



# Simplifying Business

Report on the implementation of the government's  
regulatory and administrative streamlining measures

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## MESSAGE FROM THE MINISTER



I am both pleased and proud to publish the *Report on the implementation of the government's regulatory and administrative streamlining measures*. This report takes stock of the results achieved by the Québec government in reducing the burden on business of regulatory standards and of the many administrative formalities that ensue therefrom.

In recent years, our desire to improve the competitiveness of business has led us to be very vigilant concerning the weight of regulatory standards and the resulting administrative formalities, without renouncing our social and environmental objectives and responsibilities.

It is out of this concern for a balanced and responsible approach that the government has adopted several tangible measures to reduce the regulatory and administrative burden on business. These measures have made it possible to meet the priority expectations of enterprises as well as those of their associations.

The government has continued to rigorously apply its regulatory and administrative streamlining policy which allows the government to make sure that the effects of regulatory standards on business and Québec's economy are correctly evaluated by departments and agencies. Moreover, within the context of its economic strategy entitled "The Québec Advantage", the government has set as an objective to reduce by 20% the cost of administrative formalities during the 2005-2010 period, which is in addition to the 20% reduction already achieved between 2001 and 2004. Furthermore, the government adopted a 2004-2007 Action Plan entitled *Simplifying Business* and has carried out or is in the process of carrying out 33 of its 34 measures that were much awaited by representatives of business circles:

- the Business Area of the Government Services Portal has made it possible to bring together the information and the services offered to enterprises by more than 50 departments and agencies;
- the combining of the annual declaration for the Enterprise Register and the annual income tax return;
- the possibility of using the Québec Enterprise Number (NEQ) as a means of identification with more than fifteen departments and agencies;
- the standardization of "payroll" and other related definitions used for source deductions and employer contributions;
- compliance with the objective of stabilizing the volume of administrative formalities;
- the consolidation of the role of CLDs (Local Development Centres) as front-line service providers;
- the implementation of the 225 recommendations of the Advisory groups on regulatory streamlining (Lemaire and Dutil reports), an initiative which has been completed for the most part.

The government intends to remain attentive to the expectations of business circles and their priority needs in the regulatory and administrative streamlining field. In this respect, the Ministerial Committee that I chair will continue to be vigilant concerning the draft regulations of departments and agencies.

In summary, by making the life of Québec enterprises easier, our action has helped enhance their competitiveness and create a business climate that is more conducive to investment.

**Raymond Bachand**

Chair of the Comité ministériel de la prospérité économique et du développement durable

Minister of Economic Development,  
Innovation and Export Trade



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## INTRODUCTION

The government's action seeking to reduce the regulatory and administrative burden imposed on business takes the form of three main components, namely:

- the action plan entitled *Simplifying Business* containing 34 measures to be implemented by certain departments and agencies between 2004 and 2007; several of these measures consist of following up on the major recommendations stemming from the work of the Lemaire and Dutil advisory groups;
- the objective of reducing by 20% the cost of the administrative formalities imposed on business by 2010;
- the *Rules regarding the streamlining of legislative or regulatory standards*, or more simply put the Government Policy, which allow the government to make sure that the effects of regulation on business and Québec's economy are taken into account by the departments and agencies in the development and implementation of their regulatory standards.

The purpose of this report is to take stock of the results achieved by the departments and agencies within the context of these three components.

# 1. DEPARTMENTS AND AGENCIES CONCERNED

The Government policy on regulatory and administrative streamlining is of general application. As a result, all departments and government agencies are required to comply with it. However, other measures are intended more specifically for certain departments and agencies. The following table presents the departments and main agencies concerned by the various components of the government's action concerning regulatory and administrative streamlining.

**Table 1**  
Departments and government agencies concerned by the government's regulatory and administrative streamlining measures

Departments and government agencies	Action Plan Simplifying Business (*)	20% reduction in the cost of administrative formalities	Regulatory and administrative streamlining policy
AFFAIRES MUNICIPALES ET RÉGIONS (MAMR)			■
AGRICULTURE, PÊCHERIES ET ALIMENTATION (MAPAQ)		■	■
CONSEIL EXÉCUTIF (MCE)	■		■
CULTURE, COMMUNICATIONS ET CONDITION FÉMININE (MCCCF)		■	■
DÉVELOPPEMENT DURABLE, ENVIRONNEMENT ET PARCS (MDDEP)	■	■	■
DÉVELOPPEMENT ÉCONOMIQUE, INNOVATION ET EXPORTATION (MDEIE)	■	■	■
ÉDUCATION, LOISIR ET SPORT (MELS)			■
EMPLOI ET SOLIDARITÉ SOCIALE (MESS)		■	■
FAMILLE ET AÎNÉS (MFACF)		■	■
FINANCES (MF)	■		■
JUSTICE (MJ)			■
IMMIGRATION ET COMMUNAUTÉS CULTURELLES (MICC)			■
RELATIONS INTERNATIONALES (MRI)			■
RESSOURCES NATURELLES ET FAUNE (MRNF)		■	■
REVENU QUÉBEC (RQ)	■	■	■
SANTÉ ET SERVICES SOCIAUX (MSSS)			■
SECRETARIAT DU CONSEIL DU TRÉSOR (SCT)			■
SÉCURITÉ PUBLIQUE (MSP)			■
SERVICES GOUVERNEMENTAUX (MSG) / SERVICES QUÉBEC	■	■	■
TOURISME (MTO)			■
TRANSPORTS (MTQ)			■
TRAVAIL (MTRAV)	■		■
AUTORITÉ DES MARCHÉS FINANCIERS (AMF)		■	■
COMMISSION DE L'ÉQUITÉ SALARIALE (CES)			■
COMMISSION DE LA CONSTRUCTION DU QUÉBEC (CCQ)	■	■	■
COMMISSION DE LA SANTÉ ET DE LA SÉCURITÉ DU TRAVAIL (CSST)	■	■	■
COMMISSION DES LÉSIONS PROFESSIONNELLES (CLP)			■
COMMISSION DES NORMES DU TRAVAIL (CNT)			■
COMMISSION DES PARTENAIRES DU MARCHÉ DU TRAVAIL (CPMT)		■	■
COMMISSION DES TRANSPORTS DU QUÉBEC (CTQ)		■	■



Departments and government agencies	Action Plan Simplifying Business (*)	20% reduction in the cost of administrative formalities	Regulatory and administrative streamlining policy
LA FINANCIÈRE AGRICOLE DU QUÉBEC (FADQ)			■
OFFICE DE LA PROTECTION DU CONSOMMATEUR (OPC)		■	■
OFFICE DES PROFESSIONS (OPQ)			■
RÉGIE DES ALCOOLS, DES COURSES ET DES JEUX (RACJ)		■	■
RÉGIE DES MARCHÉS AGRICOLES ET ALIMENTAIRES DU QUÉBEC (RMAAQ)		■	■
RÉGIE DES RENTES DU QUÉBEC (RRQ)			■
RÉGIE DU BÂTIMENT (RBQ)	■	■	■
RÉGIE DU CINÉMA (RCQ)		■	■
RÉGIE DU LOGEMENT (RLQ)			■
SOCIÉTÉ DE L'ASSURANCE AUTOMOBILE DU QUÉBEC (SAAQ)		■	■
OTHER GOVERNMENT AGENCIES			■

\* The departments and agencies on the list are those concerned by specific measures of the Action Plan; certain measures concern all departments and agencies.

\*\* The Ministère du Conseil exécutif assumes a coordination and application follow-up role with respect to the Government policy on regulatory and administrative streamlining.

## 2. 2004-2007 ACTION PLAN SIMPLIFYING BUSINESS

The year 2006 marks the second full year of implementation of the Government Action Plan. In this section, an assessment is made of the achievement of the 34 measures of the Action Plan as of December 31, 2006.

Several measures of the Action Plan had already been carried out in the first year following its adoption. Among the most important measures, mention should be made of the setting up of the Business Area of the Government Services Portal which made it possible to group the information and the services offered to enterprises by more than 50 departments and agencies, the consolidation of the role of CLDs (Local Development Centres) as front-line service providers, the global achievement of an initial objective of reducing by 20% the cost of administrative formalities between 2001 and 2004, and the materialization of several measures in the field of the administration of corporate taxation.

Major progress has been achieved in the implementation of the Action Plan. Indeed, at the end of 2006, 26 of the 34 measures had been carried out and seven were under way. Appendix 1 presents a summary table of the carrying out of the measures of the Action Plan.

### 2.1. MEASURES CARRIED OUT AS OF MARCH 31, 2006

Several measures were completed in 2006. Most of these regulatory and administrative simplification measures can be traced back to the repeated requests made by business circles. These much awaited measures will facilitate the day-to-day operations of enterprises.

#### General administrative simplification measures

Three measures were carried out in 2006:

- ESTABLISHMENT OF A SINGLE SERVICE WICKET FOR BUILDING CONTRACTORS WITHIN THE BUSINESS AREA OF THE GOVERNMENT SERVICES PORTAL

In 2006, an agreement was reached between Services Québec and the Régie du bâtiment du Québec by virtue of which it will be possible, during 2008, to register for the competency exams required by the Régie, directly from the Business Area of the Government Services Portal. In addition to the places where the Régie already administers these exams, other locations will be indicated and managed by Services Québec, thus broadening the availability of this service. The global review of the business strategies of the Régie du bâtiment also provides for the putting in place of on-line transactions. According to the needs expressed and depending on the gateway used, the contractor would be directed, by means of hyperlinks, either to the Portal or to the web site of the Régie.

- COMBINING OF THE ANNUAL DECLARATION FOR THE ENTERPRISE REGISTER AND THE ANNUAL INCOME TAX RETURN

Since January 1, 2006, the corporate tax return has contained a schedule allowing enterprises to update their information in Québec's Enterprise Register. The advisory groups on regulatory streamlining considered this measure a priority. Some 500,000 enterprises benefit from this measure.

- STANDARDIZATION OF "PAYROLL" AND OTHER RELATED DEFINITIONS USED FOR SOURCE DEDUCTIONS AND EMPLOYER CONTRIBUTIONS

The Budget Act giving effect to the Budget Speech delivered on 21 April 2005 and to certain other budget statements (S.Q., 2005, c.38), adopted on December 7, 2005, introduced a definition of the "base wages" used to establish several contributions required from employers. This definition was introduced in the Taxation Act in order to have its interpretation entrusted to Revenu Québec and to ensure a uniform application. The laws requiring contributions based on payroll<sup>1</sup> have been amended to incorporate this new definition.

1. Namely the Act respecting industrial accidents and occupational diseases (R.S.Q., chapter A-3.001), the Act to foster the development of manpower training (R.S.Q., chapter D-7.1), the Act respecting labour standards (R.S.Q. c. N-1.1), the Act respecting the Régie de l'assurance maladie du Québec (R.S.Q., chapter R-5) and the Act respecting the Québec Pension Plan (R.S.Q., chapter R-9).

## Measures in the tax administration field

In 2006, Revenu Québec continued and completed the carrying out of the following measures, the implementation which had begun in the previous year.

- **BROADENING AND IMPROVING ELECTRONIC SERVICES**

The most recent applications in the electronic service delivery field now allow business owners:

- to register in the files associated with tax laws as well as for the electronic services of Revenu Québec without having to send a signed manuscript document;
- to consult on line the tax file of the enterprise, to apply for refunds, to make payments and to obtain statements of account;
- to submit GST and QST returns, source deductions as well as corporate tax returns using a commercial software program;
- to consult on line a tool for estimating the reduction of tax remittances, making it possible to verify entitlement to use the quick method of accounting and to estimate the potential savings that may be derived therefrom.

- **OFFERING OF NEW SERVICES CONCERNING THE AUDIT APPROACH APPLICABLE TO ENTERPRISES**

Business owners had expressed the wish that refund application processing times be reduced and that the auditing approach be adapted to their reality. In 2005-2006, 90% of the notices of assessment for enterprises were sent out in under 100 days. Moreover, since April 1, 2005, the auditing activities have been carried out by services grouping various experts.

### Continuing to be attentive to business

The Action Plan provided for the broadening of the mandate of the committee of users of the Business Area of the Government Services Portal in such a way as to permit the proposal of any useful improvement regarding regulatory and administrative formalities affecting business.

The Committee of Portal users was created by the Ministère du Développement économique, de l'Innovation et de l'Exportation, which was originally responsible for the setting up of the Portal. The transfer of responsibility for the file to Services Québec and the mandate entrusted to this organization to provide services to clientele according to four methods (at the counter, by mail, over the telephone and electronically) led to the reorganization of this body. Services Québec created a new committee with a broader reach in order to examine concerns related to the four service delivery methods. The Comité conseil sur l'offre intégrée de services aux entreprises replaced the previous committee. Chaired by Services Québec, it brings together senior-level representatives of departments and agencies of the Québec government and enterprises. The Committee held its first meeting in the fall of 2006.

## 2.2. MEASURES UNDER WAY

Among the seven measures under way, five concern general administrative simplification initiatives and two measures are specific to the environment and construction sectors.

### General administrative simplification measures

- **MAINTAINING FOR AN ADDITIONAL THREE-YEAR PERIOD OF THE MORATORIUM ON INCREASING PAPERWORK FOR BUSINESS**

The Government Action Plan renewed the application of the 2002 to 2004 moratorium on increasing paperwork for three more years, namely until 2007. In all of the departments and agencies, **the moratorium on the volume of paperwork was respected between 2004 and 2005**, remaining practically unchanged and entailing just under 35 million formalities.

- **USE OF THE QUÉBEC ENTERPRISE NUMBER (NEQ)**

The Québec Enterprise Number (NEQ) is an identifier attributed to enterprises that register under the Act respecting the Legal Publicity of sole proprietorships, partnerships and legal persons. Since April 1, 2005, enterprises that so wish have been able to also use their NEQ as a means of identification with certain departments and government agencies. Some fifteen departments and agencies<sup>2</sup> now offer this possibility. Services Québec has ensured the promotion of this possibility since July 2006.

2. This notably involves the following departments and agencies: the CSST, MAPAQ, La Financière agricole du Québec, Emploi Québec, the SAAQ, the CRT, the OPC, the OQLF, the RBQ, the Régie du cinéma, the CLP, the CCQ, the CTQ, the CES and Revenu Québec including registration in the Enterprise Register.

- **SETTING UP OF A UNIFIED SERVICE FOR UPDATING IDENTITY-RELATED INFORMATION AND CHANGES OF ADDRESS OF ENTERPRISES**

The purpose of this electronic service is to allow enterprises to update, in one easy step, their identity-related information and changes of address with the departments and agencies concerned. The Registraire des entreprises, the prime entity responsible for the project, ensured the planning of this service in collaboration with the various departments. Since 2006, Services Québec has been responsible for this file. It has continued the work begun and is aiming to progressively incorporate other departments and agencies.

- **CALCULATION OF THE CSST CONTRIBUTION ON WAGES PAID**

At the present time, the insurance premiums of employers, collected by the Commission de la santé et de la sécurité au travail (CSST), are determined on the basis of anticipated wages. The premium is adjusted at the start of the following year on the basis of the wages actually paid. For several years, numerous employers have expressed the wish to have a periodic assessment based on the wages paid instead of the anticipated wages. The enterprises most affected by this problem are SMEs characterized by seasonal or irregular work.

To follow up on this repeated request made by business circles and the advisory groups, a bill aiming to set up a new employer contribution collection method, based on the wages paid, was adopted in the fall of 2006. However, a two-year period is necessary to complete the work to set up the new contribution collection system. In the meantime, the Commission must inform all employers of the upcoming changes so that they can make the necessary adaptations to their accounting system.

- **ASSOCIATE THE CONSEIL DES PARTENAIRES ÉCONOMIQUES IN THE FOLLOW-UP ON AND THE EVOLUTION OF THE GOVERNMENT ACTION PLAN AND POLICY ON REGULATORY AND ADMINISTRATIVE STREAMLINING**

The implementation of the Government Policy and Action Plan and the target of reducing by 20% the cost of administrative formalities imposed on business are among the means to be taken in "The Québec Advantage" economic development strategy. The Management Chart prepared by the MDEIE on the state of completion of the means and

targets of the strategy contains indicators allowing the members of the Conseil des partenaires économiques to monitor the progress made in the implementation of the Action Plan.

#### **Specific measures**

- **ACCELERATION OF THE IMPLEMENTATION OF SYSTEMS OF PRIOR AUTHORIZATION ISSUED UNDER THE ENVIRONMENT QUALITY ACT AND REDUCTION OF THE PROCESSING TIMES FOR APPLICATIONS FOR AUTHORIZATION**

In order to accelerate the operation of prior authorization systems, the Ministère du Développement durable, de l'Environnement et des Parcs is continuing certain work which aims to amend the regulations with a view to making promoters and professionals more responsible and to simplifying authorization procedures related to the carrying out of work having no environmental consequences.

The administrative changes introduced by the Department in 2004-2005 have made it possible to improve the processing times for applications for project authorizations not subject to the environmental assessment procedure. In 2005-2006, the Department issued 89% of the authorizations within 90 days or less, in keeping with the spirit of the report of the Dutil Advisory Group (2003).

- **SIMPLIFYING THE PROFESSIONAL QUALIFICATION PROCESS OF BUILDING CONTRACTORS**

In 2006, the Régie du bâtiment prepared a draft regulation on the professional qualification of building contractors and builder-owners as well as on the security payable. The draft regulation includes three simplification measures to reduce the administrative burden imposed on building contractors. They are:

- introduction of a licence of indefinite length, subject to a simple annual licence maintenance procedure;
- the abolition of the annual tabling of financial statements;
- the replacement of the annual security for fraud, misappropriation and embezzlement of funds with a licence security having no term.

Moreover, the Régie is revising all of the qualification exams according to the regulations.

### 2.3. MEASURE PENDING

Only one measure of the Action Plan is pending, namely the obligation imposed on the Ministère du Travail and the Ministère du Développement économique, de l'Innovation et de l'Exportation to evaluate the consequences of the regulation respecting production equipment. The two departments in question had begun work to carry out this study but it had to be suspended due to the work of the Commission of Inquiry on Société Papier Gaspésia and the legal challenges regarding the details of the application of the regulation.

### 2.4. RECOMMENDATIONS OF THE ADVISORY GROUPS ON REGULATORY STREAMLINING

The continuation of the implementation of the recommendations of the advisory groups is one of the important measures of the Action Plan. Four advisory groups, which succeeded one another from 1998 to 2003, made a total of 225 recommendations. These advisory groups, made up of business leaders and union representatives, were mandated to advise the government on regulatory and administrative streamlining. They completed their mandate by submitting four successive reports to the government.

#### A look back

The first advisory group on regulatory streamlining, chaired by Bernard Lemaire, was set up in the spring of 1997 following the major Socioeconomic summits of 1996. Published in May 1998, the first report dealt with the regulatory standards that most impeded business. The report contained 48 recommendations, many regarding labour-related regulations, including relaxing section 45 of the Labour Code concerning subcontracting, the application of tax rules and various industry-specific regulations.

The second report, presented within the context of the second mandate of the Lemaire Advisory Group, focused on simplifying administrative obligations imposed on business by current regulations. Published in June 2000, under the title of *Simplifier les formalités administratives*, it comprised 63 recommendations seeking to eliminate the main administrative irritants of the current regulatory framework.

The third report, entitled *La simplification des formalités administratives: une nécessité pour l'économie*, was made public in May 2001 by the Lemaire Advisory Group following its third mandate. It contained a general table listing the formalities imposed on business and 52 new recommendations, including a two-year moratorium on all new administrative requirements (licences, reports, forms, etc.) and an at least 20% reduction in the number of requirements listed in 1998-1999.

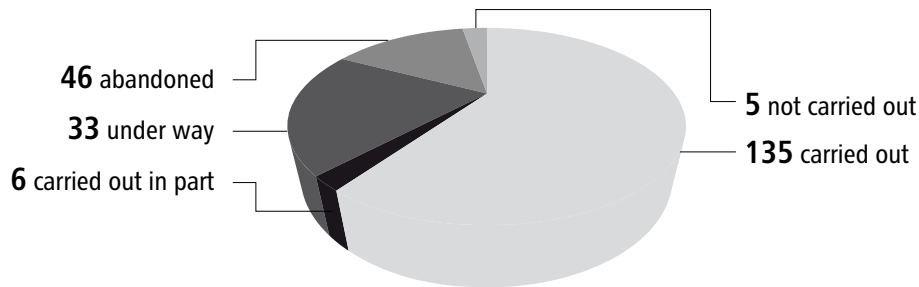
In September 2003, a fourth report was submitted to the government by the advisory group chaired by Raymond Dutil. This report, entitled *Une Administration plus attentive aux entreprises : pour créer plus d'emplois et de richesse*, contained 62 recommendations. This latter advisory group notably paid special attention to the follow-up given by the departments and agencies to the 2000 and 2001 reports and specified those recommendations that should receive priority attention among the ones not yet implemented. The Government's 2004-2007 Action Plan was inspired in large part by the priorities identified by this latter advisory group.

## Overview

The following illustration presents the state of completion of the recommendations of the advisory groups in 2006. Overall, close to 80% of the recommendations have been completed, partially completed or are in the process of being completed.

### Illustration 1

State of completion of the recommendations of the Advisory groups on regulatory and administrative streamlining (August 2006)



Among the 51 remaining recommendations, 46 were abandoned, including 12 of which were abandoned following a re-examination by the Dutil Advisory Group. As for the others, the departments and agencies concerned deemed that it was not advisable to continue their implementation, because the problems associated with these recommendations had evolved since the publication of the reports of the advisory groups. Moreover, 5 recommendations have yet to be implemented. They deal notably with municipal by-laws and the taxation system applicable to SMEs.

All in all, the departments and agencies have largely embraced the contents of the reports of the advisory groups on regulatory and administrative streamlining and followed up on most of the recommendations that are most advantageous for business. In 2006, the departments and agencies devoted major efforts to give tangible form to those recommendations considered priorities by the last advisory group. These recent achievements, combined with all of the initiatives taken in previous years, point to the conclusion that the implementation of the recommendations arising from the work of the advisory groups on regulatory streamlining has been completed for the most part.



### 3. REDUCING BY 20% THE COST OF ADMINISTRATIVE FORMALITIES BY 2010

The objective of reducing by 20% the cost of administrative formalities imposed on business by the end of 2010 was chosen by the government within the context of the economic development strategy entitled "The Québec Advantage", made public in 2005.

#### Scope of the objective

Given the large diversity of the formalities in question and the number, namely 18, of departments and agencies concerned, the government first had to specify the scope of its objective. The formalities referred to must be attached to regulatory requirements and fall into any one of the following four categories:

- prior **authorizations** for the start-up of a business, a project or an activity: licences certificates, etc.;
- **mandatory registrations**;
- **reports** or other documents that must be filed, including notices;
- **registers** or other files that must be prepared, maintained and kept up-to-date.

Three indicators are used to follow up on the government's decision and to measure the progress accomplished on an annual basis, namely:

- the number of regulatory requirements;
- the volume of formalities, expressed in the number of transactions associated with the formalities completed by enterprises;
- the cost, in dollars, of the formalities completed by enterprises.

While administrative formalities may result in significant indirect costs, for example, those associated with the time periods required for the approval of projects, the measurement of their costs is basically limited to the resulting direct costs. These costs are notably related to the remuneration and professional fees paid to observe the required formalities, the acquisition of equipment to store the requisite reports and data, the communication costs and the travel necessary to complete a formality, such as the obtaining of a licence.

Moreover, the progress in the achievement of the objective is measured in relation to the situation existing in 2004, which serves as the reference year.

Finally, to ensure that fluctuations in economic activity do not distort the current results observed, the latter are adjusted by postulating that the number of enterprises and the unitary costs of the transactions will remain constant between 2004 and 2010. The aim of this methodological adjustment is to measure the administrative streamlining efforts of department and agencies rather than inflation or the variation in the number of enterprises active in the various sectors.

#### Results for the 2004 reference year and 2005

In accordance with the agreed-upon method, the departments and agencies concerned proceeded to collect data for the 2004 reference year and year 1, namely 2005. Appendix 2 presents the detailed tables of the results by type of formalities as well as by department and agency.

##### A. Number of regulatory requirements resulting in administrative formalities

For the purposes of the objective of reducing the cost of the administrative burden, a regulatory requirement is defined as any obligation imposed on business under an Act, a regulation or a directive, to obtain a licence or another authorization, to file a report or to keep a register. According to the data obtained from the departments and agencies concerned, the number of regulatory requirements **remained practically unchanged from 2004 to 2005**, going from 529 to 527. The Ministère de l'Emploi et de la Solidarité sociale is the department that imposes the fewest requirements (2) as compared to the Ministère des Ressources naturelles et de la Faune whose regulations concerning business contain 91 requirements, followed closely by the Ministère du Développement durable, de l'Environnement et des Parcs with 88.

##### B. Volume of administrative formalities

The volume of administrative formalities is obtained by multiplying the number of administrative formalities completed in the year by the number of enterprises subject thereto. As was mentioned above, data provided by the departments are converted into constant values to eliminate the effects of economic growth and inflation.

The Government Action Plan provided for maintaining, from 2004 until 2007, the moratorium on the increase in the volume of formalities imposed on business. **From 2004 to 2005, the total volume of formalities in constant values remained practically unchanged for almost all of the departments and agencies. The objective of stabilizing the volume of formalities was therefore respected.** However, the Office de la protection du consommateur witnessed a 90.8% increase in its formalities arising from the production of a report related to the transmission of the contributions made by clients to the Fonds d'indemnisation des clients des agents de voyages (FICAV) and the production of another report on the statement of account of funds held in trust by travel agents. However, this increase in the administrative burden, which may seem large in relative terms, remains very limited in absolute terms for travel agents. Moreover, it is important to point out that the changes arising from the addition of these two

formalities were made, notably to respond to the concerns voiced by the Auditor General regarding the control of funds held in trust.

### C. Cost of administrative formalities

The total cost of formalities remained fairly stable between 2004 and 2005, reflecting the fact that formalities did not vary much, whether upward or downward, in the various departments and agencies. However, note should be made of the Office de la protection du consommateur for which the cost of formalities rose by 29.1% in 2005 following the first full year of application of two formalities (report with the transmission of the contributions made by clients to the FICAV and report of the statement of account of funds held in trust) associated with the Travel Agents Act. However, the financial burden supported by all travel agents declined considerably due to the fact that they no longer had to contribute to their former collective security funds since the latter had been replaced by the FICAV.

**Table 2**

Cost\* of administrative formalities imposed on business, by department and agency

Department /Agency	Cost ('000\$)		Variation
	2004	2005	%
AMF**	N.A.	N.A.	N.A.
CCQ	6 363,8	5 859,2	-7,9
CSST	14 179,1	14 329,8	1,1
CTQ	4 485,6	4 483,0	-0,1
MAPAQ	1 777,8	1 784,8	0,4
MDDEP	1 826,8	1 826,3	0,0
MDEIE	1 137,7	1 146,7	0,8
MESS	272,1	257,8	-5,3
MFAFC	22 638,0	22 638,7	0,0
MRNF	18 142,5	18 141,8	0,0
Revenu Québec	578 924,2	577 504,8	-0,2
OPC	270,0	348,5	29,1
RACJQ	2 535,6	2 467,8	-2,7
RBQ	46 757,1	46 752,7	0,0
RCQ	1 578,6	1 664,0	5,4
Service Québec	18 942,2	18 939,6	0,0
RMAAQ	7 726,6	7 726,4	0,0
SAAQ	860 244,4	860 989,8	0,1
<b>TOTAL***</b>	<b>1 587 802,1</b>	<b>1 586 861,6</b>	<b>-0,1</b>

\* The cost is net of economic fluctuations, i.e. it is calculated by maintaining constant the number of units (number of enterprises) and the unitary cost of formalities in relation to the reference year, namely 2004.

\*\* The data of the Autorité des marchés financiers will be available for the production of the next annual report.

\*\*\* Due to the rounding off of data, the total indicated may not be equal to the aggregate of the individual data presented.

The results obtained for 2004 and 2005 are headed in the right direction, but they deal with too short a period to permit an appropriate evaluation of the administrative streamlining efforts of departments and agencies as well as the entry into force of core-building measures such as the deployment of Services Québec. Appendix 2 presents the detailed results by type of formalities and by department and agency.

Thanks to the method adopted, the government now has a tool to monitor the evolution of the administrative burden imposed on business. As a result, the government has a better knowledge of the extent of the costs that the administrative burden represents for enterprises. According to the data produced by the departments and agencies, these costs were some \$1.6 billion in 2004. The size of this figure is in large part explained by the fact that close to 250,000 enterprises, not counting self-employed individuals, were subject to the various general and industry-specific regulatory standards in 2004 and that some of these requirements, such as sales tax reports, were applicable several times during the year.

This burden corresponded to approximately 0.6% of Québec's GDP in 2004, which puts Québec in a situation comparable in this respect to that observed in the other economies of developed countries. In 2001, the cost of administrative formalities of national, sub-national and municipal administrations represented between 1 and 5% of the GDP in 10 countries examined by the OECD. The Canadian Federation of Independent Business, basing its findings on the results of a survey published in 2005, evaluated at 3% of the GDP the direct costs and shortfall in earnings of Québec enterprises to comply with the regulatory requirements imposed by the federal, Québec and municipal administrations. The same study evaluated this regulatory and administrative burden to be 2.6% for Canada as a whole.

Administrative costs thus represent a significant burden for enterprises in Québec and elsewhere. The extent of this burden amply justifies the priority that the government has put on reducing the share of this burden that arises from its own requirements. The 20% reduction objective is equivalent to the freeing up of \$300 million (2004 dollar value) in human and financial resources that enterprises will be able to use each year for productive purposes such as research, investment and market prospection.



## 4. GOVERNMENT POLICY ON REGULATORY AND ADMINISTRATIVE STREAMLINING

The Policy on regulatory and administrative streamlining is a statutory reference framework with which all departments and agencies must comply<sup>3</sup>. This section reports on the achievements of the departments and agencies with the respect to the Policy's various fields of application: the regulations having impacts on business, the review of the legislation in effect on April 28, 1999 and the regulatory and administrative commitments made by departments and agencies in their respective strategic planning. This section also presents the actions completed concerning intergovernmental harmonization in the regulatory field.

### 4.1. REGULATIONS HAVING IMPACTS ON BUSINESS

The Government Policy applies to bills and draft bills, draft regulations, draft priorities and action plans, specific projects of an enterprise or a category of enterprises as well as to the laws and regulations in effect. It establishes three types of measures graduated according to the impact of the cost on business. Departments and agencies must<sup>4</sup>:

- complete a declaration of regulatory impact (DRI) if the impacts of their project on business are evaluated at between \$1 million and \$10 million;
- make an analysis of regulatory impact (ARI) if these impacts are evaluated at more than \$10 million;
- specify, when preparing a bill or a draft regulation whose impact on business exceeds \$10 million, the review or evaluation mechanism that will be applied not more than five years after it takes effect.

Draft legislation whose economic impacts on business are less than \$1 million does not entail any obligation for departments and agencies.

#### Obligations fulfilled by departments and agencies

Based on the estimates made by the departments and agencies, 8 pieces of draft legislation required the obligation to make a declaration of regulatory impact (DRI) whereas 18 required the carrying out of an analysis of regulatory impact (ARI) and the establishment of an evaluation and review mechanism after five years.

#### Compliance with obligations by departments and agencies

The DRI was completed in six of the eight projects subject to this obligation. As for the ARI, they appeared in 14 of the 18 projects concerned by this obligation, whereas five of these projects provided for a five-year evaluation or review mechanism.

### 4.2. REVIEW OF THE LEGISLATION IN EFFECT ON APRIL 28, 1999

The Policy on regulatory and administrative streamlining stipulates that<sup>5</sup>:

" ... a review of legislation in effect on April 28, 1999, which affects business, shall take place after that date, according to the order of priority established by the department or agency, and be completed not later than April 28, 2006 (...) The goal of the review shall be a significant streamlining of the burdens imposed by the regulatory framework (...)."

Introduced as a complement to the provisions of the Policy dealing with new regulatory standards, this measure sought to streamline as much as possible the existing regulatory standards. Given the large number of laws and regulations that certain departments must administer, these departments had full latitude to extend this operation over a period of up to seven years.

3. The Policy can be consulted on the net at the following address: <http://www.mce.gouv.qc.ca/allegement/index.htm>.

4. Sections 3, 5 and 11.

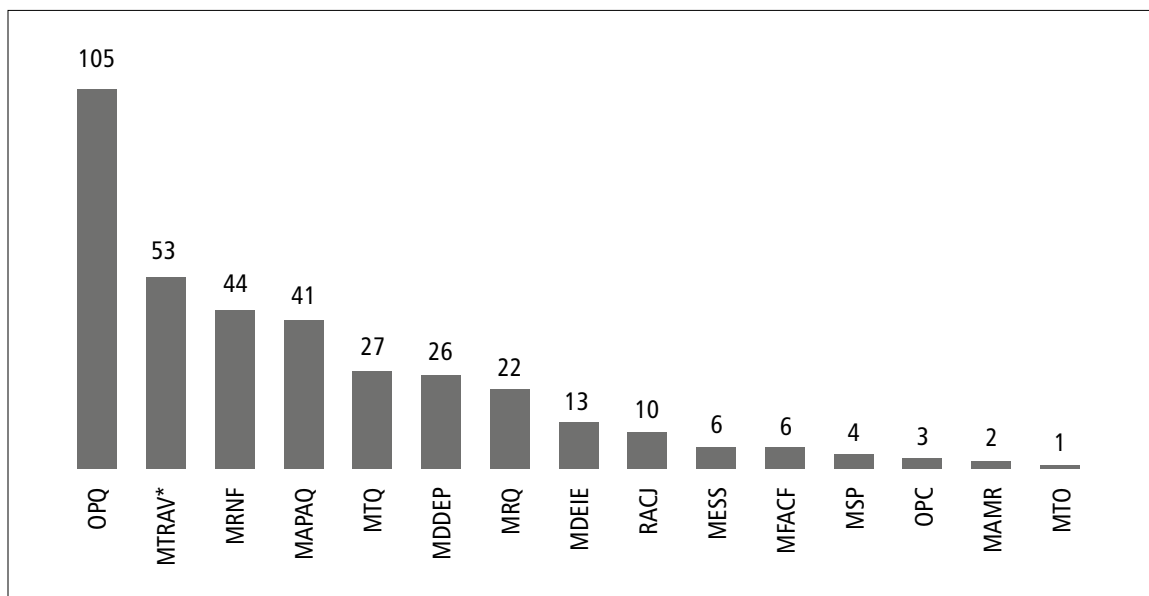
5. Section 12.

## Reviews made

During the 1999-2006 period, the departments or agencies completed or began the review of 83 laws and 278 regulations including the large body of regulations adopted by professional bodies. The following illustration shows the efforts accomplished by department and agency.

### Illustration 2

Number of pieces of legislation reviewed or being reviewed by department or agency (April 28, 2006)



\* Including the legislation of the CSST, the CCQ and the RBQ

### Streamlining introduced

Several reviews have given rise to the implementation of streamlining measures and even to the elimination of certain requirements in some cases. Streamlining measures refer to the repeal of laws or regulations, the abolishment of formalities, the simplification of the information requested, etc. The cumulative data for the departments and agencies respectively point to 97 streamlining measures affecting 83 laws that have been reviewed or are being reviewed as well as 85 streamlining measures for the 278 regulations reviewed or being reviewed. These streamlining measures resulted in significant benefits for business. Examples of these streamlining measures provide a brief glimpse of these benefits.

Moreover, it is important to underscore the work done by the Ministère de la Justice in the regulatory streamlining field. Indeed, the Service de la refonte

des lois et des règlements of the Direction générale des affaires juridiques et législatives has proceeded in recent years and in collaboration with the various legal affairs directorates of the departments and agencies concerned to pare all regulatory legislation deemed outdated, repealed or replaced.

The result of these efforts is presented in the work entitled *Tableau des modifications et index sommaire* published by Les Publications du Québec twice a year, namely in March and September. This document makes it possible to take stock of regulations in Québec at a precise date.

For example, the nine collective agreement decrees under the responsibility of the Ministère du Travail were repealed or replaced within the context of this work.

Finally, it should be pointed out that the Ministère de la Justice tabled a bill in the National Assembly in June 2007, namely Bill No. 7, Act respecting the Compilation of Québec Laws and Regulations. Section 2 will make official the process for the regular updating of laws and regulations in Québec.

Examples of streamlining	
<b>MINISTÈRE DU TRAVAIL</b>	
<ul style="list-style-type: none"> <li>• <b>Adoption of the Building Act</b> (R.S.Q., B-1.1) which replaces four laws: the Act respecting Piping Installations (R.S.Q., c. I 12.1), the Act respecting Electrical Installations (R.S.Q., c. I 13.01), the Gas Distribution Act (R.S.Q., c. D 10) and, in part, the Act respecting Safety in Public Buildings (R.S.Q., c. S 3).</li> <li>• <b>Amendment of the Labour Code</b> (R.S.Q., C-27) to make more flexible the application of section 45 concerning subcontracting.</li> <li>• <b>Revision of the Act respecting industrial accidents and occupational diseases</b> (A – 3.001) making it possible to put in place a new system for calculating contributions based on wages paid in response to repeated requests from employers.</li> </ul>	
<b>MINISTÈRE DES TRANSPORTS</b>	
<ul style="list-style-type: none"> <li>• <b>Revision of the Act respecting Owners, Operators and Drivers of Heavy Vehicles</b> (R.S.Q., c. P 30.3): since January 2006, harmonization with the provisions of the Vehicle Transportation Act (safety ratings and carriers' files).</li> </ul>	
<b>REVENU QUÉBEC</b>	
<ul style="list-style-type: none"> <li>• <b>Revision of the Act respecting the Québec Sales Tax</b> (R.S.Q., T 0.1): adoption of regulatory streamlining and administrative simplification measures:               <ul style="list-style-type: none"> <li>- Combination of two new building refund application forms;</li> <li>- introduction of annual and quarterly reporting frequencies for the tax on insurance premiums allowing enterprises to annually reduce by more than 2,000 the number of their remittances;</li> <li>- The Licences Act was replaced by a new Québec sales tax thereby simplifying the application of the duties applicable to alcoholic beverages while combining the tax information required on a single form; the effect of this was to eliminate the obligation, for some 13,000 enterprises, of holding an alcoholic beverage retailer's licence.</li> </ul> </li> </ul>	
<b>MINISTÈRE DU DÉVELOPPEMENT ÉCONOMIQUE, DE L'INNOVATION ET DE L'EXPORTATION</b>	
<ul style="list-style-type: none"> <li>• <b>Revision of the Cooperatives Act</b> (R.S.Q, C-67.2), which resulted in a simplification of the legislation applicable to the 2,600 cooperatives, notably by eliminating the duplication of formalities in the <i>legal publicity</i> field.</li> <li>• <b>Revision of the Act respecting Stuffing and upholstered and stuffed articles</b> (R.S.Q., M- 5), which made it possible to grant certain licence waivers to the industry, to eliminate the labeling of certain products, to reduce the cost of artisan's permits and to harmonize the Québec law with those of Ontario and Manitoba. This revision reduced or simplified the formalities for 600 enterprises.</li> </ul>	
<b>MINISTÈRE DU DÉVELOPPEMENT DURABLE, DE L'ENVIRONNEMENT ET DES PARCS</b>	
<ul style="list-style-type: none"> <li>• <b>Revision of the Environment Quality Act</b> (EQA): the adoption of Bills 25, 44, 99 and 130 made it possible to introduce certain streamlining actions such as the use of a simplified form for the spreading of residual fertilizing materials, the elimination of the certificate of authorization in the case of pesticide spreading projects, the abolition of prior authorizations when installing a wastewater treatment system and installing an atmospheric emission scrubber system.</li> </ul>	

### 4.3. REPORTING OF DEPARTMENTS AND AGENCIES IN THEIR ANNUAL MANAGEMENT REPORTS

The policy stipulates<sup>6</sup> that:

“All ministries and agencies shall publish in their strategic plan commitments with regard to regulatory and administrative streamlining as it affects business and describe its accomplishments in this regard in its annual management report.”

Since 2005, the Cabinet has approved the strategic plans of all of the departments and those of the many government agencies. The examination of the strategic plans of those government departments and agencies most concerned shows that they have followed up on the government’s wish to lessen the regulatory and administrative burden on business.

The 2005-2006 annual management reports are the first reporting exercise dealing with these strategic plans. The analysis of the reports of departments and government agencies<sup>7</sup> reveals that as of March 31, 2006, the implementation of the commitments made by these departments and agencies is well under way.

As the time horizon of the strategic plans extends from 2005 to 2008 and even beyond for some government agencies, the achievement of certain orientations and objectives has required the putting in place of large-scale initiatives, spanning several years. Legislation

and regulation review files, such as those related to the Professional Code, the Environment Quality Act, the Act respecting labour standards and legislation concerning corporate taxation and employer obligations fall into this category. The same is true for the creation of portals and systems relying on information technologies. Within this context, only the achievements completed in 2005-2006 have been identified.

#### Regulatory streamlining

As part of their approach, several departments and agencies have made amendments to the laws and regulations which they administer. These revisions, made with a view to ensuring greater adequacy in relation to the current and future context of their activity sector, have also offered opportunities to simplify and make more flexible the regulatory requirements applicable to enterprises. The desire to harmonize the regulatory standards of a given sector with those of other North American government administrations is also a concern associated with several of the initiatives completed. Finally, in keeping with the advocated regulatory streamlining orientations, some departments have reviewed their regulatory standards by emphasizing the objectives sought rather than the means that should be employed.

Examples of regulatory streamlining resulting from the strategic planning of departments and agencies
REGULATORY STREAMLINING AFFECTING ALL ENTERPRISES
<p>REGISTRAIRE DES ENTREPRISES AND REVENU QUÉBEC</p> <ul style="list-style-type: none"> <li>• <b>Combination of the annual declaration of information for the Enterprise Register and the annual tax return</b> in order to enable enterprises to meet four obligations with Revenu Québec in one step: filing of the tax return, filing of the declaration of information, payment of the annual registration fee and payment of the tax balance owing, if any.</li> </ul>
REGULATORY STREAMLINING AFFECTING SEVERAL REGULATORY STANDARDS
<p>REVENU QUÉBEC</p> <ul style="list-style-type: none"> <li>• <b>Standardization of the payroll and other definitions used for source deductions and employer contributions. The expression “base wages” in relation to an individual was also introduced so that several laws can make reference thereto.</b></li> </ul>

6. Section 13.

7. The list of the 2005-2006 annual management reports consulted is presented in Appendix 3.

HARMONIZATION WITH THE REGULATORY STANDARDS OF OTHER ADMINISTRATIONS	
AUTORITÉ DES MARCHÉS FINANCIERS	<ul style="list-style-type: none"> <li>• <b>Harmonization of securities regulations throughout Canada:</b> <ul style="list-style-type: none"> <li>- <b>setting up of the Principal Regulatory System</b> connected to the passport system promoted by the provincial and territorial governments (except Ontario) allowing issuers to deal with only one regulatory body even if they have transactions on the capital markets of another participating province or territory.</li> <li>- <b>harmonization and grouping of exemptive reliefs concerning prospectuses and registration</b>, which in the past were found in various provisions of the laws and regulations of the provinces and territories.</li> </ul> </li> </ul>
MINISTÈRE DU TRAVAIL	<ul style="list-style-type: none"> <li>• <b>Agreement with the Ontario Government on labour mobility in the construction industry</b> making it possible to reconcile the qualification systems for contractors and workers in order to improve access to the construction sites of each province.</li> </ul>
MINISTÈRE DES TRANSPORTS	<ul style="list-style-type: none"> <li>• <b>Harmonization of the Act respecting the owners and operators of heavy vehicles</b> with the provisions of the Motor Vehicle transportation Act concerning notably the elimination of the need to register in each of the Canadian administrations where the vehicles will circulate.</li> <li>• <b>Harmonization, within the North American context, of the rules respecting the standards for securing loads</b> facilitating the application of these standards during interprovincial or international transportation activities.</li> </ul>

**Administrative streamlining**

The revision of administrative processes makes it possible to facilitate the exchanges between enterprises and the Administration. Very present in strategic plans, the improvement of the approaches adopted by the Administration intersects multiple realities, reflecting the varied commitments of departments and agencies in this respect. The simplification of the formalities required, the grouping of requirements and the standardization of administrative practices between departments are important lines of action for simplifying relations between business and the government. The statements of services for the public also contain numerous avenues of improvement, including targets for reducing licence application processing and licence issuance times or other formalities required to start up and operate a business. Indeed, these periods are among the main irritants mentioned by business people.

There are also numerous achievements concerning the **delivery of on-line services** in the annual management reports. In recent years, most departments and agencies have developed this type of tool on their respective web sites. While the presence of informational functionalities is already widespread, the putting on line of transactional functionalities is part of the proposals of numerous action plans. In this respect, the Business Area of the Government Services Portal is called upon to play a growing role over the next few years by making it possible to increase ties between enterprises and departments as well as government agencies.

Examples of administrative streamlining resulting from the strategic planning of departments and agencies
<b>SIMPLIFICATION OF FORMALITIES</b>
<p>MINISTÈRE DES RESSOURCES NATURELLES ET DE LA FAUNE</p> <ul style="list-style-type: none"> <li>• <b>Simplification of administrative formalities and other conditions affecting salmon fishing controlled zones</b> in order to reduce the administrative constraints imposed on territory managers.</li> </ul>
<p>RÉGIE DU CINÉMA</p> <ul style="list-style-type: none"> <li>• <b>Synchronization of the renewal of licences allowing merchants who hold several licences to proceed with the renewal of all of the licences by means of a single transaction.</b></li> </ul>
<p>COMMISSION DES TRANSPORTS</p> <ul style="list-style-type: none"> <li>• <b>Simplification of the verification of the registration in the Register prescribed by the Act respecting the owners and operators of heavy vehicles by printing the information disseminated on the web site of the Commission des transports.</b> This document, which is kept in the vehicle, is the required and recognized attestation, following an agreement with other provinces.</li> </ul>
<p>MINISTÈRE DES TRANSPORTS</p> <ul style="list-style-type: none"> <li>• <b>Grouping within the Transportation of Dangerous Substances Regulation of certain regulatory provisions</b> that use to be found in several regulations administered by various departments.</li> </ul>
<p>COMMISSION DE LA SANTÉ ET DE LA SÉCURITÉ DU TRAVAIL</p> <ul style="list-style-type: none"> <li>• <b>Reduction in the number of business owner classification units</b> in the agriculture, leather, textile, clothing, food, beverage, tobacco, communications and public services sectors, dropping from 236 in 2005 to 195 in 2006.</li> </ul>
<p>REGISTRAIRE DES ENTREPRISES IN COLLABORATION WITH THE DEPARTMENTS AND AGENCIES CONCERNED</p> <ul style="list-style-type: none"> <li>• <b>Use of the Québec Enterprise Number (NEQ)</b> attributed by the Registraire as a method of identification for enterprises with 13 departments and agencies.</li> </ul>
<p>RÉGIE DU BÂTIMENT</p> <ul style="list-style-type: none"> <li>• <b>Constitution of an integrated file</b> on the profile of a building contractor, making more uniform the application of the approach based on the analysis of risks in the various intervention fields, in all regional offices. In 2005-2006, preparation of 4,470 contractor profiles out of the some 13,000 to be completed by March 31, 2008.</li> </ul>
<p>LA FINANCIÈRE AGRICOLE</p> <ul style="list-style-type: none"> <li>• <b>Simplification of the procedures for enrolling clients in programs</b> through the establishment of a single file per client, irrespective of the program for which he signs up.</li> </ul>
<b>REDUCTION OF PROCESSING TIMES</b>
<p>MINISTÈRE DE L'AGRICULTURE, DES PÊCHERIES ET DE L'ALIMENTATION</p> <ul style="list-style-type: none"> <li>• <b>Reduction of the time needed to obtain an aquaculture licence</b> thanks to the collaboration of MAPAQ and five other departments and agencies of the governments of Québec and Canada having responsibilities in the aquaculture field. A new version of the Guide, prepared in 2005-2006, will make it possible to reduce processing times even further.</li> <li>• <b>Setting up of a rapid payment system for farm operators</b> within the context of the farm operator property tax refund and compensation program, allowing operators to receive, in less than 30 days, a refund representing 90% of the refund granted the previous year.</li> </ul>
<p>REVENU QUÉBEC</p> <ul style="list-style-type: none"> <li>• <b>Reduction of the processing time during the annual reconciliation</b> due to the mechanization of the processing of certain source deduction and employer contribution summaries.</li> </ul>

<p>MINISTÈRE DE LA FAMILLE, DES AÎNÉS ET DE LA CONDITION FÉMININE</p> <ul style="list-style-type: none"> <li>• <b>Rapid issue of new childcare licences.</b> The target, set at two weeks, was attained in 2005-2006.</li> </ul>
<p><b>GREATER ACCESS TO SERVICES</b></p>
<p>REGISTRAIRE DES ENTREPRISES</p> <ul style="list-style-type: none"> <li>• <b>Network of mandataries:</b> renewal of agreements reached with the Ministère de la Justice and Revenu Québec authorizing them, as mandataries, to register natural persons, partnerships, associations and other groups.</li> </ul>
<p>COMMISSION DE LA CONSTRUCTION</p> <ul style="list-style-type: none"> <li>• <b>Holding of itinerant service sessions</b> for clients located outside major population centres: transmission of information and qualification exam sessions for contractors.</li> </ul>
<p><b>DEVELOPMENT OF ON-LINE SERVICES</b></p>
<p>AUTORITÉ DES MARCHÉS FINANCIERS</p> <ul style="list-style-type: none"> <li>• <b>On-line renewal of the securities representative's certificate</b> on December 31st of each year through the setting up of a common databank for the provinces and territories (BDNI).</li> </ul>
<p>COMMISSION DES TRANSPORTS</p> <ul style="list-style-type: none"> <li>• <b>Publication of its public notices on its web site.</b></li> <li>• <b>Recognition of electronic signatures</b> for registration in the Register of owners and operators of heavy vehicles.</li> </ul>
<p>REGISTRAIRE DES ENTREPRISES</p> <ul style="list-style-type: none"> <li>• <b>Introduction of an electronic process for identifying the clientele of enterprises</b> in the Act respecting the Legal Publicity of sole proprietorships, partnerships and legal persons, which makes it possible to develop electronic services intended for enterprises.</li> <li>• <b>Putting on line of FormulAide</b>, a user-friendly, interactive and intuitive tool that helps clients complete forms.</li> </ul>
<p>REVENU QUÉBEC</p> <ul style="list-style-type: none"> <li>• <b>Applications related to taxation:</b> <ul style="list-style-type: none"> <li>- <b>simplification of registration in the files associated with tax laws as well as for the electronic services of Revenu Québec</b>, by doing away with the obligation of sending a signed manuscript document;</li> <li>- <b>on-line consultation of the tax file of an enterprise</b>, by adding the possibility of applying for refunds and making payments as well as obtaining statements of account;</li> <li>- <b>electronic transmission of GST and QST returns, source deductions and corporate tax returns</b> using a commercial software program;</li> <li>- <b>putting on line of a tool for estimating the reduction of tax remittances</b>, allowing enterprises to check if they are entitled to use the fast accounting method and to estimate the potential savings that they could derive therefrom.</li> </ul> </li> </ul>
<p>RÉGIE DU BÂTIMENT</p> <ul style="list-style-type: none"> <li>• <b>Setting up of an administration and technical information bank</b> putting at the disposal of contractors guides and sheets to facilitate the application of certain regulatory standards.</li> </ul>

## Streamlining of government programs

The efforts invested to improve regulatory standards and reduce the ensuing administrative formalities would risk appearing incomplete in the eyes of enterprises if the government did not have a similar concern regarding its assistance programs. At some time in the life cycle of their business, most entrepreneurs resort to government assistance. This assistance takes the form of a multitude of programs or tools which each have their own terms and conditions as well as formalities. This results in additional formalities for enterprises, a situation which many of them have denounced. Indeed, the

Dutil Advisory Group officially recommended that the government make an effort to simplify the formalities associated with financial assistance and facilitate access to programs.

Within this context, tangible actions intended to review, simplify and reduce the administrative burden associated with government programs subscribe to the same objectives as those advocated in the regulatory and administrative streamlining field. In this respect, several departments and agencies have indicated in their strategic plan their intention of revising their programs to simplify them.

### An example of program streamlining

#### MINISTÈRE DE LA CULTURE ET DES COMMUNICATIONS

- **Merging of financial assistance programs:** merging of 42 programs of the culture and communications sector into 4 main programs. With the Di@pason on-line service, possibility of making an application for financial assistance and monitoring the processing of this application as well as access, at all times, to a personalized file.

## 4.4. INTERGOVERNMENTAL HARMONIZATION

At the same time as it was adopting the Policy on regulatory and administrative streamlining, the government asked the Ministère du Conseil exécutif to intensify, in conjunction with the other departments and agencies, the coordination of efforts to harmonize Québec regulations with those of other Canadian administrations.

In this respect, several industry-specific files aiming to harmonize standards with those of other governments were successfully completed or made it through key stages in 2006-2007. Among these files, mention should be made of:

- the mutual recognition agreement with the Government of Ontario on labour mobility in the construction sector;
- the adoption of Bill 29 making it possible to set up a single passport system that will facilitate access to the capital markets of the provinces for issuers and brokers;
- in the farming field, the recognition by federal authorities of the environmental assessment process completed in Québec within the context of the Prime Vert program;
- an amendment to the Regulation respecting Stuffing and upholstered and stuffed articles in order to notably harmonize it with the regulation in force in Ontario;

- various measures in the road transportation field: adoption of Bill 129 allowing the recognition of the safety rating of road carriers by the provinces and territories; North American harmonization of standards for securing loads; harmonization of the rules concerning truck trailer circulation permits, etc.;
- the adoption of Bill 2 making it possible to harmonize the biannual dates of time changes with those in effect in the United States.

Moreover, in 2006-2007, the Ministère du Conseil exécutif continued to participate in the Federal-provincial-territorial working group on regulatory reform. The work under way deals with the development of good regulatory principles likely to guide government administrations and the development of a model program to carry out analyses of the economic impacts of draft regulatory standards. Québec is taking a very active part in this work.

Similarly, the Ministère du Conseil exécutif sits on the Advisory Committee on Paperwork Burden Reduction. The main objective of this Committee is to propose measures to reduce the administrative formalities imposed on business by federal regulatory standards.

Finally, Québec actively participated in the reflections undertaken by the Committee of Ministers responsible for Internal Trade under the aegis of the Council of the Federation with a view to more effectively tackling the obstacles that stand in the way of trade and the mobility of capital and manpower within Canada.

## 5. CONCLUSION

Over the course of 2006, several important actions were completed by the departments and agencies within the context of the three main thrusts of the government's action concerning regulatory and administrative streamlining, namely the Policy, the 2004-2007 Action Plan and the 20% reduction in the cost of administrative formalities by 2010.

In fact, several major files associated with these main thrusts have been completed or have made it through major stages. The implementation of the recommendations of the advisory groups is for all intents and purposes completed and barring one exception, all of the measures of the Action Plan have been or are in the process of being completed. In addition, the review of the existing legislation has given rise to significant streamlining for business.

Other files such as the realization of the commitments in the regulatory and administrative streamlining field found in the strategic plans as well as the objective of reducing by 20% the cost of administrative formalities began more recently and hold the promise of major changes over the medium term.



# APPENDICES

## Appendix 1

Government Action Plan *Simplifying business*.  
State of completion as of December, 2006

Measures (target date)	D/A	State of Completion
<b>Measures to improve services for business</b>		
1. Launching of the Business Area of the Government Services Portal (target date: summer of 2004).	Services Québec	Completed
2. Consolidating the role of CLDs (Local Development Centres) for front-line services (target date: summer 2004).	MDEIE	Completed
<b>Simplifying administrative requirements (general)</b>		
3. Continuing and measuring the achievement of the objective of reducing by 20% the cost of administrative formalities imposed on business (target date: December 2004).	D/A	Completed
4. Maintaining, for an additional three-year period, of the moratorium on new administrative paperwork for business (target date: on-going).	D/A	Under way
5. Allowing a business person to use his Québec Enterprise Number (NEQ), attributed by the Registraire des entreprises, to identify himself with a department or organization (target date: April 1, 2005).	D/A / Services Québec	Under way
6. Setting up a unified service for updating identity-related information and changes of addresses for enterprises (target date: 2006).	D/A / Services Québec	Under way
7. Combining the annual corporate declaration for the Enterprise Register and the corporate tax return (target date: end of 2005).	Revenu Québec / MFQ	Completed
8. Standardizing payroll and related definitions used for source deductions and employer contributions (target date: end of 2005).	MFQ / Revenu Québec / M/O	Completed
9. Calculating CSST contributions on wages paid (target date: 2006).	CSST	Under way
10. Continuing the implementation of the recommendations of the advisory groups on regulatory streamlining (target date: on-going).	D/A	Completed
<b>Measure in the environment field</b>		
11. Accelerating systems of prior authorization issued under the Environment Quality Act and reducing authorization times (target date: end of 2005).	MDDEP	Under way
<b>Measures in the construction field</b>		
12. Reducing simultaneous claims under the wage protection program of construction employees (target date: spring of 2004).	CCQ	Completed
13. Creating a single service wicket for building contractors (target date: end of 2005).	RBQ	Completed
14. Simplifying the professional qualification process for building contractors (target date: end of 2005).	RBQ	Under way
15. Evaluating the effectiveness of the new regulation respecting production equipment (target date: spring of 2005).	Travail / MDEIE	Pending

Measures in the tax administration field		
Adapting documentation, forms and guides to business needs:	Revenu Québec	Completed
16. by making forms available on the web site and by being able to complete them on the screen (target date: June 2004);		
17. by better adapting documentation, forms and guides to the profile of clientele or by applying specific measures (target date: on-going);		
18. by disseminating specialized tax information on the web site and, first and foremost, by distributing interpretation bulletins (target date: September 2004);		
19. by offering an electronic subscription service (target date: September 2004);		
20. by informing business subscribers about tax news and by informing them of the publication of the Tax News information newsletter (target date: September 2004).		
Broadening and improving electronic services:	Revenu Québec	Completed
21. by permitting notably, the registration of new enterprises, the consultation of tax files, the filing of returns, the production of relevés 1 and of the summary, changes of address (target date: June 2004);		
22. by improving current electronic services (target dates: May 2004 to May 2006);		
23. by developing new complementary electronic services and services to transmit electronically information and documents to enterprises (target dates: May 2004 to May 2006).		
Offering new services:	Revenu Québec	Completed
24. by making improvements to telephone services and by offering electronic access to public services (target date: June 2004);		
25. by making notices of assessment clearer (target date: November 2005);		
26. by establishing a unified vision of the accounting file of a corporation (target date: November 2005);		
27. by developing new communication channels with the clientele (target dates: May 2005 to May 2006).		
Developing new work methods that meet the needs of business:	Revenu Québec	Completed
28. by processing applications for refunds of corporate tax returns within a period of 100 days under certain conditions (target date: spring of 2004);		
29. by re-examining its organization to ensure that it can provide services that are better adapted to the characteristics of enterprises according to their size, their activity field or the type of measures to which they are subject (target date: April 2005);		
30. by adapting the audit approach to the realities of business and by making public its commitments in this respect (target date: spring of 2004);		
31. by maintaining and strengthening exchanges with the partners involved in the management of tax measures notably with the Ministère des Finances du Québec (MFQ), the Canada Revenue Agency (CRA) and the discussion committees on the management of tax credits (target date: on-going);		

32. by continuing the collaboration in government files, such as the Service québécois de changement d'adresse, the Business Area of the Government Services Portal and the Service québécois d'authentification gouvernemental (target date: according to the timetable of the projects).		
<b>Remaining attentive to business</b>		
33. Associating the Table des partenaires in the follow-up on and the evolution of the Action Plan and Government Policy on Regulatory and Administrative Streamlining (target date: on-going).	MDEIE / MCE	Under way
34. Broadening the mandate of the committee of users to propose any useful improvement to the Government Services Portal and to the underlying regulatory and administrative formalities (target date: summer 2004).	Services Québec	Completed

## Appendix 2

Objective of reducing by 20% of the cost of administrative formalities imposed on business – Detailed data

Department/ Agency	Number		Variation
	2004	2005	%
AMF*	N.A.	N.A.	N.A.
CCQ	5	5	0,0
CSST	28	28	0,0
CTQ	16	16	0,0
MAPAQ	20	20	0,0
MDDEP	89	88	-1,1
MDEIE	6	6	0,0
MESS	2	2	0,0
MFACF	19	19	0,0
MRNF	91	91	0,0
Revenu Québec	74	73	0,0
OPC	11	11	0,0
RACJQ	58	58	0,0
RBQ	9	9	0,0
RCQ	19	19	0,0
Services Québec	20	20	0,0
RMAAQ	49	49	0,0
SAAQ	13	13	0,0
<b>TOTAL</b>	<b>529</b>	<b>527</b>	<b>-0,2</b>

Department/ Agency	Number		Variation
	2004	2005	%
AMF*	N.A.	N.A.	N.A.
CCQ	406 907	417 791	2,7
CSST	325 567	324 422	-0,4
CTQ	81 978	82 277	0,4
MAPAQ	60 705	59 893	-1,3
MDDEP	20 557	19 549	-4,9
MDEIE	6 095	6 214	2,0
MESS	10 131	10 851	7,1
MFACF	370 651	378 691	2,2
MRNF	21 040	18 017	-14,4
Revenu Québec	28 916 305	27 162 917	-6,1
OPC	3 843	7 613	98,1
RACJQ	66 225	69 710	5,3
RBQ	240 205	245 250	2,1
RCQ	546 455	494 307	-9,5
Services Québec	672 758	677 190	0,7
RMAAQ	2 060 625	2 060 625	0,0
SAAQ	1 211 515	1 247 181	2,9
<b>TOTAL</b>	<b>35 021 562</b>	<b>33 282 498</b>	<b>-5,0</b>

« The data of the Autorité des marchés financiers will be available for the production of the next annual report.

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Department/ Agency	Number		Variation
	2004	2005	%
AMF**	N.A.	N.A.	N.A.
CCQ	406 907	406 907	0,0
CSST	325 567	325 567	0,0
CTQ	81 978	81 978	0,0
MAPAQ	60 705	59 580	-1,9
MDDEP	20 557	20 542	-0,1
MDEIE	6 095	6 095	0,0
MESS	10 131	10 131	0,0
MFACF	370 651	370 651	0,0
MRNF	21 040	21 038	0,0
Revenu Québec	28 916 305	28 915 905	0,0
OPC	3 843	7 333	90,8
RACJQ	66 225	66 225	0,0
RBQ	240 205	240 205	0,0
RCQ	546 455	546 455	0,0
Services Québec	649 029	649 029	0,0
RMAAQ	2 060 625	2 060 625	0,0
SAAQ	1 211 515	1 211 515	0,0
<b>TOTAL</b>	<b>34 997 833</b>	<b>34 999 781</b>	<b>0,0</b>

\* The cost is net of economic fluctuations, i.e. it is calculated by maintaining constant the number of units (number of enterprises) and the unitary cost of formalities in relation to the reference year, namely 2004.

\*\* The data of the Autorité des marchés financiers will be available for the production of the next annual report.

Department/ Agency	Cost \$		Variation
	2004	2005	%
AMF*	N.A.	N.A.	N.A.
CCQ	6 363 780	5 952 943	-6,5
CSST	14 179 118	14 407 715	1,6
CTQ	4 485 606	4 716 366	5,1
MAPAQ	1 777 794	1 770 926	-0,4
MDDEP	1 826 760	1 723 367	-5,7
MDEIE	1 137 693	1 123 832	-1,2
MESS	272 109	256 531	-5,7
MFACF	22 637 967	23 389 342	3,3
MRNF	18 142 463	18 013 731	-0,7
Revenu Québec	578 924 212	557 643 603	-3,7
OPC	269 940	402 116	49,0
RACJQ	2 535 584	2 680 958	5,7
RBQ	46 757 144	52 901 452	13,1
RCQ	1 578 593	1 714 284	8,6
Services Québec	18 942 182	19 037 704	0,5
RMAAQ	7 726 622	7 726 962	0,0
SAAQ	860 244 445	881 203 691	2,4
<b>TOTAL</b>	<b>1 587 802 012</b>	<b>1 594 665 523</b>	<b>0,4</b>

\* The data of the Autorité des marchés financiers will be available for the production of the next annual report.

**Table A2.5**  
 Cost of formalities in net variations (constant values)\*

Department / Agency	Cost \$		Variation
	2004	2005	%
AMF**	N.A.	N.A.	N.A.
CCQ	6 363 780	5 859 216	-7,9
CSST	14 179 118	14 329 781	1,1
CTQ	4 485 606	4 482 954	-0,1
MAPAQ	1 777 794	1 784 758	0,4
MDDEP	1 826 760	1 826 348	0,0
MDEIE	1 137 693	1 146 653	0,8
MESS	272 109	257 755	-5,3
MFAFC	22 637 967	22 638 716	0,0
MRNF	18 142 463	18 141 779	0,0
Revenu Québec	578 924 212	577 504 819	-0,2
OPC	269 940	348 495	29,1
RACJQ	2 535 584	2 535 584	0,0
RBQ	46 757 144	46 752 729	0,0
RCQ	1 578 593	1 664 031	5,4
Services Québec	18 942 182	18 939 595	0,0
RMAAQ	7 726 622	7 726 397	0,0
SAAQ	860 244 445	860 989 768	0,1
<b>TOTAL</b>	<b>1 587 802 012</b>	<b>1 586 929 377</b>	<b>-0,1</b>

\* The cost is net of economic fluctuations, i.e. it is calculated by maintaining constant the number of units (number of enterprises) and the unitary cost of formalities in relation to the reference year, namely 2004.

\*\* The data of the Autorité des marchés financiers will be available for the production of the next annual report.

## Appendix 3

### List of 2005-2006 annual management reports consulted

Départments	Government organizations
- Affaires municipales et Régions	- Autorité des marchés financiers
- Agriculture, Pêcheries et Alimentation	- Commission de la construction du Québec
- Culture et Communications	- Commission de l'équité salariale
- Développement durable, Environnement et Parcs	- Commission de la santé et de la sécurité du travail
- Développement économique, Innovation et Exportation	- Commission des lésions professionnelles
- Emploi et Solidarité sociale	- Commission des normes du travail
- Famille, Aînés et Condition féminine	- Commission des partenaires du marché du travail
- Finances	- Commission des transports du Québec
- Justice	- La Financière agricole du Québec
- Immigration et Communautés culturelles	- Office de la protection du consommateur
- Ressources naturelles et Faune	- Office des professions du Québec
- Revenu Québec	- Régie des alcools, des courses et des jeux
- Secrétariat du Conseil du trésor	- Régie du bâtiment
- Sécurité publique	- Régie du cinéma
- Services gouvernementaux	- Régie du logement
- Tourisme	- Régie des marchés agricoles et alimentaires du Québec
- Transports	- Régie des rentes du Québec
- Travail	- Registraire des entreprises
	- Société de l'assurance automobile du Québec

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