

Tracking Federal Regulatory Initiatives

Regulatory Affairs

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Proposed Regulations for Pre-Publication in Part I, Canada Gazette	Statutory Authority & Regulatory Plan Listing
<p>Air Transportation Regulations, amendment</p> <p>The proposed regulatory changes would streamline and reduce the regulatory burden for international charter operations under Part III (International Charters), amend Part II to ensure the true identity of the operator of the aircraft is made public, amend Part V (Tariffs) to enhance dissemination of information to the public, and make editorial changes to Part IV (Transborder Charters) to maintain consistency.</p> <p>The proposed changes would also add a requirement under Part V that a Direction from an Air Carrier to the agent be filed with the Canadian Transportation Agency (CTA) when tariffs are filed electronically.</p> <p>The proposed changes will affect air carriers operating international charter services, charterers of these services (including tour operators), and the travelling and shipping public using the services. Much of the regulatory burden on carriers operating international charters would be reduced and most of the charter regulatory requirements would be eliminated or reduced.</p> <p>One of the changes would shift much of the regulatory burden with respect to advance payments to the tour operator/charterer levels, which provinces are authorized to regulate. This would eliminate protection at the air carrier level.</p>	<p><i>Canada Transportation Act</i>, subsections 36(1) and 86(1)</p> <p>NTA/96-14-I</p> <p>To be published in Canada Gazette October 11, 1997</p>

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Proposed Regulations

for Pre-Publication in Part I, Canada Gazette

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Other proposed changes include:

- elimination of tariff filing requirements for international charters; general terms and conditions of tariffs would continue to be regulated.
- more explicitly prohibiting an applicant from redeeming capital stock and withdrawing proprietor's or partner's capital within the 12-month period following the date of issue or reinstatement of an applied-for licence.
- a prohibition against an air carrier representing itself or operating an air service under a name other than that specified in its licence. Operations under a trade name would require that the trade name be specified in the licence.
- reduced charter fences associated with specific charter types and reduced application procedures for air carriers (Canadian Origin charters).
- a requirement for charterers to pay air carriers at least seven days in advance for flights using aircraft with a Maximum Certified Take Off Weight of greater than 35,000 pounds (Canadian Origin charters);
- the elimination of federal regulations for advance payments from the travelling public (Canadian Origin charters).
- maintenance of the requirement that the entire capacity of an aircraft be chartered by only one charterer. In the case of entity charters, the charterer would be prohibited from reselling capacity to third parties. This prohibition would be extended to all live animals.
- the consolidation of charter tolls and tariffs in Part V (Tariffs).
- the addition of a provision under Part V that air carriers advise the public that tariffs are subject to Government approval when sold in advance of the effective date.
- dropping, for international charter tariffs, of the requirement to file with the CTA charter tariffs; they would have to publish and make available their charter rates at their place of business.
- the ability for the CTA to disallow international charter rates which would be lower than the lowest rate charged by a Canadian air carrier in similar markets (the so-called floor price rule).

The amendments to Part III (International Charters) are based largely on the Part IV (Transborder) rules prepublished several times in the Canada Gazette, Part I.

Contact: Rosemary Baldwin, Senior Advisor, Agreements, Tariffs and Enforcement Directorate, Air and Accessible Transportation Branch, Canadian Transportation Agency, Ottawa, Ontario, K1A 0N9. Tel: 819-953-9795.

Exempt from Pre-Publication and Approved

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Federal-Provincial Fiscal Arrangements Regulations, amendment (SOR/97-467, OIC 1997-1462)

The amendments are required to reflect a change in the name of the authorizing legislation, to clarify existing practices for determining and making Equalization payments to provinces, and to modify existing practices for determining Equalization payments to provinces to take into account changes in provincial tax systems and Statistics Canada practices.

Federal-Provincial Fiscal Arrangements Act

FIN/R-35-M

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More specifically:

- Section 1 is amended to reflect the change in the name of the authorizing legislation to the *Federal Provincial Fiscal Arrangements Act*;
- Sections 2, 4 and 9 are amended to provide greater clarity regarding the determination of Canada's gross national product;
- Section 5 is amended to take into consideration payments to provinces under sales tax harmonization agreements and changes to Statistics Canada's Financial Management System and to clarify that adjustments may be made to avoid double counting when a provincial or local government makes payments to itself;
- Section 8 is amended to clarify existing practices regarding the recovery of over-payments.

Contact: Sara Gill, Department of Finance, Federal-Provincial Relations Division, 15t Floor East, Tower L'Esplanade Laurier, 140 O'Connor Street, Ottawa, Ontario, K1A 0G5. Tel: 613-996-0623.

Canada Health and Social Transfer Regulations (SOR/97-468, OIC 1997-1463)

Federal-Provincial Fiscal Arrangements Act

The regulations define terms used in the Act, identify the method for calculating the value of equalized tax transfers, and prescribe the timing and manner of estimates and payments.

FIN/96-36-M

The regulations specify how the Chief Statistician of Canada determines the population of a province (established on the first day of June of a fiscal year) and gross domestic product for Canada (based on market prices for the calendar year).

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The regulations set out a formula for calculating equalized tax transfers, provides for interim estimates, and a final computation.

The Canada Health and Social Transfer (CHST) is a federal-provincial transfer program under which the federal government provides funds to provinces to assist with the costs of providing health and social programs. The Federal-Provincial Fiscal Arrangements Act provides for certain aspects of the CHST to be prescribed in regulations.

The regulations come into force October 9, 1997.

Contact: Sara Gill, Department of Finance, Federal-Provincial Relations Division, 15t Floor East, Tower L'Esplanade Laurier, 140 O'Connor Street, Ottawa, Ontario, K1A 0G5. Tel: 613-996-0623.

Contraventions Regulations, amendment (SOR/97-469, OIC 1997-1470)

Contraventions Act, section 8

This amendment designates as contraventions a number of additional federal offences, such as those under the *Canada Ports Corporation Operating Bylaw* and the *Wildlife Area Regulations*. It also modifies some contraventions already listed in the Contraventions Regulations to reflect recent regulatory amendments.

JUS/97-1-I

Designating the offences under the regulations decriminalizes the offences and permits the use of fines (which are set out in Schedules to the Regulations).

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Also covered under the amendments are: *Vancouver Port Corporation Navigation Restriction By-law, 1992*; *Migratory Birds Convention Act, 1994*; *National Parks Fishing Regulations*; *Wild Animal and Plant Protection and Regulation of International and Interprovincial Trade Act*; and *Wild Animal and Plant Trade Regulations*.

The Regulations come into effect October 9, 1997.

Contact: Michel Gagnon, Director, Contraventions Project, Department of Justice, 344 Wellington, Ottawa, Ontario, K1A 0H8. Tel: 613-954-5669; Fax: 613-998-1175.

Exempt from Pre-Publication and Approved

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Income Tax Regulations (Part I), amendment (SOR/97-470, OIC 1997-1471)

Part I, which provide the rules concerning source deductions by an employer from amounts paid to an employee, is being amended in connection with retirement and child support payments.

More specifically, the changes:

- allow a reduction of the remuneration on which source deductions are calculated to take into consideration an amount contributed by the taxpayer in the year to a retirement compensation arrangement;
- clarify the existing provision that allows support patents to be deducted from the remuneration so that only payments withheld pursuant to a court order dated prior to May 1997 will continue to qualify, since child support payments are generally not deductible from income after April 1997;
- ensure that the non-deductible portions of a retiring allowance or certain other payments are not deducted from the remuneration on which source deductions are calculated; and
- require withholding where the remuneration is reasonably attributable to the duties of an office or employment which will be performed in Canada by a non-resident person at a later date.

Subsection 1(2) of the Regulations applies beginning May 1, 1997.

Contact: Richard Montroy, Legislative Policy Division, Revenue Canada, 875 Heron Road, Ottawa, Ontario, K1A 0L5. Tel: 613-952-6479.

Income Tax Regulations (Part VI), amendment (SOR/97-471, OIC 1997-1472)

This amendment adds additional provisions to allow taxpayers to request permission to make a late or amended election or to revoke an earlier election.

More specifically, the changes amend paragraphs 600(b) and (c) of the Regulations, effective October 9, 1997.

Contact: Richard Montroy, Legislative Policy Division, Revenue Canada, 875 Heron Road, Ottawa, Ontario, K1A 0L5. Tel: 613-952-6479.

Canada Pension Plan Regulations, Insurable Earnings and Collection of Premiums Regulations and Income Tax Regulations, amendments (SOR/97-472, OIC 1997-1473)

These amendments will allow employers with average monthly withholdings of less than \$1,000 for the first or the second preceding calendar year, and no compliance irregularities for the preceding 12 months, to remit source deductions on a quarterly basis, instead of on a monthly basis.

The estimated revenue impact of the change is \$180 million in 1997-98. This is largely a one-time impact due to withholding amounts from January and February 1998 being paid April 15 and credited to the 1998-99 fiscal year, rather than the 1997-98 fiscal year as would have been the case with monthly remittances. There is also an estimated \$5 million ongoing annual cost due to carrying costs arising from the delay in receiving withholding amounts.

Income Tax Act, section 221

RC/R-10-L

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Income Tax Act, section 221

RC/R-12-L

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Income Tax Act, section 221; *Canada Pension Plan*, section 40; *Employment Insurance Act*, sections 82 and 108

RC/R-12-L

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The amended Regulations apply to amounts and contributions required to be remitted to the Receiver General for Canada after October 1997.

Contact: Richard Montroy, Legislative Policy Division, Revenue Canada, 875 Heron Road, Ottawa, Ontario, K1A 0L5. Tel: 613-952-6479.

Triad International Inc. Remission Order (SI/97-123, OIC 1997-1461)

This Order remits up to \$110,632.36 in GST payable by Triad International Inc. as a supplier because the company relied detrimentally on incorrect advice provided verbally by a Department of Finance official.

The remission relates to GST payable in connection with a service of dismantling the Glacier Ammonia Plant located near Pincher Creek, Alberta.

Financial Administration Act, subsection 23(2)

Not included in Regulatory Plan

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Ministerial Orders Approved

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Ontario Court of Justice Criminal Proceedings Rules, amendment (SI/97-121)

The amendment substitutes a new form for Form 18 under Rule 28, Criminal Proceedings Rules, a "Criminal Pre-Trial Conference Report".

The amended rules come into force on October 29, 1997.

Criminal Code, subsections 482(1) and (3)

Not included in Regulatory Plan

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