



March 24, 2023

## MEMORANDUM

**New legal requirements to improve the transparency of enterprises by way of information to be provided to the Quebec Enterprise Registrar (“REQ”) pursuant to an *Act respecting the legal publicity of enterprises* (the “Publicity Act”).**

This memorandum is informing you of the new legal disclosure requirements to improve the transparency of enterprises and the information that will need to be provided to the REQ pursuant to the Publicity Act.

These new provisions will come into force on March 31, 2023, and will apply to all enterprises registered at the REQ pursuant to the Publicity Act, including corporations, limited partnerships, general partnerships and trusts operating a commercial enterprise, **wherever their place of incorporation or formation** (hereinafter referred to as “**Registrant(s)**”), subject to several exceptions.

Registrants will be required to take necessary measures to identify the natural persons who are the ultimate beneficiaries of the Registrant, including their names, residential addresses, and dates of birth.

Generally speaking, ultimate beneficiaries are natural persons holding, directly or indirectly, a number of shares or units representing 25% or more of the voting rights attached to the shares or units issued by the Registrant or 25% or more of the fair market value of the shares or units issued by the Registrant, or holding direct or indirect influence that, if exercised, would result in control in fact of the Registrant. As well, where natural persons have agreed to jointly exercise their voting rights in respect of shares or units of a Registrant, and such agreement confers on them the power to exercise 25% or more of the voting rights, then each of those natural persons will be considered an ultimate beneficiary.

If the Registrant is a limited partnership, the ultimate beneficiary would be the general partner of the Registrant or, if the general partner is not a natural person, the natural person(s) in respect of the general partner who meet(s) one of the conditions described above. If the Registrant is a trust operating a commercial enterprise, the trustee and certain beneficiaries would be the ultimate beneficiaries.

These new provisions also require Registrants to provide the REQ with a copy of a piece of identification for each director. The identification must be valid (not expired), in a form that is legible when submitted to the REQ and issued by a governmental authority, such as a passport, driver’s license or medicare card, and include the date of birth of the director. Additionally, each Registrant will be required to provide the REQ with the date of birth and residential address of each other natural person it declares on the REQ.

Please note that all information submitted to the REQ will be available to the public, except for dates of birth and residential addresses, the latter in circumstances where a professional address is also provided to the REQ.

A Registrant who does not comply with these obligations will be subject to monetary penalties or other administrative sanctions.

Although it will still be possible for a Registrant to file an annual updating declaration as part of its provincial tax return after March 31, 2023, if the above information has not been submitted to the REQ beforehand, the Registrant will nonetheless be in default under the new legal requirements and will be obliged to file an updating declaration with the required information and identification.

For certain Registrants, collecting and preparing such information will require a considerable amount of time.

If you have any questions with respect to this memorandum, please communicate with the lawyer or paralegal responsible for your file.