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1. Federal Budget 2009

The federal government tabled [Bill C-10](#) (the comprehensive budget implementation legislation) on February 6, 2009. The bill, which was given second reading on February 12, has introduced a number of initiatives to stimulate the economy and several new tax measures, as discussed in the following articles:

- [Budget Briefing 2009](#) published January 27, 2009 on Osler Update
- [2009 Federal Budget](#) and [The Value of Infrastructure: 2009 Federal Budget](#) and [Impact of 2009 Federal Budget on Insolvency and Finance Matters](#), all published on Blakes
- [2009 Federal Budget - A Wide-Ranging Government Response](#) and [2009 Federal Budget Tax Measures - Commentary](#) published January 27, 2009 on the McCarthy Tétrault website

2. Proposed Competition Act Changes

[Part 12](#) of Bill C-10 contains fundamental amendments to the [Competition Act](#) which the Minister of Finance has said are designed to protect consumers from unscrupulous business practices and anti-competitive behaviour. The National Competition Law Section of the Canadian Bar Association has sent a [letter](#) to the Ministers of Finance and Industry recommending that the *Competition Act* amendments be decoupled from Bill C-10 and considered as a stand-alone bill so that they can be given separate and careful consideration. For a review of the proposed changes see any of the following articles:

- [Canadian Government Introduces Significant Changes to Competition Act and Investment Canada Act](#), published February 6, 2009 on the McCarthy Tétrault website
- [Major Changes to Competition Law Proposed](#), an Osler update published February 6, 2009
- [Most Significant Competition Act Changes In More Than 20 Years](#), published February 9, 2009 on Lang Michener LLP
- [The Americanization of Canada's Competition Act](#), a *Globe and Mail* Update by Janet McFarland, published February 10, 2009
- [Significant Changes Proposed to the Competition Act and the Investment Canada Act](#), a Goodmans update published February 11, 2009

3. Ambiguous Restrictive Covenants Unreasonable and Unenforceable: S.C.C.

The Supreme Court of Canada decision in [Shafroon v. KRG Insurance Brokers \(Western\) Inc.](#), 2009 SCC 6 on January 23, 2009 is instructive for lawyers involved in drafting or reviewing employment contracts. The court allowed the employee's appeal from the B.C. Court of Appeal decision ([2007 BCCA 79](#)), holding that neither severance nor rectification could be used to cure or rewrite a defective restrictive covenant in an employment contract. The court found that the term "Metropolitan City of Vancouver" in the non-competition clause had no legally defined meaning and was therefore ambiguous and unenforceable. The following articles dissect the decision:

- [Beware Ambiguity: The Doctrine of Severance in Employment Contracts](#) by Rebecca Ross, posted January 27, 2009 on The Court, succinctly summarizes the facts and the court's analysis
 - [Supreme Court of Canada Addresses Enforceability of Restrictive Covenants in Employment Agreements](#) by Michael Howcroft, published February 2, 2009 on Blakes
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4. More on GAAR

Further to last month's report on the *Lipson* decision, it is worth noting that the Quebec government has plans to further restrict aggressive tax planning by changing the provincial GAAR. For details see Solomon Lam's report, [Quebec considers expanding the General Anti-Avoidance Rule](#), published February 11th, 2009 on The Court or [Quebec Releases Consultation Paper on "Aggressive Tax Planning"](#) by John Leopardi and Jean Gagnon, published in the February 2009 Blakes Tax Bulletin.

5. Trade Agreements Database

Regional trade agreements are now searchable under a number of different search criteria using a new database, the *Regional Trade Agreements Information System (RTA-IS)*, recently released by the [World Trade Organization](#). See the WTO [press release](#) for further information.

6. Final Report on Securities Regulation

[The Expert Panel on Securities Regulation](#) delivered its [final report](#) and a draft *Securities Act* to the federal Minister of Finance and the provincial and territorial Ministers responsible for securities regulation on January 12, 2009. The central recommendation of the report is the establishment of a single securities regulator administering a single securities act for Canada. For further comments on the report see:

- [Expert Panel on Securities Regulation Releases Final Report and Recommendations](#) from the Blakes website
 - [Canada's Expert Panel on Securities Regulation - Final Report](#) an article posted January 19, 2009 on the McCarthy Tétrault website.
 - [The Expert Panel on Securities Regulation Delivers Final Report](#) posted on the website of Cassels Brock on January 30, 2009
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7. Financial Institution Amendments in Force

Sections 83, 435 and 437 of [An Act to Amend the Law Governing Financial Institutions and to Provide for Related and Consequential Matters, S.C. 2007, c. 6](#) came into force by order of the Governor in Council on February 19, 2009, amending sections of the [Bank Act](#) and the [Financial Consumer Agency of Canada Act](#).

8. Business Law Resources

Business lawyers may find the following articles of interest:

- [Duties of Directors in Light of 'Going Green' Initiatives](#) by Maurizio Romano and Jatinder Chera published February 2, 2009 on Blakes website
 - [Time is of the Essence](#) a January 2009 article by Phillip J. Scheibel, Fraser Milner Casgrain LLP, concerning the use and misuse of "time is of the essence clauses" in construction contracts
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9. Upcoming Education Opportunities

Register soon for the full day professional development program [Gain the Edge: Negotiation Strategies for Lawyers and Business Professionals](#) which takes place March 20, 2009 at the Law Society of Manitoba classroom. The program features Martin Latz, a North American expert on negotiating techniques. For more information see the Latz Negotiation Institute [website](#). Contact the Law Society to register.

On March 11, 2009 the Corporate Counsel section of the [Manitoba Bar Association](#) is hosting a dinner meeting featuring William F. Gray Jr., Torys LLP (New York), who will speak on the topic *Made in America: How the U.S. Exported its Sub-Prime Crisis & Financial Meltdown to the Rest of the World*. For more information or to register contact Dean Scaletta by phone at 985-8802 or by e-mail at dscaletta@mpi.mb.ca.

[The Canadian Corporate Counsel Association](#) is holding its 2009 National [Spring Conference](#), *Corporate Counsel: Regulatory Advisor, Compliance Officer, Governance Gatekeeper*, in Montreal from April 5-7, 2009.

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