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1. Contracts and Tenders: S.C.C.

In [Double N Earthmovers Ltd. v. Edmonton \(City\)](#), 2007 SCC 3, the court considers whether an owner is obliged, by a duty of fairness to rival bidders, to investigate whether a bidder will comply with the terms of the tender contract. The court determines that (quoting from the headnote):

Since each bidder is legally obliged to comply if its bid is accepted, there is no reason why bidders would expect an owner to investigate whether a bidder will comply. There was also neither an express nor an implied obligation in the tender documents to investigate the equipment bid prior to the acceptance. To imply such a duty would overwhelm and ultimately frustrate the tender process by creating unwelcome uncertainties. All bids must receive equal treatment to protect the bidding process and, to that end, an owner must weigh bids on the basis of what is actually in the bid and not on the basis of subsequently discovered information. Allegations raised by rival bidders do not compel owners to investigate the bids made by others.

2. New Securities Legislation in Alberta & Ontario

Effective January 1, 2007, both Alberta and Ontario have new legislation in place. The *Securities Transfer Act* in each province is based on Revised Article 8 of the United States *Uniform Commercial Code*. For more information, see [Securities Transfer Act Enacted in Ontario and Alberta](#) by J. Michel Deschamps, Jill R. Pereira and Henry J.P. Wiercinski of McCarthy Tétrault LLP.

3. Update on Workplace Safety and Health Regulations

Workplace Safety and Health [Regulation 217/2006](#) took effect on February 1, 2007. As reported in our November Business Law Update, the regulation consolidates the existing regulations and adds specific areas that focus on particularly hazardous work environments. See the October 31, 2006 [news release](#) for a summary of the changes as well as a detailed backgrounder.

4. Small Business and Dividend Tax Amendments

[Bill C-28](#), *Budget Implementation Act, 2006*, No. 2, received 3rd reading in the Senate on February 14, 2007 and will come into effect on receiving Royal Assent. The Act addresses a number of income tax measures including the following:

- A reduction of the current 12% small business tax rate to 11.5% for 2008 and to 11% thereafter
- An increase to \$400 000 from \$300 000 of the amount that a small business can earn at the small business tax rate, effective January 1, 2007
- An enhanced gross-up and dividend tax credit for dividends paid from corporate earnings that do not benefit from preferential income tax rates

For further details, see the Department of Finance [Explanatory Notes](#) and the [Notice of Ways and Means Motion](#).

5. M&A Trends

[Top trends for M & A activity in 2007](#) are addressed in the February 9, 2007 issue of The Lawyers Weekly.

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