

Corporate Transparency in Québec



Québec has an ambitious legal framework governing corporate transparency. Any enterprise wishing to carry on activities in Québec must be aware of the disclosure obligations required under the **Act respecting the legal publicity of enterprises**, especially since the coming into force of **Bill 78**.

The REQ: A Centralized Public Registry

The Registraire des entreprises du Québec (REQ) is a public registry containing detailed information on businesses registered in Québec. It is possible to:

- › search by business name or, since March 2024, by an individual's name;
- › free access to information on directors, shareholders, ultimate beneficiaries (beneficial owners), etc.

Important

Information published in the REQ is binding on bona fide third parties, meaning they can rely on it in court.

Bill 78



An Expanded Disclosure Regime

Since March 31, 2023, Bill 78 requires businesses registered in Québec to declare:

a) Ultimate Beneficiaries

Individuals holding 25% or more of the voting rights or the market value of the shares, or exercising significant influence.

- › Companies must take the “necessary measures” to identify such individuals—a stricter requirement than the “reasonable means” applied elsewhere.

- › Ultimate beneficiaries who are minors must be declared, but their names and addresses are not published.

b) Directors

- › Required to provide one piece of identification and date of birth—neither of which is published.

c) Business or Home Address

- › Home address information will be hidden if a business address is also provided.

Who is Affected?

- › corporations (Québec, federal or foreign)
- › partnerships (GP, LP)
- › business trusts
- › sole proprietorships

This disclosure regime applies even to enterprises incorporated outside Québec if they carry on activities or own immovable property in Québec.

Exceptions to Disclosing Ultimate Beneficiaries

Entities that are exempt from this disclosure requirement include:

- › reporting issuers within the meaning of the Québec Securities Act
- › financial institutions governed by the Insurers Act
- › trust companies governed by a provincial or federal statute
- › banks or authorized foreign banks
- › associations within the meaning of the Civil Code of Québec
- › non-profit legal persons
- › legal persons established in the public interest
- › legal persons acting as trustees

The above entities are considered to be natural persons for the purposes of identifying ultimate beneficiaries. Accordingly, ownership interests need not be traced beyond these entities.

Only reporting issuers in Québec are covered by this exemption. An entity that is only subject to tax in another province or listed on a non-Canadian stock exchange is not exempt unless it is recognized as exempt in Québec.

Penalties for Non-Compliance

The prescribed penalties are significant:

| Entity Type | Amount of Fine | For a Subsequent Offence |
|----------------|---------------------|--------------------------|
| Individuals | \$1,000 to \$10,000 | Fines doubled |
| Other Entities | \$2,000 to \$20,000 | Fines doubled |

- **Removal from the register** is possible
- **Risk of being deemed non-compliant** in public calls for tenders

To learn more about Bill 78 and its implications, visit our [Resource Centre concerning Bill 78](#).

Contact



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