

A close-up photograph of the Canadian flag, featuring a red maple leaf on a white background, with red vertical bands on the sides. The flag is set against a warm, golden sunset sky with soft clouds.

Aird & Berlis LLP Article **Differences between** **Doing Business in** **Ontario and in Québec**

September 2023

Many companies expanding into Canada are often surprised to learn that there are two vastly different legal systems in Canada. Unlike the rest of country, civil law predominately applies in the province of Québec, the second most populous province in Canada, while common law applies in all other provinces and territories of Canada. This means that companies looking into a Canadian expansion must be mindful of the differences in culture, language and legal systems when choosing whether to start their Canadian expansion in Québec or in any of the other provinces. We have set out below some significant differences between those companies operating in the provinces of Ontario and Québec.

1. Language Laws

French is the main language used by the majority of the population in Québec, whereas English is the main language used in the rest of Canada, including Ontario. The *Charter of the French Language* (the “**Charter**”) establishes French as the official language and governs the use of the French language in a wide range of activities in Québec. The Charter sets out each person’s right to require all enterprises doing business in Québec to communicate with them in French. Companies maintaining a Québec address or otherwise deemed to be conducting business in Québec are subject to the Charter.

Bill 96, An Act respecting French, the official and common language of Québec (“**Bill 96**”), received Royal Assent on June 1, 2022. Bill 96 introduced a number of significant changes to the Charter and other laws, with a goal of reinforcing the use of the French language in the Province of Québec. Foreign companies often find it difficult to navigate the differences in the laws, especially language laws in Québec. We have highlighted below certain language requirements that apply to most types of businesses that do business in Québec:

- All contracts of adhesion (e.g., non-negotiable and contain standard clauses) and consumer contracts must be provided in French.
- Businesses must generally communicate with their Québec employees in French, including providing written training materials in French. Employment agreements must first be provided to an employee to be reviewed in French, and only upon agreement by the employee may the employment agreement be prepared in a language other than French.
- Employers are generally prohibited from making knowledge of the English language a condition of employment. In addition, employers are prohibited from terminating, transferring or demoting an employee for the sole reason that the employee has insufficient knowledge of the English language or speaks French exclusively.

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- Commercial advertising and public signs and posters are required to be in French. Such content could be provided in another language provided that French is “markedly predominant” in comparison. Under Bill 96, this requirement now also applies to trademarked content.
 - Every inscription on a product, its container or wrapping, or on a document or object supplied with it, including the directions for use and the warranty certificates, must be drafted in French.

2. Ultimate Beneficial Owners

There is a growing trend across Canada that requires Canadian corporations to create and maintain a register of “individuals with significant control” over the corporation. Most provinces, including Ontario, have implemented this requirement. This information is not disclosed publicly, though certain governmental entities can require that it be disclosed to them. Québec is currently the only Canadian jurisdiction that requires public disclosure of a corporation’s beneficial shareholder ownership information.

3. Privacy Laws

On September 22, 2021, the Québec government adopted Bill 64, An Act to modernize legislative provisions as regards the protection of personal information (“**Bill 64**”), which enacted significant changes to the requirements imposed on businesses that collect, use, disclose or otherwise process personal information of Québec residents. The changes enacted by Bill 64 have come into force gradually, with the first set of changes coming into effect on September 22, 2022. The majority of the changes are set to come into force on September 22, 2023, with the final provisions proposed to be effective on September 22, 2024.

The amendments to Québec’s privacy laws increase an individual’s rights and control over their personal information and significantly increase the obligations of private sector entities that hold personal information of Québec residents. The new requirements are similar to those which are in force in the European Union pursuant to the General Data Protection Regulation (GDPR) and, in many instances, are more stringent than the GDPR.

While the Ontario government has issued proposed legislative language for consideration, with such language reflecting many similarities to the amended Québec privacy legislation (but with certain unique requirements, considerations and penalties), Ontario has not yet enacted any privacy legislation. Therefore, the collection of personal information from Ontario residents continues to be subject to federal legislation.

We hope this information has shed some light on expanding into Canada and doing business across the noted provinces. We would be happy to answer any questions you have about doing business in Canada.

Aird & Berlis LLP is a full-service, corporate-oriented firm with more than 230 lawyers with specialists in all principal areas of business law. In 2022 alone, we helped more than 100 companies enter the Canadian market. We have proudly assisted many of our clients in growing from a small operation with a few remote Canadian employees to a large-scale Canada-based division, with some eventually being listed on the TSX.

Disclaimer: This article offers general comments on legal developments of concern to business organizations and individuals and is not intended to provide legal advice. Readers should seek professional legal advice on the particular issues that concern them.



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Fiona has extensive experience advising international businesses entering the Canadian market. To date, she has advised more than 100 companies expanding into Canada. Fiona advises clients in this space all day, every day. She has been practising for more than a decade and is a regular speaker and writer on market expansion matters. Fiona is proud to have been recognized by *The Best Lawyers in Canada*, *The Canadian Legal Expert Directory* and *Benchmark Canada*.

A proactive and comprehensive approach is required to succeed in a new market. Fiona manages teams of other lawyers and patent agents to provide her clients with a full range of legal services to help their businesses grow. She acts as project manager to ensure her clients receive seamless legal services in all relevant areas.

Fiona takes great care to understand her clients' businesses and deliver advice that is tailored to meeting their specific needs. Her responsiveness, dedication to clear communication and hands-on approach show that she is personally invested in the success of her clients.



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Felix is a dedicated corporate lawyer. He is committed to learning about the intricacies of his clients' businesses in order to help them reach their goals. Felix's clients appreciate his responsiveness and problem solving skills on a wide variety of corporate matters.

Felix is a member of the firm's Corporate/Commercial Group. His practice focuses on M&A transactions and advising international clients on expanding their businesses into Canada. Felix represents clients in a range of industries, including pharma, e-commerce, transportation, agriculture, food and beverage and construction.

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