



NATIONAL ASSEMBLY OF QUÉBEC

FIRST SESSION

FORTY-THIRD LEGISLATURE

Bill 199

**An Act to better protect consumers
against abusive credit contracts**

Introduction

**Introduced by
Madam Marwah Rizqy
Member for Saint-Laurent**

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EXPLANATORY NOTES

This bill amends the Consumer Protection Act and its regulation to insert certain provisions to combat abusive credit contracts.

In that regard, the bill establishes various credit rates above which the contracts referred to are considered abusive. Consumers whose credit contracts are abusive may claim nullity of such contracts or require the reimbursement of credit charges.

The bill also provides that a merchant who extends credit under an abusive contract is liable to fines already determined by the Consumer Protection Act.

Lastly, the bill authorizes the Minister of Finance to determine, by regulation, various classes of credit. The Minister also sets the rules for the calculation and publication of maximum rates, in addition to providing for certain transitional measures in particular cases.

LEGISLATION AMENDED BY THIS BILL:

- Consumer Protection Act (chapter P-40.1).

REGULATION AMENDED BY THIS BILL:

- Regulation respecting the application of the Consumer Protection Act (chapter P-40.1, r. 3).

Bill 199

AN ACT TO BETTER PROTECT CONSUMERS AGAINST ABUSIVE CREDIT CONTRACTS

THE PARLIAMENT OF QUÉBEC ENACTS AS FOLLOWS:

CONSUMER PROTECTION ACT

1. The Consumer Protection Act (chapter P-40.1) is amended by inserting the following sections after section 72:

“72.1. A credit contract is abusive when, at the time it is extended, its rate exceeds the average credit rate, increased by one third, charged during the previous quarter by a merchant for credit of the same nature and for which the risks are similar.

An abusive credit contract may be subject to the penalties provided for in Chapter II of Title IV.

A merchant who contravenes the provisions of the first paragraph is liable to the fines provided for in Chapter III of Title IV.

“72.2. The Minister of Finance defines, by regulation, on the joint recommendation of the Autorité des marchés financiers and the Office, the classes of credit of the same nature and with similar risks, and determines the rules for the calculation and publication of average credit rates referred to in section 72.1.

The Minister may also provide for transitional measures on the joint recommendation of the Autorité des marchés financiers and the Office, for a maximum period of eight consecutive quarters, if a substantial variation in resource costs occurs for merchants referred to in section 72.1 or the definition of classes of credit of the same nature is amended.”

REGULATION RESPECTING THE APPLICATION OF THE CONSUMER PROTECTION ACT

2. Section 20 of the Regulation respecting the application of the Consumer Protection Act (chapter P-40.1, r. 3) is amended by inserting “, except sections 72.1 and 72.2,” after “Act”.

3. Section 21 of the Regulation is amended by inserting “72.1 and 72.2,” before “103.2” in the first paragraph.

4. Section 22 of the Regulation is amended by inserting “72.1 and 72.2,” before “81” in the first paragraph.

FINAL PROVISION

5. This Act comes into force on (*insert the date of assent to this Act*).