

Tracking Federal Regulatory Initiatives

Regulatory Affairs

VOL. 3, No. 8

March 8, 1997

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Export Control List, amendment (SOR/97-131, OIC 1997-284)

These revisions allow Canada to meet its multilateral commitments and only include goods on the Export Control List (ECL) provided for in the Export and Import Permits Act. When the ECL is revised Canadian exporters benefit from the reductions in controls that have been multilaterally agreed.

More specifically, this amendment consists of four changes.

- the definitions in section 1 are replaced by new definitions. This change causes the latest version of September 1996 of *A Guide to Canada's Export Controls* as well as the *Wassenaar Arrangement* to be defined.
- minor changes are made to Section 2 to modify the destination conditions for certain goods for which export permits are required. These modifications reflect changes to agreements the government has with other countries.
- the arrangement justifying Groups 1 and 2 of the ECL has been replaced by a new arrangement. Goods included in these Groups remain substantially the same. The new arrangement, the *Wassenaar Arrangement*, was agreed to be implemented by representatives of 33 States at Vienna, Austria, on July 12, 1996.

Export and Import Permits Act, section 6

Not included in Regulatory Plan

To be published in Canada Gazette March 19, 1997

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- group 3 of the existing ECL has been revoked and goods of Group 4 divided between the new Groups 3 and 4. This change effectively eliminates control of very similar goods in the two Groups. Groups 3 and 4 implement numerous Nuclear Non-Proliferation Agreements and arrangements the government has with other countries.

Contact: Thomas E. Jones, Deputy Director Export Controls Division, Export and Import Controls Bureau, Department of Foreign Affairs and International Trade, Lester B. Pearson Building, 125 Sussex Drive, Ottawa, Ontario, K1A 0G2. Tel: 613-996-0197.

Potatoes for Chip Manufacture Remission Order (SOR/97-132, OIC 1997-285)

This Order remits \$308,607.62 in customs duties to potato chip producers for temporary imports of potatoes during periods of shortage of stored potatoes, due to storage limitations.

The remission, first introduced in 1972, reimburses some of the additional costs incurred chip manufacturers for the years 1993 to 1995.

Contact: Paul Robichaud, International Trade Policy Division, Department of Finance, Ottawa, Ontario, K1A 0G5. Tel: 613-992-2510.

Customs Tariff, section 101

FIN/97-13

To be published in Canada Gazette March 19, 1997

Food and Drug Regulations, amendment (Schedule No. 1033) (SOR/97-133, OIC 1997-286)

This amendment expands the permitted use of the broad systemic fungicide myclobutanil to include cherries, peaches and nectarines and establishes a Maximum Residue Limit (MRL) for myclobutanil, including its metabolites at 1.0 parts per million (ppm) for the fruits.

Myclobutanil is registered in Canada under the Pest Control Products Act as a broad systemic fungicide for control of plant diseases such as rust, smut, powdery mildew and apple scab. MRLs have been established for eggs, poultry and poultry products, milk, meat and meat products, apples, apple juice, grapes, grape juice, wine and raisins.

Contact: Head, Food Residue Exposure Assessment Section, Pest Management Regulatory Agency, Health Canada, A.L. 6605E1, 2250 Riverside Drive, Ottawa, Ontario, K1A 0R9. Tel: 613-736-3520; Fax: 613-736-3505.

Food and Drugs Act, subsection 30(1)

HCan/R-33-I

To be published in Canada Gazette March 19, 1997

Indian Bands Council Method of Election Regulations, amendment (SOR/97-134, OIC 1997-287)

This amendment eliminates a cumbersome and inefficient process for bands to change its electoral system from one under the *Indian Act* to a local custom system, by incorporating by reference into the Regulations the list of subsection 74(1) bands contained in the schedules to the Ministerial Elections Order (see the related amended Ministerial Order, below) and revoking the relevant schedules in the Regulations.

Under the old system, when a Band requested a change to its electoral system to a local custom system, the Ministerial Order was amended and this in turn required a parallel amendment to the Regulations, to remove the band name from schedules to the Regulation.

Contact: John Barg, Elections Analyst, Band Governance and Estates Directorate, Registration, Revenues and Band Governance Branch, Indian and Northern Affairs Canada, Ottawa, Ontario, K1A 0H4. Tel: 819-997-8238.

Indian Act, subsection 74(1)

INAC/96-1-L

To be published in Canada Gazette March 19, 1997

Exempt from Pre-Publication and Approved

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Canada Business Corporations Regulations, amendment (Miscellaneous Amendments) (SOR/97-135, OIC 1997-288; (Fees) SOR/97-136, OIC 1997-289)

These two sets of amendments change the fees in Schedule II of the Regulations and make miscellaneous amendments of technical nature.

More specifically, the fee changes allow the Director appointed under the *Canada Business Corporations Act* (CBCA) to revoke the current fee of \$10.00 to issue a certificate of compliance and replace it with a non-refundable fee of \$10.00 to examine the corporation's file pursuant to a request for a certificate of compliance under subsection 263(2) of the Act. It will also allow her to charge a fee of \$300 to process an initial application and \$100 for a renewal application for an exemption order made pursuant to subsection 127(8) of the CBCA.

Subsection 2(i) of schedule II of the Regulations now provides for the payment of a \$10.00 fee for the issuance of a certificate of compliance. The Director's staff must expend time examining the corporate file pursuant to each request for a certificate of compliance to determine if the corporation is in good standing. In spite of the Director's staff having already completed the examination work, a certificate cannot be issued and the \$10.00 fee must be refunded if the file search reveals that the corporation is not in good standing.

Subsection 127(8) authorizes the Director to make exemption orders from the statutory requirement to send insider reports to the Director. Schedule II does not currently prescribe a fee for the service of reviewing this type of application for exemption.

The miscellaneous amendments:

- repeal subsection 82(2)(d), which should have been repealed when item 2(j) of Scheduled II was enacted by SOR/91-567);
- removes reference to occupation in Item 5 of Form 6, to be consistent with item 3 of Form 6;
- allows multiple signatures to Form 14.1.

Contact: Guylaine Huot, Corporations Directorate, Industry Canada, 9th floor, Journal Tower South 365 Laurier Ave. West, Ottawa, Ontario, K1A 0C8. Tel: 613-941-5728; Fax: 613-941-5781.

Income Tax Regulations, amendment (Part I - January 1997) (SOR/97-137, OIC 1997-290)

The amendment changes the federal-provincial sharing fraction on source deductions from lump-sum payments to reflect an annualized impact of the income tax changes contained in the 1996 budgets of the provinces of Ontario and British Columbia, effective January 1, 1997.

Contact: Richard Montroy, Legislative Policy Division, Revenue Canada, 875 Heron Road, Ottawa, Ontario, K1A 0L8. Tel: 613-952-6479.

Canada Business Corporations Act, subsections 261(1)(b) and 261(1)(c), 127(8), and 263(2)

IC/94-18-L

To be published in Canada Gazette March 19, 1997

Income Tax Act, section 221

RC/R-10-L

To be published in Canada Gazette March 19, 1997

Pre-Published and Approved No comments or changes

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Accounting for Imported Goods and Payment of Duties Regulations, amendment (SOR/97-129, OIC 1997-282)

The Regulations are amended to extend the acceptance of credit cards for the payment of duties and taxes to all types of commercial importations where the duties and taxes payable are less than \$500. In the past, this form of payment was only available when commercial goods were imported as mail.

The amendment allows for consistent application of payment options with other customs programs, and reflects today's business practices. It is also part of the federal government's strategy to reduce the cost of doing business, simplify procedures and eliminate red tape.

On March 8, 1996, a public announcement was made by the Honourable Jane Stewart, Minister of National Revenue, to allow this amendment to come into effect retroactive to March 11, 1996. The amendment was included in a larger package of changes republished in the Canada Gazette Part I on August 5, 1995.

Contact: Rick Dale, Chief, Entry and Accounting Policy Section, Licensing and Revenue Accounting Division, Customs Border Services Branch, Revenue Canada, 15th Floor, 191 Laurier Avenue West, Ottawa, Ontario, K1A 0L5. Tel: 613-954-6343.

Customs Act, section 35, paragraphs 164(1)(i), 166(1)(b) and 167.1(b)

RC-CE/90-450-I

To be published in Canada Gazette March 19, 1997

Pre-Published and Approved With comments or changes

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National Energy Board Electricity Regulations (SOR/97-130, OIC 1997-283)

The regulations allow the government to regulate the construction and operation of international power lines and the export of electricity in conformance with the Canadian Electricity Policy and the *National Energy Board Act*, while reducing information requirements from applicants.

The Regulations also allow some information prepared for submission to other regulatory bodies to be filed in lieu of preparing a separate report for the National Energy Board. The proposed regulations also take into account changes in the North American electricity markets.

The Act requires that any person wishing to construct and operate an international power line or to export electricity must first obtain leave from the Board. The *new* Regulations require international power line operators to ensure that all third parties transmitting electricity over an international power line possess an appropriate export authorization from the Board.

The regulations set out, in detail, the information which is to be filed to support an application for a permit to construct and operate an international power line and for a permit to export electricity.

The proposed regulations were republished in the Canada Gazette Part I on June 8, 1996 (see *Regulatory Affairs*, Vol. 2, No. 23, pp. 1-2, June 8, 1996).

Hydro Quebec raised a number of concerns, including the fact that regulations did not allow benefits to the environment to be assessed as part of the permitting process. Hydro Quebec also proposed that electricity be deregulated and that the NEB be restricted to adjudicating conflicts concerning subjects under federal jurisdiction arising in the field of international trade.

National Energy Board Act, Subsections 58.39 and 119.094

NEB/94-5

To be published in Canada Gazette March 19, 1997

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The Regulations were not changed in light of the Hydro Quebec comments; the NEB concluded that the comments would have required changes to the *National Energy Board Act*, as opposed to just the regulations.

Contact: Ivan Harvie, Manager, Electric Power Division, Energy Commodities Branch, National Energy Board, 311 - 6 Avenue S.W., Calgary, Alberta, T2P 3H2. Tel: 403-299-3165; Fax: 403-292-5503.

Ministerial Orders Approved

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Indian Bands Council Elections Order (SOR/97-138)

The Order sets out those Indian Band Councils that will be elected pursuant to the Indian Act, effective on the date of registration of the Order (March 4, 1997).

More specifically, the Order lists:

- under Schedule I, those bands whose chiefs and councillors are elected by the electors: 98 bands in British Columbia, 11 in Alberta, 33 in Saskatchewan, 39 in Manitoba, 66 in Ontario, eight in Quebec, 14 in New Brunswick, and 10 in Nova Scotia;
- under Schedule II, those bands whose councillors are elected by the electors and whose chiefs are elected by the councillors: five bands in British Columbia and one in Alberta;
- under Schedule III, those bands whose chief is elected by the electors and whose councillors are elected by the electors in electoral sections: one band in British Columbia, one in Ontario and one in Nova Scotia.

The Order repeals the Indian Band Council Election Order made on December 14, 1989 (not published in the Canada Gazette Part II). It also removes from the list the names of the bands that have reverted to a local customary system of electing chiefs and councillors.

Contact: John Barg, Elections Analyst, Band Governance and Estates Directorate, Registration, Revenues and Band Governance Branch, Indian and Northern Affairs Canada, Ottawa, Ontario, K1A 0H4. Tel: 819-997-8238.

Indian Act, subsection
74(1)

Not included in Regula-
tory Plan

To be published in Canada
Gazette March 19, 1997

Regulatory Affairs

ISSN 1201-0715



9 771201 071007
Editor: Mary Ferguson

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