# Parliament is prorogued. What happens next?

### **AUTHORS**



James Flynn



**Brigitte Goulard** 



John J. Tobin



Nic Wall

On January 6, 2025, Prime Minister Justin Trudeau announced that he is stepping down as Prime Minister of Canada and Liberal Party leader. Trudeau also announced that Governor General Mary Simon had granted a request to prorogue Parliament until March 24, a move that terminates all business of Parliament.

# What you need to know

- Both the House of Commons and Senate are prorogued until the opening of the next session on March 24, 2025.
- · Bills that have not received Royal Assent are terminated and must be reintroduced in the new session.
- · Legislative committees cease to sit and lose their power to transact business.
- The Speaker, Prime Minister, Ministers, Parliamentary Secretaries and Members of the House continue in their roles.
- Although a subsequent proclamation may be issued to advance or defer the date that Parliament re-opens, prorogation
  may not last longer than one year.

# What does prorogation mean?

Each Parliament is divided into sessions, which typically range in number from one to seven. Prorogation ends the current session and is usually followed by a new session of the existing Parliament. Each session begins with a Speech from the Throne and ends with prorogation or dissolution.

Prorogation is the prerogative of the Crown, taken on the advice of the Prime Minister. Prorogation ends all proceedings before Parliament and resets the federal government's legislative agenda. While legislative committees cease to sit and lose their power to transact business, the Speaker, Prime Minister, Ministers, Parliamentary Secretaries and Members of the House continue in their roles with their full rights and privileges. Prorogation also has no effect on the activities of Members involved in international exchange programs or parliamentary associations.

# Impact on legislation and regulations

Bills that have not received Royal Assent are terminated and must be reintroduced in the new session. This is accomplished either with the unanimous consent of the House or through the adoption of a motion to that effect. However, prorogation has no practical effect on Private Members' Business (proposals introduced by members who are not cabinet ministers or parliamentary secretaries) as they continue from session to session. Private Members' bills are deemed to have been considered and approved at all stages completed at the time of prorogation.

Prorogation has impacted several key pieces of legislation:

- Bill C-63, the Online Harms Act, which was recently split into two separate bills, would have amended the Criminal Code and the Canadian Human Rights Act to address harmful online content, including speech deemed to promote "hate" and Internet child pornography.
- The proposed increase in the portion of realized capital gains that would be included in income for tax purposes (the capital gains inclusion rate or CGIR). Specifically, the proposals would increase the CGIR from 50% to 66½% for capital gains realized on or after June 25, 2024. A Notice of Ways and Means Motion was adopted in the House of Commons in September 2024. No bill was tabled.
- Bill C-27, which included the *Artificial Intelligence and Data Act*, aimed at regulating the use of artificial intelligence. It also proposed reforms to Canada's 25-year-old privacy law, including a basis for data portability frameworks, new penalty powers and expanded privacy protections for minors.
- Bill C-26, which proposed new cybersecurity requirements for certain federally regulated industries that vital systems or provided vital services.

It also remains to be seen how key elements of the government's 2024 Fall Economic Statement will play out. For example, in a <u>recent bulletin</u>, we noted the government's intention to enact changes with respect to open banking, predatory lending, anti-money laundering and payments. It is unclear whether these matters will progress, particularly as a federal election may be called sooner than next fall.

It is important to note that although prorogation stops the parliamentary process—and as a result all bills die on the order paper—the situation is different with regulations. As statutory instruments, regulations are promulgated without the involvement of Parliament and their approval process can continue.

As part of the executive branch, the work of the federal public service continues as it is not affected by prorogation.

# How does prorogation differ from dissolution?

Although the *Canada Elections Act* limits the duration of a Parliament to four years, the Constitution of Canada states that no House "shall continue for longer than five years".

With dissolution, as with prorogation, all legislative business is terminated. Dissolution formally ends a Parliament and is followed by a general election.

Although dissolution may occur on the advice of the Prime Minister, the government may be defeated on a confidence question, which leads to the government's resignation or the dissolution of Parliament. Confidence motions may be explicitly worded motions regarding the confidence of the House in the government, motions expressly declared to be questions of confidence or motions traditionally deemed to be questions of confidence, such as motions for the granting of supply, concerning budgetary policy or respecting the Speech from the Throne.

# What happens when Parliament re-opens?

Each new session of Parliament begins with a Speech from the Throne, which officially opens the session. The Speech, which is generally given by the Governor General, sets out the government's proposed goals and initiatives.

Although there is no requirement for the Speech from the Throne to be debated at the beginning of a new session, a day is traditionally designated for consideration. The Prime Minister moves a motion to consider the Speech from the Throne, and the government could be defeated on that speech.

### What's next

Prorogation creates policy uncertainty. Stakeholders should continue to monitor the progress of the government's previous legislative proposals.

# Dernières nouvelles et publications

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Les modifications proposées toucheraient les sociétés exerçant des activités en valeurs mobilières ou en dérivés au Québec.

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### Lire la suite

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