



## eLaw - Business Law Update

December 2009 - No. 38

ISSN 1916-3908

### In This Issue

[Taxing Authority an Unsecured Creditor in Bankruptcy Proceedings](#)

[Proposed Changes to Corporate Name Rules](#)

[Legislative Update](#)

[Manitoba Government Does Not Support Tax Harmonization](#)

[Business Law Publications](#)

[Continuing Professional Development: LSM](#)

[Midwinter 2010](#)

### Taxing Authority an Unsecured Creditor in Bankruptcy Proceedings

As expected, the Supreme Court of Canada confirmed that the Crown is an ordinary unsecured creditor under ss. 67(2) and 86(1) of the *Bankruptcy and Insolvency Act* in [Quebec \(Revenue\) v. Caisse populaire Desjardins de Montmagny](#), 2009 SCC 49. At trial the Crown was successful in claiming unremitted GST and QST amounts held by a trustee in bankruptcy. The Court of Appeal and the Supreme Court disagreed, however, holding that amendments to the Act in 1992 clearly limited the Crown's priority in bankruptcy proceedings. The following article discusses the case:

- [Caisse Populaire Desjardins de Montmagny: Crown Does Not "Own" Unremitted GST Amounts](#) by Ahsan Mirza posted November 9, 2009 on The Court.

### Proposed Changes to Corporate Name Rules

Corporations Canada has proposed a number of regulatory amendments to the Canada Business Corporations Regulations, 2001 and the Canada Cooperatives Regulations, as described in an Industry Canada [notice](#) from November 30, 2009. The amendments aim to clarify the rules for the granting of names to corporations and cooperatives. They were pre-published in the [Canada Gazette, Part 1](#), on November 28, 2009 (p. 3536) and are also available on the [Corporations Canada](#) website.

### Legislative Update

Bill C-27, the [Electronic Commerce Protection Act](#), passed third reading unanimously in the House of Commons and is before the Senate. The legislation is meant to deter spam and other online threats and create a safer online marketplace. See the [legislative summary](#) for further details.

## Manitoba Government Does Not Support Tax Harmonization

The Manitoba government does not support adopting a harmonized sales tax, as noted in the recent Manitoba Finance report [Sales Tax Harmonization in Manitoba: What it would mean for households, businesses and public finances](#). The report concludes that while implementing the HST in Manitoba would provide a net benefit to certain Manitoba businesses (particularly construction and exporting), it would have a negative effect on other businesses and on families, increasing their share of the sales tax burden.

## Business Law Publications

These recent publications may be of interest to business lawyers:

- [Pensions and CCAA](#) by Kim Ozubko, published in the December 2009 For Your Benefit - CBA National Pensions and Benefits Law Section Newsletter;
- [Developments in Corporate Governance: Looking Ahead to 2010](#), posted December 22, 2009 on the Torys website;
- McCarthy Tétrault Co-Counsel: [Business Law Quarterly](#) (Volume 4, Issue 4) and [Tax Update](#) (Volume 1, Issue 5).

## Continuing Professional Development: LSM

Be sure to register soon for the upcoming half-day program [When the Going Gets Tough - New Insolvency Regime to Help the Tough Get Going](#). Moderator David Jackson and several insolvency practitioners will walk you through the long awaited amendments to the *Bankruptcy and Insolvency Act* and the *Companies' Creditors Arrangement Act*. The program takes place February 10, 2010 from 1:00 - 4:00 p.m. at the Law Society classroom.

## Midwinter 2010

The Manitoba Bar Association's [2010 Mid-Winter Meeting](#) takes place January 21-23 at the Fort Garry Hotel. Programs that may be of interest to business lawyers include:

- Raising Capital for Small Business Clients - topics to be discussed include the stages of equity investing, attracting venture capital and financing exemptions;
- Trends in Technology Contracting - George Takach will share his expertise on drafting technology contracts;
- Tax Law Refresher - tax and GST tips and traps.

For further details on the full-day continuing legal education programming on January 22<sup>nd</sup> or to register see the brochure or contact the Manitoba Bar Association.

*The Law Society of Manitoba provides this service solely for the benefit of and to support the competence of its members. Members should exercise their professional judgment in using or adapting any content.*