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Newsflash

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Bill 17 of the Quebec National Assembly shortens delay within which one may register, with quasi-super priority, rights under instalment sale contracts, leasing contracts and leases

On October 27, 2023, *An Act to amend various provisions for the main purpose of reducing regulatory and administrative burden*, also known as **Bill 17**, obtained royal assent, thereby amending certain provisions of the *Civil Code of Quebec* (“**CCQ**”), effective as of November 27, 2023.¹

With a view of mitigating the uncertainty of commercial transactions, but with the effect of making rules pertaining to registration periods more stringent, particularly for lenders and finance companies, Bill 17 reduces the publication period allowing certain contractual rights to be set up against third parties retroactive to the date of the underlying contract from 15 days to 7 days.

The contractual rights in question are as follows:

1. **Installment Sale and Sale with Right of Redemption.** Bill 17 amends arts. 1745 and 1750 of the CCQ such that an instalment sale (i.e.,

¹ Bill 17, *An Act to amend various provisions for the main purpose of reducing regulatory and administrative burden*, 1st Sess, 43rd Leg, Quebec, 2023, cl 205(4).

reservation of ownership) or sale with a right of redemption with respect to a road vehicle or other movable property determined by regulation, or with respect to any movable property acquired for the service or operation of an enterprise, may be set up against third persons from the date of the sale provided the reservation of ownership or right of redemption (as applicable) is published within **7 days**.²

2. **Leasing Contract (*Crédit-bail*).** Bill 17 amends art. 1847 of the CCQ such that the rights of ownership of the lessor may be set up against third persons from the date of the leasing contract provided the rights are published within **7 days**.³
3. **Lease.** Bill 17 amends art. 1852 of the CCQ such that the rights resulting from a lease may be set up against third persons from the date of the lease provided they are published within **7 days**.⁴

In light of these changes, sellers and lessors should therefore be prepared to hasten the pace of registration of their commercial transactions and prevent the increased risk and costs associated with late registrations.

The contents of this newsletter are for information purposes only and should not be construed or relied upon as legal advice.

² *Ibid*, cl 165, 166.

³ *Ibid*, cl 167.

⁴ *Ibid*, cl 168.

For further information, please feel free to contact one of our team members, who will be pleased to advise you.

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