taking a larger corresponding deduction, and the redeeming unitholders having their redemption proceeds reduced and a tax deferral benefit being provided for the remaining unitholders.

Clause 27(1) of Bill C-30 adds section 132(5.3) to the ITA to prevent a mutual fund trust from claiming a deduction for an excess allocation of capital gains to a redeeming unitholder if the allocated amount is a capital gain and if the unitholder's redemption proceeds are reduced by the allocation.

Clause 27(1) of the bill applies to taxation years that begin after 18 March 2019. However, clause 27(2) provides that the rule does not apply to the taxation year of a mutual fund trust that begins before 16 December 2021 if, in that taxation year, units of the trust are listed on a designated stock exchange in Canada and are in continuous distribution.

2.1.20 Patronage Dividends Paid in Shares by an Agricultural Cooperative Corporation

Section 135.1 of the ITA provides a tax deferral for patronage payments received by eligible members of eligible agricultural cooperatives that are in the form of shares in the cooperative. Clause 28 of Bill C-30 amends the definition for "tax deferred cooperative share" in section 135.1(1) to extend the tax deferral from shares issued between 2005 and 2021, to shares issued between 2005 and 2026.

2.1.21 Transfers of Pensionable Service into Individual Pension Plans

In general, section 147.3(3) of the ITA permits a tax-deferred transfer of the full value of assets from a defined benefit provision of a registered pension plan to a defined benefit provision of another registered pension plan. If the transfer is from a defined benefit provision of a pension plan to an RRSP, then section 147.3(4) of the ITA limits the transfer to less than the full value of the assets.

To be able to transfer the full value of their assets, some individuals have become members of an individual pension plan, which is a defined benefit registered pension plan that has fewer than four members, by inappropriately establishing a private corporation.

Clauses 36(3) and 89 of Bill C-30 amend section 147.3(3)(c) of the ITA and section 8503(3)(a) of the ITR, respectively, to prohibit tax-deferred transfers of assets from a defined benefit provision of a registered pension plan to an individual pension plan when the assets are related to pensionable service under the individual's previous employer.

Clauses 36(3) and 89 of the bill are deemed to have come into force on 19 March 2019.

2.1.22 Variable Payment Life Annuities

Clause 38(2) of Bill C-30 amends section 147.5(5) of the ITA, which sets out the types of benefits that may be paid from a PRPP. Under amended section 147.5(5)(a), a member of a PRPP may purchase a variable payment life annuity (VPLA). In contrast to a traditional annuity, a VPLA does not provide guaranteed income payments. However, as it is pooled, the investment risks of the annuity are spread out over a larger group of individuals.

Clause 88 of the bill amends section 8502(e)(i) of the ITR and clause 90 amends sections 8506(1)(e.1) and 8506(2)(g) and adds sections 8506(1)(e.2) and 8506(13) to the ITR to provide rules governing when a money purchase provision of a pension plan, also known as a defined contribution pension plan, can provide benefits through a VPLA. These rules include the establishment of a VPLA fund from which benefits are to be paid, the age at which benefits should be paid and the amount of benefits that are to be paid.

Clauses 38(2), 88 and 90 are deemed to have come into force on 1 January 2020.

2.1.23 Preventing Terrorist Entities from Qualifying as Registered Charities

Under section 149.1 of the ITA, registered charities may have their income tax status revoked or have their authority to issue official donation receipts suspended if an "ineligible individual" controls or manages the charity, directly or indirectly. An ineligible individual is someone who has been convicted of certain offences or who has engaged in misconduct.

Clause 39(1) of Bill C-30 amends section 149.1(1) of the ITA to add the following individuals to the definition of "ineligible individual":

- a listed terrorist entity;
- a member of a listed terrorist entity; or
- a director, trustee, officer or official of a listed terrorist entity – or an individual who controlled or managed, directly or indirectly, in any manner whatever, a listed terrorist entity – during a period in which that entity supported or engaged in terrorist activities, including a period prior to becoming a listed terrorist entity.

Clause 39(3) of the bill adds the definition of "listed terrorist entity" to section 149.1(1) of the ITA. A "listed terrorist entity" is a person or organization that is a listed entity as defined in section 83.01(1) of the *Criminal Code*.[10] Clause 39(4) adds section 149.1(1.02) to the ITA to provide rules for when an entity ceases to be a listed terrorist entity.

Clause 45 adds section 168(3.1) to the ITA to provide for the automatic revocation of the registration of a registered charity upon it becoming a listed terrorist entity.

Lastly, clause 47 makes a consequential amendment to section 188(1) of the ITA to provide that a charity becoming a listed terrorist entity can be a reason for revoking charitable status.

2.1.24 Interaction of Transfer Pricing Rules and Other Rules in the *Income Tax Act*

Part XVI.1 of the ITA ("Transfer Pricing") sets out the rules governing transfer pricing, which is the practice by which related parties, such as entities within a multinational enterprise, establish a price for the exchange of goods and services between them. Bill C-30 makes minor adjustments to these rules.

Clause 40(4) of Bill C-30 amends section 152(4) of the ITA, which sets out the rules applicable to the assessment or reassessment period, to clarify that the Minister of National Revenue uses the definition of "transaction" found in Part XVI.1 of the Act when examining a transaction between a taxpayer and a non-resident person, who are not dealing at arm's length, for tax payable under Part 1. This amendment applies to the taxation years of a taxpayer in respect of which the normal reassessment period for the taxpayer ends after 18 March 2019.

Clauses 60(1) and 60(2) of the bill amend section 247(2) and add section 247(2.1) to Part XVI.1 of the ITA, respectively, to clarify that the transfer pricing rules apply before other provisions of the Act. Clause 60(3) repeals section 247(8) as new section 247(2.1) replaces that section.

Clause 60 applies to taxation years that begin after 18 March 2019.

2.1.25 Preventing Non-resident Taxpayers from Avoiding Canadian Dividend Withholding Tax on Compensation Payments

Securities lending is the practice of loaning securities to other investors or firms. With respect to a securities lending arrangement between a Canadian resident borrower and non-resident lender, payments made from the Canadian to the non-resident can be characterized under the ITA as interest or dividends. For example, the securities lending arrangement rules found in section 260 of the ITA deem a payment made under a "fully collateralized" securities lending arrangement to be a dividend. "Fully collateralized" refers to the type and value of collateral provided by the Canadian resident under the securities lending arrangement.

However, the withholding tax rules found in section 212 of the ITA provide that certain payments from Canadians to non-residents are subject to a 25% tax. One exemption to the tax is an interest payment made from a Canadian to a non-resident as part of a securities lending arrangement.

As a consequence of the difference in how withholding tax is applied between interest and dividend payments, parties engaged in securities lending arrangements are structuring or executing their arrangements to ensure that any payments received by the non-resident are characterized as interest and not dividends. For example, some parties are not fully collateralizing their arrangements so that the payments will be characterized as interest and thus not subject to withholding tax.

Clause 61(7) of Bill C-30 adds a definition for "specified securities lending arrangement" to section 248(1) of the ITA to expand the securities lending arrangements rules so that they apply not only to arrangements that fall within the definition of "securities lending arrangement," but also to arrangements that are substantially similar. It also adds a definition for "fully collateralized arrangement" to section 248(1) to provide criteria indicating when a securities lending arrangement or a specified securities lending arrangement is considered to be fully collateralized. Clause 61(7) of the bill is deemed to have come into force on 19 March 2019.

Clauses 52(2) and 52(3) amend sections 212(2.1) and 212(3)(d), respectively, and clauses 64(3) and 64(5) amend sections 260(8.1) and 260(9.1), respectively, to include references to "specified securities lending arrangement." Clauses 52(2) and 52(3) apply in respect of amounts paid or credited after 18 March 2019.

Clauses 64(1) and 64(2) add section 260(1.2) to the ITA and amend section 260(8) of the Act, respectively, to clarify when certain payments made between the parties to a securities lending agreement and specified securities lending agreement will be deemed to be interest.

Clause 64(4) amends section 260(8.2) of the ITA and adds section 260(8.3) to the Act to state the effect of the above-mentioned changes on the characterization of interest and dividends for the purposes of a tax treaty.

Clauses 64(2) to 64(5) of the bill apply in respect of amounts paid or credited as securities lending arrangement compensation payments after 18 March 2019. However, these provisions do not apply in respect of amounts paid or credited after 18 March 2019 and before October 2019, if they are pursuant to a written arrangement entered into before 19 March 2019.

Clause 64(1) is deemed to have come into force on 19 March 2019.

2.1.26 Electronic Delivery of Requirements for Information to Banks and Credit Unions

Clause 55 of Bill C-30 amends section 231.2(1) and adds section 231.2(1.1) to the ITA to allow the Minister of National Revenue to send a notice or other documents electronically to a bank or credit union that has provided written consent to receive such documents electronically.

Similar amendments are made by clause 56 of the bill to various provisions in section 231.6 of the ITA with respect to a notice from the Minister of National Revenue for a request for foreign-based information or documents by stipulating that such a notice can now be sent electronically.

Clause 57 amends section 231.8(a), which concerns the computation of certain periods of time, to confirm that the notice can be served or sent (by mail or electronically).

Clause 59 adds section 244(6.1) to the ITA to provide that the affidavit of an officer of the CRA is considered proof that documents have been sent electronically.

The related and consequential amendments that are made to the *Excise Tax Act*, the *Air Travellers Security Charge Act*, the *Excise Act, 2001* and the *Greenhouse Gas Pollution Pricing Act* are discussed in section 2.1.31 of this Legislative Summary.

2.1.27 Preventing the Use of Derivative Transactions to Convert Ordinary Income into Capital Gains

In 2013, rules were introduced to the ITA to prevent taxpayers that were using derivative forward agreements – which are a combination of a derivative financial instrument with the purchase or sale of a capital property – to convert income, which is fully taxed, to capital gains, which are taxed at 50%. An exception to the derivative forward agreement rules was provided for certain commercial transactions, such as merger and acquisition transactions. Since 2013, some parties to derivative forward agreements have misused the commercial transaction exception to be able to convert income into capital gains.

Clauses 61(1) and 61(4) of Bill C-30 amend the definitions of "derivative forward agreement" and "tax-indifferent investor," respectively, found in section 248(1) of the ITA, to narrow the scope of the exception by excluding certain types of property and purchasers.

Clauses 61(1) and 61(4) of the bill are deemed to have come into force on 19 March 2019, with some exceptions.

2.1.28 Capital Cost Allowance Write-Off for Business Investments in Certain Zero-Emission Vehicles

The 2019 federal budget introduced a temporary enhanced first-year capital cost allowance (CCA) deduction of 100% for eligible zero-emission vehicles purchased after 18 March 2019 and before 2028. To implement this measure, two new classes of CCA property, Class 54 and Class 55, were created for zero-emission passenger vehicles, and for taxis and other types of vehicles, respectively.[11]

Clause 61(5) of Bill C-30 expands this measure by amending the definition of "zero-emission vehicle" in section 248(1) of the ITA so that eligible zero-emission vehicles purchased after 1 March 2020 can include used vehicles and those for which a CCA deduction has been previously claimed, subject to similar restrictions for property that are set out in the accelerated investment incentive.

Clause 84(1) of the bill amends section 1100(1)(a) of the ITR to add a new Class 56 property for zero-emission automotive equipment and vehicles acquired after 1 March 2020 and before 2028. Clauses 84(2), 84(5), 84(6) and 84(7) amend various provisions in section 1100(2) of the ITR to add references to new Class 56. These amendments provide a CCA deduction of 100% for Class 56 property that becomes available for use after 1 March 2020 and before 2024, a 75% CCA deduction for Class 56 property that becomes available for use in 2024 or 2025 and a 55% CCA deduction for Class 56 property that becomes available for use in 2026 or 2027.

Clauses 85(1), 86(1) and 87(1) amend sections 1102(14.13), 1103(2j) and 1104(4) of the ITR, respectively, to exclude Class 56 property from the accelerated investment incentive and to make other consequential amendments. Lastly, clause 93 amends Schedule II to the ITR to add the description of Class 56 property.

Clauses 61(5), 84(1), 84(2), 84(5) to 84(7), 85(1), 86(1) and 87(1) of the bill are deemed to have come into force on 2 March 2020.

2.1.29 Accelerated Investment Incentive for Depreciable Property

The accelerated investment incentive was introduced in the 2019 federal budget to allow a 50% increase in the available CCA deduction for certain property acquired after 20 November 2018 that becomes available for use before 2024. It also suspended the CCA half-year rule, which only allows 50% of the cost of eligible property to be deducted in the first year it was purchased, for the same property.[12]

Clauses 84(3) and 84(4) of Bill C-30 amend section 1100(2) of the ITR to clarify the formulas used with respect to the suspension of the half-year rule for Class 43 properties(eligible machinery and equipment used to manufacture or process goods), Class 43.2 properties (electrical vehicle charging stations) and Class 53 properties (eligible machinery and equipment used to manufacture or process goods that are acquired after 2015 and before 2026).

Clause 84(8) of the bill amends section 1100(2.02) of the ITR to broaden the scope of the provision so that it applies to certain expenditures incurred after 20 November 2018.

Clause 85(2) amends section 1102(20.1) of the ITR to prevent taxpayers from arranging arm’s length relationships to obtain the more favourable treatment that is available for certain accelerated investment incentive property.

Clauses 87(2) and 87(3) amend the definition for “accelerated investment incentive property” in section 1104(4) of the ITR and add section 1104(4.1) to clarify that the property cannot be a property in which certain amounts have already been deducted and to clarify how to account for deductions made for costs incurred at different times.

Clauses 84(3), 84(4), 84(8), 87(2) and 87(3) of the bill apply in respect of property acquired after 20 November 2018. Clause 85(2) applies in respect of property acquired after 30 July 2019.

2.1.30 Contributions to a Specified Multi-employer Plan for Older Members

Unlike the rules governing other defined benefit registered pension plans, the rules governing specified multi-employer plans (SMEPs) do not prohibit an employer from making contributions to the plan with respect to a member that can no longer accrue further pension benefits.

Clause 91 of Bill C-30 amends section 8510(7) of the ITR to prohibit contributions to an SMEP in respect of a member after the end of the year the member reaches 71 years of age and to a defined benefit provision of an SMEP if the member is receiving a pension from the plan.

Clause 91 of the bill applies to contributions made pursuant to a collective bargaining agreement entered into after 2019; however, it does not apply to contributions made on or before the date the agreement is entered into.

2.1.31 Related and Consequential Amendments to Other Acts

In the same manner by which clause 55 of Bill C-30 amends the ITA to allow the Minister of National Revenue to deliver documents electronically, clause 65 of the bill amends section 99(1) of the *Excise Tax Act* (ETA)[13] and adds section 99(1.1), which provides that notice from the minister can be served personally, sent by registered or certified mail or sent electronically to a bank or credit union that has provided consent in writing to receive notices electronically. Clauses 66 to 71 amend sections 102.1, 105, 289, 289.2(a), 292 and 335 of the ETA, respectively, to confirm that notice can be served personally or sent by mail or electronically, and that an affidavit of an officer of the CRA can serve as proof of electronic delivery.

Similar amendments with respect to acceptable methods by which CRA can deliver notices or other types of documents are made by the following clauses of the bill:

- clauses 72 and 73, which amend sections 38 and 83, respectively, of the *Air Travellers Security Charge Act*[14];
- clauses 74 to 77, which amend sections 208, 209.1(a), 210 and 301, respectively, of the *Excise Act, 2001*[15]; and
- clauses 78 to 80, which amend sections 106, 144 and 164, respectively, of the *Greenhouse Gas Pollution Pricing Act*.[16]

Clause 92 amends section 8901.2 of the ITR to take into account the amendment to the definition of "qualifying period" that was made as part of the changes introduced with respect to CEWS and CERS, which are discussed in detail in section 2.1.18 of this Legislative Summary.

Clause 94 of the bill amends the definition "montant de retenue" in section 1 of the French version of the *Canada Disability Savings Regulations* to make it more consistent with the English version.

2.2 PART 2: IMPLEMENTATION OF CERTAIN GOODS AND SERVICES TAX/ HARMONIZED SALES TAX MEASURES

2.2.1 Face Masks and Face Shields

Clause 114(1) of Bill C-30 adds sections 2 to 5 to Part II.1 of Schedule VI to the ETA so that supplies of the following face masks and face shields designed for medical purposes are zero-rated for the Goods and Services Tax/Harmonized Sales Tax (GST/HST):

- face masks and respirators designed for human use and authorized for medical use in Canada (new section 2);

- face masks and respirators designed for human use that meet N95, KN95 or equivalent certification requirements and do not have an exhalation valve or vent (new section 3);
- face masks and respirators designed for human use that are used to prevent the transmission of infectious agents, provided they meet certain conditions set out in this section, or other masks or respirators as prescribed by regulation (new section 4); and
- face shields designed for human use with a transparent and impermeable window or visor that cover the entire face and are designed to prevent the transmission of infectious agents or other shields as prescribed by regulation (new section 5).

These amendments apply to supplies made after 6 December 2020.

2.2.2 Non-resident Vendors of Digital Products or Services and Short-Term Accommodation in Canada Facilitated Through a Digital Platform

Under the ETA, non-resident suppliers who do not operate a business in Canada through a permanent establishment and who supply digital products or services to consumers in Canada are not required to register for, collect or pay GST/HST on their sales to Canadian consumers.

Clause 107 of Bill C-30 adds Subdivision E (new sections 211.1 and 211.11 to 211.25) to Division II of Part IX ("Goods and Services Tax") of the ETA to set out rules for a simplified GST/HST registration framework applicable to e-commerce transactions in Canada. The new provisions require certain non-resident suppliers, distribution platform operators or short-term accommodation platform operators (except those registered for GST/HST under the general rule or a person who operates a business in Canada) to register under this new GST/HST regime under certain circumstances.

Clause 107(1) of the bill adds section 211.12(2) to the ETA, which specifies that certain non-resident suppliers of digital products or services, distribution platform operators or short-term accommodation platform operators must register under the new GST/HST framework if their total sales to Canadian consumers exceed, or can reasonably be expected to exceed, $30,000 over a 12-month period.

New sections 211.11(3) to 211.11(6) of the ETA set out the rules used to determine whether the usual place of residence of a recipient of a supply is in Canada. New section 211.11(1) lists a certain number of indicators, such as the recipient's home address, billing address, banking or payment information and the Internet Protocol address of the device used by the recipient. In general, a recipient's usual place of residence is considered to be in Canada if two or more indicators identify Canada as their usual place of residence.

New section 211.12(5) specifies that the Minister of National Revenue has the authority to register a person who, in their opinion, should be registered in the GST system under new Subdivision E of Division II of Part IX of the ETA but has failed to do so.

New section 211.17(1) specifies that persons registered under the simplified GST/HST regime cannot apply for input tax credits, rebates, refunds or remissions to recover the GST/HST paid on their business expenses.

Clause 107(2) of the bill stipulates that the provisions contained in new Subdivision E of Division II of Part IX of the ETA apply to supplies made on 1 July 2021 or after and to a supply made before that date if all or, in certain cases, part of the consideration for the supply is payable on 1 July 2021 or after.

2.2.3 Goods Shipped from a Fulfillment Warehouse or Another Place in Canada by Distribution Platform Operators and Non-resident Vendors

Clause 107(1) of Bill C-30 adds sections 211.12 and 211.13 to the ETA to require that specified non-resident suppliers[17] register for the general GST/HST system if they sell products directly to consumers in Canada on their own behalf or if they operate digital platforms[18] that facilitate the sale of products to consumers in Canada. The new provisions apply when the transactions involve the sale of products that are in distribution warehouses in Canada and are sold to buyers in Canada if total sales to consumers in Canada exceed, or can reasonably be expected to exceed, $30,000 for 12 months.

Clause 107(1) of the bill also adds sections 211.13(5), 211.23(2) and 211.23(3) to the ETA specify that distribution platform operators that facilitate the transaction of sales for third-party suppliers are held wholly responsible for the collection and payment of GST/HST in certain circumstances. However, if the third-party supplier has provided false information to the platform operator regarding the collection or amount of GST/HST, and the platform operator cannot reasonably be expected to know that the third-party supplier made a false statement in the information they provided, the distribution platform operator is absolved of all liability.

The new rules apply to supplies made on 1 July 2021, or after, and to a supply made before that date if the entire consideration for the supply is payable on 1 July 2021, or after.

2.2.4 Goods and Services Tax Rebate for New Housing

Section 262(3) of the ETA sets out rules for applying the GST new housing rebate provisions under sections 254 to 256 of the ETA. Under the current rules, the GST new housing rebate is granted only if the housing is the primary place of residence for all the purchasers or a relation of them.

Clause 109 of Bill C-30 amends section 262(3) of the ETA to extend eligibility for the GST new housing rebate to cases where any one of the purchasers or any one of their relations uses the housing as a primary residence. More specifically, this applies to cases where multiple individuals

- jointly purchase a new or substantially renovated residential complex (section 254);
- jointly purchase a share of the capital stock of a cooperative housing corporation (section 255);
- construct or engage another person to construct a new residential complex (section 256); or
- substantially renovate or engage another person to substantially renovate a residential complex (sections 254 to 256).

Clause 116 of the bill makes significant amendments to section 40 of the *New Harmonized Value-added Tax System Regulations, No. 2*,[19] to provide that the rebate also applies to the provincial component of the HST in Ontario.

These amendments apply to any rebate under section 254(2), 254.1(2) or 255(2) of the ETA in respect of which the agreement referred to in section 254(2)(b), 254.1(2)(a) or 255(2)(c) of the Act, as the case may be, is entered into after 19 April 2021. The amendments also apply to any rebate under section 256(2) of the ETA in respect of a residential complex (other than a mobile home or floating home) if the construction or substantial renovation of the residential complex is substantially completed after 19 April 2021, or in respect of a mobile home or floating home acquired or imported after 19 April 2021.

2.2.5 Definition of Freight Transportation Service

Part VII of Schedule VI to the ETA (“Transportation Services”) lists the supplies of freight transportation services that are zero-rated and other rules that apply to them.

Clause 115 of Bill C-30 amends the definition of “freight transportation service” in section 1(1) of Part VII of Schedule VI to the ETA to include “a service of driving an automotive vehicle designed or adapted to be used on highways and streets for the purpose of delivering the vehicle to a destination.”

This provision is deemed to have come into force on 18 May 2019 but also applies in respect of any supply made before that day if the supplier did not, before that day, charge, collect or remit any amount as or on account of tax under Part IX of the ETA in respect of the supply.

2.2.6 Drop-Shipment Rules

Section 179 of the ETA allows a non-resident person who is not registered for the GST/HST to acquire goods or services in respect of goods in Canada without paying the GST/HST. These rules apply where the goods are exported or remain in the physical possession of a GST/HST registrant who accepts liability for the GST/HST if the goods are subsequently transferred to a person for non-commercial use in Canada. These rules are known as “drop shipment rules.”

Clause 105(1) of Bill C-30 adds section 179(3.1) to the ETA, which provides that, in certain circumstances, a “distribution platform operator certificate” may be issued that relieves the obligation to remit GST/HST on a supply. For new section 179(3.1), the unregistered non-resident supplier must provide a certificate to the GST/HST registered business acknowledging that physical possession of the goods has been transferred to the recipient of a taxable supply and that the distribution platform operator is required to collect tax in respect of that taxable supply. The certificate must state the distribution platform operator’s name and registration number assigned under section 241 of the ETA.

Clause 105(1) of the bill comes into force, or is deemed to have come into force, on 1 July 2021.

Clause 105(2) adds section 179(7.1), which extends the rules under section 179 to fungible property (i.e., goods that are essentially identical and interchangeable for commercial purposes). For example, the rules apply in the following cases:

- where a registrant acquires physical possession of the original tangible personal property for the purpose of making a supply of a service of manufacturing or producing tangible personal property; and
- where a substitute tangible personal property is directly consumed or expended in the manufacture or production of the manufactured property.

The original tangible personal property and the substitute tangible personal property must be

- of the same class or kind of property;
- in the same measure and state; and
- interchangeable for commercial purposes.

Clause 105(2) is deemed to apply in respect of any supply of a good or service made after 17 May 2019 and in respect of any supply of a good or service made on or before that day if the supplier did not, on or before that day, charge, collect or remit any amount as or on account of tax under Part IX of the ETA in respect of the supply.

2.2.7 Virtual Currency

Clause 100(3) of Bill C-30 amends the definition of "financial instrument" in section 123(1) of the ETA to include a "virtual payment instrument" (new section 123(1)(f.1)).

Clause 100(4) of the bill adds the definition of "virtual payment instrument" to the definitions contained in section 123(1) of the ETA. A "virtual payment instrument" is "property that is a digital representation of value, that functions as a medium of exchange and that only exists at a digital address of a publicly distributed ledger."

Certain types of property are excluded from the definition:

- property that confers a right, whether immediate or future and whether absolute or contingent, to be exchanged or redeemed for money or specific property or services or to be converted into money or specific property or services;
- property that is primarily for use within, or as part of, a gaming platform, an affinity or rewards program or a similar platform or program; or
- property that is prescribed property.

Therefore, a supply of digital currency is GST/HST exempt. This means that a person making a supply of digital currency is not required to collect GST/HST and is not entitled to claim input tax credits in respect of that supply.

Clause 100(6) provides that these amendments are deemed to have come into force on 18 May 2019.

2.2.8 Holding Corporation Rules

The rules set out in section 186 of the ETA enable a parent corporation resident in Canada to claim input tax credits in respect of the shares or debt of related corporations (e.g., a subsidiary) in certain circumstances. These rules are known as GST/HST holding corporation rules.

Clause 106 of Bill C-30 amends section 186(1)(b) of the ETA and adds section 186(0.1) to broaden the property test of a commercial operating corporation that a related corporation must meet in order for the parent corporation to benefit from the holding company rules, by adding, among other things, the words "manufactured" and "produced" in connection with the acquisition, importation or bringing in of property or services.

Amended section 186(1)(b) of the ETA applies before 28 July 2018, while new section 186(0.1) is applicable after 27 July 2018 if tax in respect of the acquisition, importation or bringing in of goods or services became payable or was paid without having become payable.

Clause 106 of the bill also adds section 186(0.2) to the ETA and amends sections 186(1), 186(2) and 186(3) to introduce technical and consequential amendments that clarify the circumstances in which the holding corporation rules apply so that they also apply to a parent corporation that is a partnership or trust.

These amendments generally apply in respect of any property or service acquired, imported or brought into a participating province after 17 May 2019.

Clause 108 introduces consequential amendments in respect of the voluntary GST/HST registration provisions contained in section 240(3)(d) of the ETA.

2.3 PART 3: IMPLEMENTATION OF CERTAIN EXCISE MEASURES ON TOBACCO PRODUCTS

The *Excise Act, 2001* sets the excise duty rates on tobacco products and provides for an annual increase to reflect inflation.

Clause 117(1) in Part 3 of Bill C-30 amends the definition of "adjustment day" for the cigarette inventory tax in section 58.1 of the *Excise Act, 2001* by adding the adjustment day of 20 April 2021 under new subsection (a.2) of the definition.

Clause 118(1) of the bill adds section 58.2(1.2) to the *Excise Act, 2001* to provide that every person must pay to the Crown a tax on all inventories of taxed cigarettes held at the beginning of 20 April 2021 at the rate of $0.02 per cigarette.

Clause 119(1) adds section 58.5(1)(a.2) to provide that every person liable to pay an inventory tax imposed under new section 58.2(1.2) must file a return with the Minister of National Revenue in the prescribed form and manner on or before 30 June 2021.

Clause 120(1) adds section 58.6(1)(a.2) to provide that every person must pay to the Receiver General the total tax payable under new section 58.2(1.2) on or before 30 June 2021.

Clauses 121(1), 122(1), 123(1) and 124(1) amend Schedule 1 to the *Excise Act, 2001* to increase the rates of excise duty on tobacco products as follows, respectively:

- $0.62725 to $0.72725 for five cigarettes;
- $0.12545 to $0.14545 per tobacco stick;
- $7.84062 to $9.09062 per 50 grams of manufactured tobacco; and
- $27.30379 to $31.65673 per 1,000 cigars.

Clause 125(1) amends Schedule 2 to the *Excise Act, 2001* to increase the additional duty on cigars from $0.09814 to $0.11379 per cigar or 88% of the sale price of cigars manufactured in Canada or the duty-paid value of imported cigars, whichever is greater.[20]

The provisions contained in clauses 117 to 125 of the bill come into force on 20 April 2021.

2.4 PART 4: IMPLEMENTATION OF VARIOUS MEASURES

2.4.1 Division 1: Amendments to the *Canada Deposit Insurance Corporation Act* and the *Payment Clearing and Settlement Act*

Division 1 of Part 4 of Bill C-30 amends portions of the *Canada Deposit Insurance Corporation Act* (CDICA)[21] to clarify how investors, creditors and other participants may be compensated as a result of actions taken by financial authorities to sell, wind down or restore a failing bank in both the CDICA and the *Payment Clearing and Settlement Act* (PCSA).[22] Clause 126 of the bill amends the stay of proceedings provisions contained in section 39.15 of the CDICA. Clauses 126(1) and 126(2) add section 39.15(1.1) to the CDICA and update references to the new provision, respectively. New section 39.15(1.1) prevents a person from taking certain actions in relation to agreements between the person and a federal member institution by reason only of a monetary default by that institution in the performance of obligations under those agreements if the default occurs in the period between the making of an order directing the conversion of that institution's shares or liabilities and when that conversion occurs. Clause 126(4) adds sections 39.15(7.4) to 39.15(7.6) to the CDICA to require certain federal member institutions to ensure that the stay of proceedings provisions apply to certain eligible financial contracts. Clause 126(5) amends the definition of "clearing house" to stipulate that it includes payment message exchange services.

Division 1 of Part 4 also amends portions of the CDICA that deal with cross-border enforceability of the stay provisions applicable to eligible financial contracts. Clause 126(3) amends section 39.15(7.12) to add Her Majesty in right of Canada, foreign governments and central banks to the list of entities that are exempt from the existing stay provisions of the CDICA.

Clauses 127 to 132 make technical amendments to the CDICA to provide the Canada Deposit Insurance Corporation with a targeted expansion of its authorities with respect to the timeliness and efficiency of the deposit insurance payout process.

Clause 133 amends the definitions of "clearing and settlement system" and "clearing house" in section 2 of the PCSA to add exchanges of payment messages for the purpose of clearing or settlement of such payment obligations. Clauses 134 and 135 amend sections 11.28 and 11.3 of the PCSA, respectively, to specify the steps that an assessor must follow when reviewing a determination of the Bank of Canada (the Bank) with respect to the payment of compensation regarding a declaration of non-viability for a clearing and settlement system or a clearing house. Clauses 136 and 137 clarify that systems or arrangements for the exchange of payment messages for the purpose of clearing or settlement of payment obligations may be overseen by the Bank as clearing and settlement systems.

Clause 138 amends not-in-force provisions of the CDICA, enacted under section 212 of the *Budget Implementation Act, 2018, No. 1* (BIA 2018, No. 1)[23] so that, under certain circumstances, an error or omission that results in a failure to meet a requirement of the schedule to the CDICA will not prevent a deposit from being considered a separate deposit.

Clause 139(1) states that clauses 129 to 131 of the bill come into force on a day to be fixed by order of the Governor in Council. Clause 139(2) specifies that clause 132 of the bill comes into force on the second anniversary of the day on which section 212 of the BIA 2018, No. 1 comes into force.

2.4.2 Division 2: Amendments to the *Bank of Canada Act*, the *Pension Benefits Standards Act, 1985* and the *Trust and Loan Companies Act*

An "unclaimed balance" is considered to be any Canadian-dollar account, deposit or negotiable instrument held or issued by a federally regulated bank or trust company that has been inactive for 10 years and whose owner cannot be contacted. Unclaimed balances are transferred to the Bank once a year on 31 December, with the Bank acting as custodian on behalf of the owners.[24]

Division 2 of Part 4 of Bill C-30 deals with unclaimed assets and amends the *Bank of Canada Act*,[25] the *Pension Benefits Standards Act, 1985* (PBSA, 1985),[26] the *Trust and Loan Companies Act* (TLCA)[27] and the *Bank Act*.[28]

Clause 140 of the bill adds section 22(1.31) to the *Bank of Canada Act* to allow for the publication on the Bank of Canada's website of information about debt, instrument, claim or returned payment of assets to facilitate research into them. Clause 140 also clarifies that new section 22(1.31) is also applicable to amounts paid to the Bank before the coming into force of this new section.

Clauses 141 and 142 amend sections 10.3 and 39(1), respectively, of the PBSA, 1985. These changes deal with the transfer of pension plan assets relating to the pension benefit credit of a person who cannot be located by specifying the conditions under which assets may be transferred and the effects of a transfer on any claims that may be made in respect of those assets.

Clauses 143 and 144 amend sections 424 and 425(1) of the TLCA to impose additional requirements on financial institutions in connection with their transfers of unclaimed amounts to the Bank and communications with the owners of those accounts, deposits or instruments, including provisions with respect to unclaimed amounts that are not in Canadian currency. Clauses 145 to 148 make similar amendments to the *Bank Act*. Clause 149 makes coordinating amendments with respect to the coming into force of certain provisions of *An Act to amend the law governing financial institutions and to provide for related and consequential matters*.[29]

Clause 150 specifies that clauses 140 to 148 come into force on a day to be fixed by order of the Governor in Council.

2.4.3 Division 3: Amendments to the *Budget Implementation Act, 2018, No. 2*

Division 3 of Part 4 of Bill C-30 contains amendments to the *Budget Implementation Act, 2018, No. 2* (BIA 2018, No. 2).[30] Section 329 of the BIA 2018, No. 2 amended the *Bank Act* by adding Part XII.2, "Dealings with Customers and the Public," which contains five divisions (new sections 627.01 to 627.998). Section 329 of the BIA 2018, No. 2, which is not yet in force, will come into force on a day to be fixed by order of the Governor in Council.

Section 627.1(1) of the *Bank Act* as enacted by BIA 2018, No. 2, allows for the cancellation of an agreement that an institution enters into with a person in respect of a product or service in Canada, other than a retail deposit account, a deposit-type instrument or a credit card account,

> (a) if it was entered into by mail or orally by telephone, within the prescribed period or, if there is no prescribed period, until the end of the 14th business day after the day on which the agreement is entered into; or
>
> (b) if it was entered into in any other manner, within the prescribed period or, if there is no prescribed period, until the end of the third business day after the day on which the agreement is entered into.

Clause 151(2) of the bill amends section 329 of the BIA 2018, No. 2 by adding section 627.1(1.1) to the *Bank Act*, which provides that section 627.1(1) does not apply to a body corporate, trust or partnership if it is not a business with authorized credit of less than $1,000,000, fewer than 500 employees and annual revenues of less than $50,000,000.[31]

Clause 151(1) amends section 329 of the BIA 2018, No. 2 by amending section 627.1(1) of the *Bank Act* that it enacts so that it applies subject to new section 627.1(1.1).

Clauses 152(1) and 152(2) provide that if section 329 of the BIA 2018, No. 2 comes into force before clause 151,

- clause 151 is deemed never to have come into force and is repealed; and
- section 627.1 of the *Bank Act* is amended to make the same changes that would have been made by clause 151.

Clause 152(3) specifies that if clause 151 comes into force on the same day as section 329 of the BIA 2018, No. 2, clause 151 is deemed to have come into force before section 329.

2.4.4 Division 4: Amendments to the *Trust and Loan Companies Act*, the *Bank Act* and the *Insurance Companies Act*

In Division 4 of Part 4 of Bill C-30, clause 153 amends sections 20(1) and 20(4) of the TLCA to extend the period during which companies, defined as the bodies corporate to which the TLCA applies, may continue to carry on business. The deadline for ceasing business is extended from the fifth anniversary of the day on which the BIA 2018, No. 1 received Royal Assent (21 June 2023) to 30 June 2025.

Clauses 154 and 155 of the bill amend sections 21(1), 21(4), 670(1) and 670(4) of the *Bank Act* to provide the same extension to banks, authorized foreign banks and bank holding companies.

Clauses 156 and 157 amend sections 21(1), 21(4), 707(1) and 707(4) of the *Insurance Companies Act*[32] to provide the same extension to companies, defined as the bodies corporate referred to in section 13(1) of this Act, and to insurance holding companies.

2.4.5 Division 5: Amendments to the *Justice for Victims of Corrupt Foreign Officials Act (Sergei Magnitsky Law)*

Division 5 of Part 4 of Bill C-30 amends the *Justice for Victims of Corrupt Foreign Officials Act (Sergei Magnitsky Law)* (Sergei Magnitsky Law) to reduce the disclosure obligations imposed on entities under that Act.[33] The Sergei Magnitsky Law enables the Government of Canada to implement targeted sanctions, including the freezing of assets, against foreign nationals responsible for gross violations of human rights or public officials responsible for acts of significant corruption.

The entities in question, including banks, credit unions and insurance companies, must determine on a continuing basis whether they are in possession or control of property belonging to a foreign national who has been subject to sanctions made under the Sergei Magnitsky Law.

Clause 158 of the bill amends section 7(1) of the Sergei Magnitsky Law to remove the requirement for entities to make monthly disclosures to their respective supervisory or regulatory agencies in situations where they have no property of a foreign national who has been subject to sanctions under the Act. Instead, they are only required to provide such disclosures where they are in possession or control of such property. In addition, clause 158 provides that when entities learn they are in possession or control of such property, they must, without delay, notify their supervisory or regulatory agency and provide the number of persons or dealings involved and the total value of the property. The amended provision also reduces the frequency with which entities are thereafter required to disclose information on the property in question to their respective supervisory or regulatory agency from once a month to once every three months.

2.4.6 Division 6: Amendments to the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act*

Division 6 of Part 4 of Bill C-30 makes amendments to the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (PCMLTFA) to update the legislative framework to combat these financial crimes.[34]

Section 5 of the PCMLTFA specifies the persons and entities that are subject to the Act.

Clause 159 of the bill amends sections 5(h) and 5(h.1) of the PCMLTFA to extend the application of the Act to persons and entities based in or outside Canada that transport currency or money orders, traveller's cheques or other similar negotiable instruments subject to the PCMLTFA.

Section 9.3 of the PCMLTFA requires a prescribed person or entity to determine whether it is dealing with politically exposed persons.

Clauses 160(1) to 160(4) amend section 9.3(3) of the PCMLTFA to extend the types of positions considered to be held by politically exposed persons as follows:

- by amending the definition of "head of an international organization" to include persons who are the head of an international sports organization; and
- by amending the definition of "politically exposed domestic person" to include members of the legislature of a province and mayors or equivalent officers of a municipal or local government.

Section 11.11 of the PCMLTFA lists the persons or entities not eligible for registration with the Financial Transactions and Reports Analysis Centre of Canada (FINTRAC) as a "money services business," as defined in section 1(2) of the *Proceeds of Crime (Money Laundering) and Terrorist Financing Regulations*.[35]

Clause 162(1) amends section 11.11(1) of the PCMLTFA by expanding the list of persons or entities not eligible for registration with FINTRAC to include a "foreign national," as defined in section 2 of the Sergei Magnitsky Law, who is the subject of an order or regulation or whose property is the subject of an order under that Act, and a "politically exposed foreign person," as defined in section 2(1) of the *Freezing Assets of Corrupt Foreign Officials Act*,[36] whose property is the subject of an order or regulation under that Act.

Clause 162(2) amends section 11.11(1)(c)(iv) of the PCMLTFA by expanding the list of persons or entities ineligible for registration with FINTRAC to include persons convicted of certain offences under the *Criminal Code*, including offences related to weapons trafficking, human trafficking, extortion or materially benefitting from human trafficking, sexual services or the distribution of child pornography. It also expands the list to include persons who have been convicted under the *Immigration and Refugee Protection Act*[37] of human smuggling or trafficking, or counselling to commit such an offence.

Clause 162(3) amends section 11.11(1)(d) of the PCMLTFA by expanding the list of persons or entities ineligible for registration with FINTRAC to include persons who are convicted on indictment under the *Customs Act* of smuggling[38] or convicted on indictment under the ITA of tax evasion.[39]

Section 11.42 of the PCMLTFA provides for written ministerial directives that require any person or entity referred to in section 5 of the PCMLTFA to safeguard the integrity of Canada's financial system.

Clause 163 amends section 11.42(2)(b) by adding that the measures specified in a directive may include ascertaining the source of virtual currency in any financial transaction.

Clause 164 adds three sections to the PCMLTFA regarding FINTRAC's appropriation of funds:

- Section 50.1(1) allows the Minister of Finance to advance amounts out of the Consolidated Revenue Fund to FINTRAC on terms and conditions specified by the minister to permit it to defray its costs of operation in any fiscal year.
- Section 50.1(2) allows FINTRAC to spend assessments and other revenues received through the conduct of its operations.
- Section 50.1(3) specifies that the Minister of Finance may make a payment out of the Consolidated Revenue Fund to FINTRAC, subject to approval by the Treasury Board, for the purposes of carrying out research and public education activities on the recommendation of the minister.

Clause 165 amends the PCMLTFA by adding sections 51.1 to 51.4, which set out the assessment of expenses incurred by FINTRAC or the assessment of expenses for services provided by FINTRAC to a prescribed person or entity. These new provisions stipulate the following:

- FINTRAC must ascertain, each year before 31 December, the total amount of expenses incurred during the preceding fiscal year in connection with the administration of the PCMLTFA, excluding the expenses incurred for the disclosure of designated information (new section 51.1(1)).
- The amount ascertained in new section 51.1(1) is final and conclusive (new section 51.1(2)).
- After ascertaining the amount under new section 51.1(1), FINTRAC must assess as soon as is feasible, a portion of the total amount of expenses against reporting entities to the prescribed extent and in the prescribed manner (new section 51.1(3)).
- FINTRAC may make an interim assessment against reporting entities in each fiscal year (new section 51.1(4)).
- FINTRAC may assess against a person or entity any charges or disbursements for services provided by FINTRAC (new section 51.2(1)).
- FINTRAC may make an interim assessment, in each fiscal year, against reporting entities towards the amount to be assessed against them under new section 51.2(1) (new section 51.2(2)).
- For the purposes of making an assessment or interim assessment, FINTRAC may collect prescribed information that is publicly available, provided to FINTRAC under an agreement, or provided upon request as specified in new section 51.3(2) (new section 51.3(1)).
- FINTRAC may request reporting entities to provide FINTRAC with the prescribed information. The reporting entities and the information must be prescribed in the PCMLTFA (new section 51.3(2)).
- Every assessment and interim assessment is final and conclusive and binding on the person or entity against which it is made (new section 51.4(1)).
- Every assessment and interim assessment constitutes a debt due to the Crown, is immediately payable and may be recovered as a debt in any court of competent jurisdiction (new section 51.4(2)).
- Interest may be charged on the unpaid amount of an assessment or interim assessment at a rate equal to the rate prescribed under the ITA (new section 51.4(3)).

Clause 166 amends the PCMLTFA to add section 54(1.1), which specifies that for the purpose of analyzing and assessing the report from a person or entity, FINTRAC may request that the person or entity provide any additional information required in the report.

Section 55 of the PCMLTFA provides for the disclosure and use of information submitted by reporting persons or entities to FINTRAC.

Clause 167(1) amends section 55(1) by adding sections 53.1 and 58.1 of the PCMLTFA to the list of provisions that qualify the general prohibition on disclosure of certain information by FINTRAC.

Clause 167(3) amends sections 55(7)(b) to 55(7)(d) of the PCMLTFA by clarifying the list of designated information that FINTRAC may disclose to the relevant police authorities, federal departments and agencies identified in section 55(3) that are responsible for Canada's anti-money laundering regime. Information regarding attempted financial transactions deemed relevant to investigating or prosecuting a money-laundering offence or a terrorist activity financing offence may now be disclosed. Clause 167(3) also adds the following to the list of designated information that FINTRAC may disclose the following:

- in the case of transactions involving virtual currency, the transaction identifiers, including sending and receiving addresses (new section 55(7)(d.i)); and
- in the case of a transaction or attempted transaction, the source of funds, the source of virtual currency and other information regarding the person or entity that is the source of funds or virtual currency, including the name, account or policy number, or other identifying number of the person or entity (new section 55(7)(d.2)).

Clause 167(7) amends sections 55(7)(r) and 55(7)(s) by clarifying that if an entity is a trust, the designated information that FINTRAC may disclose includes information regarding every trustee and every known beneficiary and settlor of the trust. This clause also clarifies that the beneficial ownership information of a trust that is widely held or publicly traded is included among the designated information that FINTRAC may disclose.

Section 55.1 of the PCMLTFA sets out provisions in respect of the disclosure of information by FINTRAC pertaining to relevant threats to the security of Canada.

Clause 168(1) amends section 55.1(1)(e) by clarifying that FINTRAC may disclose information to the Department of National Defence and the Canadian Forces, "if it has reasonable grounds to suspect that the information is relevant to the conduct of the [d]epartment's or the Canadian Forces' investigative activities related to such a threat."

Clause 168(3) amends sections 55.1(3)(b) to 55.1(3)(d) by clarifying that the list of designated information that FINTRAC may disclose to police and certain federal partners responsible for dealing with threats to the security of Canada includes information regarding an attempted financial transaction. This clause also adds the following to the list of designated information that FINTRAC may disclose:

- in the case of transactions involving virtual currency, the transaction identifiers, including sending and receiving addresses (new section 55.1(3)(d.1)); and
- in the case of a transaction or attempted transaction, the source of funds, the source of virtual currency and other information regarding the person or entity that is the source of funds or virtual currency, including the name, account or policy number, or other identifying number (new section 55.1(3)(d.2)).

Clause 168(7) amends sections 55.1(3)(r) and 55.1(3)(s) by clarifying that if an entity is a trust, the designated information that FINTRAC may disclose includes information regarding every trustee and every known beneficiary and settlor of the trust. This clause also clarifies that the beneficial ownership information of a trust that is widely held or publicly traded is included among the designated information that FINTRAC may disclose.

Section 56.1 of the PCMLTFA specifies the rules governing the disclosure of designated information by FINTRAC to foreign agencies.

Clause 169(2) amends sections 56.1(5)(b) to 56.1(5)(d) by clarifying that the list of designated information that FINTRAC may disclose to foreign agencies regarding a suspected money laundering or terrorist financing offence includes information regarding an attempted financial transaction. Clause 169(2) also adds the following to the list of designated information that FINTRAC may disclose:

- in the case of transactions involving virtual currency, the transaction identifiers, including sending and receiving addresses (new section 56.1(5)(d.1)); and
- in the case of a transaction or attempted transaction, the source of funds, the source of virtual currency, and other information regarding the person or entity that is the source of funds or virtual currency, including the name, account or policy number, or other identifying number (new section 56.1(5)(d.2)).

Clause 169(6) amends sections 56.1(5)(q) and 56.1(5)(r) by clarifying that if an entity is a trust, the designated information that FINTRAC may disclose includes information regarding every trustee and every known beneficiary and settlor of the trust. This clause also clarifies that the beneficial ownership information of a trust that is widely held or publicly traded is included among the designated information that FINTRAC may disclose.

Section 73(1) of the PCMLTFA describes how the Governor in Council, on the recommendation of the Minister of Finance, may make any regulations that the Governor in Council considers necessary for carrying out the purposes and provisions of the Act.

Clause 170 adds sections 73(1)(k.1) and 73(1)(k.2), which provide for regulation-making authority regarding the assessments referred to in new sections 51.1 and 51.2, respectively, of the PCMLTFA.

Clause 171 amends sections 74(1)(a) and 74(2)(a) of the PCMLTFA by increasing the penalty on summary conviction when a person or entity is found guilty of an offence under these two sections. The penalty is increased from a fine of not more that $50,000 or imprisonment for a term up to six months, or both, to a fine of not more than $250,000 or imprisonment for a term of not more than two years less a day, or both.

Section 75(1) of the PCMLTFA specifies the fine and term of imprisonment for contraventions of the Act under sections 7 and 7.1, which set out reporting requirements to FINTRAC, and section 11.49(1), which allows the Governor in Council the power to make regulations that impose a limitation or prohibition on any reporting person or entity with respect to entering into, undertaking or facilitating, directly or indirectly, any financial transaction originating from or bound for any foreign state or foreign entity.

Clause 172 amends section 75(1) by removing the requirement for the person or entity to have "knowingly" contravened section 7 or 7.1 or any regulation made under section 11.49(1) to be deemed guilty of an offence under this provision. This clause also amends the penalty on summary conviction when found guilty of an offence under section 75(1). It eliminates the lesser penalty for a first-time offence of $500,000 or a term of imprisonment of not more than six months, or both, making the sole penalty on summary conviction a fine of not more than $1,000,000 or imprisonment for a term of not more than two years less a day, or both.

Section 77(1) of the PCMLTFA specifies the fine for a person or entity found guilty of the offence of failing to disclose financial transactions to FINTRAC in contravention of section 9(1) or 9(3). Section 77(2) of the PCMLTFA specifies the fine for a person or entity in contravention of section 11.43 and found guilty of the offence of failing to comply with reporting measures under section 11.42(2)(e) specified in a ministerial directive issued under section 11.42(1).

Clause 173 of the bill amends sections 77(1) and 77(2) by eliminating the lesser penalty for a first-time offence of a fine of not more than $500,000, making the sole penalty a fine of not more than $1,000,000.

Section 77.1 of the PCMLTFA specifies the fine and term of imprisonment for a person or entity who provides false or misleading information when registering with FINTRAC.

Clause 174 amends section 77.1(a) by increasing the penalty on summary conviction when found guilty of an offence under section 77.1 from the current penalty of a fine of not more than $50,000 or a maximum term of imprisonment of six months, or both, to a fine of not more than $250,000 or imprisonment for a term of not more than two years less a day, or both.

Section 79 of the PCMLTFA sets out rules governing the prosecution of offences by an employee, agent or mandatary of a reporting person or entity.

Clause 175 amends section 79 by removing the "due diligence defence" for persons or entities accused of committing an offence under section 77.1 of the PCMLTFA. It also clarifies that the "due diligence defence" is applicable to both persons and entities accused of committing an offence under section 75 or 77.

Various clauses of Division 6 of Part 4 of the bill amend a number of sections of the French version of the PCMLTFA to better match the English version or to correct grammatical errors.[40]

Clause 176 specifies that clauses 159, 164, 165 and 170 of the bill come into force on a day or days to be fixed by order of the Governor in Council.

2.4.7 Division 7: Enactment of the Retail Payment Activities Act and Related Amendments to Other Acts

Division 7 of Part 4 of Bill C-30 consists of 11 clauses. Key provisions are discussed below.

Clause 177 of the bill enacts the Retail Payment Activities Act (RPAA), which establishes an oversight framework for retail payment activities. Under the RPAA, the Bank of Canada (the Bank) oversees the retail payment activities of payment service providers (PSPs). The RPAA consists of eight parts and 108 sections.

2.4.7.1 Preamble, Definitions and Application

As set out in the preamble to the statute, the purpose of the RPAA is to

- address risks related to national security that could be posed by PSPs;
- supervise and regulate retail payment activities to mitigate operational risks and safeguard end-user funds; and
- foster competition and innovation in payment services by building confidence in the retail payment sector.

Key definitions listed in section 2 of the RPAA include

- "end user," which is an individual or entity that uses a payment service as a payer or payee;

- "payment function," which means

  (a) the provision or maintenance of an account that, in relation to an electronic funds transfer, is held on behalf of one or more end-users,

  (b) the holding of funds on behalf of an end user until they are withdrawn by the end user or transferred to another individual or entity,

  (c) the initiation of an electronic funds transfer at the request of an end user,

  (d) the authorization of an electronic funds transfer or the transmission, reception or facilitation of an instruction in relation to an electronic funds transfer, or

  (e) the provision of clearing or settlement services;

- "payment service provider," which is "an individual or entity that performs payment functions as a service or business activity that is not incidental to another service or business activity"; and
- "retail payment activity," which is "a payment function that is performed in relation to an electronic funds transfer that is made in the currency of Canada or another country using a unit that meets prescribed criteria."

Sections 4 and 5 of the RPAA indicate that the Act applies to the following:

- any retail payment activity that is performed for an end user by a PSP that has a place of business in Canada; and
- any retail payment activity that is performed for an end user in Canada by a PSP that does not have a place of business in Canada but does direct retail payment activities at individuals or entities in Canada.

However, sections 6 to 10 the RPAA provide that the Act does not apply to the following:

- selected payment functions related to electronic funds transfers, including transfers involving certain types of merchant gift cards, eligible financial contracts or securities as defined in section 39.15(9) of the *Canada Deposit Insurance Corporation Act*, cash withdrawals at automatic teller machines and other prescribed retail payment activities;
- a payment function performed using a system that is designated under section 4 of the PCSA;
- a retail payment activity performed internally between affiliated entities; and

- retail payment activities provided by a PSP that is a federally or provincially regulated financial institution, the Canadian Payments Association, the Bank or a prescribed individual or entity.

2.4.7.2 Part 1: Bank of Canada and Minister of Finance

Section 12 of the RPAA states that the objects of the Bank under the Act are the following: 1) to supervise PSPs that perform retail payment activities to ensure compliance with the RPAA; 2) to promote the adoption of relevant policies and procedures by PSPs to meet their obligations under the RPAA; and 3) to monitor and evaluate trends and issues related to retail payment activities. The Bank must consider the efficacy of payment services and the interests of end users when pursing its objects.

Section 14 of the RPAA states that both the Bank and the Minister of Finance may issue guidelines with respect to certain provisions of the RPAA, with the minister's guidelines being related to national security.

2.4.7.3 Part 2: Operational and Financial Measures

"Operational risk" is defined in section 2 of the RPAA as a risk that any of the following will result in the reduction, deterioration or breakdown of retail payment activities that are performed by a PSP:

- a deficiency in the PSP's information system or internal process;
- a human error;
- a management failure; or
- a disruption caused by an external event.

With respect to operational risks faced by PSPs, section 17 of the RPAA requires PSPs to establish and maintain a risk management and incident response framework, which is subject to assessment by the Bank or its designated person. Under section 18, a PSP is required to notify the Bank and any affected end users, PSPs or clearing houses of any incident that has a material impact on those affected. An "incident" is defined in section 2 as

> an event or series of related events that is unplanned by a [PSP] and that results in or could reasonably be expected to result in the reduction, deterioration or breakdown of any retail payment activity that is performed by the [PSP].

To reduce financial risk to end users, section 20 requires a PSP that holds end-user funds but whose accounts are not covered by provincial deposit insurance to hold end-user funds as follows:

- in a trust account that is not used for any other purpose;
- in a prescribed account or in a prescribed manner; or
- in an account that is not used for any other purpose, but has insurance or a guarantee for amounts held in the account.

Section 21 provides that a PSP must submit an annual report to the Bank that includes prescribed information about the PSP's risk management and incident response framework and how it safeguards end-user funds. Section 22 also requires a PSP to notify the Bank if it makes a significant change in the way it performs a retail payment activity. "Significant change" is defined as a change that "could reasonably be expected to have a material impact on operational risks or the manner in which end-user funds are safeguarded."

2.4.7.4 Part 3: Registration

Section 23 of the RPAA requires PSPs to register with the Bank before performing retail payment activities.

Sections 25 and 26 state that, subject to some exceptions, the Bank must register any individual or entity that applies for registration and it must maintain a public registry of registered PSPs. Furthermore, under section 27, the Bank must also maintain and publish a list of the individuals and entities that it has refused to register and the PSPs that have had their registration revoked, including reasons for refusal or revocation.

As set out in section 29, applications for registration must include the prescribed registration fee and include information such as the applicant's name and address, how the applicant's business is structured, a detailed description of the retail payment activities the applicant intends to perform, as well as declarations that state if the applicant has a place of business in Canada and whether the applicant is registered with FINTRAC.

Of note, sections 31 and 33 provide that the Bank, once an application for registration is complete, must provide specified information about the applicant to FINTRAC and a copy of the application to the Minister of Finance.

Sections 32 to 47 set out the process by which the minister can review or refuse an application or revoke registration of a PSP for reasons related to national security. Section 34 allows the minister to review an application if the minister believes it is necessary for reasons of national security. Under sections 40 and 45, the minister can issue a directive to the Bank to refuse to register an applicant or to send a notice of intent to revoke registration of a PSP for reasons related to national security. Sections 42 and 43 allow the minister to require an individual or entity to provide an undertaking or agree to conditions if the minister believes that it is necessary for national security reasons. Under sections 41 and 46, an applicant or PSP can make a request to the minister for a review of a directive or a notice of intent to revoke registration.

Similarly, sections 48 to 57 describe the process by which the Bank can refuse to register an applicant or revoke registration of a PSP for reasons related to failing to provide required information or providing false or misleading information; for violations of the PCMLTFA or the RPAA; for no longer performing retail payment activities; or, for PSPs not based in Canada, for unpaid penalties for violations of the RPAA. Sections 50 and 53 of the RPAA allow the applicant or PSP to make a request to the Governor of the Bank to review the notice of refusal to register or notice of intent to revoke registration. If an applicant or PSP's request for review by the Governor of the Bank is unsuccessful, section 58 allows an applicant or PSP to make an appeal to the Federal Court.

2.4.7.5 Part 4: Confidentiality of Information

Sections 62 and 63 of the RPAA provide that any information that the Bank or the Minister of Finance obtains under the Act is treated as confidential. However, the Bank may disclose certain information if it is required to make it public, and the Bank and the minister can provide information to any government or regulatory body if that body also agrees to treat the information as confidential.

2.4.7.6 Part 5: Administration and Enforcement

Sections 65 to 71 of the RPAA provide that the Bank can take the following actions with respect to the administration and enforcement of the Act in respect of a PSP that provides retail payment activities:

- request information from a PSP to verify compliance with the RPAA;
- request information from an individual or entity to determine whether the individual or entity is a PSP;
- direct a special audit of a PSP for the purposes of verifying compliance, at the PSP's expense;
- enter into a compliance agreement with a PSP for the purpose of implementing any measure designed to further compliance with the RPAA by the PSP; and
- designate "authorized persons" who, for the purpose of verifying compliance, can enter into a place of business and use any computer system to examine records and inquire into the business and affairs of a PSP, subject to a requirement to obtain a warrant to enter a place of business that is located in a residence ("dwelling-house").

Similarly, sections 72 to 75 provide that the Minister of Finance can designate "authorized persons" to examine records and inquire into the business and affairs of persons or entities for purposes related to verifying compliance with an undertaking provided under section 42 or condition of registration pursuant to section 43.

Section 76 states that contraventions of the RPAA are considered violations that are liable to prescribed administrative monetary penalties and that the purpose of the penalty is to promote compliance with the RPAA and not to punish.

Of note, sections 76(2) and 76(3) provide that the Bank can issue and serve a notice of violation if the Bank believes a PSP or other individual or entity has committed a violation. However, in the case of a PSP, the Bank can instead issue and serve a notice of violation with an offer to reduce the penalty by half if the PSP enters into a compliance agreement with the Bank. Sections 77 to 83 set out the procedures for paying the reduced penalty and the terms of the compliance agreement, as well as procedures to be followed in the event of non-payment of the administrative monetary penalty or a refusal to comply with the terms of a compliance agreement.

Section 94 provides that if the Governor of the Bank is of the opinion that a PSP is committing or about to commit an act that could have a "significant adverse impact" on an individual or entity, the Governor can issue a compliance order that directs the PSP to refrain from committing the act and to perform any acts necessary to remedy the situation, subject to a requirement to allow the PSP to make representations prior to issuing the order. If the Governor thinks that the length of time required for making representations might be prejudicial to the public interest, a temporary compliance order valid for a maximum of 30-days can be issued.

Section 96 provides similar powers to the minister to issue a compliance order for national security reasons.

2.4.7.7 Part 6: Assessment Fees

With respect to assessment fees, section 99 of the RPAA stipulates that the Bank must ascertain, by 30 September of each year, its total expenses incurred in the previous calendar year for its administration of the Act and deduct from that amount any registration fees paid to it in that preceding calendar year. A portion of any remaining amount is to be assessed against each registered PSP, in the prescribed manner. The Bank can also prepare an interim assessment fee against any registered PSP.

Section 100 provides that the Bank may ask a registered PSP to provide information, within the prescribed period, that the Bank considers necessary to calculate assessment or interim assessment fees.

2.4.7.8 Part 7: Regulations

According to section 101 of the RPAA, the Governor in Council can make regulations on a range of matters, including regulations

- with respect to risk management and incident response frameworks and the safeguarding of end-user funds;
- that classify violations as minor, serious or very serious;
- that establish penalties with respect to violations, up to a maximum of $10,000,000; and
- that determine the amount of the registration fee.

2.4.7.9 Part 8: Transitional Provisions

Sections 103 to 108 of the RPAA describe the various procedural issues that may occur during the transition period. Section 103 defines the "transition period" as the period that

- begins on the day that section 29, which is the provision describing how PSPs should apply for registration, comes into force; and
- ends on the day before the day on which section 25(1), which sets out the Bank's duty to register any individual or entity that applies for registration, comes into force.

2.4.7.10 Related and Coordinating Amendments

Clauses 178 and 179 of Bill C-30 amend sections 45.2 and 45.3(3)(f), respectively, of the CDICA to allow the Canada Deposit Insurance Corporation to disclose confidential information to the Bank for the purposes of the RPAA. Similarly, clause 183 of the bill amends section 17(4) of the *Financial Consumer Agency of Canada Act*[41] and clause 184 amends section 5(7) of the *Payment Card Networks Act*[42] to allow the disclosure of confidential information by the Financial Consumer Agency of Canada to the Bank for the purposes of the RPAA.

Clause 180 adds section 53.6 to the PCMLTFA to provide that FINTRAC will notify the Bank if

- an applicant or PSP has been found guilty of contravening certain provisions or has been imposed a penalty for certain violations of the PCMLTFA; or
- if an applicant is not registered or if a PSP's registration has been revoked under the PCMLTFA.

As well, clauses 181 and 182 permit FINTRAC to disclose information to the Bank that is relevant to the Bank's objects under the RPAA.

Clauses 185 and 186 of the bill provide coordinating amendments for certain provisions of the RPAA, the PCMLTFA, the BIA 2018, No. 1 and the CDICA.

2.4.7.11 Coming into Force

Clause 187 of Bill C-30 provides that sections 1 to 10, 12 to 16, 61, 62(1), 62(3), 62(4) and 63 of the RPAA come into force on Royal Assent, while the remaining sections, as well as clauses 180 and 181 of the bill, come into force on a day or days to be fixed by order of the Governor in Council.

2.4.8 Division 8: Amendments to the *Pension Benefits Standards Act, 1985*

In Budget 2021, the federal government announced its intention to "establish a revised framework for multi-employer negotiated contribution pension plans that strengthens plan governance, transparency, and sustainability of benefits."[43] The *Pension Benefits Standards Act, 1985* (PBSA, 1985) defines a negotiated contribution plan as a multi-employer pension plan

- that "includes at least one defined benefit provision";
- under which "a participating employer's contributions are limited to an amount determined in accordance with an agreement entered into by the participating employers or a collective agreement, statute or regulation"; and
- under which the amount of the employer's contributions does not vary as a function of the solvency of the plan.[44]

Section 10 of the PBSA, 1985 sets out the obligations of a pension plan administrator with respect to the registration of a pension plan, including the filing of the plan with the Superintendent of Financial Institutions.

In Division 8 of Part 4 of Bill C-30, clause 188 amends section 10 of the PBSA, 1985 by adding sections 10(7) to 10(10) to require an administrator of a new negotiated contribution plan to establish a funding policy and a governance policy that contain the information prescribed in regulations before the plan is filed for registration. Or, in the case of a plan that was already registered or had filed for registration before the coming into force of this requirement, to establish these policies within one year after the date of coming into force. The administrator is not required to file these policies with the Superintendent of Financial Institutions but must ensure that they comply with the PBSA, 1985 and its regulations while the plan remains in force.

Clause 189 of the bill amends section 10.1(2)(a) of the PBSA, 1985 to clarify that this paragraph applies to all pension plans. Sections 10.1(2)(b) to 10.1(2)(d) are amended and renumbered by the bill to make a distinction between a negotiated contribution pension plan and other types of pension plans. Amended section 10.1(2)(b) applies to a pension plan that is not a negotiated contribution pension plan, stipulating that an amendment to such a pension plan, is void if

> (i) the solvency ratio of the pension plan would fall below the prescribed solvency ratio level;
>
> (ii) the amendment would reduce the solvency ratio of the pension plan and the solvency ratio would be below the prescribed solvency ratio level once the amendment is made; or
>
> (iii) the solvency ratio of the pension plan is below the prescribed solvency ratio level and the amendment would increase pension benefits or pension benefit credits.

Amended section 10.1(2)(c) provides that an amendment to a negotiated contribution plan is void if the amendment does not meet the requirements of the regulations.

Clause 190 adds section 39(1)(h.3) to the PBSA, 1985 to allow the Governor in Council to make regulations respecting amendments to negotiated contribution plans referred to in amended section 10.1(2)(c).

The amendments contained in Division 8 of Part 4 come into force on a day to be fixed by order of the Governor in Council.

2.4.9 Division 9: Amendments to the *First Nations Fiscal Management Act*

Division 9 of Part 4 of Bill C-30 amends the *First Nations Fiscal Management Act*.[45] Clause 192 of the bill adds section 88.1 to the *First Nations Fiscal Management Act* to enable a First Nation that is a borrowing member of the First Nations Finance Authority to assign its rights to various revenues payable by Her Majesty in right of Canada for the purpose of securing financing.[46] New section 88.1(2) provides that the assignment of these rights is not binding on the Crown and does not create any liability to the assignee on the part of the Crown; a minister or other person acting on behalf of the Crown is not required to pay the assigned revenues; and the rights of the assignee are subject to set-off or compensation rights in favour of the Crown.

2.4.10 Division 10: Amendments to the *Federal-Provincial Fiscal Arrangements Act* (Fiscal Stabilization Payments)

The Fiscal Stabilization Program was created in 1967 to provide financial assistance to provinces that are facing significant declines in their revenues resulting from extraordinary economic downturns. Currently, a province is eligible for a payment under the program if it experiences a year-over-year reduction of more than 5% of its non-natural resource revenues or 50% of its natural resource revenues. Fiscal stabilization payments have been subject to a limit of $60 per capita since 1987.[47]

Division 10 of Part 4 of Bill C-30 amends the *Federal-Provincial Fiscal Arrangements Act* (FPFAA)[48] to increase the payment limit per capita, make a number of technical changes to the formula for calculating fiscal stabilization payments and set a new deadline for making a claim under the program. The increase in the payment limit per capita begins to apply in the 2019–2020 fiscal year. The other changes only come into force in the 2021–2022 fiscal year, as provided for under clause 195 of the bill.

2.4.10.1 Increase in the Payment Limit Per Capita

Clause 193(5) of Bill C-30 amends section 6(8) of the FPFAA to increase the payment limit per capita to $166 for the 2018–2019 fiscal year and index this limit for subsequent fiscal years based on the growth of the Canadian nominal gross domestic product (GDP) per capita. Specifically, amended section 6(8) provides that, for each fiscal year after 2018–2019, the $166 limit per capita is indexed by the ratio of the highest per capita nominal GDP of Canada of any calendar year from 2018 to the calendar year that ends during the fiscal year, inclusive, to the per capita nominal GDP of Canada for the calendar year 2018. Since the minimum value of this ratio is 1, the payment limit per capita can only increase or remain constant.

As well, clause 193(5) of the bill adds section 6(8.1) to the FPFAA, which states that the population of a province for a fiscal year is its population as of 1 July of that year, and that the Canadian nominal GDP per capita for a calendar year is to be determined by the Minister of Finance using the population of Canada as of 1 July of that year, based on the most recent information for the population prepared by Statistics Canada. Clause 194(1) amends section 40(a.1) of the FPFAA to allow the Governor in Council to make regulations respecting the information that must be prepared by Statistics Canada under new section 6(8.1).

2.4.10.2 Changes to the Formula

Currently, a fiscal stabilization payment triggered by a decline in non-natural resource revenues in a fiscal year is reduced if there is an increase in natural resource revenues in that fiscal year. Similarly, a fiscal stabilization payment triggered by a decline in natural resource revenues in a fiscal year is reduced if non-natural resource revenues decrease by less than 5% or increase in that fiscal year. Clauses 193(1) and 193(2) of Bill C-30 amend the formula for calculating fiscal stabilization payments under section 6(1) of the FPFAA so that a payment triggered by a decline in non-natural resource revenues in a fiscal year is reduced if natural resource revenues decrease by less than 5% or increase in that fiscal year.

Section 6(4)(b) of the FPFAA excludes equalized tax-point transfers[49] to a province from the definition of non-natural resource revenue. Clause 193(3) of the bill amends this section to include equalized tax point transfers in the definition of non-natural resource revenue.

Sections 6(5)(b) and 6(5)(c) of the FPFAA provide that the amounts of personal and corporate income tax revenue of a province used in the calculation of non-natural resource revenue for a fiscal year are based on the amounts of provincial personal and corporate income taxes assessed or reassessed, not later than 24 months after the end of the fiscal year, in respect of the taxation year ending in the fiscal year, minus the amounts of tax credits and rebates deducted from these taxes. Clause 193(4) amends these sections so that the amounts of provincial personal and corporate income tax revenue used in the calculation of non-natural resource revenue are based on the amounts of taxes that are payable as a result of assessments or reassessments made in the calendar year that begins in the fiscal year for which a claim is made. Clause 194(2) creates new section 40(a.4) to allow the Governor in Council to make regulations respecting the determination of a province's personal and corporate income tax revenue amounts under sections 6(5)(b) and 6(5)(c).

2.4.10.3 New Application Deadline

Clause 193(5) of Bill-30 amends section 6(7) of the FPFAA to change the application deadline for a province under the program from 18 months after the end of the fiscal year for which a claim is made to the end of the fiscal year following the fiscal year for which a claim is made.

2.4.11 Division 11: Amendments to the *Federal-Provincial Fiscal Arrangements Act* (Additional Health Payments)

Division 11 of Part 4 of Bill C-30 amends the FPFAA. Clause 196 of the bill adds section 24.72 to the FPFAA, which authorizes the Minister of Finance to make the following additional payments totalling $4 billion to the provinces and territories through the Canada Health Transfer:

- $1,550,847,000 for Ontario;
- $902,412,000 for Quebec;
- $103,022,000 for Nova Scotia;
- $82,196,000 for New Brunswick;
- $145,208,000 for Manitoba;
- $541,788,000 for British Columbia;
- $16,792,000 for Prince Edward Island;

- $124,089,000 for Saskatchewan;
- $465,330,000 for Alberta;
- $55,009,000 for Newfoundland and Labrador;
- $4,427,000 for Yukon;
- $4,756,000 for the Northwest Territories; and
- $4,124,000 for Nunavut.

2.4.12 Division 12: Payments in Relation to Canada's COVID-19 Immunization Plan

Division 12 of Part 4 of Bill C-30 authorizes the Minister of Finance to make payments totalling $1 billion to the provinces and territories in respect of Canada's COVID-19 immunization plan.[50] Clause 197 of the bill provides for the following amounts:

- $387,712,000 for Ontario;
- $225,603,000 for Quebec;
- $25,755,000 for Nova Scotia;
- $20,549,000 for New Brunswick;
- $36,302,000 for Manitoba;
- $135,447,000 for British Columbia;
- $4,198,000 for Prince Edward Island;
- $31,022,000 for Saskatchewan;
- $116,333,000 for Alberta;
- $13,752,000 for Newfoundland and Labrador;
- $1,107,000 for Yukon;
- $1,189,000 for the Northwest Territories; and
- $1,031,000 for Nunavut.

2.4.13 Division 13: Payments in Relation to Infrastructure and Amendments to the *Keeping Canada's Economy and Jobs Growing Act*

Division 13 of Part 4 of Bill C-30 provides for additional payments to the provinces and territories for infrastructure spending. Clause 198 of the bill authorizes up to $2.2 billion in additional payments for infrastructure projects through the Canada Community-Building Fund (formerly known as the Gas Tax Fund) at the request of the Minister of Infrastructure and Communities or the Minister of Indigenous Services, in accordance with terms and conditions approved by the Treasury Board. These payments supplement the existing $2 billion specified in section 161 of the *Keeping Canada's Economy and Jobs Growing Act*,[51] which was amended by section 233 of the *Economic Action Plan 2013 Act, No. 1*[52] and section 375(1)(i) of the *Budget Implementation Act, 2019, No. 1*.[53]

Clause 199 of the bill amends the heading of Part 9 of the *Keeping Canada's Economy and Jobs Growing Act* to rename the Gas Tax Fund the Canada Community-Building Fund.

2.4.14 Division 14: *Hibernia Dividend Backed Annuity Agreement*: Annual Payments to Newfoundland and Labrador

The Hibernia oil field was discovered in 1979 off the coast of St. John's, Newfoundland and Labrador. Construction of the Hibernia oil project began in 1990 with financial support from the federal government.

The Canada Hibernia Holding Corporation, a wholly owned subsidiary of the Canada Development Investment Corporation (CDEV), was established in 1993 to hold, manage, administer and operate the Government of Canada's 8.5% working interest in the Hibernia project, and subsequently the Government of Canada's 5.7% working interest in the Hibernia South Extension project.

The *Hibernia Dividend Backed Annuity Agreement* of 1 April 2019 maintains and strengthens Newfoundland and Labrador's right under the Atlantic Accord to be the primary beneficiary of oil and gas resources off its shores. It provides for the following:

- The Government of Canada will provide $2.5 billion to Newfoundland and Labrador through secure, long-term, predictable annual payments made by CDEV, starting in 2019–2020 and concluding in 2056–2057.
- Newfoundland and Labrador will provide $800 million to the Government of Canada through annual payments made to CDEV, starting in 2045–2046.
- The Government of Canada and the Government of Newfoundland and Labrador will work together to resolve several other matters to deepen their partnership, including jointly finalizing improvements to the Atlantic Accord Acts in areas of land tenure and worker safety.[54]

Division 14 of Part 4 of Bill C-30 provides for new annual transfers from the Government of Canada to the Government of Newfoundland and Labrador related to the Hibernia project. Clause 200(1) of the bill authorizes, on the requisition of the Minister of Finance and in accordance with the terms and conditions provided for in the *Hibernia Dividend Backed Annuity Agreement*, annual payments out of the Consolidated Revenue Fund to Newfoundland and Labrador to a maximum amount of $3,056,491,000.

Clause 200(2) stipulates that a payment out of the Consolidated Revenue Fund must not be made after 31 March 2057.

2.4.15 Division 15: Amendments to the *Nova Scotia and Newfoundland and Labrador Additional Fiscal Equalization Offset Payments Act*

Division 15[55] of Part 4 of Bill C-30 requires the Minister of Finance to make additional fiscal equalization offset payments to Nova Scotia from 2020–2021 to 2022–2023. These payments will offset the equalization payment reductions over that period that result from an arbitration settlement the province received in 2018 concerning past royalties from an offshore natural gas project.

Each year, the federal government makes equalization payments to less prosperous provincial governments to enable them "to provide reasonably comparable levels of public services at reasonably comparable levels of taxation."[56]

Equalization payments are calculated using a formula that determines the per capita fiscal capacity of each province; provinces with a per capita fiscal capacity lower than the average of the 10 provinces receive a payment to make up for that difference. Fiscal capacity is based on all provincial government revenues divided into five categories: personal income taxes, business income taxes, consumption taxes, property taxes and natural resource revenues. For all revenue categories except natural resource revenues, fiscal capacity is the amount of revenue that would be generated if all provinces had identical average tax rates.

For natural resource revenues, actual revenue figures rather than an average tax rate are used to calculate fiscal capacity for that category. This is necessary because of the wide range of natural resources and royalty systems used by the provinces. Equalization entitlements are calculated in two ways: one that includes 50% of natural resource revenues and one that excludes these revenues. Whichever option yields the largest payment is the one selected.[57]

In 2005, the federal government reached an arrangement with the Government of Nova Scotia under which the province received payments that fully offset the equalization payment reductions that result from including offshore natural resource revenues in the determination of fiscal capacity. This arrangement was made in recognition of "the unique economic and fiscal challenges faced by Nova Scotia and the strong commitment of the province to improve its fiscal situation."[58] It was implemented with the adoption of the *Nova Scotia and Newfoundland and Labrador Additional Fiscal Equalization Offset Payments Act*.[59] Table 1 shows the payments Nova Scotia received through this arrangement from 2012–2013 to 2019–2020.

Table 1 – Payments Received by Nova Scotia under the 2005 Arrangement Between the Government of Canada and the Government of Nova Scotia on Offshore Revenues and Equalization Payments Received by that Province ($ millions)

Type of Payment	2012–2013	2013–2014	2014–2015	2015–2016	2016–2017	2017–2018	2018–2019	2019–2020
Offshore Offset Payments	146	89	64	37	33	20	18	8
Equalization Payments	1,268	1,458	1,619	1,690	1,722	1,779	1,933	2,015

Source: Table prepared by the Library of Parliament using data obtained from Government of Canada, "Federal Support to Nova Scotia," *Major federal transfers*.

In 2018, Nova Scotia received a one-time settlement of $232 million following an arbitration ruling that recalculated royalties previously received from the Sable Offshore Energy Project.[60] Since equalization payments in a given year are based on a three-year moving average with a two-year lag, this settlement will reduce Nova Scotia's equalization payments for 2020–2021 to 2022–2023. However, the province will not receive offset payments for these reductions because the 2005 arrangement expired on 31 March 2020. Division 15 of the bill essentially extends the 2005 arrangement for three years to ensure that Nova Scotia is not penalized because of the timing of the settlement.

Division 15 contains one clause – clause 201 – that amends the *Nova Scotia and Newfoundland and Labrador Additional Fiscal Equalization Offset Payments Act* to require the Minister of Finance to make an additional fiscal equalization offset payment of $85.6 million to Nova Scotia for the 2020–2021 fiscal year. For each of the 2021–2022 and 2022–2023 fiscal years, the minister is also required to make an additional fiscal equalization offset payment to Nova Scotia in the amount determined under the terms of the 2005 arrangement, provided that the province receives an equalization payment for the same fiscal year.

The Department of Finance has indicated that the amount for 2021–2022 will be $44 million and that the estimate for 2022–2023 will be calculated in December 2021.[61]

2.4.16 Division 16: Amendments to the *Telecommunications Act*

The *Telecommunications Act*[62] outlines the federal government's role and powers as regards telecommunications. Notably, section 46.5 of the Act authorizes the Canadian Radio-television and Telecommunications Commission (CRTC) to set up and regulate a fund "to support continuing access by Canadians to basic telecommunications services," better known as the Broadband Fund.[63]

In general, all CRTC decisions are subject to review by the Governor in Council or the CRTC pursuant to section 12 or section 62 of the *Telecommunications Act*, respectively. Such a review may lead to a decision being amended or rescinded, or to the CRTC reconsidering the matter. The Governor in Council or the CRTC may review a decision either on application or on their own motion.

Clause 202 of Bill C-30 adds sections 46.6 and 46.7 to the *Telecommunications Act* to limit the review of certain CRTC decisions. As a result, the Governor in Council will no longer be able to review a CRTC decision on whether or not to allocate funding from the Broadband Fund if that decision is made

- on or after the day new section 46.6 comes into force; and
- with a view to expanding access to telecommunications services in underserved areas.

As well, the CRTC will no longer be able to review such a decision if it is on application. However, it may, on its own motion, review decisions on whether or not to allocate funding from the Broadband Fund to expand access to telecommunications services in underserved areas, no matter when the decision was made.[64]

Clause 202 of the bill also adds sections 46.8, 46.9 and 46.91 to ensure that the CRTC can provide information to federal or provincial ministers or agencies to coordinate financial support to expand access to telecommunications services in underserved areas.

Under new section 46.91, the Minister of Industry may request that the CRTC provide information on the status of an application for funding from the Broadband Fund to expand access to telecommunications services in underserved areas.

Under new sections 46.8 and 46.9, the other federal or provincial ministers or agencies that provide financial support for access to telecommunications services in underserved areas can request that the CRTC provide them with any information submitted to it in the course of a proceeding before it and relating to the allocation of funding from the Broadband Fund to expand access to telecommunications services in underserved areas.

Under new sections 46.8, 46.9 and 46.91, the minister, federal ministers and agencies, and provincial ministers and agencies, respectively, that receive information from the CRTC under these new sections must use this information only for the purpose of coordinating financial support for access to telecommunications services in underserved areas. In addition, they must treat the information as confidential but may disclose it to the minister or any federal minister or agency entitled to request this information from the CRTC. They may also share it with provincial ministers and agencies entitled to request this information from the CRTC, with the CRTC's approval.

Lastly, clause 203 of the bill amends the French version of section 62 to clarify that the CRTC may decide to re-hear a matter before rendering its decision.

2.4.17 Division 17: Amendments to the *Canada Small Business Financing Act*

Under the Canada Small Business Financing Program (CSBFP), the federal government encourages participating lenders to make loans to small businesses by sharing the financial risk.[65] The *Canada Small Business Financing Act* (CSBFA)[66] sets out the general framework for the CSBFP, including the conditions under which businesses can obtain loans and the federal government's responsibilities to lenders who sustain losses as a result of loans made under the CSBFP. The CSBFP was created in 1999 to replace the Small Business Loans Program, which had been established under the former *Small Business Loans Act*.

Division 17 of Part 4 of Bill C-30 amends the definitions in section 2 of the CSBFA. Clause 204(1) of the bill specifies that a "loan" includes a line of credit. Therefore, a borrower may now obtain a line of credit under the CSBFP. As well, clause 204(2) removes the religious and charitable organizations exclusion from the definition of "small business." As a result, these organizations may now apply for a loan under the CSBFP. Clause 204(3) maintains the exclusion of farming businesses.[67]

To be eligible for a loan under the CSBFP, the borrower's outstanding loan amount must not exceed the maximum amounts specified in section 4(2) of the CSBFA. Under section 4(3), the amount of the "outstanding loan" is the aggregate of the amount of the proposed loan and the principal amount outstanding, in respect of the borrower (and all borrowers that are related to that borrower), of all loans under the CSBFA and the *Small Business Loans Act*.

Clause 205 adds section 4(2)(e) to the CSBFA and amends sections 4(2)(d) and 4(3). New section 4(2)(e) increases the maximum amount of the outstanding loan from $1,000,000 to $1,150,000 for loans made on or after the day on which the new section comes into force. New section 4(2)(e) also clarifies that the federal government may prescribe lower maximum amounts for outstanding loans for certain products or classes of loans.

Section 5(1) of the CSBFA requires the federal government to pay lenders any eligible loss sustained as a result of a loan made under the CSBFA and its regulations. However, sections 6 and 7 set the limits beyond which the federal government will not be required to compensate lenders.

Section 6(1) of the CSBFA specifies the circumstances in which the program liability ceiling applies. The program liability ceiling is $1.5 billion or any lesser amount that is provided by another Act of Parliament. It is triggered once the federal government's aggregate contingent liability in respect of the aggregate amount of loans it has registered during each consecutive five-year period exceeds that value.

The current wording of section 6(1) suggests that reaching the program liability ceiling relieves the federal government of any liability to pay lenders in respect of losses sustained as a result of loans made under the Act. Clause 206(1) of the bill amends section 6(1) of the CSBFA to clarify that the federal government is only relieved of the duty to pay lenders for losses on loans made and registered after the program liability ceiling has been reached.

Clause 206(2) amends section 6(2) of the CSBFA to clarify that the federal government's limitations of liability in respect of each lender listed under that provision do not apply to lines of credit. It also amends the French version of section 6(2) to make it consistent with the English version.

Clause 206(2) also adds section 6(3) to the CSBFA to establish a limitation of liability in respect of each lender for lines of credit issued and registered under the CSBFA and its regulations. Specifically, the federal government is required to pay a lender in respect of losses sustained as a result of such lines of credit during each consecutive five-year period beginning 1 April 2019, up to an amount not exceeding 15% of the aggregate amount of such lines of credit. Section 6(3) also specifies that the federal government may prescribe a percentage less than 15%.

Under section 7(1) of the CSBFA, the federal government is not liable to pay a lender in respect of any loss sustained as the result of a loan made to a borrower if the borrower's outstanding loan exceeds a certain amount. Clause 207 amends section 7(1)(c) and adds section 7(1)(d) to the CSBFA. New section 7(1)(d) increases this amount from $1,000,000 to $1,150,000 for loans made on or after the day on which that section comes into force. New section 7(1)(d) also specifies that the federal government may prescribe lower maximum amounts for certain products or classes of loans.

Clause 208 of the bill specifies that Division 17 of Part 4 comes into force on a day to be fixed by order of the Governor in Council, except clauses 204(2), 204(3) and 206(1), which come into force upon Royal Assent.

2.4.18 Division 18: Amendments to the *Customs Act*

Division 18 of Part 4 of Bill C-30 amends the *Customs Act*,[68] which – among other things – provides legislative authority to administer and enforce the collection of various duties and taxes.

Seven clauses of the bill amend a number of sections of the *Customs Act* to permit dates to be established by regulation; specifically the date

- by which an importer can correct an error in a declaration without it being treated as a re-determination under section 59(1)(a) (clause 209, which amends section 32.2(3) of the Act);
- after which interest begins to be payable on duties assessed on imported goods that are released prior to the fulfillment of certain accounting requirements, and in relation to the interest-free period (clause 210, which amends section 33.4);
- by which – in some circumstances – the appropriate person must pay amounts owed and applicable interest relating to a penalty, an ascertained forfeiture,[69] or a review or reassessment of a seizure, a penalty or an ascertained forfeiture (clause 213, which amends sections 97.22(2) and 97.22(3));
- on which a 90-day period after which certain collection actions can begin regarding amounts owed relating to a penalty, an ascertained forfeiture, or a review or reassessment of a seizure, a penalty or an ascertained forfeiture (clause 214, which amends section 97.34(1));
- after which interest begins to be payable on penalties (clause 215, which amends section 109.5);
- after which interest begins to be payable on an amount demanded in a notice of ascertained forfeiture (clause 216, which amends section 124(6)); and
- after which interest begins to be payable on amounts owing as a result of a review or reassessment of a seizure, a penalty or an ascertained forfeiture (clause 217, which amends section 133(7)).

Clause 211 renumbers section 35 of the *Customs Act* and adds section 35(2) to clarify that a person who gives a deposit, bond or security that allows imported goods to be released prior to the fulfillment of certain accounting requirements or the payment of import duties on the goods must satisfy certain accompanying terms and conditions.

Clause 212 amends section 45(1) to provide that the term “sold for export to Canada” will be defined in regulations. With this change, goods imported into Canada should be valued in a “consistent and fair,” with that value reflecting the last transaction with a purchaser in Canada prior to the good being exported to the country.[70]

Clause 218 provides that Division 18 of Part 4 of the bill enters into force on a day(s) to be fixed by order of the Governor in Council.

2.4.19 Division 19: Amendments to the *Canada–United States–Mexico Agreement Implementation Act*

The *Canada–United States–Mexico Agreement* (CUSMA)[71] includes a mechanism for reviews of anti-dumping and countervailing duty measures imposed by a signatory. This mechanism is outlined in Chapter 10 of CUSMA.

Division 19 of Part 4 of Bill C-30 contains one clause – clause 219 – which amends section 16 of the *Canada–United States–Mexico Agreement Implementation Act*[72] to require the Minister of Finance's concurrence before, under Chapter 10 of CUSMA ("Trade Remedies"), the Minister of Small Business, Export Promotion and International Trade takes the following actions:

- appoints panellists to a binational panel in accordance with paragraphs 2 and 3 of Annex 10-B.1;
- appoints a member to the extraordinary challenge committee in accordance with paragraph 1 of Annex 10-B.3; and
- proposes the names of individuals for the roster referred to in Annex 10-B.1 or 10-B.3.

These amendments ensure that the Minister of Finance's agreement exists concerning individuals to serve as panellists and committee members, and their appointment.

2.4.20 Division 20: Amendments to the *Department of Employment and Social Development Act* (Social Security Tribunal)

Among other things, the *Department of Employment and Social Development Act* (DESDA)[73] sets out the powers of the Minister of Employment and Social Development and the Canada Employment Insurance Commission.

Part 5 of DESDA relates to the Social Security Tribunal (the Tribunal). The Tribunal consists of a General Division and an Appeal Division (section 44). The General Division has two parts: the Income Security Section and the Employment Insurance Section. Section 45 of DESDA sets out the composition, mandate and tenure of Tribunal members. Division 20 of Part 4 of Bill C-30 amends certain provisions relating to the Tribunal.

Annex 5 of Budget 2021 states that these Tribunal reforms

> will have a direct positive impact on a gender-balanced population of individuals above the age of 50, and, in particular, for those with disabilities. Canada Pension Plan disability applicants represented 79 per cent of all appeals in the Income Security stream in 2018-19. The average age of Canada Pension Plan disability beneficiaries is around 55 years.[74]

Clause 221 of the bill adds section 45.1 to DESDA, which lists duties and functions of the chairperson, including that the requirement that the chairperson take action to ensure the Tribunal members' efficiency (new section 45.1(1)(a)). Also, with the minister's approval, the chairperson may make rules relating to the procedure for applications and appeals (new section 45.1(2)).

Clause 224 repeals section 53 of DESDA. That section allowed the General Division of the Tribunal to summarily dismiss an appeal that it deemed to have no reasonable chance of success.

Clauses 228 and 229 relate to appeals to the Appeal Division of the Tribunal. Section 56(1) of DESDA provides that leave to appeal must be granted in order to appeal from a decision of the General Division to the Appeal Division. Section 58(1) lists the grounds for appeal from a decision of the General Division for either the Income Security Section or the Employment Insurance Section. Clause 228 amends section 58(1) to list the grounds for appeal from an Employment Insurance Section decision only. Clause 229 adds section 58.1 to DESDA, which lists the reasons for which leave to appeal may be granted from an Income Security Section decision.

Currently, written reasons must be provided whether leave to appeal is granted or refused (section 58(4)). Clause 229 adds section 58.2 to DESDA to clarify how the decision of the Appeal Division on granting leave to appeal is communicated to the appellant or another party, among other matters. New section 58.2(2) requires written reasons whenever leave is refused. Under new section 58.2(3), when leave is granted, written reasons will only be provided if the appellant or another party requests them within 10 days of the decision being communicated to them.

Clause 229 also adds section 58.3 to DESDA, which provides that an appeal from a decision of the Income Security Section is heard as a new proceeding. Clause 230(1) amends section 59(1) to specify that only appeals from decisions of the Employment Insurance Section, and not decisions from the Income Security Section, can be referred back for reconsideration.

Clause 232 adds section 63.1 to DESDA to allow a party to have representation of their choice at a hearing (at their own expense).

For certain appeals relating to the *Canada Pension Plan*, the minister must notify the Tribunal of persons who might be affected by a decision (section 65 of DESDA). In those cases, the Tribunal is required to add those persons as parties to the appeal. Clause 234 expands the list of appeals in respect of which this notice is required (new sections 65(a.1), 65(a.2), 65(a.3), 65(d) and 65(e)).

Currently, under section 66 of DESDA, a person can apply to the Tribunal to have a decision given by it amended or rescinded. Among other matters, clause 235 repeals section 66 to remove the ability of the Tribunal to amend or rescind its decisions.

Clause 235 adds section 68.1 to require the filing of an annual report on the Tribunal's performance.

Clause 236(1) adds to the regulation-making authority of the Governor in Council the ability to make regulations relating to when a hearing can be held in private (new section 69(a.1)).

Clauses 238 to 243 set out a number of consequential and transitional provisions. In particular, the provisions address circumstances relating to appeals that have been summarily dismissed under repealed section 53 of DESDA and applications relating to amending or rescinding a decision under repealed section 66.

Clause 244 indicates that the provisions contained in Division 20 of Part 4 of the bill come into force on a day to be fixed by order of the Governor in Council.

2.4.21 Division 21: Amendments to the *Canada Labour Code* (Equal Remuneration Protection)

The *Canada Labour Code* (CLC)[75] requires that an employer who replaces a previous contractor in providing services in certain federal industries honour unionized employees' compensation under the previous contractor's collective agreement if one exists. This applies to contractors who provide pre-board screening services to another employer in the air transportation industry, among others.

Division 21 of Part 4 of Bill C-30 amends section 47.3 of the CLC to expand the definition of "previous contractor." The amended definition now includes a contractor that provided any services at an airport to another employer in the air transportation industry (amended section 47.3(1)(a)). This replaces the narrower category of contractors who provided pre-board screening services and extends equal compensation protections to a larger group of employees.

The definition is expanded further to include contractors who provided services to another employer in other industries and locations (amended section 47.3(1)(b) and new section 47.3(1)(c)). The services, industries and locations may be identified in regulations (new section 47.3(3)).

2.4.22 Division 22: Amendments to the *Canada Labour Code* (Federal Minimum Wage)

The CLC does not currently provide for a set national federal minimum wage. Beginning in 1971, the CLC specified a set federal minimum wage with the ability to adjust the wage through regulation. However, by 1996, the federal minimum wage had not been updated in almost 10 years and had fallen significantly below provincial and territorial minimum wage rates. At that time, the CLC was amended to tie federal minimum wages to provincial/territorial minimum wages, with federal sector employees entitled to the minimum wage of their respective province or territory. In 2019, the *Report of the Expert Panel on Modern Federal Labour Standards* recommended to the Government of Canada that a "freestanding federal minimum wage be established and adjusted annually."[76] The expert panel proposed setting either a common minimum wage set initially at "60% of the median hourly wage of full-time workers in Canada" or a minimum wage that varies by province, set initially at "60% of the median wage in each province."[77]

Clause 246 of Bill C-30 amends section 178 of the CLC and clause 247 adds section 178.1 to re-establish a set, freestanding federal minimum wage. The new federal minimum wage is $15 per hour and will be automatically adjusted annually to reflect inflation. Minimum wage increases will be based on the comparative change to the Consumer Price Indexes (CPIs), not seasonally adjusted, between the two preceding calendar years; the minimum wage will not change where the CPI has not increased year over year. Where the provincial or territorial minimum wage is greater than the federal minimum wage (currently Nunavut and British Columbia in June 2021), federal sector employees are entitled to receive the relevant provincial/territorial minimum wage or its equivalent where an employee is paid on a non-hourly basis.

Clause 248 provides that Division 22 of Part 4 comes into force six months after the bill receives Royal Assent.

2.4.23 Division 23: Amendments to the *Canada Labour Code* (Leave Related to the Death or Disappearance of a Child)

Section 206.5 of the CLC currently provides for parental leave of up to 104 weeks for the death of a child and up to 52 weeks for the disappearance of a child where it is likely that the child died or disappeared as a result of a crime. These leave provisions do not apply where the parent is charged with the crime or where it is likely that the child was a party to the crime. A "child" is defined as a person under 18 years of age. The definition of a "parent" includes a person who is a legal parent, is an adoptive parent, has custody, has parental authority, has guardianship, has tutorship over a child, or with whom the child has been placed for the purposes of adoption.

Clause 249(1) of Bill C-30 amends the definitions of a child and of a parent in section 206.5(1) of the CLC. The definition of “child” is now a person under the age of 25 years. The definition of “parent” is expanded to include a person defined as a parent by regulations made under section 209.4(f) for the purposes of this type of leave and, in Quebec, a person who is a curator (a legal representative appointed by a court to act in the child’s best interests). The bill also adds to the definition of “parent” a person with decision-making responsibility for a child as defined under the *Divorce Act*.[78] The change is being made because amendments to the *Divorce Act* in 2019 introduced the concept of “decision-making responsibility” to replace the previous concept of “custody.”[79]

Clause 249(2) of the bill also amends section 206.5 of the CLC to increase the maximum length of parental leave for the disappearance of a child to up to 104 weeks, which is now identical to the leave provisions for the death of a child. Where the child was likely a party to the crime, parental leave provisions may now apply if the child was younger than 14 years old.

Clause 250 amends section 206.7(1) of the CLC to specify that for the purposes of leave for victims of domestic violence under that section, a child is defined as younger than 18 years. The definition of a parent is the same as in the amended section 206.5 but does not include a curator.

2.4.24 Division 24: Payment to Quebec for the Purpose of Offsetting Some of the Costs of Aligning the Quebec Parental Insurance Plan

Clause 251(1) of Bill C-30 enables the Minister of Employment and Social Development to make a single payment of $130,300,000 to Quebec by 31 March 2022 to offset some of the costs of aligning the Quebec Parental Insurance Plan (QPIP) with temporary measures set out in Part VIII.5 (“Temporary Measures to Facilitate Access to Benefits”) of the *Employment Insurance Act* (EIA).[80]

These temporary measures are intended to improve access to Employment Insurance (EI) benefits, including maternity and parental benefits, in response to the COVID-19 pandemic.[81] Until 25 September 2021, the minimum number of insured hours is reduced and a minimum rate for maternity and parental benefits is in place. In addition, the waiting period may be waived, and for recipients of the Canada Emergency Response Benefit, the 52-week period for accumulating insured hours will be extended.[82] In Quebec, the QPIP replaces EI maternity and parental benefits.

Clause 251(2) of the bill states that the minister may enter into an agreement with Quebec respecting the time and manner of the payment.

2.4.25 Division 25: Amendments to the *Judges Act*

In response to a request from the Minister of Justice pursuant to section 26(4) of the *Judges Act*,[83] the Judicial Compensation and Benefits Commission conducted an inquiry into

> the effects on the adequacy of federal judicial compensation and benefits, if any, of an amendment to the *Judges Act* that would stop the accrual of pensionable service for any judge whose removal from office has been recommended by the Canadian Judicial Council [CJC].[84]

The commission's report concluded that

> [s]uspending the accrual of pensionable years upon the issuance of a report by the CJC recommending a judge's removal is in our view a reasonable measure to contribute to continued public confidence in the judicial system, especially as it will also provide for resumption of that accrual as of the same date as its suspension if such a recommendation for removal is overturned or rejected.[85]

Accordingly, Division 25 of Part 4 of Bill C-30 adds section 65.1 to the *Judges Act*.

As a result of this amendment, the time between the date that the CJC submits a report recommending to the minister that a judge be removed from office and the judge leaving office does not count for the purpose of calculating a judge's annuity upon leaving judicial office (new section 65.1(1)).

The salary on the day the report is submitted is now the salary to be used for the purposes of calculating the annuity. The judge is no longer required to make contributions (pursuant to section 50 of the *Judges Act*) towards the annuity as of the day that the report is filed (new section 65.1(2)).

If the recommendation that the judge be removed from office is rejected by the minister, the Senate or the House of Commons, or if it is rejected by the courts on judicial review, the time elapsed between the submission of the report and the rejection decision will count towards the annuity. In this situation, the judge is required to contribute the amounts that they would have been required to contribute and must resume contributing as of the day that the recommendation was rejected (new section 65.1(3)).

2.4.26 Division 26: Amendments to the *Federal Courts Act*, the *Tax Court of Canada Act* and the *Judges Act*

The federal government has the responsibility for appointing judges to a variety of courts, including the federal courts, all provincial superior courts and courts of appeal and the Tax Court of Canada, pursuant to legislation including, respectively, the *Federal Courts Act*,[86] the *Judges Act* and the *Tax Court of Canada Act*.[87] Division 26 of Part 4 of Bill C-30 amends these three Acts to increase the number of positions for judges in a variety of courts across the country.

Clause 254 of the bill amends section 5(1) of the *Federal Courts Act* to increase the number of judges on the Federal Court of Appeal, in addition to the Chief Justice, from 12 to 13.

Clauses 255 to 257 amend various provisions of the *Judges Act* to increase the number of judges, not including any chief justices and associate chief justices, on a variety of provincial superior courts.

The increases in the number of judges for these courts are as follows:

- Superior Court of Justice (Ontario): from 198 to 203 (amended section 12(d));
- Supreme Court of British Columbia: from 81 to 83 (amended section 17(d)); and
- Court of Queen's Bench for Saskatchewan: from 29 to 31 (amended section 19(d)).

Additionally, clause 258 adds the position of Associate Chief Justice of the Trial Division of the Supreme Court of Newfoundland and Labrador (amended section 21(c) of the *Judges Act*).

Clause 259 amends section 4 of the *Tax Court of Canada Act* to increase the maximum number of judges, not including the Chief Justice or Associate Chief Justice, from 20 to 22.

2.4.27 Division 27: Amendments to the *National Research Council Act*

The *National Research Council Act* (NRCA)[88] sets out the duties and powers of the National Research Council of Canada (NRC), the primary federal research and development agency. Sections 3(1) and 3(2) of the NRCA establish the NRC as a corporation. Accordingly, it has the power to acquire, hold, dispose of and loan or lease real, personal, movable and immovable property for the purposes of the NRCA.

Clause 260 of Bill C-30 adds section 3(3) to the NRCA. This provision enables the NRC to establish a corporation with any of its shares held by the federal government. It also enables the NRC to acquire shares of a corporation that, on acquisition, would be held by the federal government. The NRC may take these actions only with the approval of the Governor in Council and in accordance with any conditions it imposes.

Clause 260 of the bill also adds section 3(4) to the NRCA. This provision enables a corporation to establish a corporation with any of its shares held by the federal government; and to acquire shares of a corporation that, on acquisition, would be held by the federal government. However, a corporation can only do so if, first, any of its shares are held by the NRC and, second, the federal government

- nominates or appoints a majority of the corporation's directors or members;
- nominates or appoints the directors or members who, in turn, nominate or appoint a majority of the corporation's directors or members; or
- otherwise controls the corporation.

Under section 4 of the NRCA, the NRC "has charge of such matters affecting scientific and industrial research in Canada as may be assigned to it by the Governor in Council." Section 5 sets out the powers the NRC may exercise in carrying out its duties. For example, section 5(1)(k) authorizes the NRC to "carry on work and manufacturing of an experimental and developmental nature [respecting various matters] so as to render the processes, methods or products relating to those matters more available and effective" for various purposes.

Clause 261 adds section 5.1 to the NRCA. It authorizes the NRC to direct, supervise or engage in the production, on any scale, of drugs or devices to protect or improve public health in Canada or elsewhere.[89] The NRC will generally carry out these activities with the approval or under the direction of the Minister of Innovation, Science and Industry. Before giving this approval or direction, the Minister of Innovation, Science and Industry must consult with the Minister of Health. However, the NRC may carry out these activities without the approval or direction of the Minister of Innovation, Science and Industry if they fall within section 5(1)(k) of the NRCA.

2.4.28 Division 28: Amendments to the *Department of Employment and Social Development Act* (Social Insurance Numbers)

Division 28 of Part 4 of Bill C-30 adds section 19.02 to DESDA to allow the Minister of Labour to collect and use individuals' Social Insurance Numbers to verify their identity for the administration or enforcement of an Act, program or activity that is under the minister's purview, including the administration and enforcement of, and activities under, the CLC, the *Employment Equity Act*, the

Pay Equity Act, the *Government Employees Compensation Act*, the *Merchant Seamen Compensation Act*, the *Wage Earner Protection Program Act*, the *Status of the Artist Act* and the *Non-smokers' Health Act*.[90] The minister's portfolio also includes the Canada Industrial Relations Board and the Canadian Centre for Occupational Health and Safety.[91]

2.4.29 Division 29: Amendments to the *Canada Student Loans Act*, the *Canada Student Financial Assistance Act* and the *Apprentice Loans Act*

Clause 263 of Bill C-30 adds section 11.3 to the *Canada Student Loans Act*,[92] which governs the provision of loans issued to students up to 1 August 1995.[93] This new provision stipulates that, during the period from 1 April 2021 to 31 March 2023, guaranteed student loans are not subject to interest.

Clause 264 of the bill adds section 9.4 to the *Canada Student Financial Assistance Act*,[94] which governs the provision of financial assistance issued to students as of 1 August 1995.[95] This new provision stipulates that, during the period from 1 April 2021 to 31 March 2023, student loans are not subject to interest.

Clause 265 adds section 8.2 to the *Apprentice Loans Act*.[96] This new provision stipulates that, during the period from 1 April 2021 to 31 March 2023, apprentice loans are not subject to interest.

Clause 266 makes coordinating amendments regarding the coming into force of provisions from the *Economic Statement Implementation Act, 2020*.[97] These amendments ensure that the temporary suspension of interest with respect to guaranteed student loans, student loans and apprentice loans applies during the period from 1 April 2021 to 31 March 2023, regardless of which provisions come into force first. The coordinating amendments also remove provisions from the *Economic Statement Implementation Act, 2020* regarding the temporary suspension of interest payments during this period, meaning borrowers must pay interest arrears if applicable.

2.4.30 Division 30: Cancellation or Postponement of Certain First Nations Elections

Some First Nations select their leaders under the *Indian Act* and the *Indian Band Election Regulations* or under the optional legislation known as the *First Nations Elections Act*.[98] However, the *Indian Act* and the *First Nations Elections Act* both have fixed term limits for chief and council and no provisions for an extension of elections or votes in the event of a crisis.[99]

In April 2020, to avoid a "governance gap" and to address the public health risks posed by holding elections during the COVID-19 pandemic, the federal government developed regulations known as the *First Nations Election Cancellation and Postponement Regulations (Prevention of Diseases)* (FNECPR).[100] These regulations provide a mechanism for First Nations to postpone or cancel their elections to prevent, mitigate or control the spread of disease on reserve.

The *Regulations Amending the First Nations Election Cancellation and Postponement Regulations (Prevention of Diseases)* (Regulations Amending the FNECPR)[101] were made on 8 April 2021. Among other matters, the Regulations Amending the FNECPR added to the FNECPR that a tenure or term of office for a First Nation chief and councillor may be extended once on or after 9 April 2021 if it was already extended twice before that day. However, the tenure or term must not be extended by longer than six months or beyond 31 December 2021.

In an April 2021 decision in *Bertrand v. Acho Dene Koe First Nation*, the Federal Court concluded that section 4 of the FNECPR was invalid.[102] The applicant in the case is a member of the Acho Dene Koe First Nation who challenged the validity of the FNECPR and the Acho Dene Koe First Nation's decision to postpone the election under the FNECPR. Section 4 of the FNECPR relates to the postponement of extension of terms of office for the chiefs and councillors chosen according to a First Nations custom election code. The federal government has indicated that it will appeal this Federal Court ruling.[103]

Division 30 of Part 4 of Bill C-30 affirms the validity of the FNECPR and the Regulations Amending the FNECPR. Clause 267 of the bill affirms that, since 8 April 2020, everything done under these regulations and all the consequences flowing from the regulations are deemed effective.

2.4.31 Division 31: Amendments to the *Old Age Security Act*

An enhancement of Old Age Security benefits starting in July 2022 for seniors 75 and over was announced in Budget 2021 to increase the financial security of seniors, who are living longer than ever before and may lack the resources to deal with increased care expenses at this time of their lives.[104] Division 31 of Part 4 of Bill C-30 gives effect to these changes.

Clause 271 of the bill amends the *Old Age Security Act* (OASA)[105] to increase the amount of the full monthly pension to individuals aged 75 and over by 10% as of 1 July 2022 (new section 7(5)).

Clause 272 provides that the voluntary deferral provisions (full and partial) for Old Age Security recipients apply before the 10% increase (amended sections 7.1(1) and 7.1(2)). However, the 10% increase applies to any additional amount paid as a result of voluntary deferral for individuals 75 and over who apply for their pension after they become eligible, beginning in the payment quarter commencing on 1 July 2022 (new sections 7.1(5) and 7.1(6)).

Clause 273 provides that the 10% increase will not be taken into account in calculating the monthly base income in section 12(6)(b) of the OASA used to calculate the amount of the monthly Guaranteed Income Supplement, specifically for applicants whose spouse or common-law partner does not receive a pension under the Act. The calculation of the monthly Guaranteed Income Supplement benefits will therefore not be affected by the 10% increase in the pension for individuals 75 and over.

Clause 274 provides that the 10% increase will also not be taken into account in the value of the pension as defined in section 22(1) of the OASA, so as not to affect the calculation of the amount of spouse or common-law partner and survivor allowances that may be paid under Part III of the OASA.[106]

Clause 275 provides that any amount payable by the Minister of Employment and Social Development in relation to a program to provide a one-time payment of $500 to Old Age Security recipients who will be 75 years of age or older on 30 June 2022 may be paid out of the Consolidated Revenue Fund. This one-time payment of $500 was announced in Budget 2021 to address the immediate needs of this group of seniors who faced additional costs during the COVID-19 pandemic.[107]

Clause 268 of the bill amends paragraph (c) of the definition of "income" in section 2 of the OASA to deduct this one-time payment from an individual's income for the year, computed in accordance with the *Income Tax Act*. This ensures that the one-time payment is exempt from the calculation of income for purposes of the Guaranteed Income Supplement under Part II of the OASA and the allowances under Part III.

2.4.32 Division 32: Amendments to the *Public Service Employment Act*

Division 32 of Part 4 of Bill C-30 amends the *Public Service Employment Act* (PSEA)[108] with the goal, according to Budget 2021, of "affirm[ing] the importance of a diverse and inclusive workforce and avoid[ing] biases and barriers in hiring."[109]

Clause 276 of the bill amends the preamble of the PSEA to state that the Government of Canada is committed to a public service that is "inclusive" and "reflects the diversity of Canada's population."

Clause 277(1) amends section 2(1) to add a definition for "equity-seeking group," which is "a group of persons who are disadvantaged on the basis of one or more prohibited grounds of discrimination within the meaning of the *Canadian Human Rights Act*."

Clause 277(2) adds section 2(5) to provide that an error, an omission or improper conduct – which could result in a revocation of an appointment if it was deemed to have affected a selection process – will be construed as including "a bias or barrier that disadvantages persons who belong to any equity-seeking group."

Clause 278 renumbers and amends section 17 the PSEA. New section 17(2) stipulates that the Public Service Commission (PSC),[110] in its regular oversight activities, may conduct audits into possible biases and barriers that disadvantage persons belonging to any equity-seeking group.

Clause 279 adds section 31(3) to ensure that when the employer[111] establishes or reviews qualification standards for hiring, it will "conduct an evaluation to identify" any biases or barriers created by these standards that disadvantage persons belonging to equity-seeking groups. If a bias or barrier is identified, the employer will "make reasonable efforts to remove it or to mitigate its impact on those persons."

Clause 280 amends section 36 to specify that the PSC must evaluate whether assessment methods used to make appointments include or create biases or barriers that disadvantage persons belonging to equity-seeking groups. If a barrier is identified, the PSC will "make reasonable efforts to remove it or to mitigate its impact on those persons" (new section 36(2)).

Clause 281 amends section 39(1)(c) – which states that preference will be given to Canadian citizens in an advertised external appointment process – to provide that permanent residents will also be given preference for appointment over another candidate who is neither a permanent resident nor a Canadian citizen.

Clauses 282 to 285 are transitional provisions, which state that clauses 277(2), 279, 280 and 281 apply only on or after the day on which those clauses come into force. Clause 286 provides that sections 277(2) and 280 come into force on a day to be fixed by order of the Governor in Council.

2.4.33 Division 33: Payments to the Provinces for Early Learning and Child Care

Clause 287(1) of Bill C-30 authorizes paying the provinces the amounts provided in bilateral agreements on early learning and child care for the fiscal year beginning on 1 April 2021 and ending on 31 March 2022 at the times and in the manner that the Minister of Families, Children and Social Development considers appropriate. Clauses 287(2) and 287(3) of the bill state that these payments may be subject to terms and conditions established by the minister under the bilateral agreements and may not exceed $2.95 billion for the fiscal year in question.

Budget 2021 announced that the federal government will work with the provinces and territories to reach five-year bilateral agreements that would reduce fees for regulated child care to an average of $10 per day over the next five years, including a 50% reduction in average fees for regulated early learning and child care outside Quebec by the end of 2022.[112] The provisions of clause 287 address only the funding for the first year of these agreements and do not include specific funding for early learning and child care for Indigenous children.

2.4.34 Division 34: Amendments to the *Canada Recovery Benefits Act*, the *Canada Labour Code* and the Repeal of Certain Regulations

2.4.34.1 Amendments to the *Canada Recovery Benefits Act*

The *Canada Recovery Benefits Act* (CRBA)[113] authorizes the payment of three temporary benefits to workers impacted by COVID-19 who are not eligible for EI: the Canada Recovery Benefit (CRB), the Canada Recovery Sickness Benefit (CRSB) and the Canada Recovery Caregiving Benefit (CRCB). The CRB offers income support to workers who are unemployed or experienced a 50% reduction in income due to COVID-19, while the CRSB targets those who are unable to work because they have contracted COVID-19, are more vulnerable to COVID-19 (e.g., due to an underlying condition) or have been advised to self-isolate. The CRCB offers income support to those who cannot work because they must care for a child or family member for reasons related to COVID-19.[114]

The EI program provides temporary income support in the event of a job loss (through regular benefits) or other life events, including the birth of a child, illness, a family member's risk of death, or a child or adult family member's critical illness (through special benefits).[115]

Clauses 288(1) and 288(2) of Bill C-30 amend section 3(1) of the CRBA to extend eligibility for the CRB to individuals who have exhausted their EI regular benefits (or combined regular and special benefits), under certain conditions. Clause 288(3) of the bill adds section 3(1)(h)(ii.1) to specify that CRB and EI benefits may not be combined during any two-week CRB period. However, clause 292 adds section 9.1 to stipulate that a person who exhausts their EI regular benefits (or combined regular and special benefits) during a two-week CRB period may receive a payment of $300 for that period to avoid a week without income. Clause 290 amends section 8(2) of the CRBA to provide that the $300 payment will be treated in the same way as other CRB benefit payments for the purpose of the clawback mechanism, which requires recipients to repay $0.50 of every CRB benefit dollar received if they earn above $38,000 in 2020 or in 2021, up to the total amount of benefits received.

Clauses 288(4) and 288(5) add sections 3(1)(n) and 3(3.1) to the CRBA to provide that CRB recipients must have filed an income tax return for the 2019 or 2020 tax year if they have received 42 weeks or more of the CRB, or if they apply for the CRB for the first time after 18 July 2021. Clause 289 amends section 5(1) of the CRBA to stipulate that CRB recipients must attest that they meet the eligibility conditions for the benefit, including, if applicable, the condition requiring that they file an income tax return.

Clause 290 amends section 8(1) of the CRBA to differentiate the benefit amount for individuals who apply or have applied for the CRB for a two-week period that falls before 18 July 2021 (new section 8(1)(a)), from the benefit amount for those who apply for the CRB for the first time in respect of a two-week period that falls on or after that date (new section 8(1)(b)). For the first group, the weekly benefit is $500 for up to 42 weeks and then $300 for subsequent weeks. For the second group, the weekly benefit amounts to $300.

Clause 291 amends section 9(1) of the CRBA to increase the maximum number of two-week periods for which a person may receive the CRB to 25. Similarly, clause 293 amends sections 23(1) and 23(2) to increase the maximum duration of CRCB payments for individuals and persons in the same household to 42 weeks. The amended provisions also state that another maximum number of weeks may be fixed by regulation.

To reflect the change in maximum duration for the CRB and the CRCB, clauses 297 and 298 repeal sections 2 and 4 of the *Canada Recovery Benefits Regulations*.[116]

Clause 294 adds section 24.1 to the CRBA, which provides that the Governor in Council may amend by regulation the eligibility period for the CRB, the CRCB and the CRSB during the period from 25 September 2021 to 20 November 2021.

2.4.34.2 Amendments to the *Canada Labour Code*

Under section 239.01(1) of the CLC, employees in a federally regulated workplace are entitled to an unpaid leave of absence from employment if they are unable to work for reasons related to COVID-19 (for example, if they have contracted COVID-19, have underlying conditions, have been advised to self-isolate, or must care for a child or family member for reasons related to COVID-19).

Clause 295(1) of Bill C-30 amends section 239.01(1)(b) of the CLC to increase the maximum duration of unpaid leave for COVID-19–related caregiving duties from 38 to 42 weeks. Clauses 295(2) and 295(3) of the bill specify that 42 weeks is also the maximum aggregate number of weeks that can be taken for this type of leave, both for individuals and for members of the same household (amended sections 239.01(3) and 239.01(5), respectively). Accordingly, clause 299 repeals section 33.1(b) of the *Canada Labour Standards Regulations*,[117] which stipulates that the maximum number of weeks an employee may take of COVID-19–related caregiving leave is 38.

In addition, clause 295(3) provides that if a person is on COVID-19–related caregiving leave when the section of the CLC extending the maximum duration to 42 weeks comes into force (amended section 239.01(1)(b)), the person may extend their leave to 42 weeks (new section 239.01(4.1)(a)). It also provides that periods of COVID-19–related caregiving leave taken before 19 June 2021 count towards the maximum 42 weeks (new section 239.01(4.1)(b)).

These changes bring the maximum duration of COVID-19–related caregiving leave available to employees under the CLC in the federally regulated private sector into line with the new, extended CRCB benefit period, which are both now set at 42 weeks.

2.4.34.3 Other Amendments

Clause 296 of Bill C-30 amends sections 9(6) and 9(7) of the *COVID-19 Response Measures Act*[118] to postpone the repeal of Division XIII.01: “Leave Related to COVID-19: (section 239.01) of the CLC until 20 November 2021. The clause also removes references to this COVID-19–related leave in several other sections of the CLC and postpones the coming into force of post-repeal provisions. However, the 20 November 2021 date could change if regulations are made under section 24.1 of the CRBA (clause 300).

Clause 300 of the bill makes coordinating amendments specifying how regulations changing the eligibility period for the CRSB and CRCB will impact the COVID-19–related leave under the CLC. This ensures that employees covered by the CLC have access to job-protected COVID-19–related leave as long as one or both of these benefits are available.

2.4.34.4 Coming into Force

Clause 301 of Bill C-30 provides that Division 34 of Part 4 of the bill, apart from the coordinating amendments in clause 300, comes into force or is deemed to have come into force on 19 June 2021.

2.4.35 Division 35: Amendments to the *Employment Insurance Act*, the *Canada Labour Code* and Certain Regulations

Division 35 of Part 4 of Bill C-30 introduces changes to the *Employment Insurance Act* (EIA), CLC, *Employment Insurance Regulations* (EIR)[119] and *Employment Insurance (Fishing) Regulations* (EIFR).[120] These changes, summarized below, include temporary and permanent measures to support workers through the COVID-19 pandemic and into the economic recovery.

2.4.35.1 Permanent Amendments to the *Employment Insurance Act* to Increase the Maximum Number of Weeks of Employment Insurance Sickness Benefits

Clauses 307(2) and 323 of Bill C-30 amend sections 12(3)(c) and 152.14(1)(c), respectively, of the EIA to increase the maximum number of weeks of EI sickness benefits that may be paid because of illness, injury or quarantine from 15 weeks to 26 weeks.

Clause 336 of the bill is a transitional provision that ensures that the 26-week maximum duration for EI sickness benefits will apply to benefit periods commencing on or after the day on which the extension comes into force, set by order in council pursuant to clause 339(3).[121]

2.4.35.2 Temporary Amendments to the *Employment Insurance Act*, *Employment Insurance Regulations* and *Employment Insurance (Fishing) Regulations*

2.4.35.2.1 Entrance Requirements

To allow for greater access to the entire range of benefits provided by the EI program, clauses 302, 303, 307(3), 307(4), 308 to 314, 321, 349, 352, 353 and 355 of Bill C-30 temporarily amend sections of the EIA, EIR and EIFR that pertain to entrance requirements; that is to say, the requirements that workers must meet before they are eligible to receive EI benefits.[122] These amendments establish a common, nationwide entrance requirement of 420 hours of insurable employment for employees (as opposed to the current variable threshold of between 420 and 700 hours based on regional unemployment rates). The amendments also introduce lower and simplified earnings thresholds for fishers and self-employed workers. The common entrance requirement applies both to regular benefits for unemployed workers and all special benefits, which include maternity, parental, sickness, compassionate care (end of life) and family caregiver benefits. These provisions will be in place for a one-year period starting on 26 September 2021 and will apply to claims commencing on or after this date.

2.4.35.2.2 Claimants with Employment Insurance Violations

The EIA and EIFR subject workers to higher entry requirements if they have accumulated one or more EI violations in the past five years. Clauses 304 and 354 of Bill C-30 temporarily amend the relevant sections (section 7.1(1) of the EIA and section 11(1) of the EIFR) to set uniform entry requirements based only on the classification of the violation (minor, serious, very serious or subsequent) for a 13.1% unemployment rate. Previously, the higher entry requirements varied based on the regional unemployment rate and the classification of the violation. These amendments ensure that claimants with violations are no worse off as a result of the temporary changes in entrance requirements. The changes will be in place for a one-year period starting 26 September 2021.

2.4.35.2.3 Severance, Vacation Pay and Other Payments

Clauses 305, 306 and 322 of Bill C-30 temporarily amend sections 8(3) to 8(7), 10(10)(b) and 152.11(11)(b) of the EIA, respectively. Clauses 347 and 348 of the bill temporarily amend related sections 35(6), 35(7) and 36(9) to 36(10.2) of the EIR. These amendments enable claimants with money paid on separation (e.g., severance and vacation pay) to receive EI benefits at the same time. These amendments will remain in place for a one-year period starting 26 September 2021.

Clause 317(1) temporarily amends section 46.01 of the EIA, which deals with labour arbitration awards, court judgments and other payments of earnings, damages for wrongful dismissal or proceeds realized from the property of a bankrupt. Under the temporary provision, workers will not have to pay back EI benefits that are retroactively classed as an overpayment due to the receipt of such moneys if more than three years have gone by since the lay-off or separation. Repayments of benefits is normally required unless the administrative costs of recovering the payment equal or exceed the amount of the repayment. Clause 317(1) is valid for a period of one year, ending 25 September 2022.

2.4.35.2.4 Seasonal Workers

Clauses 307(1), 328, 330 and 350 of Bill C-30 amend section 12(2.3) of the EIA and add Part VIII.6. Clause 350 of the bill amends section 77.992(2)(a) of the EIR to temporarily extend benefits for seasonal workers participating in the Pilot Project Relating to Increased Weeks of Benefits for Seasonal Workers[123] from 26 September 2021 to 29 October 2022. The amendments provide up to an extra five weeks of benefits to workers in certain specified regions that are considered to have highly seasonal economies.

2.4.35.2.5 Disqualification and Disentitlement

Clauses 315, 316 and 318 of Bill C-30 address disqualification and disentitlement to benefits by temporarily amending sections 29(a), 30(1), 30(4) to 30(7) and 51 of the EIA. New amendments require that only the most recent job separation be considered to establish a claim, making it easier for claimants who have worked part-time, held multiple jobs, or worked a series of short-term jobs to qualify for benefits. These amendments will remain in place for a one-year period starting 26 September 2021.

2.4.35.2.6 Amendments to Employment Insurance Emergency Response Benefit

Part VIII.4 of the EIA – consisting of new sections 153.5 to 153.14 – was introduced through interim order SOR/2020-61, which was deemed to have come into force on 15 March 2020. It established the Employment Insurance Emergency Response Benefit (EI-ERB) to mitigate the economic impact of the COVID-19 pandemic.

Clause 319 of Bill C-30 amends section 58 of the EIA. The clause redefines "insured participant" under Part II of the EIA to include claimants who were in receipt of the EI-ERB within the previous 60 months. This allows EI-ERB recipients to continue to access a range of employment benefits as insured participants, pursuant to section 59 of the EIA, during that period.

Clause 325 of the bill amends section 153.14 of the EIA so that one of the two possible cessation dates for certain interim orders[124] establishing the EI-ERB is postponed from 25 September 2021 until 2 June 2027. The other possible cessation date – the day on which an interim order is repealed – is still in place.

Extending interim orders allows

- EI-ERB recipients to continue to qualify for EI employment and skills supports;
- current program integrity measures to remain in place;
- the Canada Employment Insurance Commission to write off overpayments in specific situations; and
- the federal government to continue to use general revenue to credit costs related to the EI-ERB to the EI Operating Account.

Section 153.16 of the EIA sets a minimum national unemployment rate of 13.1% that applies to EI claimants from 27 September 2020 to 11 September 2021. Clause 326 amends section 153.16 to extend the 13.1% national unemployment rate by two weeks, from 11 September 2021 to 25 September 2021. Extending this rate for two weeks until the new suite of temporary measures (common entrance requirement of 420 insurable hours; common earnings thresholds for the self-employed and fishers; measures related to claimants with violations; and seasonal workers) begin on 26 September 2021 creates a smoother transition. Extending the 13.1% rate also avoids variable entrance requirements based on regional unemployment rates for a two-week period. This clause comes into force on 12 September 2021.[125]

Clause 327 temporarily amends section 153.196 of the EIA to ensure that temporary measures for winter fishers extend to 18 December 2021, which represents the end of the winter 2021 fishing benefit period.

Clause 328 of the bill establishes new Part VIII.6 (new section 153.197) of the EIA. The new part sets out temporary measures related to the calculation of EI benefit amounts. It creates a temporary $300 minimum benefit rate for all EI claimants who begin their benefit period between 26 September 2021 and 20 November 2021. The $300 minimum benefit rate is achieved by setting claimants' weekly insurable earnings as the greater of $545 of insurable earnings and the amount of what would normally be determined under sections 14(2) and 152.16(1) of the EIA or section 8.1(a) of the EIFR, as the case may be. This minimum weekly benefit aligns with the new EI-ERB benefit, which decreases from $500 to $300 per week effective 19 June 2021 (amended section 8(1) of the CRBA).

Clauses 329(1) and 329(2) replace the schedule table for Weeks of Benefits set out in Schedule I and Schedule II to the EIA and temporarily creates an entitlement to a minimum of 14 weeks of regular EI benefits once a person has accrued 420 hours of insurable earnings. The specific number of weeks of benefits to which a claimant is entitled vary based on the regional unemployment rate. The change comes into effect on 26 September 2021, the day after the minimum national unemployment rate of 13.1% ends and will be in effect for a period of one year.

2.4.35.2.7 Transitional and Coordinating Amendments

Clauses 331 to 336 of Bill C-30 set out transitional provisions that are aimed primarily at ensuring that individual claims are dealt with under a consistent legal and regulatory framework based on the claim's start date, despite the multiple changes and temporary alterations made to the EI system in response to the COVID-19 pandemic.

2.4.35.2.8 Coming into Force of Temporary Measures

Clauses 339(1), 339(2), 351 and 360 of Bill C-30 provide that certain temporary measures related to the EIA,[126] EIR[127] and EIFR,[128] respectively, come into force, or are deemed to have come into force, on 26 September 2021 and return to their previous language on 25 September 2022.

According to clause 339(4) of the bill, clause 326, which extends the 13.1% national unemployment rate, comes into force, or is deemed to have come into force, on 12 September 2021.

Clause 339(5) sets out that clause 328, which introduces the temporary measures contained in new Part VIII.6 of the EIA, comes into force on a day to be fixed by order of the Governor in Council.

2.4.35.3 Amendments to the *Canada Labour Code*

Clauses 340 to 344 of Bill C-30 amend Part III ("Labour Standards") of the CLC to extend the maximum length of medically related leave from 17 to 27 weeks. The change will mean that employees in the federally regulated private sector will be able to take job-protected leave for the entirety of the newly extended EI sickness benefit period (26 weeks), as well as the one-week waiting period before EI special benefits may be accessed. The amendments also do the following:

- clarify that quarantine is included among the reasons for which an employee can take medical leave; and
- ensure that employees are able to postpone vacation, parental and compassionate care leaves, as well as leaves related to the critical illness, death or disappearance of a child for a number of reasons, including medical leave.

Clause 346 of the bill specifies that clauses 340 to 344 come into force on the same day as the changes being made in this bill to EI sickness benefits (clause 307(2)), which come into force on a day to be fixed by order of the Governor in Council.

2.4.36 Division 36: Amendments to the *Canada Elections Act*

Division 36 of Part 4 of Bill C-30 introduces amendments to the *Canada Elections Act* (CEA).[129]

Current section 91(1) of the CEA prohibits making or publishing specific types of false statements about candidates, prospective candidates, the leader of a political party or any public figure associated with a political party during a federal election to affect the results. Sections 486(3)(c) and 486(4)(a) of the CEA outline the offence of contravening section 91(1) for persons and entities, respectively.

Clause 361 of the bill amends sections 486(3)(c) and 486(4)(a) to add the word "knowingly" to the language of these offences under the CEA. In practical terms, this means that persons or entities are guilty of an offence only if they knowingly contravene section 91(1) of the CEA by publishing false statements about the above-mentioned persons to influence the election results. Clause 362 sets out that the clause 361 amendments will apply in an election for which the writ is issued within six months of Bill C-30 receiving Royal Assent.

These changes respond to a recent decision of the Ontario Superior Court of Justice. In *Canadian Constitution Foundation v. Canada (Attorney General)*,[130] current section 91(1) of the CEA was struck down as it violates freedom of expression protected under section 2(b) of the *Canadian Charter of Rights and Freedoms* and does not constitute a justifiable limit on that right under section 1 of the Charter (the "reasonable limits clause"). The finding of unconstitutionally was based on the fact that the mental element (i.e., the *mens rea*) of the offence of contravening section 91(1) of the CEA does not currently require knowledge that the statement made or published was false and therefore prohibited too large a scope of political speech. Section 91(1) of the CEA was last amended in 2018;[131] prior to the 2018 amendment, section 91(1) included the word "knowingly."

NOTES

* This Legislative Summary was prepared by the following authors:

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• Laurence Brosseau	Section 2.4.36
• Elizabeth Cahill	Section 2.4.35
• Brett Capwell	Sections 2.1.1–2.1.15
• Brittany Collier	Sections 2.4.9 and 2.4.30
• Sylvain Fleury	Sections 2.2.1–2.2.8
• Eleni Kachulis	Sections 2.4.28 and 2.4.34
• Michaela Keenan-Pelletier	Sections 2.4.21–2.4.23
• Isabelle Lafontaine-Émond	Sections 2.4.24, 2.4.31 and 2.4.33
• Michaël Lambert-Racine	Sections 2.4.8, 2.4.10 and 2.4.15
• Francis Lord	Sections 2.4.16–2.4.17 and 2.4.27
• Graeme McConnell	Sections 2.4.25 and 2.4.26
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• Mayra Perez-Leclerc	Section 2.4.29
• Simon Richards	Section 2.4.18
• Édison Roy-César	Sections 2.3, 2.4.3–2.4.4 and 2.4.14
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• Marlisa Tiedemann	Section 2.4.20
• Adriane Yong	Sections 2.1.16–2.1.31 and 2.4.7

1. Bill C-30, An Act to implement certain provisions of the budget tabled in Parliament on April 19, 2021 and other measures, 43rd Parliament, 2nd Session (S.C. 2021, c. 23).

2. Department of Finance Canada, *A Recovery Plan for Jobs, Growth, and Resilience*, Budget 2021.

3. *Income Tax Act*, R.S.C. 1985, c. 1 (5th Supp.).

4. The "standby charge" under section 6(1)(e) of the *Income Tax Act* is designed to estimate the depreciation (wear-and-tear) on the automobile attributable to the fact that the employer-provided automobile was used for personal driving. The calculation is based on the following: the purchase cost or the lease cost of the automobile, the number of days that the automobile is made available to the employee and the actual extent of personal use (under certain conditions).

5. *Income Tax Regulations*, C.R.C., c. 945.

6. *Canada Disability Savings Regulations*, SOR/2008-186.

7. Ibid., s. 1.

8. *Broadcasting Act*, S.C. 1991, c. 11, s. 2(1).

9. House of Commons, Standing Committee on Finance, *Bill C-30, An Act to implement certain provisions of the budget tabled in Parliament on April 19, 2021 and other measures*, Fifth report, 7 June 2021.

10. *Criminal Code*, R.S.C. 1985, c. C-46.

11. *Budget Implementation Act, 2019, No. 1*, S.C. 2019, c. 29, ss. 52(1) and 52(6).

12. Ibid., ss. 52(2), 52(6) and 55(1).

13. *Excise Tax Act*, R.S.C. 1985, c. E-15.

14. *Air Travellers Security Charge Act*, S.C. 2002, c. 9, s. 5.

15. *Excise Act, 2001*, S.C. 2002, c. 22.

16. *Greenhouse Gas Pollution Pricing Act*, S.C. 2018, c. 12, s. 186.

17. A "specified non-resident supplier" is a non-resident person who does not make supplies in the course of a business carried on in Canada and who is not registered under Subdivision D of Division V of the *Excise Tax Act*.

18. A "digital platform" includes a website, electronic portal, gateway, store or distribution platform or any other similar electronic interface but does not include an electronic interface that solely processes payments.

19. *New Harmonized Value-added Tax System Regulations, No. 2*, SOR/2010-151.

20. Department of Finance Canada, *A Recovery Plan for Jobs, Growth, and Resilience*, Budget 2021, p. 655.

21. *Canada Deposit Insurance Corporation Act*, R.S.C. 1985, c. C-3.

22. *Payment Clearing and Settlement Act*, S.C. 1996, c. 6, Sch.

23. *Budget Implementation Act, 2018, No. 1*, S.C. 2018, c. 12.

24. Bank of Canada, *Unclaimed Balances*.

25. *Bank of Canada Act*, R.S.C. 1985, c. B-2.

26. *Pension Benefits Standards Act, 1985*, R.S.C. 1985, c. 32 (2nd Supp.).

27. *Trust and Loan Companies Act*, S.C. 1991, c. 45.

28. *Bank Act*, S.C. 1991, c. 46.

29. *An Act to amend the law governing financial institutions and to provide for related and consequential matters*, S.C. 2007, c. 6.

30. *Budget Implementation Act, 2018, No. 2*, S.C. 2018, c. 27.

31. Ibid., s. 329. See definition of "eligible enterprise" added to the *Bank Act*.

32. *Insurance Companies Act*, S.C. 1991, c. 47.

33. *Justice for Victims of Corrupt Foreign Officials Act (Sergei Magnitsky Law)*, S.C. 2017, c. 21, s. 7(1).

34. *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (PCMLTFA), S.C. 2000, c. 17.

35. *Proceeds of Crime (Money Laundering) and Terrorist Financing Regulations*, SOR/2002-184.

36. *Freezing Assets of Corrupt Foreign Officials Act*, S.C. 2011, c. 10.
37. *Immigration and Refugee Protection Act*, S.C. 2001, c. 27.
38. *Customs Act*, R.S.C. 1985, c. 1 (2nd Supp.), s. 159.
39. *Income Tax Act*, R.S.C. 1985, c. 1 (5th Supp.), ss. 239(1) and 239(1.1).
40. Clauses 161, 167(2), 167(4)–167(6), 168(2), 168(4)–168(6), 169(1) and 169(3)–169(5) of the bill amend sections 9.6(3), 55(7)(a), 55(7)(j), 55(7)(k), 55(7)(n), 55(7)(p), 55.1(3)(a), 55.1(3)(j), 55.1(3)(k), 55.1(3)(n), 55.1(3)(p), 56.1(5)(a), 56.1(5)(j), 56.1(5)(k), 56.1(5)(n) and 56.1(5)(p) of the PCMLTFA.
41. *Financial Consumer Agency of Canada Act*, S.C. 2001, c. 9.
42. *Payment Card Networks Act*, S.C. 2010, c. 12, s. 1834.
43. Department of Finance Canada, *A Recovery Plan for Jobs, Growth, and Resilience*, Budget 2021, p. 369.
44. *Pension Benefits Standards Act, 1985*, R.S.C. 1985, c. 32 (2nd Supp.)., s. 2.1.
45. *First Nations Fiscal Management Act*, S.C. 2005, c. 9.
46. The complete list of other revenues can be found in *Financing Secured by Other Revenues Regulations*, SOR/2011-201, s. 3.
47. Government of Canada, "4.5 Bridging Canadians through the Crisis," *Supporting Canadians and Fighting COVID-19*, Fall Economic Statement 2020.
48. *Federal-Provincial Fiscal Arrangements Act*, R.S.C. 1985, c. F-8.
49. Established Programs Financing (EPF) was introduced in 1977 to replace cost-sharing programs for health and post-secondary education.

    > Federal funding provided through the EPF initially took the form of equal portions of a tax transfer and a cash transfer. Provinces received 13.5 percentage points of personal income tax … and 1 percentage point of corporate income tax … including some points carried over from the previous post-secondary education program. Provinces and territories received equal per capita total EPF support through a mix of cash and equalized tax points.

    Government of Canada, *History of Health and Social Transfers*.
50. Government of Canada, *Canada's COVID-19 Immunization Plan: Saving Lives and Livelihoods*.
51. *Keeping Canada's Economy and Jobs Growing Act*, S.C. 2011, c. 24, s. 161.
52. *Economic Action Plan 2013 Act, No. 1*, S.C. 2013, c. 33. This Act amends the amount stipulated in section 161 of the *Keeping Canada's Economy and Jobs Growing Act* to the following: $2 billion for 2014–2015, and beginning in 2015–2016, $2 billion plus $100 million annually, if the results of the formula A × 1.02B (where A is $2 billion, and B equals the year in which the fiscal year begins, minus 2013) increases by at least $100 million over the previous fiscal year.
53. *Budget Implementation Act, 2019, No. 1*, S.C. 2019, c. 29. Section 375(1)(i) of that Act replaced every reference to the "Minister of Indian Affairs and Northern Development" by a reference to the "Minister of Indigenous Services" in section 161(1) of the *Keeping Canada's Economy and Jobs Growing Act*, as amended by section 233 of the *Economic Action Plan 2013 Act, No. 1*.
54. Intergovernmental Affairs, *Hibernia dividend backed annuity agreement*, Backgrounder.
55. The provisions in Division 15 of Part 4 of Bill C-30 are the same as those contained in Bill C-20, An Act to amend the Nova Scotia and Newfoundland and Labrador Additional Fiscal Equalization Offset Payments Act, 43rd Parliament, 2nd Session.
56. Government of Canada, "What is Equalization?," *Equalization Program*.
57. For more information on equalization, see Édison Roy-César, *Canada's Equalization Formula*, Publication no. 2008-20-E, Library of Parliament, 4 September 2013.
58. Government of Canada, *Arrangement between the Government of Canada and the Government of Nova Scotia on Offshore Revenues*, 14 February 2005.
59. *Nova Scotia and Newfoundland and Labrador Additional Fiscal Equalization Offset Payments Act*, S.C. 2005, c. 30, s. 85.

60. Department of Finance Canada, *One-time extension of the Arrangement on Offshore Revenues with Nova Scotia*, Backgrounder, 3 February 2021.

61. Department of Finance Canada, *Government introduces legislation for one-time extension of the Arrangement on Offshore Revenues with Nova Scotia*, News release, 3 February 2021.

62. *Telecommunications Act*, S.C. 1993, c. 38.

63. See also Canadian Radio-television and Telecommunications Commission (CRTC), *Broadband Fund: Closing the digital divide in Canada*. A number of other federal agencies administer funding programs for deploying broadband Internet. See Innovation, Science and Economic Development Canada, *Universal Broadband Fund*; and Innovation, Science and Economic Development Canada, *Connect to Innovate*. The Canada Infrastructure Bank also provides funding through its Growth Plan. See Canada Infrastructure Bank, *Priority Sectors*. For examples of other federal programs, see Government of Canada, "Investment Streams: Rural and Northern Communities," *Investing in Canada Plan – Building a Better Canada*; and Government of Canada, *First Nation Infrastructure Fund*.

64. Under section 64 of the *Telecommunications Act*, all CRTC decisions are still subject to an appeal to the Federal Court of Appeal, with the leave of that Court, on any question of law or jurisdiction.

65. Government of Canada, *Helping small businesses get loans*.

66. *Canada Small Business Financing Act*, S.C. 1998, c. 36.

67. Farming businesses are eligible for loans under the Canadian Agricultural Loans Act program. See Government of Canada, *Canadian Agricultural Loans Act program: Step 1. What this program offers*.

68. *Customs Act*, R.S.C. 1985, c. 1 (2nd Supp.).

69. "Ascertained forfeiture" is a type of collection mechanism. Where it would be difficult or impossible for a customs officer to seize goods regarding which there are reasonable grounds to believe that an offence has been committed, the officer may – through this mechanism – demand payment of an amount determined according to the value of the goods.

70. Finance Canada, *Finance Canada Response to Committee Undertaking: May, 11, 2021 Appearance before the Standing Senate Committee on National Finance on "The subject matter of all of Bill C-30, Budget Implementation Act, 2021, No. 1"*, Brief submitted to the Standing Senate Committee on National Finance, 2021.

71. Government of Canada, *Canada–United States–Mexico Agreement*.

72. The *Canada–United States–Mexico Agreement Implementation Act*, which received Royal Assent on 13 March 2020, implements the *Canada–United States–Mexico Agreement*. See *Canada–United States–Mexico Agreement Implementation Act*, S.C. 2020, c. 1.

73. *Department of Employment and Social Development Act*, S.C. 2005, c. 34.

74. Department of Finance Canada, *A Recovery Plan for Jobs, Growth, and Resilience*, Budget 2021, Annex 5, p. 575.

75. *Canada Labour Code*, R.S.C. 1985, c. L-2.

76. Employment and Social Development Canada, "Annex A: List of recommendations," *Report of the Expert Panel on Modern Federal Labour Standards*, Recommendation 1, June 2019, p. 176.

77. Ibid., Recommendation 2.

78. *Divorce Act*, R.S.C. 1985, c. 3 (2nd Supp.), s. 2(1).

79. Bill C-78, An Act to amend the Divorce Act, the Family Orders and Agreements Enforcement Assistance Act and the Garnishment, Attachment and Pension Diversion Act and to make consequential amendments to another Act, 42nd Parliament, 1st Session (S.C. 2019, c. 16), s. 1.

80. *Employment Insurance Act*, S.C. 1996, c. 23.

81. Employment and Social Development Canada, *Employment Insurance – COVID-19*.

82. Government of Canada, *EI maternity and parental benefits: What these benefits offer*.

83. *Judges Act*, R.S.C. 1985, c. J-1.

84. Judicial Compensation and Benefits Commission, *Reports and Recommendations*, 28 October 2019, para. 3, p. 1, citing a letter from the Minister of Justice dated 31 May 2019.

85. Ibid., para. 24, p. 8.

86. *Federal Courts Act*, R.S.C. 1985, c. F-7.

87. *Tax Court of Canada Act*, R.S.C. 1985, c. T-2.

88. *National Research Council Act*, R.S.C. 1985, c. N-15.

89. The provision uses the terms "drug" and "device" as they are defined in section 2 of the *Food and Drugs Act*. See *Food and Drugs Act*, R.S.C. 1985, c. F-27.

90. *Employment Equity Act*, S.C. 1995, c. 44; *Pay Equity Act*, S.C. 2018, c. 27, s. 416; *Government Employees Compensation Act*, R.S.C. 1985, c. G-5; *Merchant Seamen Compensation Act*, R.S.C. 1985, c. M-6; *Wage Earner Protection Program Act*, S.C. 2005, c. 47, s. 1; *Status of the Artist Act*, S.C. 1992, c. 33; and *Non-smokers' Health Act*, R.S.C. 1985, c. 15 (4th Supp.).

91. Government of Canada, "A: Mandate of the Minister of Labour," *Minister of Labour: Labour Program overview briefing binder*.

92. *Canada Student Loans Act*, R.S.C. 1985, c. S-23.

93. Government of Canada, *Acts and Regulations: Student Financial Assistance*.

94. *Canada Student Financial Assistance Act*, S.C. 1994, c. 28.

95. Government of Canada, *Acts and Regulations: Student Financial Assistance*.

96. *Apprentice Loans Act*, S.C. 2014, c. 20, s. 483.

97. *Economic Statement Implementation Act, 2020*, S.C. 2021, c. 7.

98. *Indian Act*, R.S.C. 1985, c. I-5; *Indian Band Election Regulations*, C.R.C., c. 952; and *First Nations Elections Act*, S.C. 2014, c. 5. For more information about how First Nations select their leaders, please see Government of Canada, *Leadership selection in First Nations*.

99. Chelsea Gabel and Nicole Goodman, *Indigenous communities should be able to choose online voting, especially during COVID-19: Report*, McMaster University, 4 May 2021.

100. *First Nations Election Cancellation and Postponement Regulations (Prevention of Diseases)*, SOR/2020-84.

101. *Regulations Amending the First Nations Election Cancellation and Postponement Regulations (Prevention of Diseases)*, SOR/2021-78, 8 April 2021, in *Canada Gazette*, Part II, 28 April 2021.

102. *Bertrand v. Acho Dene Koe First Nation*, 2021 FC 287.

103. Indigenous Services Canada, *Government of Canada to appeal recent ruling on the First Nations Election Cancellation and Postponement Regulations (Prevention of Diseases)*, Statement, 8 April 2021.

104. Department of Finance Canada, *A Recovery Plan for Jobs, Growth, and Resilience*, Budget 2021, p. 232.

105. *Old Age Security Act*, R.S.C. 1985, c. O-9.

106. Government of Canada, *Guaranteed Income Supplement – Allowance: Overview*; and Government of Canada, *Allowance for the Survivor: Overview*.

107. Department of Finance Canada, *A Recovery Plan for Jobs, Growth, and Resilience*, Budget 2021, p. 232.

108. *Public Service Employment Act*, S.C. 2003, c. 22, ss. 12 and 13.

109. Department of Finance Canada, *A Recovery Plan for Jobs, Growth, and Resilience*, Budget 2021, p. 231.

110. The Public Service Commission is "an independent agency responsible for safeguarding the values of a professional Public Service: competence, non-partisanship and representativeness." Government of Canada, *About Us*.

111. According to section 2 of the *Public Service Employment Act*, "employer" is defined as

> (a) the Treasury Board, in relation to an organization named in Schedule I or IV to the *Financial Administration Act*; or
>
> (b) in relation to a separate agency to which the Commission has exclusive authority to make appointments, that separate agency.

112. Department of Finance Canada, *A Recovery Plan for Jobs, Growth, and Resilience*, Budget 2021, p. 102.

113. *Canada Recovery Benefits Act*, S.C. 2020, c. 12, s. 2.

114. Government of Canada, *Canada Recovery Benefit (CRB)*; Government of Canada, "Who can apply," *Canada Recovery Benefit (CRB)*; Government of Canada, *Canada Recovery Sickness Benefit (CRSB)*; and Government of Canada, *Canada Recovery Caregiving Benefit (CRCB)*.

115. Employment and Social Development Canada, *Employment Insurance (EI)*.

116. *Canada Recovery Benefits Regulations*, SOR/2021-35.

117. *Canada Labour Standards Regulations*, C.R.C., c. 986.

118. *COVID-19 Response Measures Act*, S.C. 2020, c. 12.

119. *Employment Insurance Regulations*, SOR/96-332.

120. *Employment Insurance (Fishing) Regulations*, SOR/96-445.

121. The government has signalled that the extension of Employment Insurance sickness benefits will come into force after the pressing changes related to the expiration of temporary measures in fall 2021. See *Bill C-30, An Act to implement certain provisions of the budget tabled in Parliament on April 19, 2021 and other measures*, Briefing binder.

122. Sections related to entrance requirements are *Employment Insurance Act*, S.C. 1996, c. 23, ss. 6(1), 7(2), 12(8), 21(1), 22(1), 22(2), 23(1), 23(4)–23(6), 23.1–23.3, 28(7), 29(a), and 30(4)–30(7); *Employment Insurance Regulations*, SOR/96-332, ss. 55(5)–55(6); and *Employment Insurance (Fishing) Regulations*, SOR/96-445, s. 1(1).

123. *Employment Insurance Regulations*, SOR/96-332, s. 77.992(1).

124. *Interim Order Amending the Employment Insurance Act (Employment Insurance Emergency Response Benefit)*, SOR/2020-61, 1 April 2020, in *Canada Gazette*, Part II, 15 April 2020; *Interim Order No. 2 Amending the Employment Insurance Act (Employment Insurance Emergency Response Benefit)*, SOR/2020-88, 16 April 2020, in *Canada Gazette*, Part II, 29 April 2020; *Interim Order No. 3 Amending the Employment Insurance Act (Employment Insurance Emergency Response Benefit)*, SOR/2020-89, 16 April 2020, in *Canada Gazette*, Part II, 29 April 2020; *Interim Order No. 4 Amending the Employment Insurance Act (Employment Insurance Emergency Response Benefit)*, SOR/2020-95, 24 April 2020, in *Canada Gazette*, Part II, 13 May 2020; *Interim Order No. 5 Amending the Employment Insurance Act (Employment Insurance Emergency Response Benefit)*, SOR/2020-141, 26 June 2020, in *Canada Gazette*, Part II, 8 July 2020; *Interim Order No. 6 Amending the Employment Insurance Act (Employment Insurance Emergency Response Benefit)*, SOR/2020-169, 22 July 2020, in *Canada Gazette*, Part II, 5 August 2020; *Interim Order No. 7 Amending the Employment Insurance Act (Employment Insurance Emergency Response Benefit)*, SOR/2020-173, 10 August 2020, in *Canada Gazette*, Part II, 19 August 2020; *Interim Order No. 9 Amending the Employment Insurance Act (Employment Insurance Emergency Response Benefit)*, SOR/2020-188, 29 August 2020, in *Canada Gazette*, Part II, 16 September 2020; and *Interim Order No. 10 Amending the Employment Insurance Act (Employment Insurance Emergency Response Benefit)*, SOR/2020-208, 26 September 2020, in *Canada Gazette*, Part II, 14 October 2020.

125. *Interim Order No. 8 Amending the Employment Insurance Act (Facilitated Access to Benefits)*, SOR/2020-187, 29 August 2020, in *Canada Gazette*, Part II, 16 September 2020, established a minimum 13.1% national unemployment rate to facilitate a reduced entrance requirement across Canada during the COVID-19 pandemic. Under previous legislation that included an 11 September 2021 end date, and with the temporary 420-hour common entrance requirement coming into effect on 26 September 2021, this would have resulted in a two-week gap where claimants may have been required to have as many as 700 hours of insurable employment to be eligible for regular benefits.

126. The coming-into-force provisions regarding the *Employment Insurance Act* are clauses 302(1), 302(2), 303(1) to 303(4), 304(1), 304(2), 305, 306(1), 306(2), 307(1), 307(3), 307(4), 308(1), 308(2), 309(1) to 309(6), 310(1) to 310(14), 311(1), 311(2), 312(1), 312(2), 313(1), 313(2), 314(1), 314(2), 315(1), 315(2), 316(1) to 316(4), 317(1), 317(2), 318(1), 318(2), 319 to 321, 322(1), 322(2), 324, 325, 327, 329(1), 329(2) and 330.

127. The coming-into-force provisions regarding the *Employment Insurance Regulations* are clauses 347(1), 347(3), 348(1), 349(1), 349(3) and 350.

128. The coming-into-force provisions regarding the *Employment Insurance (Fishing) Regulations* are clauses 352(1), 353(1), 353(3), 354(1), 355(1), 355(3), 356 and 357.

129. *Canada Elections Act*, S.C. 2000, c. 9.

130. *Canadian Constitution Foundation v. Canada (Attorney General)*, 2021 ONSC 1224.

131. Bill C-76, An Act to amend the Canada Elections Act and other Acts and to make certain consequential amendments, 42nd Parliament, 1st Session (S.C. 2018, c. 31).

APPENDIX – ACRONYMS, INITIALISMS AND SHORT FORMS

Title or Term	Acronym, Initialism or Short Form
advanced life deferred annuity	ALDA
Bank of Canada	the Bank
Budget Implementation Act, 2018, No. 1	BIA 2018, No. 1
Budget Implementation Act, 2018, No. 2	BIA 2018, No. 2
Canada Deposit Insurance Corporation Act	CDICA
Canada Development Investment Corporation	CDEV
Canada Disability Savings Bond	CDSB
Canada Disability Savings Grant	CDSG
Canada Disability Savings Regulations	CDSR
Canada Elections Act	CEA
Canada Emergency Rent Subsidy	CERS
Canada Emergency Wage Subsidy	CEWS
Canada Labour Code	CLC
Canada Recovery Benefit	CRB
Canada Recovery Benefits Act	CRBA
Canada Recovery Caregiving Benefit	CRCB
Canada Recovery Hiring Program	CRHP
Canada Recovery Sickness Benefit	CRSB
Canada Revenue Agency	CRA
Canada Small Business Financing Act	CSBFA
Canada Small Business Financing Program	CSBFP
Canada Workers Benefit	CWB
Canada–United States–Mexico Agreement	CUSMA
Canadian Judicial Council	CJC
Canadian Radio-television and Telecommunications Commission	CRTC
Canadian-controlled private corporation	CCPC
capital cost allowance	CCA
child care expense deduction	CCED
Consumer Price Index	CPI
corporation resident in Canada	CRIC
Department of Employment and Social Development Act	DESDA
disability supports deduction	DSD
disability tax credit	DTC

Title or Term	Acronym, Initialism or Short Form
employee life and health trust	ELHT
Employment Insurance	EI
Employment Insurance (Fishing) Regulations	EIFR
Employment Insurance Act	EIA
Employment Insurance Regulations	EIR
Employment Insurance Emergency Response Benefit	EI-ERB
Excise Tax Act	ETA
Federal-Provincial Fiscal Arrangements Act	FPFAA
Financial Transactions and Reports Analysis Centre of Canada	FINTRAC
First Nations Election Cancellation and Postponement Regulations (Prevention of Diseases)	FNECPR
Goods and Services Tax/Harmonized Sales Tax	GST/HST
Income Tax Act	ITA
Income Tax Regulations	ITR
Justice for Victims of Corrupt Foreign Officials Act (Sergei Magnitsky Law)	Sergei Magnitsky Law
Lockdown Support	LS
National Research Council Act	NRCA
National Research Council of Canada	NRC
Old Age Security Act	OASA
Payment Clearing and Settlement Act	PCSA
payment service provider	PSP
Pension Benefits Standards Act, 1985	PBSA, 1985
pooled registered pension plan	PRPP
Proceeds of Crime (Money Laundering) and Terrorist Financing Act	PCMLTFA
Public Service Commission	PSC
Public Service Employment Act	PSEA
qualified Canadian journalism organization	QCJO
Quebec Parental Insurance Plan	QPIP
registered disability savings plan	RDSP
registered retirement income fund	RRIF
registered retirement savings plan	RRSP
Regulations Amending the First Nations Election Cancellation and Postponement Regulations (Prevention of Diseases)	Regulations Amending the FNECPR
Retail Payment Activities Act	RPAA
Social Security Tribunal	the Tribunal
specified multi-employer plan	SMEP
Trust and Loan Companies Act	TLCA
variable payment life annuity	VPLA