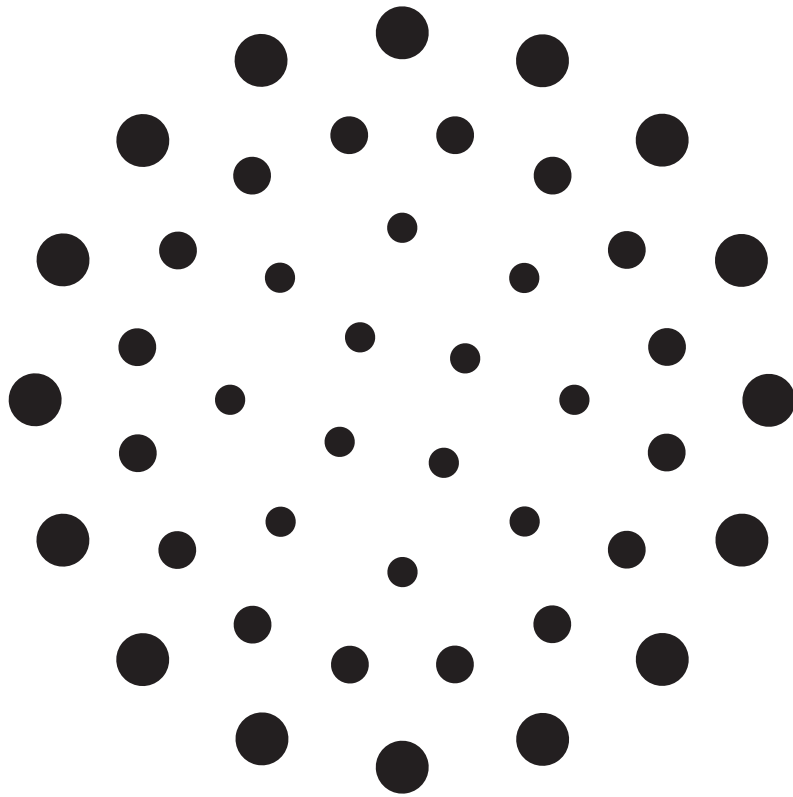


Liability of Directors: Table of Main Provisions

SEPTEMBER 2024



Laws of Canada

CORPORATE LIABILITY

Sources of liability	Statute	Section(s)
Disclosure and maintenance of register of individuals with significant control – A director who knowingly authorizes, permits or acquiesces in the failure of the corporation to maintain a register of individuals with significant control or to disclose a copy of such register, or any information requested by the investigative body, to the investigative body commits an offence and is liable on summary conviction to a fine not exceeding \$200,000 or to imprisonment for a term not exceeding six months, or to both.	<i>Canada Business Corporations Act</i>	21.4(1)(5), 21.1(1), 21.31(1)
Recording of false or misleading information – A director who knowingly records or knowingly authorizes, permits or acquiesces in the recording of false or misleading information in the register of the corporation referred to herein or provides them to any person or entity commits an offence and is liable on summary conviction to a fine not exceeding \$200,000 or to imprisonment for a term not exceeding six months, or to both.	<i>Canada Business Corporations Act</i>	21.4(2)(3)(5), 21.1(1)
Registers and other records – A director shall take reasonable precautions to prevent loss, destruction and falsification of the registers and other records and to prevent and correct inaccuracies in said records. A person who contravenes these duties without reasonable cause is guilty of an offence and liable on summary conviction to a fine not exceeding \$5,000 or to imprisonment for a term not exceeding six months or to both.	<i>Canada Business Corporations Act</i>	22(2)
Issue of shares for a consideration other than money – Any director who authorizes the issue of a share for an insufficient consideration other than money is liable to the corporation to make good any amount by which the consideration received is less than the fair equivalent of the money that the corporation would have received if the share had been issued for money on the date of the resolution.	<i>Canada Business Corporations Act</i>	25, 118(1)
Purchase of shares – Any director who consents to the purchase of shares contrary to section 34, 35 or 36 is solidarily liable to restore to the corporation any amounts so distributed or paid and not otherwise recovered by the corporation.	<i>Canada Business Corporations Act</i>	118(2)a)
Unlawful commission – Any director who consents to the distribution of an unreasonable commission to any person purchasing or agreeing to purchase shares of the corporation is solidarily liable to restore to the corporation any amounts so distributed.	<i>Canada Business Corporations Act</i>	41, 118(2)b)
Unlawful payment of a dividend – Any director who consents to a resolution authorizing the payment of a dividend contrary to section 42 is solidarily liable to restore to the corporation any amounts so distributed and not otherwise recovered by the corporation.	<i>Canada Business Corporations Act</i>	42, 118(2)c)
Payment of an indemnity – Any director who, contrary to section 124, consents to the payment of an indemnity incurred in respect of any civil, criminal, administrative, investigative or other proceeding in which the individual is involved, is liable to restore to the corporation any amounts so distributed or paid and not otherwise recovered by the corporation.	<i>Canada Business Corporations Act</i>	118(2)d), 124
Payment to a shareholder – Any director who consents to a payment to a shareholder of amounts in excess of the fair value of their shares in connection with a dissent claim or oppression remedy is liable to restore to the corporation any amounts so distributed or paid and not otherwise recovered by the corporation.	<i>Canada Business Corporations Act</i>	118(2)e), 190, 241

CORPORATE LIABILITY (CONT'D)

Sources of liability	Statute	Section(s)
Employee wages – A director is liable to employees of the corporation for all debts not exceeding six months wages payable to each such employee for services performed for the corporation.	<i>Canada Business Corporations Act</i>	119
Insider trading – A director who purchases or sells a security of the corporation with knowledge of confidential information that, if generally known, might reasonably be expected to affect materially the value of any of the securities of the corporation is liable to compensate the seller or purchaser of the security, as the case may be, for any damages suffered by the seller or purchaser as a result of the purchase or sale.	<i>Canada Business Corporations Act</i>	131(4)
Proxies – A director who consents to the failure of the corporation to send a form of proxy in the prescribed form or the solicitation of proxies without a circular is deemed to be a party to the offense and is liable to a fine not exceeding \$5,000 or to imprisonment for a term not exceeding six months or to both.	<i>Canada Business Corporations Act</i>	149(4), 150(4)
Error in financial statements – A director who fails to report an error or misstatement in a financial statement and to prepare and issue revised financial statements or to inform the shareholders of the error or misstatement is guilty of an offence and liable to a fine not exceeding \$5,000 or to imprisonment for a term not exceeding six months or to both.	<i>Canada Business Corporations Act</i>	171(9)
Error in documents – A director who writes or assists in writing a report, return, notice or other document required by Law, except for the register referred to in subsection 21.1(1), that contains an untrue statement of a material fact or omissions to state a material fact, or authorizes the insertion of such untrue statements or omissions, is guilty of an offence and liable to a fine not exceeding \$5,000 or to imprisonment for a term not exceeding six months or to both, unless the person did not know, and in the exercise of reasonable diligence could not have known, of the untrue statement or omission.	<i>Canada Business Corporations Act</i>	250(1)(2)(3)(4)
General liability – A director who, without a reasonable cause, contravenes a provision of the Law or its regulations is guilty of an offence punishable on summary conviction (e.g., directors failing to present the auditor's report, if any, to the shareholders at the annual meeting, s.155b)).	<i>Canada Business Corporations Act</i>	251

LABOUR RELATIONS LIABILITY

Sources of liability	Statute	Section(s)
General liability – A director who participates in an offence under Part 2 of the <i>Canada Labour Code</i> is considered to be a co-perpetrator of the offence and is liable to the penalty set out in that part (e.g., directors authorize the employer to fail to provide prescribed sanitary and personal facilities, s. 125(1)i)).	<i>Canada Labour Code</i>	149
Unpaid wages – A director is liable for wages and other amounts to which an employee is entitled, to a maximum amount equivalent to six months' wages if recovery of the amount from the corporation is impossible or unlikely.	<i>Canada Labour Code</i>	251.18
General liability – A director who authorizes an offence is considered a co-perpetrator of the offence and is subject to the penalty set out in this Act (e.g., directors authorize the employer not to pay the required amounts into the pension fund, s. 38(1)).	<i>Pension Benefits Standards Act</i>	38(5)
False information – If a penalty is imposed on a corporation for distributing false information or failing to distribute necessary information, the director is solidarily liable with the corporation for the payment of any penalty.	<i>Employment Insurance Act</i>	38, 39, 46.1
Withholding and payment of premiums – A director is solidarily liable with the corporation to the federal government for amounts that the employer fails to remit or deduct when the employer pays remuneration to a person in insurable employment (s. 82(1)).	<i>Employment Insurance Act</i>	83

ENVIRONMENTAL LIABILITY

Sources of liability	Statute	Section(s)
Protection of the environment – The director who has authorized an offence under the Law is considered to be a party to the offence and is liable to the penalty set out in this Law (e.g., directors authorize the disclosure of false information, s. 273(1)a)).	<i>Canada Environmental Protection Act</i>	280
Default in payment – If a corporation fails to pay an amount of money due by this Act, the director is solidarily liable with the corporation for the payment of that amount together with interest thereon (e.g., the corporation fails to pay the applicable export rate, s. 12 and 13).	<i>Softwood Lumber Products Export Charge Act</i>	95
Offence by a corporation – The director who has authorized an offence under the Law is considered to be a co-perpetrator of the offence and is liable to the penalty set out in this Act (e.g., directors allow obstruction of fishery officers in the performance of their duties, s. 62)	<i>Fisheries Act</i>	78.2
Offence by a corporation – The director who has authorized an offence under the Law is considered to be a co-perpetrator of the offence and is liable to the penalty set out in the Law (e.g., the directors authorize a false or misleading statement to an enforcement officer, s. 12b)).	<i>Fishing and Recreational Harbours Act</i>	21
Use of dangerous products – The director who has authorized an offence under the Law is considered to be a co-perpetrator of the offence and is liable to the penalty set out in the Law (e.g., a director authorizes the disclosure of false information to an inspector in the course of his duties, s. 23(1)).	<i>Hazardous Products Act</i>	28(2)

TAX LIABILITY*

Sources of liability	Statute	Section(s)
Default in payment – The director is solidarily liable for the payment of certain taxes plus interest and penalties, if such taxes remain unpaid by the corporation.	<i>Excise Tax Act</i>	323, 330
Taxes – When a corporation has failed to deduct or withhold an amount, remit, or pay an amount for a taxation year, the director is solidarily liable with the corporation for the payment of that amount, including interest and penalties thereon.	<i>Income Tax Act</i>	159(2)(3), 227.1
Corporate offence – If the corporation commits an offence under the Law, the director who authorized the offence is considered to be a party to the offence and is liable to the penalty set out in the Law (e.g., directors of a corporation knowingly make a false statement in a return. s. 163(2)).	<i>Income Tax Act</i>	242

* This table does not address the liability of directors under certain special tax laws. Directors should consult such tax laws as appropriate to their particular business activities (e.g., Customs Act, Excise Tax Act (non-GST), etc.).

GENERAL LIABILITY (NON-EXHAUSTIVE LIST)

Sources of liability	Statute	Section(s)
Judgment by Trustee – The directors of a bankrupt corporation may have a judgment imposed on them by the trustee solidarily for the amount of severance pay, pay in lieu of notice, incentive pay or other benefit that has not been repaid to the corporation, if the tests in section 2.01 are met, unless they had objected to the payment. For the purposes of section 2.01, the directors must prove one of the elements set out in section 101(5.1) to avoid having a judgment imposed on them by the trustee.	<i>Bankruptcy and Insolvency Act</i>	101(2.01), 101(5.1)
Corporate offence – If the corporation commits an offence under the Law, the director who authorized the offence is considered to be a party to the offence and is liable to the penalty set out in this Act (e.g., the directors of a corporation authorized the fraudulent disposition of the corporation's property before or after the filing of the bankruptcy. s. 198(1a)).	<i>Bankruptcy and Insolvency Act</i>	204
Default in payment – In the event of default by the corporation in the payment of any sums required by this Act, the director and the corporation are liable to pay such sums.	<i>Air Travellers Security Charge Act</i>	81
Competition – A director who authorizes a contravention of certain provisions of the Act is considered to be a party to the contravention and is liable to the penalty set out in this Act (e.g., a director authorizes the corporation to withhold a record when ordered to do so by a judge. s. 11, 65(1)).	<i>Competition Act</i>	65(4), 11, 15, 15(5), 16(2) et 114(1)
Corporate violation – The director who authorizes the practice of illegal telemarketing is considered a co-perpetrator of the violation and may be found guilty of the violation.	<i>Competition Act</i>	52.1(8)
Payment of dividends or redemption of shares – When the corporation has paid dividends or redeemed shares while insolvent or when the payment or redemption has rendered the corporation insolvent, the director may be liable for the amount of the dividend or redemption or purchase price, together with interest thereon, which has not been refunded to the corporation.	<i>Winding up and Restructuring Act</i>	102.1
Offence by directors – A director who refuses to give information in his possession relating to the affairs of the corporation when requested to do so by an accountant or other person designated by the court is in contempt of court.	<i>Winding up and Restructuring Act</i>	143
Offence by directors – A director who authorizes an offence under this Act is considered to be a co-perpetrator of the offence and is subject to the penalty set out in this Act (e.g., an administrator authorizes the communication of false information. s. 23).	<i>Canadian Ownership and Control Determination Act</i>	25
Offence by directors – A director who authorizes an offence under this Act is considered to be a co-perpetrator of the offence and is subject to the penalty set out in this Act (e.g., a director authorizes the provision of false or misleading information in an application for a license. s. 17).	<i>Export and Import Permits Act</i>	20

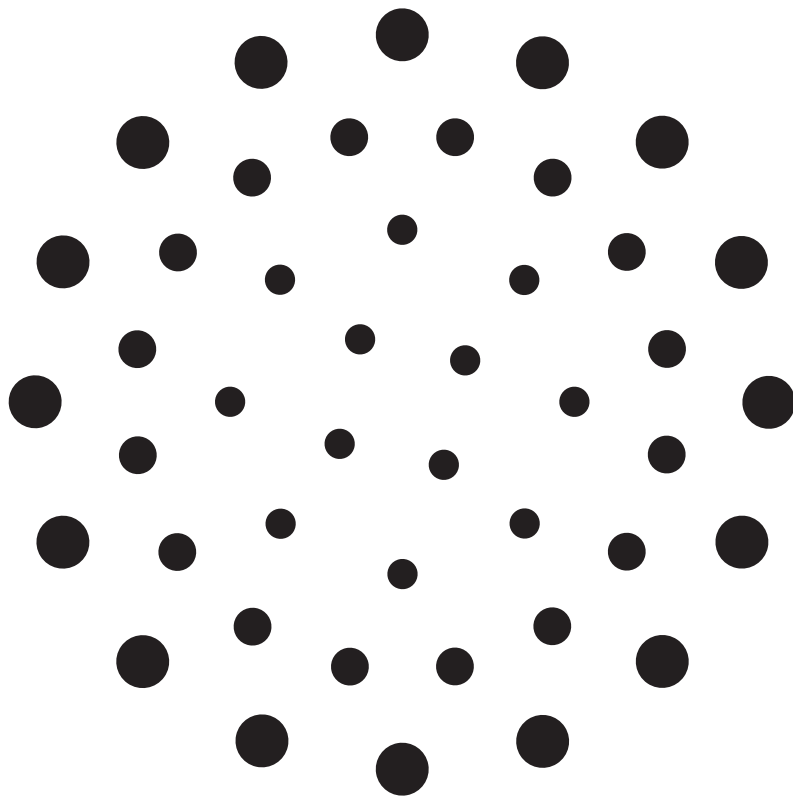
GENERAL LIABILITY (NON-EXHAUSTIVE LIST) (CONT'D)

Sources of liability	Statute	Section(s)
Transportation undertaking – A director who is required under section 114(1) of the <i>Competition Act</i> to notify the commissioner of competition of a proposed merger or acquisition of a transportation undertaking must also, under the <i>Canada Transportation Act</i> , notify the Minister of Transport of the proposed merger or acquisition and obtain the approval of the government, failing which the director may be convicted of offences created by the <i>Canada Transportation Act</i> .	<i>Canada Transportation Act</i>	53.1, 53.2, 53.6(4)
Broker reducing stock by selling for their own account – A director may be held liable and punished by imprisonment for a term not exceeding five years or by an offence or by an offence punishable on summary conviction where he, the firm or the corporation acts as a broker and sells or causes to be sold shares of the firm's stock for any account in which the director, his firm, any of the partners of the corporation has an interest, and the effect of such sale is to reduce the quantity of the stock below the quantity of the stock which the broker would be required to carry for all clients.	<i>Criminal Code</i>	384(1)(2)
Threats to employees – A director who disciplines, demotes, discharges, or otherwise interferes with an employee's employment, or threatens to do so, in order to compel the employee to refrain from providing information related to a violation of any federal or provincial law, is guilty of an indictable offence punishable by imprisonment or an offence punishable upon conviction.	<i>Criminal Code</i>	425.1
Offence by the corporation – The director of a corporation who orders or consents to an infringement by the corporation is liable (e.g. a director consents to the company contravening a decrees. s.34.3 (1)).	<i>Broadcasting Act</i>	34.95
Offence by directors – A director who contravenes the Act is subject to the same penalties as for a contravention committed by the news company (e.g. a director does not respect the negotiation process provided by the law. s.19 (1))	<i>Online News Act</i>	58(3), 59(3), 60, 70
Offence by directors – A director who orders, authorizes, assents to or participates in an offence under the Act committed by the corporation is considered a co-perpetrator of the offence and is liable to the prescribed penalty. (e.g. a director consents to the corporation making false or misleading statements in a certificate. s.54(1) a)	<i>Underused Housing Tax Act</i>	59

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This chart refers to director's liabilities as provided in the law of Canada. However, the laws and information contained herein are not exhaustive and should not be interpreted as a comprehensive treatment of this complex subject matter nor a substitute for legal advice.

This chart is current as of May 2024.



Laws of Québec

CORPORATE LIABILITY

Sources of liability	Statute	Section(s)
Fiduciary Duty – A director is considered the mandatary of the company and is required to act with prudence, diligence, honesty and loyalty in the best interest of the company and to conform to the obligations imposed on him by law, the constituting act or the by-laws as well as to act within the limits of the powers conferred on him.	<i>Civil Code of Québec</i>	321, 322, 1309, 2138, 2158
Property and Conflict of Interest – A director is not permitted to mingle the property of the company with his own property, nor may he use for his own profit or that of a third person any property or information related to the company. As such, a director is required to avoid placing himself in any situation where his personal interest would be in conflict with his obligations as a director.	<i>Civil Code of Québec</i>	323, 324
Fraud – A director who has participated in the alleged fraudulent act or derived personal profit therefrom is liable for any damage suffered by the company.	<i>Civil Code of Québec</i>	316, 317
Material Interest – A director is required to immediately inform the company of any acquisition or contract, indicating the nature and value of the rights he is acquiring, and request that the fact be recorded in the minutes of proceedings of the board of directors or the equivalent. He is required, unless necessary, to abstain from deliberating and voting on the matter.	<i>Civil Code of Québec</i>	325, 326
General Duties to the Company – A director has a duty to act with prudence, diligence, honesty and in the best interest of the company (e.g., a director must always seek expert advice before making a decision or taking an action on behalf of the company if his knowledge does not enable him to make an informed decision).	<i>Business Corporations Act</i>	119
Disclosure of Interest – A director is required to disclose the nature and value of any interest he has in a contract or transaction to which the company is a party. He is required, unless necessary, to abstain from deliberating and voting on the matter.	<i>Business Corporations Act</i>	119, 122, 123, 127
Unpaid Salaries – A director is liable to employees for up to six months' salary for services provided to the company during his term.	<i>Business Corporations Act</i>	154
Issuance of Shares in Goods or Services – A director who authorizes an issuance of shares for consideration payable in goods or services is liable to pay to the company the difference between the value of the consideration received and the amount of money the company would have received if the shares had been paid in money. (Shares cannot be issued in exchange of services to be provided).	<i>Business Corporations Act</i>	155
Payment of Illegal Commission – A director who authorizes the payment of an unreasonable commission to any person who undertakes to buy, sell or have shares of the company purchased is liable to the company for the return of any such money not otherwise recovered.	<i>Business Corporations Act</i>	58, 156(1)
Transfer of Shares Not Fully Paid – A director who authorizes the transfer of shares not fully paid without first ascertaining the ability of the transferee to pay for the shares is liable to restore to the company such amounts that is not otherwise recovered.	<i>Business Corporations Act</i>	83, 156(2)

CORPORATE LIABILITY (CONT'D)

Sources of liability	Statute	Section(s)
Illegal Shares Acquisition – A director who authorizes the acquisition by redemption or purchase of shares without complying with the various tests set out in sections 94 to 96 is liable to restore to the company the amounts involved that it has not otherwise recovered.	<i>Business Corporations Act</i>	94, 95, 96, 156(3)
Illegal Payment of Dividend – A director who authorizes the payment of a dividend where there was a reason to believe that the company would not be able to pay its liabilities as they become due is liable to the restitution of any amounts not otherwise recovered by the company.	<i>Business Corporations Act</i>	104, 156(4)
Illegal Payment of Indemnity to Directors and Officers – A director who authorizes the payment of unreasonable indemnity to directors or officers in connection with an investigation or proceeding is liable to the restitution of amounts not otherwise recovered by the company.	<i>Business Corporations Act</i>	160, 156(5)
Illegal payment to Shareholders on Oppression – A director who authorizes a payment to shareholders as an oppression remedy where there are reasonable grounds to believe that the company would be unable to pay its liabilities as they become due is liable to the restitution of amounts not otherwise recovered by the company.	<i>Business Corporations Act</i>	451, 156(6)
Amalgamation – A director who authorizes an amalgamation when there are reasonable grounds for believing that the amalgamated company will not be able to pay its liabilities as they become due is liable for the debts of the amalgamated company remaining after the discussion of its assets.	<i>Business Corporations Act</i>	287
Dissolving the Company by Sole Shareholder Declaration – When the sole shareholder of the company is a legal person, a director of the legal person, if he has declared the dissolving of the company when there were reasonable grounds for believing that the corporation would not be able to pay the liabilities of the company as they become due, is liable for the company's obligations that the legal person cannot perform.	<i>Business Corporations Act</i>	314
Redemption of Shares – A director is liable to pay the necessary amount to complete the payment of the amount offered by the company to a shareholder for the redemption of its shares when the company is unable to make such payment in full.	<i>Business Corporations Act</i>	392
False Declarations – A director who makes a false declaration in the application of sections 252, 254 (correction of the articles of the company), 268 (cancellation of articles) or 299 (continuation of the company under an Act of a jurisdiction other than Québec) commits an offence and is liable to a fine of no less than \$5,000 and no more than \$50,000.	<i>Business Corporations Act</i>	492
Criminal Offence – A director who authorizes an offence under section 152 (failure to file a return on time) or 154 (filing a false, misleading or incomplete return) is liable to a fine of no less than \$500 and no more than \$5,000.	<i>Act Respecting the Legal Publicity of Enterprises</i>	159
Offence – A director who authorizes an offence under the Act is subject to the same penalties as the principal offender (e.g., the director knows that the company is issuing securities without a prospectus or prospectus exemption).	<i>Securities Act</i>	205

EMPLOYMENT LIABILITY

Sources of liability	Statute	Section(s)
Québec Pension Plan – A director who directed, authorized, assented to, acquiesced or participated in an offence by a company is considered a party to the offence. (e.g., an employer who, with the authorization of a director, fails to deduct a prescribed amount from an employee's remuneration. s. 60).	<i>Act Respecting the Québec Pension Plan</i>	224
Labour Standards – A director who prescribed or authorized the perpetration of an offence by a company or agreed with or was a party thereto, is deemed to be a party to the offence. (e.g., an administrator authorizes the employer to have a child under the age of 14 perform work without the permission of the parental authority holder or guardian. s. 84.3). Furthermore, the Commission may exercise the recourses available to an employee against the directors of a company.	<i>Act Respecting Labour Standards</i>	113, 142
Offence – A director who prescribed or authorized the action or the omission that constitutes an offence or consented thereto is deemed to have participated in the offence (e.g., the director fails to implement measures necessary to ensure the safety of workers s. 51).	<i>Act Respecting Occupational Health and Safety</i>	241
Failure to Pay Assessment – Where an employer fails to pay an assessment, a director in office on the date of the failure is liable for the assessment and interest and penalties thereon in the following circumstances: 1. when a writ of execution against the employer is reported unsatisfied in whole or in part as a result of the filing of a certificate of default; 2. when the employer is ordered to be wound up or becomes bankrupt within the <i>Bankruptcy and Insolvency Act</i> and a claim is filed; or 3. when the employer has commenced liquidation or dissolution proceedings or has been dissolved.	<i>Act Respecting Industrial Accidents and Occupational Diseases</i>	323.3
Offence – A director who prescribed or authorized the performance of the act or omission which constitutes an offence or who gave his consent is deemed to have participated in the offence (e.g., with the authorization of a director, the company does not hire a worker because he has suffered an occupational injury. s. 243).	<i>Act Respecting Industrial Accidents and Occupational Diseases</i>	469
Unpaid Employee Wages – Directors held liable for the payment of up to six months' wages in the case of a bankruptcy or a winding-up order in respect of a company, or in the case of the company's dissolution.	<i>Act Respecting Labour Relations, Vocational Training and Workforce Management in the Construction Industry Act</i>	122(7)
Offence – A director who aids, encourages, counsels, allows, authorizes or orders another person to commit an offence under the <i>Pay Equity Act</i> is guilty of an offence. (e.g., a director authorizing the employer of a company with 100 employees to not establish a pay equity plan. s. 10).	<i>Pay Equity Act</i>	116

ENVIRONMENTAL LIABILITY

Sources of liability	Statute	Section(s)
Presumption of Criminal Responsibility – When a company or an agent, mandatary or employee of the company commits an offence under the Act, the director is presumed to have committed the offence (e.g., the company refuses or neglects to cease the release of a contaminant into the environment as ordered by the Minister. s. 20 and 115.32 in subsection 1(o)).	<i>Environment Quality Act</i>	115.40
Default of Payment – A director who is in default of payment of an amount due to the Minister under the Act or its regulations is liable for the payment of that amount (e.g., the company is fined between \$30,000 and \$6,000,000 for refusing or neglecting to comply with an order imposed on it under this Act. S. 115.32 in paragraph 6).	<i>Environment Quality Act</i>	115.50
Protection of Dams – Every director who did not take reasonable measures to prevent an offence from being committed, or who ordered, authorized, consented to or participated in the offence shall be held responsible. (e.g., when construction of the dam is completed, the director authorizes the owner not to notify the Minister about the completion of the work and not provide a certificate of compliance for the work. s. 10)	<i>Dam Safety Act</i>	45
The Artificial Inducement of Rain – A director who prescribed or authorized the commission of an offence by the company or who assented thereto or acquiesced or participated therein, shall be deemed a party to the offence. (e.g., a director who authorized artificial rainmaking without having been empowered to do so by the government. s. 2).	<i>Act Respecting Artificial Inducement of Rain</i>	14

TAX LIABILITY

Sources of liability	Statute	Section(s)
Distribution of Assets – Directors of a corporation and its agent (principal establishment outside Québec) shall be solidarily liable for the payment of such amounts due to Revenu Québec if they have assented to such distribution or acquiesced or participated therein. Source Deductions – Where a corporation has omitted to remit an amount to the Minister or to deduct, withhold or collect an amount that it was required to deduct, withhold or collect under a fiscal law, or to pay its employer's contribution under the <i>Act respecting the Québec Pension Plan</i>, the <i>Act respecting labour standards</i>, the <i>Act to foster the development of manpower training</i>, the <i>Act respecting the Régie de l'assurance maladie du Québec</i> or the <i>Act respecting parental insurance</i>, its directors in office on the date of the omission shall become solidary debtors with the corporation and shall incur a penalty of 15% of such amount. Offence by a Corporation – Any person who directed, authorized, assented to, acquiesced or participated in the commission of the offence by the company, is a party to the offence and any person who, by act or omission, aids another person to commit an offence against a fiscal law or a regulation made under such a law is deemed a party to the offence. (e.g., see Deduction or Withholding below)	<i>Tax Administration Act</i>	14, 24.0.1, 24.0.2, 24.0.3, 59.2, 59.2.1, 59.3, 59.3.1, 61, 62, 62.01, 62.1, 68, 68.0.1, 71.3.3
Deductions or Withholdings – Where a company fails to remit to the Minister any amount or to deduct, withhold or collect any amount required to be deducted, withheld or collected from an employee or other person receiving remuneration, the director in office at the time of the failure is liable as a debtor to the company.	<i>Tax Administration Act</i> <i>Taxation Act</i>	68, 95 1000, 1015, 1015.3, 1015.4, 1027 to 1079.16

GENERAL LIABILITY (NON-EXHAUSTIVE LIST)

Sources of liability	Statute	Section(s)
Transportation – A director who prescribed or authorized the commission of an offence or who consented thereto or acquiesced or participated therein, is deemed a party to the offence. (e.g., a director authorizes the release of false information to the Commission. s. 50).	<i>Transport Act</i>	77
Food Control – Every director who prescribed or authorized the commission of an offence in relation notably, to a product unfit for human consumption or whose safety for human consumption is uncertain, or contravenes the conditions or restrictions indicated in its permit or the provisions of the regulations concerning stamping, the origin of products or inedible meat, or who consented thereto or acquiesced or participated therein, is deemed a party to the offence.	<i>Food Products Act</i>	44, 45 , 45.1, 45.1.1, 45.1.2, 45.2, 45.3, 46
Human Rights and Freedoms – A director who prescribed, authorized, consented to, acquiesced or participated in the commission of an offence related notably, to the non compliance with the provisions, the disclosure of confidential information, the obstruction of activities, the contravention of a ban or restriction on the disclosure, publication or release of any information, the attempt to take or the taking reprisals to, is deemed to be a party to the offence.	<i>Charter of Human Rights and Freedoms</i>	134, 135
The Acquisition of Farmland by Non-Residents – Any director who has prescribed or authorized the commission of the offence by the company or who has consented thereto, is deemed to be a party to the offence. (e.g., a director who consents to the acquisition of a farmland by the corporation in the name or on behalf of a person who is not a resident of the province of Québec. s. 11).	<i>Act Respecting the Acquisition of Farm Land by Non-Residents</i>	31, 32
Collection of Certain Debts – Any director who consented to or acquiesced or participated in the commission of the offence by the company is deemed to be a party to the offence. (e.g., a director who allows the corporation to suggest that if payment is not made, legal action will be taken. s. 34(6)).	<i>Act Respecting the Collection of Certain Debts</i>	54, 56
Respecting the Development of Québec Firms in the Book Industry – A director of a company, association, partnership, institution or body who has prescribed or authorized the commission of an offence by the company, association, partnership, institution or body or who has consented thereto or participated therein, is deemed a party to the offence. (e.g., a director authorizes a false statement on a certification form s. 40(b)).	<i>Act Respecting the Development of Québec Firms in the Book Industry</i>	41, 42
Protection of Personal Information in the Private Sector – The director who ordered or authorized the act or omission constituting the offence by the company, or who consented thereto, is deemed a party to the offence. (e.g., a director authorizes obstructing an investigation by providing false or inaccurate information s. 92(1)).	<i>Act Respecting the Protection of Personal Information in the Private Sector</i>	91, 92, 93
Immigration – The director who prescribed, consented to or authorized the performance of the act or the omission which constitutes the offence by the company is deemed a party to the offence. (e.g., a director authorizes interference with an inspector on the performance of his duties s. 12.4.1).	<i>Québec Immigration Act</i>	99

GENERAL LIABILITY (NON-EXHAUSTIVE LIST) (CONT'D)

Sources of liability	Statute	Section(s)
Housing – Where a company is guilty of an offence related notably to not granting access to a commissioner, to the non compliance with certain provisions of the Québec Civil Code or to false declarations, any director of that company who ordered, authorized, assented to or acquiesced in the commission of the offence is deemed to be a party to the offence.	<i>Act respecting the Administrative Housing Tribunal</i>	113, 114, 115
Funeral Services – A director of the company who had knowledge of an offence by the company is deemed a party to the offence unless he establishes to the satisfaction of the court that he did not acquiesce in the commission of such offence. (e.g., a director who authorizes the corporation to enter into an oral pre-arranged funeral contract. s. 64(1)).	<i>Act Respecting Arrangements for Funeral Services and Sepultures</i>	76
Use of a Reserved Designation – If a company, partnership, association or body commits an offence under this Act or its regulation, any director who directed, authorized, advised or consented to the commission of the offence is deemed a party to the offence. (e.g., a director who authorizes the sale of a product designated by a recognized reserved designation that is not certified by an accredited certification body. s. 64).	<i>An Act Respecting Reserved Designations and Added-Value Claims</i>	63, 64, 65, 66
Sums to be Transferred in Trust – A director is liable with the company for the sums which must be transferred in trust in accordance with the law. (e.g., the amount received by a merchant from a consumer prior the conclusion of the contract. s. 254).	<i>Consumer Protection Act</i>	254 to 256, 260, 282
Violation of the Law – A director or representative of a company who had knowledge of an offence committed against the Consumer Protection Act is deemed to be a party to the offence and is liable for the penalty. (e.g., a director who has knowledge of the disclosure of false information to the Ministry or any other person authorized to investigate under this Act s. 277(b)).		
Professional Liability – A director who knowingly authorized, encouraged, ordered or advised the commission of an offence related notably to false designation as a professional or specialist, to seeking or obtaining professional services from a person who is not a member of a professional order, to engaging in professional activities reserved for the members of the order is guilty of an offence.	<i>Professional Code</i>	188.3
Abuse of Procedure – When an abuse of procedure is committed by a corporation, the director who participates in the decision is liable personally to pay damages.	<i>Code of civil procedure</i>	56
Consumer protection – When a company, its agent, mandatary, or employee commits an offence under the Act, the director is presumed to have committed the offence (e.g. a director has knowledge that the legal person is communicating false information to the Minister or to any person empowered to make an inquiry under the Act. a.277).	<i>Consumer Protection Act</i>	282
Injury caused by opioids – When a manufacturer, wholesaler or consultant commits an offence under the Act, the director is solidarily liable for the cost of health care or damages to compensate for injury caused or occasioned by a fault related to opioids if he or she participates in the commission of this fault, notably by an order, authorization, consent, or omission to act.	<i>Opioid Related Damages and Health Care Costs Recovery Act</i>	28

GENERAL LIABILITY (NON-EXHAUSTIVE LIST) (CONT'D)

Sources of liability	Statute	Section(s)
Bank or deposit institution administration – When a deposit institution or bank commits an offence under the Act, the administrator who had knowledge of the offence is deemed to be a party to the offence and is liable to a fine of \$600 to \$6,000, unless he establishes that he did not acquiesce in the commission of the offence.	<i>Act Respecting Remittance of Deposits of Money to Account Co-Holders Who are Spouses or Former Spouses</i>	6

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This chart refers to director's liabilities as provided in the laws of the Province of Quebec. However, the laws and information contained herein are not exhaustive and should not be interpreted as a comprehensive treatment of this complex subject matter nor a substitute for legal advice.

This chart is current as of May 2024.

About BCF

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