



Literacy Quebec

*Legal Information
Guide*

March 30, 2018

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Introduction

This legal information guide has been created by a law student in collaboration with Pro Bono Students Canada for the internal use of the members organizations of Literacy Quebec.

The first section contains the relevant federal and provincial laws governing non-profit organizations. The second section contains information on the social economy enterprise under Quebec law, and the legal forms to carry out a social economy enterprise. The third section contains information on registered-charities and non-profit organizations. The fourth section explains the licensing procedure for bingo and drawings. Lastly, a list of free and low-cost resources for non-profit organizations is available at the end of the document.

Denial of Liability Clause

The legal information found in this guide is up-to-date as of March 30, 2018, the laws and regulations might have changed since. This document does not contain legal advice. Pro Bono Students Canada (PBSC) is a student organization. This document had been prepared with the assistance of students from the PBSC network from the University of Montreal. PBSC students are not lawyers and are not authorized to deliver legal advice. This document contains general information on legal questions. If you need legal advice, please contact a lawyer.



Prepared by :
Se-Line Duong
se-line.duong@umontreal.ca

With the help of :
Margo Legault
&
Golshad Darroudi

1. Laws and Regulations

1.1 Canadian Laws and Regulations

This section contains the relevant laws and regulations applicable to cooperatives and not-for-profit corporations constituted under federal laws. Additionally, this section contains information on how to register as a charity under federal legislation and the federal tax law to maintain the status of a registered charity.

Cooperatives

- Canada Cooperatives Act

Website : <http://laws-lois.justice.gc.ca/eng/acts/C-1.7/index.html>

- Canada Cooperatives Regulations

Website : <http://laws-lois.justice.gc.ca/eng/regulations/SOR-99-256/index.html>

Not-for-profit Corporations

- Canada Not-for-profit Corporations Act

Website : <http://laws-lois.justice.gc.ca/eng/acts/c-7.75/page-1.html>

- Canada Not-for-profit Corporations Regulations

Website : <http://laws-lois.justice.gc.ca/eng/regulations/SOR-2011-223/index.html>

Registered Charities

- Charities Registration (Security Information) Act

Website : <http://laws-lois.justice.gc.ca/eng/acts/C-27.55/index.html>

Income Tax Provisions

- Income Tax Act

Website : <http://laws-lois.justice.gc.ca/eng/acts/I-3.3/>

- Income Tax Regulations

Website : <http://laws-lois.justice.gc.ca/eng/regulations/C.R.C.%2C%20c.%20945/index.html>

1.2 Quebec Laws and Regulations

This section contains the relevant laws and regulations applicable to cooperatives and not-for-profit legal persons constituted under provincial laws. Additionally, this section contains information on the status of social economy enterprise in Quebec, along with the sources of finance available to cooperatives and not-for-profit legal persons constituted under Quebec laws.

Cooperatives

- Quebec Cooperatives Act

Website : <http://legisquebec.gouv.qc.ca/en/ShowDoc/cs/C-67.2>

- Quebec Regulation under the Cooperatives Act

Website : <http://legisquebec.gouv.qc.ca/en/ShowDoc/cr/C-67.2,%20r.%201>

Not-for-profit Legal Persons

- Quebec Companies Act, Part III : Legal Persons or Associations Having No Share Capital, Constituted or Continued by Letters Patent

Website : <http://www.legisquebec.gouv.qc.ca/en/ShowDoc/cs/C-38>

- Quebec Regulation respecting names of legal persons or associations governed by Part III of the Quebec Companies Act

Website : <http://www.legisquebec.gouv.qc.ca/en/ShowDoc/cr/C-38,%20r.%202/>

Social Economy Enterprise

- Quebec Social Economy Act

Website : <http://legisquebec.gouv.qc.ca/en/ShowDoc/cs/E-1.1.1>

Sources of Finance

- Act Respecting Assistance for the Development of Cooperatives and Non-Profit Legal Persons

Website : <http://legisquebec.gouv.qc.ca/en/ShowDoc/cs/A-12.1>

- Décret concernant le programme favorisant le financement de l'entrepreneuriat collectif (French only)

Website : <http://legisquebec.gouv.qc.ca/fr/ShowDoc/ct/A-12.1,%20r.%202>

2. Social Economy Enterprise

2.1 Definition

Since 2013, under the article 3 of the *Quebec Social Economy Act*, a cooperative or a not-for-profit legal person or association is eligible to exploit a social economy enterprise. The economic activities consist in the sale or exchange of goods or services and they must be carried out with a social purpose, that is to meet the needs of its members or the community. The enterprise must aspire for economic viability, but must not be centered on monetary profit. The social economy enterprise is not under the control of a governmental organization or owner(s) and is democratically managed.

- Quebec Social Economy Action Plan 2015-2020

The government of Quebec anticipates a total investment of more than 100 million dollars over five years to support Quebec social economy enterprises.

Website (French only) :

https://www.economie.gouv.qc.ca/fileadmin/contenu/publications/administratives/plans_action/plan_action_economie_sociale_2015-2020.pdf

- Programme d'immobilisation en entrepreneuriat collectif is a Quebec program offered to social economy enterprises wishing to renovate, build or acquire a building to develop their business and service offering.

Website :

https://www.economie.gouv.qc.ca/objectifs/informer/cooperatives/page/programmes-21395/?no_cache=1&tx_igaffichagepages_pi1%5Bmode%5D=single&tx_igaffichagepages_pi1%5BbackPid%5D=68&tx_igaffichagepages_pi1%5BcurrentCat%5D=&cHash=28dfcaf0ec268d7bd0fa4683ad86181f

- The Government of Canada website contains information on how to start and grow a social enterprise, whether the organization is structured as a for-profit or a not-for-profit organization.

Website :

<https://canadabusiness.ca/starting/start-and-grow-a-social-enterprise/>

2.2 Legal Form

A social economy enterprise can be carried out under two legal forms : as a cooperative or as a not-for-profit organization. The constitution as a cooperative or as a not-for-profit organization can be done under the provincial or federal law. There is no better legislation or legal form, it comes down to where and how the enterprise wants to carry out its activities.

A cooperative is a moral person gathering persons or associations with economic, social or cultural needs in common to exploit a common enterprise as a cooperative. A cooperative is democratically managed by its members, one member equals one vote. A cooperative is distinct from its members, the liability of its members is limited to the value of its parts. A cooperative is different from other legal forms because dividends are distributed among its members.

A not-for-profit legal person gathers individuals pursuing a moral or altruistic goal without the intention to make profits to share among its members. One member equals one vote, but voting rights can be limited by by-laws. A not-for-profit legal person is distinct from its members, the liability of its members is limited to the value of its parts. Not-for-profit legal person do not distribute dividends to its members.

Differences between Cooperatives and Not-for-profit Legal Persons

- This comparative chart explains the difference between a cooperative, a company and a not-for-profit organization under Quebec law :

Website (French only) :

https://www.economie.gouv.qc.ca/objectifs/informer/cooperatives/page/apercu-10305/?no_cache=1&tx_igaffichagepages_pi1%5BbackPid%5D=68&tx_igaffichagepages_pi1%5BcurrentCat%5D=&cHash=8f70d316965005f4d34be3e39a8a91c8&tx_igaffichagepages_pi1%5Bmode%5D=single&tx_igaffichagepages_pi1%5BparentPid%5D=10304

2.2.1 Creating a Cooperative or a Not-for-profit Corporation under Canadian Law

- Cooperatives

The Government of Canada website provides an information guide on cooperatives, including the creation and the operation of a cooperative.

Website : https://www.ic.gc.ca/eic/site/cd-dgc.nsf/eng/h_cs03926.html

- Not-for-profit Corporations

The Government of Canada website provides information on creating a not-for-profit corporation, the roles and responsibilities of the corporation's directors, corporate records and filing obligations, creating and changing by-laws, the rights and responsibilities of the corporation's members, the financial statements and review, and changing the structure or the nature of the corporation.

Website : https://www.ic.gc.ca/eic/site/cd-dgc.nsf/eng/h_cs03925.html

2.2.2 *Creating a Cooperative or a Not-for-profit Legal Person under Quebec Law*

- Cooperatives

This website explains in depth the structure of a cooperative under Quebec law :

Website (French only):

https://www.economie.gouv.qc.ca/objectifs/informer/cooperatives/page/apercu-10304/?no_cache=1&tx_igaffichagepages_pi1%5Bmode%5D=single&tx_igaffichagepages_pi1%5BbackPid%5D=68&tx_igaffichagepages_pi1%5BcurrentCat%5D=&cHash=5a3c8a847e20d55802d9e3eee7ec3e03

The Economie, Science et Innovation Quebec website provides information on how to constitute a cooperative under Quebec law (French only).

Website :

https://www.economie.gouv.qc.ca/objectifs/informer/cooperatives/page/conformite-10706/?no_cache=1&tx_igaffichagepages_pi1%5Bmode%5D=single&tx_igaffichagepages_pi1%5BbackPid%5D=68&tx_igaffichagepages_pi1%5BcurrentCat%5D=&tx_igaffichagepages_pi1%5BparentPid%5D=10688&cHash=2fcee46b5051c2487d6c90646e7b1ec

- Non-Profit Legal Person

The Quebec Enterprise Register provides information on how to constitute a non-profit legal person (also called non-profit organization) under Quebec law.

Website : <http://www.registreentreprises.gouv.qc.ca/en/demarrer/constituer-pmsbl.aspx>

3. Registered Charity and Non-profit Organization

3.1 Definition

Registered charities and non-profit organizations both operate on a non-profit basis, but are not the same.

A registered charity must be established and operate exclusively for charitable purposes. A registered charity must apply to the Canada Revenue Agency and be approved for registration. Registered charities can issue official donation receipts for income tax purposes and must comply to applicable rules to maintain its status as a registered charity.

A non-profit organization cannot operate exclusively for charitable purposes. It does not have to go through a registration process for income tax purposes and thus cannot issue official donation receipts. Non-profit organizations do not have to comply to the same rules as registered charities.

Differences between a Registered Charity and a Non-profit Organization

- The Government of Canada website explains the difference between a registered charity and a non-profit organization.

Website :

<https://www.canada.ca/en/revenue-agency/services/charities-giving/giving-charity-information-donors/about-registered-charities/what-difference-between-a-registered-charity-a-non-profit-organization.html>

Registered Charities and Non-profit Organizations

- Educaloi provides accessible legal information regarding Registered Charities and Non-profit Organizations, such as the incorporation and the registration process, the rules registered charities must follow – including fundraising and the duties of directors.

Website : <https://www.educaloi.qc.ca/en/categories/businesses-and-nonprofits>

- Imagine Canada provides a range of resources related to charity and nonprofit organizational management, such as board governance, finance & administration, fundraising, staff management, volunteer involvement and charity tax tools.

Website : <http://sectorsource.ca/managing-organization>

3.2 Registered Charity

Registered Charity Status and Fundraising Activities

- The Government of Canada website contains information relating to charities listing, registering and running a charity, revoking a charity's registered status, making a charitable donation, charitable tax credits, compliance, audit and sanctions.

Website : <https://www.canada.ca/en/services/taxes/charities.html>

- Charity Tax Tools contains information about the legal requirements for all registered charities, such as charitable activities, gifts and receipting, record keeping and working with the Canada Revenue Agency.

Website : <http://sectorsource.ca/managing-organization/charity-tax-tools>

Making Changes to Charities

- The Government of Canada website contains the relevant information to making changes in a charity's legal name, legal statute, purposes, bylaws, activities, contact information, and others.

Website :

<https://www.canada.ca/en/revenue-agency/services/charities-giving/charities/operating-a-registered-charity/making-changes.html>

3.3 Taxation under Quebec Law

Registered Charities

- Revenu Quebec provides information on registered charities and other donees, such as fundraising activities, political activities, tax benefits, qualified donees and principal changes.

Website :

<https://www.revenuquebec.ca/en/businesses/income-tax/registered-charities-and-other-donees/>

Non-profit Organizations

- Revenu Quebec provides information on the taxation of non-profit organizations.

Website :

<https://www.revenuquebec.ca/en/businesses/income-tax/taxation-of-non-profit-organizations/>

4. Licensing Procedure for Bingo and Drawing

4.1 *Regie des alcools, des courses et des jeux (Quebec)*

The Regie des alcools, des courses et des jeux is the provincial board responsible for the regulation of alcohol, lottery, publicity contests, drawings, gambling, and similar activities. The Regie delivers, suspends or revoke licences, establishes conditions in which these activities can be carried out and monitors them.

Note : The Regie des alcools, des courses et des jeux website is only available in French, along with the forms to request a bingo or a drawing licence.

- Laws and Regulations

This page contains the list of the laws and regulations applicable to the Regie, to bingo and drawings.

Website : <https://www.racj.gouv.qc.ca/a-propos-de-la-regie/lois-et-reglements.html>

- Application Process

This guide details step by step the application process to request a licence.

Website :

https://www.racj.gouv.qc.ca/fileadmin/documents/Accueil/Formulaires_et_publications/Formulaires/Alcool/RACJ-1042_guide.pdf

- Most Frequently Asked Questions

This page answers the most frequently asked questions on the licensing process, such as how to request a licence, how to fill out the form, what the delays or the fees are, and the role of the Regie as opposed to Loto-Quebec.

Website : <https://www.racj.gouv.qc.ca/faq/general.html>

4.2 *Bingo*

- Forms

This page contains the various forms to request a licence to conduct bingo and the annual report on how the profits are used.

Website :

<https://www.racj.gouv.qc.ca/en/formulaires-et-publications/forms/bingo-french-only.html>

- Payable fees

The fees to obtain a licence can be found in the following document.

Website :

https://www.racj.gouv.qc.ca/fileadmin/documents/Accueil/Formulaires_et_publications/Formulaires/Jeux/RACJ-1047J.pdf

4.3 Drawing

- Forms

This page contains the forms to be completed to obtain a licence to conduct draws or half & half draws before such activity can be held.

Literacy Quebec can request a licence and the licence will be applicable for all its member organizations.

Website :

<https://www.racj.gouv.qc.ca/en/formulaires-et-publications/forms/drawings-french-only.html>

- Payable fees

The fees to obtain a licence can be found in the following document.

Website :

https://www.racj.gouv.qc.ca/fileadmin/documents/Accueil/Formulaires_et_publications/Formulaires/Jeux/RACJ-1047J.pdf

- Most Frequently Asked Questions

This page answers the most frequently asked questions, such as who can ask for a drawing licence, the delay to obtain such a licence, the cost, the duration of the licence.

Website : <https://www.racj.gouv.qc.ca/faq/tirages.html>

Additional Resources

Free Resources

Governmental Organizations

- Government of Canada Charities Directorate

The client service representative can provide general information about registered charities, information on how to apply for registration, information on how your charity should properly issue official donation receipts and guidance on changing your charity's legal name, purpose, activities and more.

Website :

<https://www.canada.ca/en/revenue-agency/corporate/contact-information/telephone-numbers.html>

Phone : 1-800-267-2384

- Quebec Revenu Agency

The client service of Revenu Quebec can answer general information to businesses and organizations, including the registration of a business, GST/HST and QST filing, and other questions related to taxes.

Website : <https://www.revenuquebec.ca/en/contact-us/general-information/>

Phone :

Quebec City : (418) 659-4692

Montreal : (514) 873-4692

Elsewhere in Canada or the United States : 1-800-567-4692

- Registraire des entreprises du Quebec

The client service of the Registraire des entreprises can provide information related to the constitution of a Quebec non-profit legal person and the application of the rules of law in general.

Website : http://www.registreentreprises.gouv.qc.ca/en/nous_joinre/default.aspx

Phone :

Quebec City area : (418) 644-0075

Elsewhere in Quebec : 1-800-644-0075

Outside Quebec : 1-418-644-0075

Legal Information Services

- COCo Centre for Community Organizations

COCo is a provincial, non-profit organization that works primarily with community organizations. COCo responds to assistance and information requests from community groups throughout Quebec. These topics include governance, annual general meetings, board roles and responsibilities, bylaws, incorporation and charitable status, human resources, financial management and much more. Free Info-COCo sessions can be done by phone, by e-mail and in person.

Website : <http://coco-net.org/contact-us>

E-mail : info@coco-net.org

Phone : (514) 849-5599

- Laval University Legal Information Bureau

The Laval University Legal Information Bureau is administered and run by law students. The volunteer students will answer questions by phone or in-person, with the help of law professors in the case of more complex matters.

Website : <http://bijlaval.ca/nous-joindre>

E-mail : info@bijlaval.ca

Phone : (418) 656-7211

- Legal Information Clinic at McGill

Entirely operated by law students, the Legal Information Clinic at McGill provides free, confidential legal information, and legal information presentations to community organizations through the Just Info program.

Website : <http://licm.mcgill.ca/>

Phone : (514) 398-6792

- Legal Information Clinic for Non-Profit Organizations

The Legal Information Clinic for Non-Profit Organizations is run by a lawyer-supervisor and law students. The volunteers can answer questions about the creation, administration or dissolution of a non-profit organization, such as corporate statutes, patent letters, employment law and registered charity statutes.

Website : <http://www.probono-udem.ca/clinique-juridique-mobile-pour-les-obnl/>

E-mail : clinique.juridique.obnl@gmail.com

Phone : (514) 343-6111, ext : 8967

- Mile End Legal Clinic

The Mile End Legal Clinic offers free walk-in consultations with the help of law students and volunteer lawyers to individuals and organizations from Montreal at three service points located in the Mile End, Little Burgundy and Park Extension neighbourhoods.

Website : <http://justicemontreal.org/>

E-mail : info@melc.ca

Phone : (514) 507-3054

- NOVAlex Clinic

NOVAlex Clinic is a non-profit organization which offers, through the NOVAlex law firm, free legal services to eligible non-profit organizations, including legal information through seminars and conferences.

Website : <http://novalex.co/en/clinic/>

E-mail : info@novalex.co

Phone : (514) 903-0835

- Pro Bono Quebec Legal Services

Pro Bono Quebec offers free legal services to non-profit organizations when admission criteria are met. A form must be filled out, the admissibility will be studied by Pro Bono Quebec Committee before a decision is made. In the event of a positive response, Pro Bono Quebec will find a lawyer or a law firm for you.

Website (French only) : <http://probonoquebec.ca/nous-pouvons-vous-aider/>

- Sherbrooke University Entrepreneurial Clinic

The Entrepreneurial Clinic is operated by law students who offer legal information to entrepreneurs and non-profit organizations.

Website (French only) :

<https://www.usherbrooke.ca/droit/etudiants/cliniques-juridiques/clinique-entrepreneuriale-de-la-faculte-de-droit/>

E-mail : clinique.entrepreneuriale.droit@USherbrooke.ca

Phone : (819) 821-8000, ext : 66740

- Townshippers Free Legal Information Clinic

From September until April, a student from the Faculty of Law at Sherbrooke University is available to answer legal questions by phone, e-mail and in person by appointment. All sorts of questions are welcome, including those regarding non-profit organizations.

Website : <http://townshippers.qc.ca/portal/free-legal-information-clinic/>

E-mail : legalinfo@townshippers.org

Phone : (819) 566-2182

- University of Montreal Legal Aid Clinic

Law students from the University of Montreal supervised by lawyers are available to offer free legal information to the community at the Legal Aid Clinic.

Website : <http://droit.umontreal.ca/en/services-and-resources/legal-aid-clinic/>

E-mail : clinique.profil@gmail.com

- University of Ottawa Community Legal Clinic

The Community Legal Education and Outreach Division provides free legal information and legal information sessions to community groups located in Ottawa.

Website :

<https://commonlaw.uottawa.ca/community-legal-clinic/information-for-organizations>

E-mail : cle@uOttawa.ca

Phone : (613) 562-5600

- UQAM Legal Clinic

UQAM Legal Clinic offers free consultations to answer any question related to corporate and business law provided by 6 law students supervised by a lawyer.

Website : <http://www.cliniquejuridique.uqam.ca/droit-des-affaires/>

E-mail cliniquejuridique@gmail.com

Phone : (514) 987-6760

- Young Bar of Montreal Corporate Services

This YBM service is aimed at entrepreneurs seeking legal advice about a business start-up and its legal aspects. This service includes an hour-long session with a volunteer lawyer, free of charge.

Website : <http://ajbm.qc.ca/en/public-services/legal-consults-for-businesses/>

Phone : (514) 954-3487

Legal Information Websites

- *The Canadian Legal Information Institute*

The Canadian Legal Information Institute is a free resource to search for Canadian legislation, decisions and commentary.

Website : <https://www.canlii.org/en/>

Legal Referral Services

- Bar of Quebec Referral Service (Quebec, Beauce, Montmagny)

The Bar of Quebec Referral Service is offered for free to people located in the regions of Quebec, Beauce and Montmagny who are able to afford legal services and people who are admissible to legal aid, but do not know a lawyer. The client is referred to a member of the Bar who is registered in the Service. The preliminary half-hour consultation is free. Should any additional legal services be required, you are free to decide to pursue the matter and you will have to make your own arrangements with the lawyer.

Website : <https://www.barreau.qc.ca/fr/trouver-avocat/services-references/>

Phone : (418) 529-0301, ext : 21

- Boussole entrepreneuriale

Boussole entrepreneuriale helps you identify the best legal form for your business plan, including the constitution as a cooperative or a not-for-profit legal person (French only).

Website : <http://www.boussoleentrepreneuriale.com>

- Boussole juridique

Boussole juridique is a repertoire to find free or low-cost legal resources in Quebec (French only).

Website : <http://boussolejuridique.ca/>

Low-Cost Resources

- Bar of Montreal Referral Service

The Bar of Montreal Referral Service is available to people located in Montreal who are able

to afford legal services and people who are admissible to legal aid, but do not know a lawyer. The client is referred to a member of the Bar who is registered in the Service and who is willing to give a preliminary half-hour consultation for a nominal fixed fee of \$30. Should any additional legal services be required, you are free to decide to pursue the matter and you will have to make your own arrangements with the lawyer.

Website : <https://www.barreaudemontreal.qc.ca/en/public/referral-service>

Phone : (514) 866-2490

E-mail : reference@barreaudemontreal.qc.ca

- Bar of Quebec Referral Service (outside of Montreal, Quebec, Beauce and Montmagny)

The Bar of Quebec Referral Service is also offered to people located in other regions in Quebec, outside of Montreal, Quebec, Beauce and Montmagny. The one-hour consultation is offered for a nominal fixed fee of \$100 (before tax).

Phone : 1-866-954-3528

- Juripop Legal Clinic

Juripop is a non-profit legal organization that offers legal advice and legal information conferences to its members, including non-profit organizations, at a low cost.

Website : <https://juripop.org/welcome-to-clinique-juridique-juripop/>

Phone : (450) 845-1637

E-mail : info@juripop.org

- Juris Reference

Juris Reference is an online tool that is offered by partner bar associations to enable citizens to quickly find a lawyer, a mediator, and to have access to telephone legal assistance at a low cost.

Website : <http://www.jurisreference.ca/en/>