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Part 2 Laws and Regulations

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Summary

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Regulations and other Acts

Gouvernement du Québec

O.C. 467-99, 28 April 1999

An Act respecting the Government and Public Employees Retirement Plan
(R.S.Q., c. R-10)

Amendments to schedules I, II, II.1 and III to the Act

Amendments to Schedules I, II, II.1 and III of the Act respecting the Government and Public Employees Retirement Plan

WHEREAS under section 1 of the Act respecting the Government and Public Employees Retirement Plan (R.S.Q., c. R-10), the retirement plan applies to employees and persons designated in Schedule I, and employees designated in Schedule II who were not members of a retirement plan on 30 June 1973 or who were appointed or engaged after 30 June 1973;

WHEREAS under paragraph 6 of section 2 of that Act, the plan applies to an employee who is released without pay by his employer for union activities and who is in the employ of a body designated in Schedule II.1 if the employee belongs to the class of employees mentioned in that schedule in respect of that body;

WHEREAS under the first paragraph of section 220 of that Act, the Government may, by order, amend Schedules I, II, II.1, II.2, III, III.1 and VI and any such order may have effect 12 months or less before it is made;

WHEREAS the Regulation under the Act respecting the Government and Public Employees Retirement Plan, made by Order in Council 1845-88 dated 14 December 1988 and its subsequent amendments, determines, in accordance with paragraph 25 of section 134 of that Act, the conditions which permit a body, according to the category determined by regulation, to be designated by order in Schedule I or II.1;

IT IS ORDERED, therefore, upon the recommendation of the Minister for Administration and the Public Service and Chairman of the Conseil du trésor:

THAT the Amendments to Schedules I, II, II.1 and III of the Act respecting the Government and Public Employees Retirement Plan, attached to this Order in Council, be made.

MICHEL NOËL DE TILLY,
Clerk of the Conseil exécutif

Amendments to Schedules I, II, II.1 and III of the Act respecting the Government and Public Employees Retirement Plan*

An Act respecting the Government and Public Employees Retirement Plan
(R.S.Q., c. R-10, s. 220, 1st par.)

1. Schedule I to the Act respecting the Government and Public Employees Retirement Plan (R.S.Q., c. R-10) is amended

* Schedule I to the Act respecting Government and Public Employees Retirement Plan (R.S.Q., c. R-10) was amended, since the last updating of the Revised Statutes of Québec to 1 March 1997, by Orders in Council 629-97 dated 13 May 1997 (1997, *G.O.* 2, 2243), 788-97 dated 18 June 1997 (1997, *G.O.* 2, 3338), 1105-97 dated 28 August 1997 (1997, *G.O.* 2, 4561), 1652-97 dated 17 December 1997 (1997, *G.O.* 2, 6293), 296-98 dated 18 March 1998 (1998, *G.O.* 2, 1425), 297-98 dated 18 March 1998 (1998, *G.O.* 2, 1426), 334-98 dated 18 March 1998 (1998, *G.O.* 2, 1452), 730-98 dated 3 June 1998 (1998, *G.O.* 2, 2207), 764-98 dated 10 June 1998 (1998, *G.O.* 2, 2289), 1053-98 dated 21 August 1998 (1998, *G.O.* 2, 4801), 1155-98 dated 9 September 1998 (1998, *G.O.* 2, 3889), 1524-98 dated 16 December 1998 (1998, *G.O.* 2, 4801), 231-99 dated 24 March 1999 (1999, *G.O.* 2, 475) and by sections 35 of Chapter 26 of the Statutes of 1997, 33 of Chapter 27 of the Statutes of 1997, 13 of Chapter 36 of the Statutes of 1997, 631 of Chapter 43 of the Statutes of 1997, 57 of Chapter 50 of the Statutes of 1997, 121 of Chapter 63 of the Statutes of 1997, 52 of Chapter 79 of the Statutes of 1997, 37 of Chapter 83 of the Statutes of 1997, 61 of Chapter 17 of the Statutes of 1998, 53 of Chapter 44 of the Statutes of 1998 and 48 of Chapter 42 of the Statutes of 1998.

Schedule II to that Act was amended, since the last updating of the Revised Statutes of Québec to 1 March 1997, by section 58 of Chapter 50 of the Statutes of 1997, and by section 4 of Chapter 45 of the Statutes of 1998.

Schedule II.1 to that Act was amended, since the last updating of the Revised Statutes of Québec to 1 March 1997, by Orders in Council 1106-97 dated 28 August 1997 (1997, *G.O.* 2, 4561) and 1525-98 dated 16 December 1998 (1998, *G.O.* 2, 4802).

Schedule III to that Act was amended, since the last updating of the Revised Statutes of Québec to 1 March 1997, by sections 632 of Chapter 43 of the Statutes of 1997, 122 of Chapter 63 of the Statutes of 1997 and 37 of Chapter 83 of the Statutes of 1997.

(1) by substituting the words “the Provincial Association of Teachers of Québec” in alphabetical order in paragraph 1 for the words “the Provincial Association of Protestant Teachers of Québec”;

(2) by substituting the words “the Centre d’hébergement Jalco inc.” in alphabetical order in paragraph 1 for the words “the Centre d’accueil Ste-Sophie inc.”;

(3) by substituting the words “the Fédération des Professionnelles et Professionnels de l’Éducation du Québec” in alphabetical order in paragraph 1 for the words “the Fédération des syndicats de professionnelles et professionnels de commissions scolaires du Québec (CEQ)”;

(4) by substituting the words “the Hôpital Shriners pour Enfants (Québec) inc.” in alphabetical order in paragraph 1 for the words “the Hôpital Shriners pour l’enfant infirme (Québec) inc.”;

(5) by substituting the words “SGF SOQUIA INC.,” in alphabetical order in paragraphs 1 and 3 for the words “the Société québécoise d’initiatives agro-alimentaires”;

(6) by substituting the words “the Syndicat de l’enseignement de la Rivière-du-Nord” in alphabetical order in paragraph 1 for the words “the Syndicat de l’enseignement de St-Jérôme”;

(7) by striking out the following names in paragraph 1: “the Atelier du Fil au Bois”, “the Centre de formation collégiale pour adultes de Beauce”, “the Centre québécois de valorisation de la biomasse”, “the Centre de réadaptation de l’ouest de l’Île”, “C.I.D.E. (Consortium intercollégial de développement en éducation)”, “À la Croisée”, “the Établissements du Gentilhomme inc.”, “Hypothèques CDPQ, Société en nom collectif”, “the Séminaire Marie-Reine-du-Clergé, in respect of the employees who were participating in the plan on 28 June 1987”; and

(8) by striking out the words “the Office des ressources humaines” in paragraph 3.

2. Schedule II of that Act is amended

(1) by substituting the words “SGF REXFOR INC., but only with respect to its regular employees” in alphabetical order in paragraph 1 for the words “the Société de récupération, d’exploitation et de développement forestiers du Québec, but only with respect to its regular employees”; and

(2) by striking out the following names in paragraph 1: “the Centre d’accueil St-Stanislas inc.”, “the Centre d’hébergement Saint-Albert-le-Grand inc.”, “the Centre

d’orientation et de réadaptation de Montréal”, “the Centre hospitalier du Très Saint-Rédempteur inc.”, “the Centre L’Aubier inc.”, “the Foyer Beaupré”, “the Foyers de transition”, “the Manoir Aylmer inc.”.

3. Schedule II.1 is amended by substituting the words “The Provincial Association of Teachers of Québec” in alphabetical order for the words “The Provincial Association of Protestant Teachers of Québec”.

4. Schedule III is amended

(1) by substituting the words “the Provincial Association of Teachers of Québec” in alphabetical order for the words “the Provincial Association of Protestant Teachers of Québec”;

(2) by substituting the words “the Fédération des Professionnelles et Professionnels de l’Éducation du Québec” in alphabetical order for the words “the Fédération des syndicats de professionnelles et professionnels de commissions scolaires du Québec (CEQ)”;

(3) by substituting the words “SGF REXFOR INC., but only with respect to its regular employees” in alphabetical order for the words “la Société de récupération, d’exploitation et de développement forestiers du Québec”; and

(4) by striking out the following names: “the Centre de formation collégiale pour adultes de Beauce”, “the Centre québécois de valorisation de la biomasse”, “C.I.D.E. (Consortium intercollégial de développement en éducation)”, “the Établissements du Gentilhomme inc.” and “the Séminaire Marie-Reine-du-Clergé, in respect of the employees who were participating in the plan on 28 June 1987”.

5. These amendments take effect on the date this Order in Council is made.

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Gouvernement du Québec

O.C. 494-99, 28 April 1999

An Act respecting collective agreement decrees
(R.S.Q., c. D-2)

Non-structural metalwork – Montréal — Amendments

Decree to amend the Decree respecting the non-structural metalwork industry in the Montréal region

WHEREAS the Government made the Decree respecting the non-structural metalwork industry in the Montréal region (R.R.Q., 1981, c. D-2, r. 35);

WHEREAS the contracting parties within the meaning of that decree have petitioned the Minister of Labour to make certain changes to that decree;

WHEREAS sections 2, 6.1 and 6.2 of the Act respecting collective agreement decrees (R.S.Q., c. D-2) authorize the Government to decree the extension of a collective agreement and to amend an extension decree at the request of the contracting parties by making, where applicable, the amendments that it deems to be opportune;

WHEREAS pursuant to sections 10 and 11 of the Regulations Act (R.S.Q., c. R-18.1) and sections 5 and 6.1 of the Act respecting collective agreement decrees, the draft of the amendment decree attached hereto was published in Part 2 of the *Gazette officielle du Québec* of 12 August 1998 and, on that same date, in a French language newspaper and an English language newspaper, with a notice that it could be made by the Government at the expiry of the 45-day period following that publication;

WHEREAS it is expedient to make this draft Decree with amendments;

IT IS ORDERED, therefore, upon the recommendation of the Minister of State for Labour and Employment and Minister of Labour:

THAT the Decree to amend the Decree respecting the non-structural metalwork industry in the Montréal region, attached hereto, be made.

MICHEL NOËL DE TILLY,
Clerk of the Conseil exécutif

Decree to amend to Decree respecting the non-structural metalwork industry in the Montréal region*

An Act respecting collective agreement decrees
(R.S.Q., c. D-2, ss. 2, 6.1 and 6.2)

1. The following is substituted for section 2.01 of the Decree respecting the non-structural metalwork industry in the Montréal region (R.R.Q., 1981, c. D-2, r. 35):

“**2.01. Industrial:** This Decree governs the fabrication, production, processing and erection in the plant, for any other party, of any non-structural metalwork, regardless of the metal involved, used for building purposes. Such work includes, but is not limited to doors, sashes, windows, frames, sills, stairs, fire escapes, ladders, catwalks, fences, gates, balconies, all types of railings, protection guards, curb angles, frames, covers for pits and trenches, grills, window guards, cages, participations, and doormats.”.

2. The following is substituted for sections 3.01 to 3.03:

“**3.01.** The standard workday is, as the case may be, 8 or 10 hours, scheduled between 7 h and 17 h 30. The employer must give the parity committee written notice of the method to be used for scheduling hours of work in his establishment.

3.02. Standard workweek: The standard workweek is 5 days, scheduled from Monday through Friday. However, the employer may, provided the employees agree, establish a standard workweek of 4 consecutive days of 10 hours each, from Monday through Friday.

“**3.03.** Where the employer operates more than one shift and the standard workweek is 5 days, the regular workday begins at the following hours:

1. the first shift, between 7 hours and 9 hours;
2. the second shift, between 15 hours and 18 hours;
3. the third shift, between 23 hours and 1 hour.

* The last amendment to the Decree respecting the non-structural metalwork industry in the Montréal region was made by the regulation made by Order in Council 757-98 of 3 June 1998 (1998, *G.O.* 2, 3067). For other previous amendments, refer to the *Tableau des modifications et Index sommaire*, Éditeur officiel du Québec, 1998, updated to 1 September 1998.

Where the duration of the standard workweek in force is 4 days, the beginning and the end of the regular workday for shifts must be scheduled within a period of 24 hours, beginning with the hour at which the first shift begins its workday.”

3. Section 3.04 is revoked.

4. The following is substituted for section 3.05:

“**3.05.** The employer may schedule the working hours of his employees on an basis other than a weekly basis, if he meets the following conditions:

1. the schedule is not an attempt to avoid the payment of overtime hours;

2. he has obtained the consent of the employee concerned;

3. the schedule grants the employee another type of benefit to compensate for the loss of payment of overtime hours;

4. the average number of working hours is equivalent to that provided for the standard workweek;

5. working hours are scheduled over a maximum of 4 weeks;

6. the term of the schedule does not exceed 1 year;

7. he has given a written notice to that effect to the parity committee at least 15 days prior to the implementation of the schedule.

A scheduled period may be modified by the employer, or renewed by him at its expiry, on the same conditions as those provided for in the first paragraph.”

5. The following is substituted for section 4.02:

“**4.02.** Where the duration of the standard workweek is 5 days:

1. time and a half shall be paid for the first 4 hours of overtime worked in excess of the regular workday or workweek. Double time shall be paid for subsequent overtime hours;

2. double time shall be paid for overtime hours worked on Sunday.

Where the standard workweek is 4 consecutive days:

1. time and a half shall be paid for the first 2 hours of overtime worked in excess of the regular workday. Double time shall be paid for subsequent overtime hours;

2. time and a half shall be paid for hours worked on the fifth day up to twelve hours. Double time shall be paid for subsequent overtime hours;

3. time and a half shall be paid for the first four hours worked on Saturday. Double time shall be paid for subsequent overtime hours;

4. double time shall be paid for hours worked on Sunday.”

6. The following is substituted for section 5.01:

“**5.01.** Minimum hourly wage rates are as follows for the classifications listed below:

Classifications	As of 12 May 1999
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1. zone 1:

(a) specialized brake press operator and mechanic	\$19.09;
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(b) fitter and blacksmith	\$17.42;
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(c) brake press operator, blade sheer operator, buffer	\$17.13;
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(d) trailer-truck driver	\$16.59;
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(e) production worker A	\$16.33;
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(f) truck driver	\$16.33;
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(g) production worker B and painter	\$10.72;
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(h) labourer:	
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— less than 4 000 hours of work	\$8.57;
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— more than 4 000 hours of work	\$9.64;
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2. zone 2: Minimum wage rates in zone 2 are the rates of zone 1, reduced by \$0.15 per hour.”

7. Section 5.06 is revoked.

8. Section 6.01 is amended by substituting in paragraph 3 the words “are payable to the employee” for the words “are granted to the employee”.

9. Section 7.03 is amended by substituting the following for paragraphs 1 to 5:

“1. from 1 year to less than 5 years	4.16 %	2 weeks;
2. from 5 years to less than 13 years	6.36 %	3 weeks;
3. from 13 years to less than 20 years	8.64 %	4 weeks;
4. from 20 years to less than 24 years	9.81 %	4 weeks;
5. 24 years and more	11 %	5 weeks.”.

10. Section 13.04 is amended:

1. by substituting in subparagraph *a* of the second paragraph “\$90.00” for “\$80.00”;

2. by substituting in subparagraph *b* of the second paragraph “\$90.00” for “\$85.00”.

11. Section 14.01 is amended by substituting “\$0.40” for “\$0.26”.

12. Section 14.02 is amended by substituting “\$0.40” for “\$0.26”.

13. Section 14.06 is amended by substituting “\$0.55 as of 12 May 1999 and \$0.60 as of 31 May 1999,” for “\$0.35”.

14. Section 17.01 is replaced by the following:

“**17.01.** The Decree remains in force until 31 May 1999. It is then automatically renewed from year to year thereafter, unless one of the contracting parties opposes renewal in a written notice sent to the Minister of State for Labour and Employment and Minister of Labour and to the other contracting parties during the month of February of year 1999 or during the month of February of any subsequent year.”.

15. This decree comes into force on the day of its publication in the *Gazette officielle du Québec*.

Draft Regulations

Draft Regulation

An Act respecting family benefits
(1997, c. 57)

Allowance for handicapped children

Notice is hereby given, in accordance with sections 10 and 11 of the Regulations Act (R.S.Q., c. R-18.1), that the Regulation respecting the allowance for handicapped children, the text of which appears below, may be made by the Government upon the expiry of 45 days following this publication.

The draft Regulation determines new conditions for granting the allowance for handicapped children. It prescribes the nature of a handicap, impairment or disorder and the circumstances in which the entitlement to the allowance ceases. It specifies the information and documents to be provided with the application for the allowance and contains transitional provisions.

In accordance with section 61 of the Act respecting family benefits, the provisions respecting the allowance for handicapped children in the Regulation respecting family assistance allowances shall cease to apply when this draft Regulation comes into force.

Further information may be obtained by contacting Ms. Renée Grondin at the Régie des rentes du Québec, 2600, boulevard Laurier, C.P. 5200, Sainte-Foy (Québec) G1K 7S9; tel. (418) 657-8709, ext. 3248; fax: (418) 528-0404; E-mail: renee.grondin@rrq.gouv.qc.ca.

Any interested person having comments to make on the matter is asked to send them in writing, before the expiry of the 45-day period, to the President and General Manager of the Régie des rentes du Québec, 2600, boulevard Laurier, C.P. 5200, Sainte-Foy (Québec) G1K 7S9; fax: (418) 643-9586.

The comments will be forwarded to both the Minister of Child and Family Welfare and to the Minister for Child and Family Welfare.

PAULINE MAROIS,
*Minister of Child and
Family Welfare*

NICOLE LÉGER,
*Minister for Child and
Family Welfare*

Regulation respecting the allowance for handicapped children

An Act respecting family benefits
(1997, c. 57, s. 7 and s. 11, 1st par. and 3rd par.)

DIVISION 1

CONDITIONS OF ENTITLEMENT

1. The allowance for handicapped children shall be granted to a child with an impairment or a development disorder which considerably restricts the child's everyday activities and has a foreseeable duration of at least one year.

Everyday activities are the activities in which a child participates, according to his age, with respect to personal care and social life. They include eating and getting dressed, moving about, communication, learning activities, and going to and moving about the places where the activities take place.

2. A child, whose condition corresponds or compares to the cases specified in the Schedule and has a foreseeable duration of at least one year, shall be considered handicapped within the meaning of section 1. In other cases, the extent of the child's handicap shall be assessed in accordance with the following criteria:

- (1) disabilities that subsist in spite of facilitating factors;
- (2) obstacles in the child's environment;
- (3) restrictions imposed upon the child's family.

Facilitating factors are devices such as corrective lenses, hearing aids, orthoses, medication administered by the natural routes, services accessible in the region or free technical aids.

Obstacles in the environment include having to alter the layout of the home, day care centre or school and to adapt devices and everyday tools or transportation.

Restrictions imposed upon the child's family, as a result of the impairment or development disorder, are restrictions that significantly complicate the task of caring for and educating the child. They include having to frequently accompany the child to care providers, to have the child accompanied to the day care centre or to

school, and having to provide constant supervision or special assistance.

3. A child whose condition corresponds to the exceptions in the Schedule may not be considered handicapped within the meaning of section 1.

4. An impairment is a persistent loss or abnormality of a metabolic, cellular, histological, anatomical or physiological structure or function.

The loss or abnormality must be confirmed by objective signs through a physical examination, biological test or medical imaging or, for sight or hearing, a recognized measurement of sight or hearing. The results must be attested to by an expert.

5. A development disorder means a persistent psychological and emotional disturbance or cognitive impairment that hinders or delays the integration of learning experiences and jeopardizes the child's adaptation.

The disorder must be attested to by an expert's report that describes the child's abilities and disabilities and the support measures and treatment selected, and that contains the expert's recommendations.

Where the cognitive functions, including language, are assessed other than with a development scale or a standardized test, data must be given in the expert's report so that the selected method's reliability and margin of error may be ascertained. The results must allow the child's assessment in relation to the most directly comparable standardized group.

Where a standardized test is used, the derived score must be expressed in centiles, standard deviations, quotients, or equivalent age groups, and the precision interval must be given in the expert's report.

A standardized test is a test where the raw score is converted into a relative measure that ranks the child with respect to the norms for his age group. The norms are established by representative samples.

6. Impairments or development disorders are not considered handicaps before having been diagnosed or treated, or if they affect a function that is not yet developed in a healthy child.

If required for assessing a premature infant's condition, the age of the infant is adjusted by subtracting the number of weeks of prematurity.

7. An application for the allowance for handicapped children shall include, in addition to the expert's report on the child's condition, the following information:

(1) the applicant's name, date of birth, social insurance number, address and telephone number at home and at work;

(2) the status of the applicant in accordance with section 2 of the Act respecting family benefits (1997, c. 57);

(3) the name, date of birth, sex and address of the child;

(4) the date on which the applicant became mainly responsible for the child's care and education and began to live regularly with the child.

Where it is the applicant's spouse who has the status required by section 2 of the Act, the applicant shall provide the following information:

(1) the name, date of birth, social insurance number, address and telephone number at home and at work of the applicant's spouse;

(2) the status of the spouse in accordance with section 2 of the Act;

(3) the date of beginning or end, if applicable, of the applicant's spousal status.

The application shall be accompanied with the applicant's attestation that the information it contains is accurate, complete and authentic. The spouse shall likewise attest to the information provided.

The applicant may disregard the requirements of subparagraphs 2 and 4 of the first paragraph and those of the second paragraph if the child is receiving the family allowance.

A first-time applicant is not required to provide the expert's report referred to in the first paragraph, where the child for which the applicant becomes responsible is already receiving the allowance for handicapped children.

A first-time applicant who becomes responsible for a child receiving the allowance for handicapped children is not required to file a new application for that allowance if an application for the family allowance for the child has been made.

8. The allowance for handicapped children shall be \$119.22 a month.

DIVISION II

CESSATION OF ENTITLEMENT

9. Entitlement to the allowance for handicapped children ceases in the following cases:

(1) the condition that gave rise to the entitlement has improved;

(2) changes in assessment methods for the handicap or in diagnostic methods show that the child does not meet the conditions of entitlement;

(3) changes in treatment for the child's impairment or in the development disorder is such that the child no longer meets the conditions of entitlement;

(4) a reassessment of the condition shows that the child no longer meets the conditions of entitlement.

SCHEDULE

TABLES OF CASES CONSIDERED SERIOUS HANDICAPS
(ss. 2 and 3)

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1. IMPAIRMENTS

1.1 SIGHT

Cases considered serious handicaps

A child is considered handicapped within the meaning of section 1 in the following cases:

- (1) the child is less than four years old and wears contact lenses because of aphakia;
- (2) the child has a visual acuity of 6/60 or less;
- (3) one of the cases in A and one of the cases in B below both apply to the child:

10. Entitlement to the allowance for handicapped children is suspended if treatment or measures likely to improve the child's condition are not applied or continued without a valid reason.

Entitlement ceases in case of refusal or omission to comply with a request for information or a test to assess the child's condition.

DIVISION III

TRANSITIONAL AND FINAL PROVISIONS

11. A child who was receiving the allowance for handicapped children under the former Regulation shall continue to do so until a decision is made regarding the child under this Regulation.

12. This Regulation comes into force on 1 October 1999.

A Cases	B Cases
<ul style="list-style-type: none"> • the child has a visual acuity of 6/21 or less; • the child's field of vision for both eyes is less than 30 degrees at the widest diameter, measured when focusing on a central point; • the child has a loss of sight of 30% or more, calculated in accordance with the method and tables of the American Medical Association and taking into account loss of central vision, field of vision and eye motility. 	<ul style="list-style-type: none"> • special services are required to stimulate and maximize his potential of vision; • assistance is required to move about in an unfamiliar environment or to go to school or move about there; • adapted learning tools are required, particularly special school books, audio recordings, magnifying devices or documents in braille.

Assessment methods

Visual acuity shall be measured in both eyes simultaneously following correction by adequate refraction lenses.

The method used to measure visual acuity must be specified in the expert's report. If measured other than with a Snellen chart, the Allen method or by ocular fixation, data must be given in the report so that the selected method's reliability and margin of error may be ascertained.

1.2 HEARING

Cases considered serious handicaps

A child is considered handicapped within the meaning of section 1 in the following cases:

(1) the average threshold for the better ear is more than 90 decibels before correction, with equivalent results in air and bone conduction tests;

(2) the use of a hearing aid does not reduce the average threshold of pure sound below 40 decibels for the better ear, with equivalent results in air and bone conduction tests;

(3) one of the cases in A and one of the cases in B below both apply to the child:

A Cases	B Cases
<ul style="list-style-type: none"> • the child is less than five years of age and the average threshold of pure sound before correction is 25 decibels or more for the better ear; • the child is five years of age or older and the average threshold of pure sound before correction is 40 decibels or more for the better ear. 	<ul style="list-style-type: none"> • in spite of the use of a hearing aid, the child has a speech impediment and requires professional services for learning his native language or an adapted language; • the average threshold of pure sound after correction is 25 decibels or more for the better ear; • in spite of the use of a hearing aid, speech discrimination is less than 60 %; • in spite of the use of a hearing aid, the child cannot use ordinary apparatus—in particular the telephone and television—unless they are adapted to his needs.

Assessment methods

Hearing loss is measured by taking into account the average threshold of pure sound at 500, 1 000 and 2 000 hertz. Where the child's average is near the selected criterion, the expert's report must show the child's level of hearing in the 4 000 or 6 000 hertz frequency range. If the hearing is not measured with an audiogram, data must be given in the expert's report so that the selected method's reliability may be ascertained.

Speech discrimination shall be measured in a quiet environment, for the better ear, by a standardized test. The assessment must show the child's usual level of hearing; it should not be carried out for a temporary conduction deafness, such as a middle ear otitis. The sound intensity used must be given in the expert's report.

Specific rules

The allowance for handicapped children may not be granted before the first reliable measurement of hearing loss is carried out.

The disabilities attributed to a central hearing loss are assessed in accordance with the conditions of entitlement of Division I of this Regulation.

1.3 MUSCULOSKELETAL SYSTEM

Cases considered serious handicaps

A child is considered handicapped within the meaning of section 1 in the following cases:

- (1) the child has a total paralysis of the brachial plexus;
- (2) the child is two years of age or less and requires several surgical procedures for clubfoot;
- (3) the child is more than three years of age and requires a wheelchair or a walker because of limited motor skills;
- (4) the child is achondroplastic and his height is less than the third percentile;
- (5) one of the cases in A and one of the cases in B below both apply to the child:

A Cases	B Cases
<ul style="list-style-type: none"> • the child has a deformity or agenesis of the musculoskeletal system; • the child has a type of dwarfism; • the child has a neuromuscular disease; • the child has cerebral motor deficiency; • the child has myopathy; • the child has arthropathy; • the child has sequelae of a disease or trauma that limit his motor skills. 	<ul style="list-style-type: none"> • the child is less than five years of age and his ability to maintain sitting and standing positions, handle objects and move about is less than that of the average healthy child half his age; • the child is two years of age or older and has an upper limb impairment resulting in inefficient prehension in one hand or hindering everyday activities that require both hands; • the child is five years of age or older and is unable to walk about in places to which he would normally go, to walk there or use public transportation to get there; the abnormalities and limitations described in the expert's report imply that the child requires the assistance of another person, special apparatus or devices, adapted transportation or an adapted learning environment;

A Cases	B Cases
	<ul style="list-style-type: none"> • the child is five years of age or older and his prehension and coordination skills are such that he cannot feed or dress himself or needs an excessive amount of time to do so, thus requiring another person's help or a special apparatus or device; • the child must undergo several specialized therapeutic interventions because his limited skills, thus entailing more than two specific care treatments per month outside the home.

Assessment methods

The expert's report must include a diagnosis, confirmed by significant observations during a physical examination, by biological tests or medical imaging, as well as an assessment of the child's motor abilities and disabilities, in accordance with his age.

It must describe any abnormality in muscular tone, motor control, articular amplitude, coordination and balance, muscular strength and endurance and contain comments on the limitations they entail in maintaining posture and in motor, exploratory and manipulatory activity.

1.4 RESPIRATORY FUNCTION

Cases considered serious handicaps

A child is considered handicapped within the meaning of section 1 in the following cases:

- (1) the child receives daily oxygen therapy at home;
- (2) the child has bronchopulmonary dysplasia requiring the daily use of a bronchodilator;
- (3) the child has a deformity of the thorax or a restrictive syndrome that reduces vital capacity by 50 % or more compared to the normal vital capacity based on his size; vital capacity must be measured when the child's condition is stable and free from any acute infection or decompensation;
- (4) one of the cases in A and one of the cases in B below both apply to the child:

A Cases	B Cases
<ul style="list-style-type: none"> • the child is less than two years of age and has been treated for the past three months as recommended by the committee on asthma of the Canadian Thoracic Society; • the child is two years of age or more and has been treated for asthma for at least six months as recommended by the committee on asthma of the Canadian Thoracic Society. 	<ul style="list-style-type: none"> • the child is less than two years of age and receives daily medication six months a year or more administered by wet nebulization, where a metered-dosed atomizer is medically contraindicated; • in spite of adequate preventive treatment, the child has had at least three severe decompensation episodes in the last twelve months, requiring treatment in hospital for more than 48 hours or oral corticosteroids treatment for more than seven days;

A Cases	B Cases
	<ul style="list-style-type: none"> • in spite of inhaled beclomethasone in doses of 1 000 µg/day or 20µg/kg/day with a metered-dose nebulizer or its equivalent, the child's asthma cannot be controlled and he has symptoms, at least six months a year, that limit his activities, or a condition that requires a higher dose of inhaled steroids or the addition of another medication the potential side effects of which require close medical supervision.

Assessment methods

The medical report must indicate the prescribed medication, dosage, frequency of medical visits, decompensation episodes, weight and height of the child, and the presence of avoidable respiratory irritants in the child's environment. Where respiratory allergens complicate control of the asthma, the allergy test results must be attached to the medical report.

If control of the asthma is not achieved, it must be demonstrated in the medical report, in accordance with any applicable measures given the child's age, through information concerning frequency of nocturnal symptoms, frequency of use of bronchodilators, variations in peak expiratory flow rates, results of bronchial and respiratory function challenge tests done when no infections or allergies are active. A preventive dose of a bronchodilator before exercise may not be considered in the assessment of daily needs.

A pharmaceutical record confirming the various medications and quantities purchased during the previous year must be attached to the medical report.

Where a nebulizer must be used, the medical report must describe the problems related to using a metered-dose nebulizer or other method.

1.5 CARDIOVASCULAR FUNCTION

Cases considered serious handicaps

A child is presumed handicapped within the meaning of section 1 in the following cases:

- (1) the child is three years of age or less, has cardiopathy and requires digitalis;
- (2) from birth to two full years following surgery, where the child was born with left heart hypoplastic syndrome, transposition of the great vessels, pulmonary atresia or a tetralogy;
- (3) the child has a valvular disease and is taking anticoagulants;
- (4) the child has a pacemaker, and complications with respect to the implant site require two surgical procedures or more during the year;
- (5) one of the cases in A and one of the cases in B below both apply to the child:

A Cases	B Cases
<ul style="list-style-type: none"> • the child has a surgically uncorrected malformation of the heart; • the child has a malformation of the heart surgically corrected as a palliative procedure; • the child has arrhythmia; • the child has cardiac insufficiency. 	<ul style="list-style-type: none"> • the child, in spite of medication, has symptoms at rest or with low effort that hinder everyday activity; • the child has seriously retarded growth: weight or height less than the third percentile or persistent weight or height loss of more than 15 percentiles; • the progressive deterioration of the child's cardiovascular function requires surgery and his everyday activity is affected, or the required care imposes significant restrictions on his family; • the child requires medical follow-up at least once a month to adjust his medication according to his response to treatment and variations in weight.

Assessment methods

The medical report establishing the cardiovascular insufficiency must indicate the diagnosis, the level of activity that triggers cyanosis, dyspnea or tachycardia and must include a height and weight graph.

Exclusion

A child who has a malformation or cardiac disease with no active treatment and that requires only medically prescribed restrictions or limits for the practice of sports, shall not be considered handicapped.

1.6 NERVOUS SYSTEM ABNORMALITIES

Cases considered serious handicaps

A child is considered handicapped within the meaning of section 1 in the following cases:

- (1) the child has Lennox syndrome;
- (2) one of the cases in A and one of the cases in B below both apply to the child:

A Cases	B Cases
<ul style="list-style-type: none"> • the child has epilepsy and has been undergoing anticonvulsive therapy for more than six months; • the child has Gilles de la Tourette's syndrome; • the child has suffered a craniocerebral injury resulting in a coma. 	<ul style="list-style-type: none"> • in spite of medication, the child has more than one partial seizure a week; • in spite of medication, the child has more than one episode of general convulsions every two months; • in spite of medication, the child has persistent tics that significantly affect everyday activity; • the side effects of the medication significantly affect everyday activity; • the child cannot attend a day care centre or school without being accompanied.

Assessment methods

The diagnosis of nervous system impairments must be confirmed by a description of the objective abnormalities detected by a physical examination, cultures or tests, medical imaging or electrophysiology.

In case of Gilles de la Tourette's syndrome, the expert's report must describe the tics observed, stating at what age they began and how often they occur. A psychiatric assessment must be attached to the report.

Specific rules

Where a central nervous system dysfunction is the presumed cause of a cognitive, behavioural or communication disorder, the provisions of Tables 2.1 to 2.5 on development disorders shall apply.

Where the nervous system impairment causes psychomotor retardation, the provisions of Table 2.1 on psychomotor retardation shall apply.

Where the nervous system impairment involves mainly motor skills, the provisions of Table 1.3 on impairments of the musculoskeletal system shall apply.

1.7 NUTRITION

Cases considered serious handicaps

A child is considered handicapped within the meaning of section 1 in the following cases:

- (1) the child has a congenital anal imperforation and is two years of age or less;
- (2) the child is fed by naso-gastric hyperalimentation;
- (3) the child has a colostomy or ileostomy;
- (4) the child has a gluten-free diet;
- (5) one of the cases in A and one of the cases in B below both apply to the child:

A Cases	B Cases
<ul style="list-style-type: none"> • the child has a malformation or disease of the digestive tract; • the child has oropharyngeal dyspraxia; • the child has an inflammatory intestinal disease. 	<ul style="list-style-type: none"> • the child's diet imposes significant restrictions on his family; • deglutination and mastication functions are such that the child requires the services of an occupational or speech therapist; • the child's illness is not controlled by medication and he has digestive problems, a deteriorated general condition or symptomatic anemia that restricts every-day activity for more than three months a year; • the total period of hospitalization because of the inflammatory intestinal disease and its complications is more than one month a year; • the child must go to a health care facility or a doctor more than ten times a year because of decompensation due to the inflammatory intestinal disease, extradigestive manifestations, endoscopy, biological tests or therapeutic adjustments.

Assessment methods

The diagnosis of an impairment related to nutrition must be confirmed, as the case may be, by a report from the occupational therapist or speech therapist, by dated results of the disruptive biological tests, by the attending physician's notes on its course, hospitalization dates and the height and weight graph.

Exclusion

A child who has lactose intolerance or bovine protein intolerance is not considered handicapped.

1.8 RENAL AND URINARY FUNCTIONS

Cases considered serious handicaps

A child is considered handicapped within the meaning of section 1 in the following cases:

- (1) the child has a chronic renal insufficiency and undergoes dialysis;
 - (2) the child uses a urinary catheter daily;
 - (3) the child has had a vesicostomy or a urethrostomy.
-

Exclusion

A child who receives antibiotics for preventive purposes because of vesicourethral reflux is not considered handicapped.

1.9 METABOLIC OR HEREDITARY ABNORMALITIES

Cases considered serious handicaps

A child is considered handicapped within the meaning of section 1 in the following cases:

- (1) the child has a hemoglobinopathy of type SC, SS OR S β thalassemia with falciform anemia and is less than seven years old;
- (2) the child has a phenylalanine-reduced diet due to phenylketonuria and is less than seven years old;
- (3) the child has mucopolysaccharidosis of the Hurler, Hunter or Marquio type;
- (4) the child has Gaucher's disease;
- (5) the child has galactosemia;
- (6) the child has tyrosine in the blood;
- (7) the child has leukinosis;
- (8) the child has lactic acidosis;
- (9) the child has cystic fibrosis and pulmonary and digestive complications and is under continuous treatment with enzymes;
- (10) the child is a hemophiliac with Factor VIII or IX activity of less than 1 %;
- (11) the child receives daily insulin shock therapy;
- (12) one of the cases in A and one of the cases in B below both apply to the child:

A Cases	B Cases
<ul style="list-style-type: none"> • the child has a metabolic illness resulting in an essential metabolite deficiency; • the child has a metabolic illness resulting in an accumulation of toxic metabolites; • the child has a metabolic illness resulting in an insufficient energy yield. 	<ul style="list-style-type: none"> • the child could experience severe decompensation after fasting for a few hours, with a fever or benign infection, a condition which requires specific care under medical supervision; • the child must consume proteins, lipids or glucides of a specific type or in closely supervised portions, which prevents him from consuming the same food as his family; • the child requires at least every month a medical or paramedical follow-up because of his illness, decompensations or to prevent his development from being affected; • the child's fatigability restricts everyday activity.

Exclusion

A child who has a metabolic abnormality that is compensated by medication, vitamin therapy, food supplements or by excluding a food is not considered handicapped.

Specific rules

Where the metabolic or genetic impairment causes psychomotor retardation, the provisions of Table 2.1 on psychomotor retardation shall apply.

1.10 IMMUNE SYSTEM ABNORMALITIES AND NEOPLASIA

Cases considered serious handicaps

A child is considered handicapped within the meaning of section 1 in the following cases:

- (1) the child is receiving chemotherapy or radiation therapy for leukemia or cancer;
- (2) the child has AIDS and his condition imposes significant restrictions on his family;
- (3) the child is undergoing immunosuppressive treatment for an autoimmune disease or following an organ transplant;
- (4) the child has multiple food allergies to at least three different food groups consumed daily and the severity of the allergic reactions requires that emergency treatment be constantly available.

Assessment methods

The diagnosis must be confirmed by information on the type of tumour, the stage of the disease and the abnormal biological test reports.

For allergies, the medical report must describe any previous allergic reactions and include the allergy test results.

Exclusions

A child who is allergic to one food only, to pollens or to animals is not considered handicapped.

A child whose tumour has been totally removed by surgery without any sequelae is not considered handicapped.

1.11 CONGENITAL MALFORMATIONS AND CHROMOSOMAL ABNORMALITIES

Cases considered serious handicaps

A child is considered handicapped within the meaning of section 1 in the following cases:

- (1) until the child is two years of age, if born with a cleft lip and cleft palate that are complete and either unilateral or bilateral;
- (2) the child has a trisomy involving the autosomes without mosaicism;
- (3) the child has a monosomy involving the autosomes without mosaicism.

Assessment methods

The diagnosis must be confirmed by a description of the malformation. In the case of a syndrome in which the malformation or its degree is variable, the child's abnormalities and functional limitations must be specified in the expert's report.

For the chromosomal abnormalities specified above, the results of the karyotype are sufficient.

Exclusion

The child who has a fissure of the soft palate or a labial fissure with an alveolar cleft is not considered handicapped.

2. DEVELOPMENT DISORDERS

2.1 PSYCHOMOTOR RETARDATION

Cases considered serious handicaps

A child is considered handicapped within the meaning of section 1 if one of the cases in A and one of the cases in B below both apply to the child:

A Cases	B Cases
<ul style="list-style-type: none"> • the child has a retardation in most areas of development which requires a specialized stimulation program; • the child has a retardation in most areas of development which imposes significant restrictions on his family. 	<ul style="list-style-type: none"> • under the age of two, the child's skills in the main areas of development are the same as those acquired by a child half his age, based on the mean age of skill acquisition; • the child is two to five years of age and his development quotient, assessed by an expert in accordance with a recognized development scale, in particular that of Bayley, Griffiths or Gesell, is less than 70; • the child is two to five years of age and his development quotient, assessed by a standard psychometric test, in particular that of Leiter, Brigance or the WPPSI, is less than 70, for a precision interval of 90 %.

Assessment methods

The diagnosis of psychomotor retardation must be confirmed by an assessment of skills acquired by the child in the main areas of development, that is, motor skills, autonomy, communication, language and social interaction. The mean age of skill acquisition in these areas of development is the age given in one of the following:

Weber, Michael L. Dictionnaire de thérapie pédiatrique. Montréal / Paris: Les Presses de l'Université de Montréal / Doin éditeurs, 1995, and thereafter the most recent edition;

Nelson, Waldo E., Behrman, Richard E., Kliegman, Robert M. and Ann M. Arvin. Nelson Textbook of Pediatrics. 15th ed. Philadelphia: W.B. Saunders Company, 1996, and thereafter the most recent edition.

The expert's report must allow for an assessment of the child with respect to age of development or to rank the child within intragroup norms.

The development quotient shall be determined by multiplying by 100 the ratio of the age of development over the chronological age.

2.2 MENTAL RETARDATION

Cases considered serious handicaps

A child is considered handicapped within the meaning of section 1 in the following cases:

- (1) the child is more than five years of age and has an IQ of 50 or less;
- (2) one of the cases in A and one of the cases in B below both apply to the child:

A Cases	B Cases
<ul style="list-style-type: none"> • the child is more than five years of age and his psychometric assessment shows, for a precision interval of 90%, a global IQ equal to or less than 70; • the child is more than five years of age and his psychometric assessment shows, for a precision interval of 90%, a percentile of two or less; • the child is more than five years of age and his psychometric assessment shows a standard deviation of two or more below average. 	<ul style="list-style-type: none"> • the assessment of the child's adaptation ability in respect of a recognized scale, namely the Échelle québécoise des comportements adaptatifs (ÉQCA) [Maurice, P. et al. Manuel technique (97,0). Montréal: UQAM, Département de psychologie, 1997, and thereafter the most recent edition] or the Vineland scale, shows a standard deviation of two or more below average; • the child's behavioural, emotional and social problems described by the expert significantly restrict everyday activity or impose significant restrictions on his family; • the child is twelve years of age or less and his school achievement is less than that of a child who is who less than two thirds his age.

Assessment methods

The diagnosis of mental retardation must be confirmed by standard psychometric tests done in the year preceding the application and, especially in borderline cases, in accordance with a recognized behavioural adaptation assessment scale, namely the Échelle québécoise des comportements adaptatifs (ÉQCA) [Maurice, P. et al. Manuel technique (97,0). Montréal: UQAM, Département de psychologie, 1997, and thereafter the most recent edition] or the Vineland scale.

Exclusion

A child described as “handicapped or with an adaptation or learning difficulty” according to the criteria of the Ministère de l'Éducation is not considered handicapped, unless an assessment shows that the child meets the conditions of this Regulation. The criteria are given in: Ministère de l'Éducation, *Interprétation des définitions des élèves handicapés ou en difficulté d'adaptation ou d'apprentissage*, 1992, and thereafter the most recent edition.

2.3 INVASIVE DEVELOPMENT DISORDERS

Cases considered serious handicaps

A child is considered handicapped within the meaning of section 1 in the following cases:

- (1) the child cannot attend a day care centre or school without being accompanied;
 - (2) the child attends a psychiatric centre during the day;
 - (3) care and tutoring at home impose significant restrictions on his family because of his disorder.
-

Assessment methods

The diagnosis of an invasive development disorder must be confirmed by a psychiatric or multidisciplinary assessment that refers to the diagnostic criteria of the Diagnostic and Statistical Manual of Mental Disorders: DSM-IV. American Psychiatric Association, 4th ed. 1994, and thereafter the most recent edition.

2.4 LANGUAGE DISORDERS

Cases considered serious handicaps

A child is considered handicapped within the meaning of section 1 in the following cases:

- (1) the child is less than five years of age and his language skills are those of a child less than half his age;
 - (2) the child is more than three years of age and does not speak;
 - (3) the child is more than six years of age and his speech is usually unintelligible to an adult who is not familiar with the child;
 - (4) the child obtained in the previous year, on standard assessment tests for phonetic, semantic, morphosyntax and pragmatic aspects, a result below the 2nd percentile and no result above the 10th percentile with respect to receptivity and expression;
 - (5) the child has a verbal IQ of less than 70, for a precision interval of 90 %, and the assessment of his adaptation ability according to the Échelle québécoise des comportements adaptatifs (ÉQCA) [Maurice, P. et al. Manuel technique (97,0). Montréal: UQAM, Département de psychologie, 1997, and thereafter the most recent edition] or the Vineland scale shows a standard deviation of two or more below average;
 - (6) the child is twelve years of age or less and his language disorder hinders his learning in school, which is less than that of a child who is less than two thirds his age.
-

Assessment methods

The language disorder must be confirmed by standard tests specific to language. The results must rank the child in relation to his group and the precision interval must be stated. Where the tests cannot be used, the assessment report

must describe the skills acquired and the deviation noted in the acquisition of the language code and give concrete examples of the use of language in the child's everyday activity.

The assessment must show that the language disorder is not a result of a hearing impairment, intellectual disability or an invasive development disorder. The results of the audiogram and of the intellectual and behavioural assessment must be reported.

If the language disorder is associated with a hearing impairment, an intellectual disability or an invasive development disorder, the provisions of Table 1.2 on hearing, Table 2.2 on mental retardation or Table 2.3 on invasive development disorders shall apply.

A neurological assessment that does not show an abnormality on the physical examination or a lesion visible through medical imaging or electrophysiology is not taken into account for determining the extent of the handicap caused by the language disorder.

Exclusions

A child less than six years of age who has not had a multidisciplinary cognitive assessment, in particular of his acquisition of symbolic thought, verbal and non-verbal skills and the integrity of his sensorial functions, is not considered handicapped because of a specific language disorder.

A child aged six years or more who has not had an assessment of verbal and non-verbal aptitudes through standard psychometric tests selected or adapted to language problems is not considered handicapped because of a specific language disorder.

2.5 BEHAVIOURAL DISORDERS

Cases considered serious handicaps

A child is considered handicapped within the meaning of section 1 in the following cases:

- (1) the child has had psychotherapy at least every month for at least six months and the therapist considers that it should continue at a monthly rate for a total duration of at least one year;
- (2) the child cannot attend a day care centre or school without being accompanied.

Assessment methods

The behavioural disorder must be confirmed by a psychiatric assessment that describes the nature and the seriousness of the disorder and its consequences on the child's family and in his school and social environment. The description must be sufficiently detailed to enable the Régie to assess the seriousness of the condition. It must include the therapist's recommendations.

Exclusion

A child who has an attention deficit disorder, with or without hyperactivity, and who is treated solely through medication is not considered handicapped.

Draft Regulation

An Act respecting the distribution of financial products and services
(1998, c. 37)

Brokerage activities in connection with loans secured by immovable hypothec

Notice is hereby given, in accordance with the sections 10 and 11 of the Regulations Act (R.S.Q. c. R-18.1) that the Regulation respecting brokerage activities in connection with loans secured by immovable hypothec adopted by the Bureau des services financiers, the text of which appears hereunder, may be submitted to the Government for approval, with or without amendments, upon the expiry of a 45-day period from the date of this publication.

According to the Bureau des services financiers, this draft regulation is intended to determine the conditions that must be met by the insurance representatives mentioned in section 553 of the Act, except conditions relating to training, or securities representatives, in order to pursue brokerage activities pertaining to loans secured by immovable hypothec.

The review of this file conducted to date reveals, according to the Bureau, no impact on the public and business, particularly small and medium-sized business.

Additional information may be obtained from M^e Nathalie G. Drouin, Director of Legal Affairs, Bureau des services financiers, 140, Grande Allée Est, bureau 300, Québec (Québec) G1R 5M8, telephone number: (418) 525-6273 or 1-877-525-6273, facsimile number: (418) 525-9512, E-mail: ndrouin.bsf@megaquebec.net.

Any interested party having comments regarding this matter is asked to forward them, in two copies, prior to the expiry of the 45-day period, to the Minister of Finance, 12, rue Saint-Louis, bureau 1.10, Québec (Québec) G1R 5L3.

BERNARD LANDRY,
Minister of State for the Economy and Finance

Regulation respecting brokerage activities in connection with loans secured by immoveable hypothec

An Act respecting the distribution of financial products and services
(1998, c. 37, s. 206)

1. In order to pursue brokerage activities in connection with loans secured by immoveable hypothec, an insurance representative or securities representative must:

(1) have notified the Bureau in writing;

(2) have taken and passed, at a college-level educational institution, a course on hypothecary credit of at least 45 hours' duration relating to hypothecary brokerage;

(3) have paid the fees prescribed in Chapter 2 of the Regulation respecting the contribution and certain fees payable.

2. The Bureau shall confirm on the representative's certificate that the representative is authorized to carry on brokerage activities in connection with loans secured by immoveable hypothec.

3. This Regulation shall come into force on (*insert here the date of the coming into force of section 582 of the Act*).

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Draft Regulation

An Act respecting the distribution of financial products and services
(1998, c. 37)

Chambre de la sécurité financière — Governing compulsory professional development

Notice is hereby given, in accordance with sections 10 and 11 of the Regulations Act (R.S.Q., c. R-18.1), that the Regulation of the Chambre de la sécurité financière (The Chamber) governing compulsory professional development may be enacted by the government, 45 days after the date of publication herein.

According to the Chambre de la sécurité financière, this draft Regulation establishes the now compulsory character of the representatives' professional development in the financial products and services distribution sector.

Professional development has become compulsory for all representatives in insurance of persons, including accident or health insurance, group insurance of persons or group pensions, and for securities representatives. It does not apply to trainees.

The Regulation provides for the accreditation of activities which will allow representatives to earn professional development units. It defines generally accredited subjects and subjects that are excluded.

An increase in the number of professional development units to be earned has been provided. The Regulation prescribes an initial period during which a minimum of 30 professional development units must be accumulated. Thereafter, this number will be increased to a minimum of 60 units, ten of which must be for generally accredited subjects by sector or by class of sectors, as defined in the Regulation.

Further information may be obtained by contacting Ms. Lucie Granger, Secretary, Chambre de la sécurité financière, 500, rue Sherbrooke Ouest, 7^e étage, Montréal, (Québec) H3A 3C6, telephone: (514) 282-5777, 1-800-361-9989, lgranger@aiaq.com.

Any interested persons wishing to comment on the above matter are requested to send two copies of their comments to the Minister of State for the Economy and Finance and Minister of Finance, 12, rue Saint-Louis, bureau 1.01, Québec (Québec) G1R 5L3 before the expiry of the 45-day time period.

BERNARD LANDRY,
Minister of State for the Economy and Finance
Minister of Finance

Regulation of the Chambre de la sécurité financière governing compulsory professional development

An Act respecting the distribution of financial products and services
(1998, c. 37)

CHAPTER I **INTRODUCTION**

1. This Regulation defines the rules which must be respected by all representatives who hold a certificate authorizing them to practise in any one of the following sectors or classes of sectors:

(1) insurance of persons, including accident or health insurance;

(2) group insurance of persons or group pensions;

(3) securities, including group savings plans, investment contracts and scholarship plans.

These rules apply to representatives whether or not they are registered as independent representatives. These persons are collectively called “representatives”. These rules do not apply to trainees.

2. Compliance with the rules defined in this Regulation is compulsory.

SECTION I **DEFINITIONS**

3. In this Regulation, the following terms shall mean:

(1) “accreditation”: the obtainment of a provider or a representative of an attestation from the Chamber for an accredited activity to which a predetermined number of PDUs are assigned;

(2) “accredited activity”: any structured upgrading or learning activity that pertains to a generally accredited subject, that enables a representative to keep his knowledge current and develop his professional skills, and that receives accreditation from the Chamber;

(3) “insurer”: an insurance company within the meaning of An Act respecting insurance (R.S.Q., c. A-32);

(4) “provider”: any individual, organization or educational institution who dispenses training activities, confirms the representatives’ attendance or controls the successful completion of an activity by means of tests or exams, and allows the Chamber, as applicable, to verify the quality of the training activity, its eligibility for accreditation, the means used to ensure attendance or control the successful completion of an activity, and the authenticity of the corroborative documents;

(5) “excluded subjects”: any activity dispensed by any individual and pertaining to specific insurance of persons products, including accident or health insurance, group insurance of persons, group pensions or financial products, including securities, and any activity designed to motivate representatives to sell these products;

(6) “generally accredited subjects”: life insurance, accident or health insurance, disability insurance, group insurance, estate planning, financial planning, tax planning, retirement planning, business planning, annuities, pensions, investments, underwriting or risk management, actuarial sciences, accounting, economics, finance, Civil

Code, insurance law, management of an insurance or investment firm, employee benefits, professional liability, ethics, professional practice, client counselling;

(7) “generally accredited subjects by sector or class of sectors”:

(a) insurance of persons, including accident or health insurance:

- i. life insurance;
- ii. accident or health insurance;
- iii. disability insurance;
- iv. estate planning;
- v. financial planning;
- vi. tax planning;
- vii. retirement planning;
- viii. business planning;
- ix. annuities;
- x. pensions;
- xi. investments;
- xii. underwriting or risk management;
- xiii. actuarial sciences;
- xiv. accounting;
- xv. economics;
- xvi. finance;
- xvii. Civil Code;
- xviii. insurance law;
- xix. management of an insurance or investment firm;
- xx. professional liability;
- xxi. ethics;
- xxii. professional practice;
- xxiii. client counselling;

(b) group insurance of persons or group pensions:

- i. group insurance;
- ii. disability insurance;
- iii. business planning;
- iv. annuities;
- v. pensions;
- vi. investments;
- vii. underwriting or risk management;
- viii. actuarial sciences;
- ix. accounting;
- x. Civil Code;
- xi. insurance law;
- xii. management of an insurance or investment firm;
- xiii. employee benefits,
- xiv. professional liability;
- xv. ethics;
- xvi. professional practice;
- xvii. client counselling;

(c) securities, including group savings plans, investment contracts and scholarship plans:

- i. estate planning;
- ii. financial planning;
- iii. tax planning;
- iv. retirement planning;
- v. business planning;
- vi. annuities;
- vii. pensions;
- viii. investments;
- ix. actuarial sciences;
- x. accounting;
- xi. economics;
- xii. finance;
- xiii. Civil Code;
- xiv. management of an insurance or investment firm;
- xv. professional liability;
- xvi. ethics;
- xvii. professional practice;
- xviii. client counselling;

(8) “PDU”: professional development unit, that is, the units which are assigned and accumulated for each accredited professional development activity, one unit being assigned for each hour of the accredited activity.

4. For each certificate issued and renewed before January 1, 2002, a representative must accumulate the following number of PDUs over the course of each two-year period, as of such issue or renewal, as applicable:

(1) 30 PDUs in generally accredited subjects as defined in subsection (6) of section 3, if he holds a certificate authorizing him to practise in only one sector or class of sectors listed in subsections (1), (2) or (3) of section 1; and

(2) 10 additional PDUs in generally accredited subjects as defined in subsection (6) of section 3 for each of the other sectors or classes of sectors listed in subsections (1), (2) or (3) of section 1 for which a representative holds one or several certificates authorizing him to practise in that capacity.

A certificate issued in accordance with section 534 of An Act respecting the distribution of financial products and services (1998, c. 37) to a representative who held a certificate pursuant to An Act respecting market intermediaries (R.S.Q., c. I-15.1) is not deemed an issue or renewal of a certificate within the meaning of the first paragraph of this section.

5. During each two-year period following the issue or renewal of a certificate after January 1, 2002, a representative must accumulate at least 60 PDUs, ten of which must be for generally accredited subjects by sector or class of sectors as defined in subsection (7) of section 3 and this, for each sector or class of sectors

listed in subsections (1), (2) or (3) of section 1 for which a representative holds one or several certificates authorizing him to practise in that capacity.

6. Notwithstanding sections 4 and 5, a representative who demonstrates to the Chamber that, due to overwhelming circumstances, he was unable to accumulate PDUs may be relieved by the Chamber from his obligation to accumulate the PDUs required for a given two-year period.

The fact that a representative's certificate has been suspended, revoked or cancelled pursuant to a decision of the Discipline Committee created under the Act or the Bureau, or pursuant to an enforceable decision of the Disciplinary Committee of the Association des intermédiaires en assurance de personnes du Québec does not constitute overwhelming circumstances within the meaning of this section.

7. The PDUs accumulated by a representative over and above the required number for a two-year period shall not be credited to the subsequent period.

8. Each representative must keep the attestations of attendance or of passing an exam or a test which are furnished by the providers of an accredited activity; such attestations also indicate the number of PDUs to be credited to the representative for taking part in that activity.

9. The Chamber shall deliver a compulsory professional development attestation to a representative who demonstrates that he has obtained the number of PDUs required under sections 4 and 5 over a two-year period since the renewal preceding his last certificate renewal. It shall inform the Bureau whether or not it has delivered such attestation.

CHAPTER II ACCREDITATION OF ACTIVITIES

10. To be accredited, a training activity must pertain to one or more of the generally accredited subjects and target the development of the following skills of representatives:

- (1) personal development;
- (2) business development;
- (3) technical development;
- (4) clientele development.

11. A provider or a representative may apply for the accreditation of an activity. This request may be made

before or after the activity is held. The Chamber may, on its own initiative, accredit an activity which meets the criteria set forth in section 10.

12. The application for accreditation must include the following documents and information:

- (1) a written description of the content of the activity;
- (2) a detailed written schedule of the activity;
- (3) a written explanation describing how the activity develops the skills required in one or more of the generally accredited subjects;
- (4) if the application for accreditation is made after the activity is held, proof of attendance, if a representative is applying, or a record of attendance taken by the provider;
- (5) if the application is made by a provider before the activity is held, identification of the person responsible for this activity;
- (6) the means of controlling the successful completion of the activity, if applicable;
- (7) the number of PDUs the Chamber is being asked to assign to the activity.

13. The Chamber shall reply in writing to an application for accreditation within 45 days of receipt. If an application is rejected or an activity is accredited for a lesser number of PDUs than requested, a brief explanation will be provided.

14. The accreditation by the Chamber of an activity is valid for a four-year period. The provider or the representative who wishes to change the content of the activity, its duration or the means used to control successful completion must submit all changes to the Chamber, which may then cancel the accreditation or increase or decrease the number of PDUs assigned to the activity. The Chamber may cancel the accreditation or increase or decrease the number of PDUs assigned to the activity if it notices that, in fact, the accredited activity was not conducted as specified in the documents and according to the information provided when the application for accreditation was submitted.

15. A representative who acts in the capacity of trainer, instructor or facilitator of an accredited activity earns double the number of PDUs assigned for that activity. However, this representative may earn double the number of PDUs only once for a given accredited activity.

CHAPTER III ASSIGNMENT OF PDUS

16. The Chamber shall assign PDUs to a representative on written request from the latter or a provider. The request must be accompanied by the following documents and information:

(1) identification of the provider who dispensed the accredited activity;

(2) the name of the activity, the date on which it was held and a statement from the representative certifying that he did not request any PDUs for the same activity over the course of the same two-year period;

(3) a copy of the proof of attendance furnished by the provider confirming that the representative attended this activity, or of the document issued by the provider confirming that the representative successfully completed this activity;

(4) the number of PDUs the Chamber is being asked to assign to the representative after he takes part in the accredited activity as well as the sector or class of sectors listed in subsections (1), (2) and (3) of section 1 to which the PDUs are to be assigned.

17. The Chamber shall assign the PDUs to a representative once it has ascertained that the requirements set forth in this Regulation have been met. It shall inform the representative in writing once a year of the number of PDUs he has accumulated, as specified in his file.

CHAPTER IV ELIGIBILITY FOR ACTIVITIES

18. Notwithstanding section 1, an individual who held a certificate of representative in insurance of persons, including accident or health insurance, in group insurance of persons or in group pensions or in securities, which has been suspended, cancelled or revoked, or for which the renewal has been rejected may take part in accredited activities and earn PDUs. This representative may not however act as trainer, instructor or facilitator of any activity whatsoever.

CHAPTER V ASSIGNMENT OF PDUS BASED ON EXPERIENCE AND PREVIOUS TRAINING

19. The Chamber acknowledges one PDU for each hour of professional development credited by the following organizations to an activity or to a representative:

(1) l'Institut québécois de planification financière;

(2) Canadian Association of Insurance and Financial Advisers;

(3) any of the professional orders referred to in section 59 of the Act that have entered into an agreement with the Bureau des services financiers, as provided for in that section, and that assign PDUs or professional development units to their members who hold the title of financial planner.

CHAPTER VI PRIOR CREDITS

20. Notwithstanding section 4, the Chamber shall credit a representative with one PDU for each PDU he has accumulated between January 1, 1998 and the date of the first renewal of his certificate under An Act respecting the distribution of financial products and services (1998, c. 37) and its regulations, within the framework of the voluntary continuing education program of the Association des intermédiaires en assurance de personnes du Québec (R.S.Q., c. I-15.1). It shall credit them to the sector or class of sectors listed in subsections (1), (2) or (3) of section 1, as specified in writing by the representative.

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Draft Regulation

An Act respecting the distribution of financial products and services
(1998, c. 37)

Chambre de la sécurité financière — Governing ethics

Notice is hereby given, in accordance with sections 10 and 11 of the Regulations Act (R.S.Q., c. R-18.1), that the Regulation of the Chambre de la sécurité financière governing ethics may be enacted by the government 45 days after the date of publication herein.

According to the Chambre de la sécurité financière, this draft Regulation sets forth the rules of ethics that apply to representatives in insurance of persons, including accident or health insurance, group insurance of persons or group pensions, and to financial planners. However, these rules do not apply to financial planners who are members of a professional order that has entered into an agreement with the Bureau.

The Regulation provides for the obligations of representatives, namely towards the public in general, to-

wards their clients as well as towards their profession and other representatives. The Regulation is based on the current rules of ethics provided for in the By-law of the Conseil des assurances de personnes sur les intermédiaires de marché en assurance de personnes. However, adjustments and amendments were made in order to clarify the current rules and specify certain obligations, given the new environment created by An Act respecting the distribution of financial products and services, as well as to remedy certain deficiencies that have been noted in disciplinary decisions.

Further information may be obtained by contacting Ms. Lucie Granger, Secretary, Chambre de la sécurité financière, 500, rue Sherbrooke Ouest, 7^e étage, Montréal (Québec) H3A 3C6, telephone: (514) 282-5777, 1-800-361-9989, lgranger@aiaq.com.

Any interested persons wishing to comment on the above matter are requested to send two copies of their comments to the Minister of State for the Economy and Finance and Minister of Finance, 12, rue Saint-Louis, bureau 1.01, Québec (Québec) G1R 5L3 before the expiry of the 45-day time period.

BERNARD LANDRY,
Minister of State for the Economy and Finance
Minister of Finance

Regulation of the Chambre de la sécurité financière governing ethics

An Act respecting the distribution of financial products and services
(1998, c. 37)

CHAPTER I **GENERAL RULES**

1. The Interpretation Act (R.S.Q., c. I-16), with its current and future amendments, applies to this Regulation.
2. This Regulation aims at promoting the protection of the public and the honest and competent practice of representatives.
3. In this Regulation, the term “representative” applies to representatives in insurance of persons, including accident or health insurance, representatives in group insurance of persons, representatives in group pensions and financial planners. It applies to them whether or not they are registered as independent representatives.
4. A representative must ensure that his employees or mandataries comply with this Regulation and with An

Act respecting the distribution of financial products and services (1998, c. 37) as well as any regulation thereunder.

SECTION I **DUTIES AND OBLIGATIONS TOWARDS** **THE PUBLIC**

5. This section defines the obligations of a representative towards any individual, whether or not this person is a client, whenever this representative acts in his capacity as such or holds a certificate authorizing him to do so.
6. A representative must promote improvement of the quality and availability of the services that he offers to the public.
7. A representative must promote measures designed to provide education and information in the field in which he practises.
8. The conduct of a representative must be characterized by dignity, discretion, objectivity and moderation.
9. A representative must refrain from practising in conditions or in a state liable to compromise the quality of his services.
10. A representative must refrain from persistently or repeatedly urging a person to use his professional services or purchase a product.

SECTION II **DUTIES AND OBLIGATIONS TOWARDS** **CLIENTS**

11. In the practice of his profession, a representative must take into account the limitations of his knowledge and the means available to him. He must not undertake or continue a mandate for which he is not sufficiently prepared without obtaining the necessary assistance.
12. A representative must not make any false representations as to his level of competence or the quality of his services.
13. A representative must practise his profession with integrity.
14. A representative must act towards his client or any potential client with integrity and as a conscientious adviser, giving him all the information that may be necessary or useful. He must take reasonable steps so as to advise his client properly.

15. A representative must completely and objectively explain to his client or any potential client the type, advantages and disadvantages of the product or service that he is proposing to him and must refrain from giving information that may be inaccurate or incomplete.
16. A representative must provide his client or any potential client with the explanations the client needs to understand and evaluate the product or services that he is proposing or that he provides to the client.
17. Before providing information or making a recommendation to his client or to any potential client, a representative must seek to have a complete understanding of the facts.
18. A representative must not make inaccurate or incomplete statements.
19. A representative must not use his contacts to encourage a person to take out insurance or another financial product through one representative rather than another.
20. A representative may not appropriate, for personal purposes, sums of money entrusted to him or securities belonging to his clients or to any other individual and of which he has custody.
21. A representative must, in the practice of his profession, always remain independent and avoid any conflict of interest.
22. A representative must subordinate his personal interests to those of his client or any potential client. Without limiting the generality of the foregoing, the representative:
- (1) may not advise a client to invest in a corporation, a business or property in which he has, directly or indirectly, a significant interest;
 - (2) may not conduct any transaction or enter into any agreement or contract whatsoever with a client who, manifestly, is unable to manage his affairs, unless the decisions to conduct these transactions or enter into these agreements or contracts are made by persons who may legally decide in lieu of this client;
 - (3) may not conduct any transaction or enter into any agreement or contract whatsoever in the capacity of representative with respect to a client for whom he acts as dative tutor, curator or adviser within the meaning of the Civil Code of Québec.
23. A representative must be objective when his client or any potential client asks him for information.
24. A representative must ignore any intervention by a third party that could influence the performance of duties related to his practice to the detriment of his client or any potential client.
25. A representative must not pay or undertake to pay to a person who is not a representative an advantage, a rebate or any other compensation, except where permitted by law.
26. A representative must display availability and diligence with respect to his client or any potential client.
27. A representative must report to his client on any mandate given to him and must carry out the mandate diligently.
28. In the practice of his profession, a representative must not, through dishonesty, fraud, trickery or other deceitful means, avoid or attempt to avoid his professional civil liability or that of the firm or independent partnership in which he practises.
29. A representative must respect the secrecy of any personal information that he obtains about a client and only use that information for the purposes for which it was obtained, unless he is relieved of that obligation by an express provision of a law or by order of a competent court.
30. A representative must not disclose personal or confidential information that he obtained, except in accordance with the provisions of the Act, and must not use that information to the detriment of his client or to obtain an advantage for himself or for another person.
31. A representative must not dissuade his client or any potential client from consulting another representative or another person of his choosing.
32. A representative must promptly give to his client, or to any person his client designates, the books and documents belonging to the client, even though the latter owes him monies.

SECTION III DUTIES AND OBLIGATIONS TOWARDS OTHER REPRESENTATIVES, FIRMS AND INDEPENDENT PARTNERSHIPS

33. A representative must not, directly or indirectly, make any type of comments about another representative, a firm or an independent partnership which are false or inaccurate.

34. A representative must use fair methods of competition and solicitation.

35. A representative must not discredit another representative, a firm or an independent partnership.

SECTION IV DUTIES AND OBLIGATIONS TOWARDS INSURERS

36. A representative must not fail to pay an insurer, upon request or upon expiry of a prescribed period, the premiums that he has collected on its behalf.

37. A representative must give insurers the information that it is common practice for him to provide.

SECTION V DUTIES AND OBLIGATIONS TOWARDS THE PROFESSION

38. A representative must refrain from undermining the public's confidence in other representatives, in firms, in independent partnerships, in insurers or in any of their products without a valid reason.

39. A representative must not:

(1) cease to fulfil the requirements for becoming a holder of a certificate for a representative;

(2) practise his profession dishonestly or negligently;

(3) have been found guilty, by a Canadian or foreign court, of a criminal offense related to his profession or to financial products;

(4) contravene any provision of An Act respecting the distribution of financial products and services;

(5) contravene any provision of the regulations of the Bureau, the Chamber or the government applicable to him;

(6) be an undischarged bankrupt.

40. A representative must not, directly or indirectly, without the knowledge of the insurer, give a discount on a premium stipulated in an insurance contract or agree on a method of paying the premium that differs from the method provided for in the contract.

41. A representative must not, directly or indirectly, pay a person to act in the capacity of representative if that person does not hold a certificate.

42. A representative must not accept payment from a person who does not hold a certificate and who acts or attempts to act as a representative through a representative who holds a certificate.

43. Subject to the provisions of the Act, a representative must not receive or arrange to receive payment from a person other than the person who retained his services.

44. A representative must not share his commission, except within the limits permitted by the Act.

45. A representative must not promise or pay compensation, in any form whatsoever, in order for his services to be retained.

46. A representative must, without delay, respond to any correspondence from a syndic, an assistant syndic, a co-syndic or a member of their staff.

47. A representative must, in particular, appear before a syndic, an assistant syndic, a co-syndic or a member of their staff as soon as he is required to do so.

48. A representative must not interfere with the work of a syndic, an assistant syndic, a co-syndic or a member of their staff, or of an officer of the Chamber or of one of its committees.

49. A representative must inform the syndic of the Chamber when he has reasonable grounds to believe that another representative is unfit to practise in this capacity, is practising incompetently or dishonestly, or is acting in contravention of the stipulations of An Act respecting the distribution of financial products and services or the regulations thereunder.

50. A representative who is informed that a syndic, an assistant syndic or a co-syndic is conducting an inquiry into his professional competence or conduct, or that a disciplinary complaint has been served on him pursuant to section 132 of the Professional Code (R.S.Q., c. C-26) must not communicate with the person who requested the holding of the inquiry nor with the witnesses who have been summoned for the complainant in accordance with section 146 of the Professional Code, except with prior written permission from a syndic, an assistant syndic or a co-syndic.

SECTION VI GRAPHIC SYMBOL

51. The Chamber is represented by a graphic symbol that is in conformity with the original held by its secretary.

52. If a representative uses the graphic symbol of the Chamber for publications or advertisements of any kind, he must make sure that it is in conformity with the original held by the secretary of the Chamber.

SECTION VII
SPECIFIC RULES APPLICABLE TO
INDEPENDENT REPRESENTATIVES

53. An independent representative must respect the right of a client, or of the person he designates, to consult the documents which concern him that are kept in any record created within the scope of the client's mandate and to obtain copies of these documents.

CHAPTER II
SPECIAL RULES

SECTION I
GENERAL PROVISIONS

54. The special rules in this Chapter apply only to a representative who is entitled to use the title of financial planner or a similar title in accordance with the Act and the regulations thereunder.

SECTION II
DUTIES AND OBLIGATIONS TOWARDS
THE PUBLIC

55. When soliciting clients, a representative must avoid using methods that would have the effect, in particular, of:

(1) emphasizing a specific aspect of financial planning in order to unduly attract the attention of a potential client;

(2) exerting pressure on a potential client.

SECTION III
DUTIES AND OBLIGATIONS TOWARDS
CLIENTS

56. Before entering into an agreement with a client, a representative must inform the client of the services that he offers, particularly if he sells financial products.

57. A representative must inform his client of the type, scope and terms and conditions of the work required to carry out the mandate that the client wishes to give him, after obtaining and studying pertinent information about the client's financial affairs.

He must enter into a written agreement with the client; the agreement must not oblige the client to purchase

a financial product from him or from any other person, firm, partnership or independent partnership.

58. A representative must draw up a financial plan conforming to the agreement concluded with his client. If, while drawing up the plan, the representative determines that it is in the client's interest that a change be made, he must so notify the client.

59. A representative must avoid any misrepresentations as to his competence.

60. A representative must strive to give opinions and make recommendations objectively and independently, without regard for personal gain.

61. A representative must report to a client at the client's request. He must permit his client to consult the documents which concern him in any records that pertain to him.

62. A representative must accurately describe, or make sure that someone else accurately describes, the advantages, costs and limitations of specific services or products that he offers on his own or through another person, firm, partnership or independent partnership.

63. A representative must not pay, offer to pay or undertake to pay to a person who is not legally authorized to use the title of financial planner an advantage, a rebate or any other compensation, except where permitted by the Act.

SECTION IV
OTHER SPECIAL RULES

64. A representative must refrain from:

(1) out of malice, making an unfounded accusation against another representative, firm or independent partnership;

(2) directly or indirectly paying a person who is not legally entitled to use the title of financial planner to act in that capacity or to use that title;

(3) directly or indirectly accepting or receiving payment from a person who is not legally authorized to use the title of financial planner and who acts or attempts to act in that capacity;

(4) not informing his client as soon as he is aware of a problem that will prevent him from continuing with his mandate.

Draft Regulation

An Act respecting the distribution of financial products and services
(1998, c. 37)

Chambre de la sécurité financière — Titles of registered life underwriter (R.L.U.) and chartered life underwriter (C.L.U.)

Notice is hereby given, in accordance with sections 10 and 11 of the Regulations Act (R.S.Q., c. R-18.1), that the Regulation of the Chambre de la sécurité financière governing the titles of registered life underwriter (R.L.U.) and chartered life underwriter (C.L.U.) may be enacted by the government 45 days after the date of publication herein.

According to the Chambre de la sécurité financière, this draft Regulation clarifies the mandate of the education program leading to the titles of registered life underwriter (R.L.U.) and chartered life underwriter (C.L.U.) by promoting training in estate planning, retirement planning, investments, disability and group insurance. These provisions will help harmonize the training requirements for obtaining these titles under the different programs offered in CEGEPs and in universities. The intended training will be better suited to the changing markets and will enable representatives to continue to offer quality services to the public.

The Regulation also provides for the procedures to follow in cases where an individual would like to have his experience and previous training recognized for obtaining the registered life underwriter (R.L.U.) and chartered life underwriter (C.L.U.) titles.

Lastly, the Regulation provides for transitional measures which are needed to bridge the old and the new training requirements for the obtaining of these titles and the transition towards the Chambre de la sécurité financière.

Further information may be obtained by contacting Ms. Lucie Granger, Secretary, Chambre de la sécurité financière, 500, rue Sherbrooke Ouest, 7^e étage, Montréal (Québec) H3A 3C6, telephone: (514) 282-5777, 1-800-361-9989, lgranger@aiafq.com.

Any interested persons wishing to comment on the above matter are requested to send two copies of their comments to the Minister of State for the Economy and Finance and Minister of Finance, 12, rue Saint-Louis, bureau 1.01, Québec (Québec) G1R 5L3 before the expiry of the 45-day time period.

BERNARD LANDRY
*Minister of State for the Economy and Finance
and Minister of Finance*

Regulation of the Chambre de la sécurité financière governing the titles of registered life underwriter (R.L.U.) and chartered life underwriter (C.L.U.)

An Act respecting the distribution of financial products and services
(1998, c. 37)

1. In this Regulation, the term “Chamber” shall mean the Chambre de la sécurité financière created pursuant to An Act respecting the distribution of financial products and services (1998, c. 37).

CHAPTER I REGISTERED LIFE UNDERWRITER (R.L.U.)

2. To obtain the title of “Registered Life Underwriter” (R.L.U.), an insurance representative must:

(1) have passed the introductory course offered by the Chamber, entitled “Concepts in Insurance of Persons,” or hold an attestation of college studies in insurance of persons;

(2) have passed either:

(a) the courses that are part of the university program in insurance of persons, unless the Chamber recognizes the representative’s experience and previous training. This program consists of eight courses pertaining to the subjects listed in subparagraphs *i* to *vii* of this paragraph:

- i. Economics;
- ii. Law;
- iii. Accounting;
- iv. Taxation;
- v. Financial Management;
- vi. Investments;
- vii. Insurance and Pensions; or

(b) the courses offered by the Canadian Association of Insurance and Financial Advisers (CAIFA) pertaining to the same subjects as those listed in subparagraphs *i* to *vii* of paragraph *a*, insofar as the representative was otherwise unable to have access to those courses in his region; or

(c) in another Canadian province, the courses pertaining to the same subjects as those listed in subparagraphs *i* to *vii* of paragraph *a*;

(3) not be under suspension, struck off the roll, expelled or have had his certificate revoked.

Furthermore, the representative must submit an application in writing to the Chamber along with documents certifying that he complies with subsections 1 and 2.

In addition, the representative must, if applicable, have paid the dues for a “Registered Life Underwriter” (R.L.U.) as well as any other dues and fees provided for in the regulations of the Chamber.

3. The Chamber shall issue to the representative a document certifying that it has conferred upon him the title of “Registered Life Underwriter” (R.L.U.).

CHAPTER II CHARTERED LIFE UNDERWRITER (C.L.U.)

4. To obtain the title of “Chartered Life Underwriter” (C.L.U.), an insurance representative must:

(1) comply with the training requirements provided for in subsection (1) of section 2;

(2) have passed either:

(a) the training courses leading to this title, that are part of the university program in insurance of persons, unless the Chamber recognizes the representative’s experience and previous training. This program includes sixteen courses of which fifteen must pertain to the subjects listed in subparagraphs *i* to *xii* of this paragraph, as well as one course that must pertain, at the representative’s choice, to one of the subjects listed in subparagraphs *xii* to *xiv*:

- i. Management;
- ii. Marketing;
- iii. Law;
- iv. Economics;
- v. Accounting;
- vi. Financial Management;
- vii. Taxation;
- viii. Financial Planning;
- ix. Estate Planning;
- x. Retirement Planning;
- xi. Insurance and Pensions;
- xii. Investments;
- xiii. Group Insurance;
- xiv. Disability; or

(b) the courses offered by the Canadian Association of Insurance and Financial Advisers (CAIFA) pertaining to the same subjects as those listed in subparagraphs *i* to *xiv* of paragraph a, insofar as the representative was otherwise unable to have access to those courses in his region; or

(c) in another Canadian province, the courses pertaining to the same subjects as those listed in subparagraphs *i* to *xiv* of paragraph a;

(3) not be under suspension, struck off the roll, expelled or have had his certificate revoked.

Furthermore, the representative must submit an application in writing to the Chamber along with documents certifying that he complies with subsections (1) and (2) of this section.

In addition, the representative must, if applicable, have paid the dues for a “Chartered Life Underwriter” (C.L.U.) as well as any other dues and fees provided for in the regulations of the Chamber.

5. The university courses that are part of the program developed by the Chamber may be offered as distance courses.

6. The Chamber shall issue to the representative a document certifying that it has conferred upon him the title of “Chartered Life Underwriter” (C.L.U.).

7. A representative upon whom the Chamber has conferred the title of “Chartered Life Underwriter” (C.L.U.) must cease to use the title of “Registered Life Underwriter” (R.L.U.).

CHAPTER III RECOGNITION OF EXPERIENCE AND PREVIOUS TRAINING

8. Notwithstanding sections 2 and 5, an individual may be awarded the “Registered Life Underwriter” (R.L.U.) or “Chartered Life Underwriter” (C.L.U.) title without having taken and passed one or several of the courses prescribed to obtain these titles, if the Chamber recognizes his experience and previous training.

Experience and previous training are recognized if the representative demonstrates that he has a level of knowledge equivalent to that of an individual who has taken and passed the course for which he is requesting an exemption. To do so, the Chamber analyses the representative’s formal and non-formal education, his work experience and any other pertinent experience in order to determine whether the knowledge acquired corresponds to the requirements of the course or courses for which recognition of experience and previous training is requested.

CHAPTER IV WITHDRAWAL OF A TITLE

9. An insurance representative is not authorized to use the title of “Registered Life Underwriter” (R.L.U.) or “Chartered Life Underwriter” (C.L.U.) while he is under suspension, struck off the roll, expelled or has had his certificate revoked.

10. An insurance representative is not authorized to use the title of “Registered Life Underwriter” (R.L.U.) or “Chartered Life Underwriter” (C.L.U.) where, for more than thirty days, he has been in default of paying the dues for a “Registered Life Underwriter” (R.L.U.) or “Chartered Life Underwriter” (C.L.U.), as applicable, as well as any other dues and fees prescribed in the regulations of the Chamber.

CHAPTER V TRANSITIONAL PROVISIONS

11. Individuals who began the training required to obtain the title of “Registered Life Underwriter” (R.L.U.) or “Chartered Life Underwriter” (C.L.U.) before this Regulation came into force may, at their choice, be awarded this title in accordance with the regulation in force before this date or in accordance with the new provisions, provided that they have taken and passed the required courses.

In the event that some individuals cannot satisfy the requirements of the former program because certain courses are no longer offered, they shall have to take and pass certain courses, deemed equivalent by the Chamber, in order to be awarded the title.

12. Individuals who began the training required to obtain the title of “Registered Life Underwriter” (R.L.U.) or “Chartered Life Underwriter” (C.L.U.) before this Regulation came into force and who choose to take the R.L.U. or C.L.U. program of the Association des intermédiaires en assurance de personnes du Québec (R.S.Q., c. I-15.1) must take and pass the courses required to obtain their diploma within three years of the effective date of this Regulation.

13. This Regulation comes into force on the date prescribed by the government.

2838

Draft Regulation

An Act respecting the distribution of financial products and services
(1998, c. 37)

Chambre de l’assurance de dommages — Ethics

In accordance with sections 10 and 11 of the Regulations Act (R.S.Q., c. R-18.1), notice is hereby given that the Regulation of the Chambre de l’assurance de dommages respecting ethics, the text whereof is set forth hereinbelow, will be submitted to the Government which may approve it, with or without any amendments, upon the expiry of 45 days from the present publication.

This proposed regulation sets forth the rules of ethics applicable to representatives in damage insurance and claims adjusters.

According to the Chambre, the regulation stipulates rules of ethics intended to promote the protection of the public and to promote integrity and competence in the way representatives carry out their activities. It sets forth the obligations of representatives, including their obligations towards the public, towards clients, insurers, and representatives, and towards the Bureau des services financiers and the Chambre de l’assurance de dommages. The regulation draws on the current rules of ethics set forth in the By-law of the Conseil des assurances de dommages respecting market intermediaries in damage insurance. However, adjustments and amendments have been made in order to clarify the current rules and provide greater detail regarding certain obligations, given the new environment created by An Act respecting the distribution of financial products and services, and in order to fill certain gaps which had been noted.

According to the Chambre, to date, a review of this file has not disclosed any impact upon the public, other than a greater degree of protection through effective monitoring of the representatives with whom the public will do business.

Additional information may be obtained by contacting Mrs. Maya Raic, Director General and Interim Secretary, Chambre de l’assurance de dommages, 500, rue Sherbrooke Ouest, 7^e étage, Montréal (Québec) H3A 3C6, telephone number (514) 842-2591 or 1-800-361-7288, telecopier number (514) 842-3138, e-mail: acapq@videotron.ca.

Any interested persons wishing to comment on the above matter are requested to send two copies of their

comments to the Minister of State for the Economy and Finance and Minister of Finance, 12, rue Saint-Louis, bureau 1.01, Québec (Québec) G1R 5L3 before the expiry of the 45-day time period.

BERNARD LANDRY,
Minister of State for the Economy and Finance
Minister of Finance

Code of ethics of damage insurance agents

An Act respecting the distribution of financial products and services
(1998, c. 37)

CHAPTER I GENERAL PROVISIONS

(omitted)

1. A damage insurance agent must take all reasonable steps to ensure that his employees or those of the partnership of which he is a partner comply with the provisions of An Act respecting the distribution of financial products and services (1998, c. 37), the regulations adopted thereunder which are applicable to him and this Code.

The person under whose supervision and responsibility are carried on the activities of an office or a point of sale of a firm, an independent representative or an independent partnership must act in the same manner as regards the employees carrying on their activities in the said office or point of sale, as the case may be.

The training supervisor for a trainee must act in the same manner as regards the trainee.

2. A damage insurance agent must not carry on an occupation that runs counter to the dignity of the profession or that is incompatible therewith.

CHAPTER II DUTIES AND OBLIGATIONS TOWARDS THE PUBLIC

3. A damage insurance agent must support any measure designed to protect the public.

4. A damage insurance agent must support any measure likely to improve the quality of service in the field in which he carries on activities.

5. A damage insurance agent must promote measures designed to provide education and information in the field in which he carries on activities.

6. The conduct of a damage insurance agent must be characterized by objectivity, discretion, moderation and dignity.

7. A damage insurance agent must avoid placing himself, directly or indirectly, in a situation of conflict of interest.

CHAPTER III DUTIES AND OBLIGATIONS TOWARDS CLIENTS

8. A damage insurance agent must, without delay, follow up on the instructions that he receives from a client or notify him that he is unable to do so.

9. Before informing a client or a prospective client, a damage insurance agent must take into account the limits of his knowledge and the means available to him. In particular, he must not undertake or continue a mandate for which he is not sufficiently prepared, without obtaining the necessary assistance.

10. Before informing a client or a prospective client about an insurance product, a damage insurance agent must take into account the actual needs of the client or prospective client regarding the product concerned.

11. A damage insurance agent must not advise a client not to consult another representative in damage insurance, a member of another discipline or any other person of his choosing.

12. A damage insurance agent must carry out his professional obligations with integrity.

13. A damage insurance agent must act conscientiously and with integrity in giving a client or a prospective client information to which he is entitled regarding the insurance product concerned.

14. A damage insurance agent must not, by fraud, trickery or other deceitful means, avoid or attempt to avoid his professional civil liability.

15. A damage insurance agent must not allow the intervention of a third party to affect the carrying out of his professional obligations to the detriment of his client.

16. A damage insurance agent must charge a fair and reasonable remuneration for his services where he is not paid exclusively on a percentage basis. In particular, he must take into account the following factors in determining his remuneration:

- (1) his experience;
- (2) the time devoted to the matter;
- (3) the difficulty of the problem submitted;
- (4) the importance of the matter;
- (5) the responsibility assumed;
- (6) the provision of unusual services or services requiring exceptional competence or speed;
- (7) the result obtained.

17. A damage insurance agent must not pay, offer to pay or undertake to pay to a person who is not a representative any advantage, compensation, rebate or other remuneration, except where permitted by the Act.

18. Unless he has obtained the written consent of his client and all other interested persons, a damage insurance agent must maintain the secrecy of what has been confided to him in the course of his activities, unless he is relieved of that obligation by an express provision of an act, by an order of a competent court or by the carrying on of his activities.

19. A damage insurance agent must not use personal or confidential information gathered in the course of his activities for purposes other than those for which he gathered it.

20. A damage insurance agent must take all reasonable measures to ensure that employees do not reveal personal information about a client.

CHAPTER IV DUTIES AND OBLIGATIONS TOWARDS INSURERS

21. A damage insurance agent must give insurers the information that it is common practice for him to provide.

22. A damage insurance agent must not abuse the good faith of an insurer or use unfair practices in dealing with it.

23. A damage insurance agent must not neglect to disclose to an insurer any information in his possession that may affect compensation, in particular breaches of contract, fraud, misrepresentations or forging of evidence.

24. Where applicable, a damage insurance agent must not, without good cause, fail to pay an insurer, upon request or upon the expiry of a prescribed period, the premiums that he collects on its behalf.

CHAPTER V DUTIES AND OBLIGATIONS TOWARDS REPRESENTATIVES

25. A damage insurance agent must use fair methods of competition and solicitation.

26. A damage insurance agent must not discredit another representative.

27. A damage insurance agent must not abuse the good faith of another representative or use unfair practices in dealing with him.

CHAPTER VI DUTIES AND OBLIGATIONS TOWARDS THE BUREAU DES SERVICES FINANCIERS AND THE CHAMBRE DE L'ASSURANCE DE DOMMAGES

28. A damage insurance agent must answer without delay any correspondence from the Bureau or the Chamber, from their executive officers or inspectors, from the syndic of the Chamber or his assistants, or from an investigator referred to in sections 339 and following of the Act, in the performance of the duties devolved upon them under the Act or its regulations.

29. A damage insurance agent must not, directly or indirectly, obstruct the work of the Bureau or the Chamber, of their executive officers or inspectors, of the syndic of the Chamber or of its investigators.

30. Where a damage insurance agent has been informed of an investigation concerning him, he must not intervene vis-à-vis the complainant or informer, except within the scope of performing his mandate, where applicable.

31. A damage insurance agent must not use judicial proceedings deemed dilatory or excessive by the body seized thereof in order to prevent the filing or continuance of a complaint against him for a breach of the Act or its regulations or in order to cause such complaint to be withdrawn or abandoned.

CHAPTER VII BREACHES OF THE CODE OF ETHICS

32. Breaches of the Code of Ethics by a damage insurance agent include:

(1) ceasing to fulfil the requirements for becoming a holder of a certificate for a damage insurance agent;

(2) carrying on activities dishonestly or negligently;

(3) having been found guilty, by final judgment, of a criminal act related to the activity of representative;

(4) contravening any provision of the Act and its regulations applicable to him;

(5) being an undischarged bankrupt, unless the bankruptcy resulted from causes unrelated to the activity of representative;

(6) carrying on activities under conditions or in situations likely to comprise the quality of his services;

(7) directly or indirectly paying or compensating a person who is not a representative in order for that person to act in that capacity or use that title;

(8) directly or indirectly accepting or obtaining payment or compensation from a person who is not a representative and who acts or attempts to act in that capacity;

(9) directly or indirectly accepting or obtaining payment or compensation not authorized by the Act from a person other than the person who used his services;

(10) sharing, offering to share or promising to share his commission or compensation with a person who is not a representative;

(11) paying or promising to pay remuneration or compensation in order for his services to be used, except as provided for by the Act;

(12) carrying on activities not authorized by his certificate or by the class indicated thereon, or implying that he is authorized to do so;

(13) falsely implying that he holds a particular certificate;

(14) knowingly making a false statement;

(15) participating in gathering or in conserving evidence that he knows is false;

(16) concealing or knowingly withholding that which a legislative or regulatory provision requires him to disclose;

(17) advising or encouraging a client to do something that the damage insurance agent knows is illegal or fraudulent;

(18) using or paying a third party to obtain a mandate where that party is not authorized by the Act to do so;

(19) unjustifiably refusing or neglecting to appear at the office of the syndic, of one of his assistants or of an investigator referred to in sections 339 and following of the Act, at the request of any of them;

(20) carrying on activities with persons not authorized to carry on such activities by the Act or the regulations adopted thereunder, or using their services to do so;

(21) charging for professional services not rendered or falsely described;

(omitted)

(22) carrying out solicitation or placing advertisements not permitted by the Act or the regulations adopted thereunder, or allowing such solicitation to be carried out or such advertisements to be placed;

(23) out of malice, filing a complaint or making an unfounded accusation against another representative;

(24) using or appropriating, for personal purposes, money or securities entrusted to him in the carrying out of any mandate, whether the activities carried on by the agent are in the discipline of damage insurance or in another discipline contemplated in the Act.

2843

Draft Regulation

An Act respecting the distribution of financial products and services
(1998, c. 37)

Chambre de l'assurance de dommages — Titles of associate insurance broker and chartered insurance broker

In accordance with sections 10 and 11 of the Regulations Act (R.S.Q., c. R-18.1), notice is hereby given that the Regulation of the Chambre de l'assurance de dommages respecting the titles of associate insurance broker and chartered insurance broker, the text whereof is set forth hereinbelow, will be submitted to the Government which may approve it, with or without any amendments, upon the expiry of 45 days from the present publication.

According to the Chambre, this proposed regulation sets forth the purpose of the program of studies leading to the title of "associate insurance broker" and the abbreviation "A.I.B.", as well as the title of "chartered insurance broker" and the abbreviation "C.I.B.", by fo-

cussing training on corporate management and risk management. These provisions will harmonize the training requirements needed for obtaining these titles with the various programs offered in the general and vocational colleges (CEGEPs) and in the universities.

It sets forth the procedures to be followed when an individual wishes to have his prior learning recognized in order to obtain the title of associate insurance broker (A.I.B.) or chartered insurance broker (C.I.B.).

Finally, it sets forth transitional provisions required in order to make the transition from the former training requirements to the new training requirements for obtaining these titles and in order to make the transition to the *Chambre de l'assurance de dommages*.

According to the *Chambre*, a review of this file has not disclosed any impact upon the public.

Additional information may be obtained by contacting Mrs. Maya Raic, Director General and Interim Secretary, *Chambre de l'assurance de dommages*, 500, rue Sherbrooke Ouest, 7^e étage, Montreal (Québec) H3A 3C6, telephone number (514) 842-2591 or 1-800-361-7288, telecopier number (514) 842-3138, e-mail: acapq@videotron.ca.

Any interested persons wishing to comment on the above matter are requested to send two copies of their comments to the Minister of State for the Economy and Finance and Minister of Finance, 12, rue Saint-Louis, bureau 1.01, Québec (Québec) G1R 5L3 before the expiry of the 45-day time period.

BERNARD LANDRY,
*Minister of State for the Economy and Finance
and Minister of Finance*

Regulation of the *Chambre de l'assurance de dommages* respecting the titles of associate insurance broker and chartered insurance broker

An Act respecting the distribution of financial products and services
(1998, c. 37)

CHAPTER I THE TITLE OF ASSOCIATE INSURANCE BROKER

1. The Chamber may authorize a damage insurance broker, who holds a certificate issued by the Bureau authorizing him to act as such, to use the title of "associate insurance broker" and the abbreviation "(A.I.B.)", provided:

(1) he has acted as a damage insurance broker for at least 12 consecutive months;

(2) he holds a certificate for a broker in personal and commercial lines insurance;

(3) he has fulfilled one of the following conditions:

(a) he has taken and successfully completed the compulsory courses determined by the Chamber as provided for in the programs of studies for the Attestation of College Studies in damage insurance, the Diploma of College Studies in administrative techniques in the field of (damage) insurance or the title of Associate of the Institut d'assurance de dommages du Canada and the Chamber, unless his prior learning has been recognized;

(b) he holds an Attestation of College Studies in damage insurance and has successfully completed the course of Associate of the Institut relating to the same subject as that contemplated in subparagraph 12 of the second paragraph of this section and the course of the Chamber relating to the same subject as that contemplated in subparagraph 13 of the said second paragraph, unless his prior learning has been recognized;

(c) he holds a Diploma of College Studies in administrative techniques in the field of (damage) insurance and has successfully completed the courses for the Attestation of College Studies in damage insurance relating to the same subjects as those contemplated in subparagraphs 4, 5, 7 and 10 of the second paragraph of this section and the course of Associate of the Institut relating to the same subject as that contemplated in subparagraph 12 of the second paragraph as well as the course of the Chamber relating to the same subject as that contemplated in subparagraph 13 of the said second paragraph, unless his prior learning has been recognized;

(d) he holds a Diploma of College Studies in administrative techniques in the field of (damage) insurance and has successfully completed the courses of Associate of the Institut relating to the same subjects as those contemplated in subparagraphs 4, 5, 12 of the second paragraph of this section and the courses for the Attestation of College Studies relating to the same subjects as those contemplated in subparagraphs 7 and 10 of the second paragraph as well as the course of the Chamber relating to the same subject as that contemplated in subparagraph 13 of the said second paragraph, unless his prior learning has been recognized.

For purposes of this section, a program of studies is a program which comprises fourteen courses relating to the following subjects:

- (1) laws and regulations
- (2) home insurance
- (3) automobile insurance
- (4) commercial lines insurance
- (5) building mechanics
- (6) financial accounting
- (7) computer science
- (8) communications
- (9) sales
- (10) customer service
- (11) claims adjustment
- (12) introduction to risk management
- (13) portfolio analysis.

2. The Chamber shall issue to a damage insurance broker an attestation that it authorizes him to use the title of “associate insurance broker” and the abbreviation “(A.I.B.)”.

(omitted)

CHAPTER II

THE TITLE OF CHARTERED INSURANCE BROKER

3. The Chamber may authorize a damage insurance broker, who holds a certificate issued by the Bureau authorizing him to act as such, to use the title of “chartered insurance broker” and the abbreviation “(C.I.B.)”, provided:

- (1) he has acted as a damage insurance broker for at least 24 consecutive months;
- (2) he is authorized by the Chamber to use the title of “associate insurance broker”;
- (3) he has taken and successfully completed the training courses permitting access to the said title, as provided for in the university program in damage insurance, unless his prior learning has been recognized.

The university program in damage insurance contemplated in subparagraph 3 of the first paragraph comprises fifteen courses of which thirteen must compulsorily relate to the subjects set forth in subparagraphs 1 to 11 of this paragraph as well as two courses relating, at the damage insurance broker’s choosing, to one of the subjects set forth in subparagraphs 12 to 14:

- (1) organizational management
- (2) accounting
- (3) financial management
- (4) economics
- (5) business law
- (6) entrepreneurship

- (7) leadership
- (8) marketing
- (9) human resources management
- (10) mathematics
- (11) risk management
- (12) operations management
- (13) training
- (14) advertising

4. The Chamber shall issue to a damage insurance broker an attestation that it authorizes him to use the title of “chartered insurance broker” and the abbreviation “(C.I.B.)”.

5. A damage insurance broker who is authorized by the Chamber to use the title of “chartered insurance broker” and the abbreviation “(C.I.B.)” must cease using the title of “associate insurance broker” and the abbreviation “(A.I.B.)”.

CHAPTER III

RECOGNITION OF PRIOR LEARNING

6. Notwithstanding the provisions of subparagraphs 1 and 3 of the first paragraph of section 1 and those of section 3, the Chamber may authorize a broker to use the title of associate insurance broker and the abbreviation “(A.I.B.)” or the title of chartered insurance broker and the abbreviation “(C.I.B.)” if the broker can prove to the Chamber that he has attained a level of knowledge equivalent to that of a broker having taken the course and passed the examination for which he is requesting an exemption.

CHAPTER IV

WITHDRAWAL OF A TITLE

7. A damage insurance broker shall no longer be authorized to use either of the titles set forth in the first paragraph of section 318 of the Act:

- (1) if he ceases to hold a certificate for a damage insurance broker;
- (2) if his certificate for a damage insurance broker is suspended by a final decision of the committee on discipline or the Court of Québec sitting in appeal from a decision of the said committee;
- (3) if he has failed, for more than 30 days, to pay the fines or costs imposed by a final decision of the committee on discipline of the Chamber or the Court of Québec sitting in appeal from a decision of the said committee, as the case may be;
- (4) if he has failed, for more than 3 months, to comply with the obligation to remit a sum of money imposed

pursuant to subparagraph d of the first paragraph of section 156 of the Professional Code (R.S.Q., c. C-26) as a penalty by means of a final decision of the committee on discipline or the Court of Québec sitting in appeal from a decision of the said committee;

(5) if he has failed to comply with the rules governing compulsory professional development which are applicable to him.

A broker who remedies the defaults for which his authorization to use either of the titles contemplated in this Regulation has been withdrawn pursuant to the first paragraph shall once again be authorized to use his title.

The provisions of the second paragraph shall not apply to a broker whose certificate has been cancelled by a final decision of the committee on discipline or the Court of Québec sitting in appeal from a decision of the said committee, as the case may be.

CHAPTER V TRANSITIONAL PROVISION

8. A damage insurance broker who, prior to the coming into force of this Regulation, has started to take the training program of the Association des courtiers d'assurances de la province de Québec leading to the title of associate insurance broker (A.I.B.) or the university training program leading to the title of chartered insurance broker (C.I.B.) may, at his option, for the purpose of asking the Chamber for the authorization to use the title sought, satisfy the requirements of the provisions of this Regulation, or the requirements governing the aforesaid program which led to the title sought, provided that in the latter case, he has taken the courses and successfully passed the examinations prescribed by the said program within the following period:

(1) where the authorization request relates to the title of associate insurance broker and its abbreviation "(A.I.B.)", a period of 1 year from the coming into force of this Regulation;

(2) where the authorization request relates to the title of chartered insurance broker and its abbreviation "(C.I.B.)", a period of 5 years from the said date.

However, if the broker is unable to satisfy the requirements of the provisions of the training program mentioned in the first paragraph which are applicable to him due to the fact that one or more of the prescribed courses are no longer offered, in such a case, he may take the courses and successfully pass the examinations deemed to be equivalent by the Chamber.

(omitted)

Draft Regulation

An Act respecting the distribution of financial products and services
(1998, c. 37)

Claims adjusters — Code of ethics

In accordance with sections 10 and 11 of the Regulations Act (R.S.Q., c. R-18.1), notice is hereby given that the Regulation of the Chambre de l'assurance de dommages respecting ethics of Claims Adjusters, the text whereof is set forth hereinbelow, will be submitted to the Government which may approve it, with or without any amendments, upon the expiry of 45 days from the present publication.

According to the Chambre de l'assurance de dommages, the proposed regulation sets forth the obligations of Claims Adjusters, including their obligations towards the public, towards clients, insurers, and representatives, and towards the Bureau des services financiers and the Chambre de l'assurance de dommages. The regulation draws on the current rules of ethics set forth in the By-law of the Conseil des assurances de dommages respecting market intermediaries in damage insurance. However, adjustments and amendments have been made in order to clarify the current rules and provide greater detail regarding certain obligations, given the new environment created by An Act respecting the distribution of financial products and services, and in order to fill certain gaps which had been noted.

The Chambre believes that to date, a review of this file has not disclosed any impact upon the public, other than a greater degree of protection through effective monitoring of the Claims Adjusters with whom the public will do business.

Additional information may be obtained by contacting Mrs. Maya Raic, Director General and Interim Secretary, Chambre de l'assurance de dommages, 500, Sherbrooke Ouest, 7^e étage, Montréal (Québec) H3A 3C6, telephone number (514) 842-2591 or 1-800-361-7288, telecopier number (514) 842-3138, e-mail: acapq@videotron.ca.

All interested persons wishing to provide comments with regard to the foregoing are requested to send such comments, in duplicate, prior to the expiry of the 45-day deadline, to the Minister of Finance, 12, rue Saint-Louis, bureau 1.10, Québec (Québec) G1R 5L3.

BERNARD LANDRY,
Minister of State for the Economy and Finance

Code of ethics of claims adjusters

An Act respecting the distribution of financial products and services (1998, c. 37)

CHAPTER I GENERAL PROVISIONS

(omitted)

1. A claims adjuster must take all reasonable steps to ensure that his employees or those of the partnership of which he is a partner comply with the provisions of An Act respecting the distribution of financial products and services (1998, c. 37), the regulations adopted thereunder which are applicable to him and this Code.

The person under whose supervision and responsibility are carried on the activities of an office or a point of sale of a firm, an independent representative or an independent partnership must act in the same manner as regards the employees carrying on their activities in the said office or point of sale, as the case may be.

The training supervisor for a trainee must act in the same manner as regards the trainee.

2. A claims adjuster must not carry on an occupation that runs counter to the dignity of the profession or that is incompatible therewith.

3. A claims adjuster must collaborate with Government institutions, police authorities and insurers' investigation departments by providing to them upon request any information likely to facilitate an investigation of fraud or of any crime.

CHAPTER II DUTIES AND OBLIGATIONS TOWARDS THE PUBLIC

4. A claims adjuster must support any measure designed to protect the public.

5. A claims adjuster must support any measure likely to improve the quality of service in the field in which he carries on activities.

6. A claims adjuster must promote measures designed to provide education and information in the field in which he carries on activities.

7. The conduct of a claims adjuster must be characterized by objectivity, discretion, moderation and dignity.

8. A claims adjuster must avoid placing himself, directly or indirectly, in a situation of conflict of interest.

9. A claims adjuster must not represent the interests of both an insured and the insured's insurer at the same time.

10. In carrying on his activities, a claims adjuster must identify himself clearly and must produce his certificate upon request.

11. A claims adjuster must not falsely claim, by any means whatsoever, that he is chartered, recommended, sponsored, approved by a third party, or affiliated or associated with a third party.

12. A claims adjuster must not neglect to notify an insured of the approach of a prescription date concerning him.

13. A claims adjuster must notify the parties involved, as well as any person that he knows has an interest in the compensation requested, of any refusals or any measures that the insurer intends to take regarding the claim.

14. A claims adjuster must act in such a way as not to mislead or abuse the good faith of the parties involved or of their insurers.

15. In addition to opinions and advice, a claims adjuster must provide a claimant with the explanations necessary for him to understand and appreciate the services rendered to him.

16. Unless he has obtained the written consent of his client and all other interested persons, a claims adjuster must maintain the secrecy of what has been confided to him in the course of his activities, unless he is relieved of that obligation by an express provision of an act, by an order of a competent court or by the carrying on of his activities.

17. A claims adjuster must take all reasonable measures to ensure that employees do not reveal personal information obtained in the course of their activities.

18. A claims adjuster must not use personal or confidential information gathered in the course of his activities for purposes other than those for which he gathered it.

19. A claims adjuster must not accept or continue a mandate if it involves or may involve disclosing or using confidential information or documents obtained from another claimant, unless that claimant so consents.

20. A claims adjuster must not withhold sums of money, securities, documents or property of a claimant unless a legislative or regulatory provision so permits.

21. A claims adjuster must take reasonable care of the property entrusted to his care by the claimant or the client.

22. A claims adjuster must not endorse a cheque made out to a claimant or to a client unless he has been notified by that party in writing that he may do so and provided that he endorses the cheque only for the purpose of depositing it into a separate account.

23. A claims adjuster must not:

(1) have a personal interest in the settlement of a claim;

(2) derive or seek to derive personal benefit, other than his salary or remuneration, from a matter entrusted to him;

(3) ask anyone whomsoever, except the client or his representatives, to inform him of the occurrence of an accident;

(4) obtain or attempt to obtain details concerning an insurance policy from a person other than the client or his representatives, with a view to having the settlement of claim entrusted to him;

(5) advise an insured, a claimant or a third party not to consult another representative or any other person of his choosing;

(6) mislead an interested party as to the identity of his client;

(7) pay or offer to pay a witness compensation that is conditional on the content of his testimony or on the outcome of litigation;

(8) unduly withhold, conceal, harbour, falsify, mutilate or destroy evidence, whether directly or indirectly;

(9) conceal evidence that he or a client has a legal obligation to conserve, disclose or produce.

CHAPTER III DUTIES AND OBLIGATIONS TOWARDS CLIENTS

24. A claims adjuster must avoid any misrepresentations as to his level of competence or the effectiveness of his services.

25. Before accepting a mandate, a claims adjuster must take into account the limits of his abilities and knowledge and the means available to him. In particular, he must not undertake or continue a mandate for which he is not sufficiently prepared, without obtaining the necessary assistance.

26. A claims adjuster must not represent opposing interests, except with the consent of his clients.

27. A claims adjuster must not advise a client not to consult another representative, a member of another discipline or any other person of his choosing.

28. A claims adjuster must act promptly, honestly and equitably in providing his professional services in connection with the mandates entrusted to him.

29. A claims adjuster must inform the client promptly of any violation, fraud or circumstances that could reduce or compromise an entitlement to compensation.

30. A claims adjuster must, without delay, follow up on the instructions that he receives from a client or notify him that he is unable to do so.

31. A claims adjuster must submit to the client any offer of settlement.

32. In carrying out a mandate, a claims adjuster must avoid multiplying professional acts.

33. A claims adjuster must not take into account the intervention of a third party that could affect the carrying out of his professional obligations to the detriment of the client.

34. A claims adjuster may, for good and reasonable cause, cease to act on behalf of a client and unilaterally terminate a mandate after taking reasonable measures to ensure that the client suffers no prejudice therefrom.

Good and reasonable cause includes:

(1) the loss of the client's confidence;

(2) deceit on the part of a client or the client's refusal to collaborate;

(3) pressure from a client to carry out illegal, unfair, immoral or fraudulent acts;

(4) persistent refusal by a client to accept a fair settlement;

(5) a claims adjuster being in conflict of interest or in a situation that casts doubt on his professional independence;

(6) refusal by a client to recognize an obligation relating to costs, disbursements and remuneration or, following reasonable prior notification, his refusal to pay the claims adjuster an instalment towards the fulfilment of that obligation.

35. A claims adjuster must cease to represent a client if his mandate is revoked.

36. A claims adjuster must report to the client upon request and must show diligence in preparing his reports, rendering his accounts and making his remittances.

37. A claims adjuster must not, through fraud, trickery or other deceitful means, avoid or attempt to avoid his professional civil liability.

38. The remuneration set by a claims adjuster must be fair and reasonable. Remuneration is fair and reasonable where it is justified by the circumstances and proportionate to the services rendered. In setting his remuneration, a claims adjuster must take particular account of the following factors:

- (1) his experience;
- (2) the time devoted to the matter;
- (3) the difficulty of the problem submitted;
- (4) the importance of the matter;
- (5) the responsibility assumed;
- (6) the provision of unusual services or services requiring exceptional competence or speed;
- (7) the result obtained.

39. A claims adjuster must ensure that a client is informed of the approximate and foreseeable cost of his services.

40. If a claims adjuster has concluded a contract with a client providing for remuneration on an hourly basis, he must provide the client with all explanations necessary for him to understand his statement of remuneration and the terms and conditions for payment.

41. A claims adjuster must not accept, other than the remuneration or compensation to which he is entitled,

any advantage, rebate or commission relating to his activities, except where permitted by the Act. In addition, he must not pay, offer to pay or undertake to pay any advantage, rebate, compensation or other remuneration, except where permitted by the Act.

42. A claims adjuster may charge interest on overdue accounts only if he has an agreement to that effect with the client. Any interest charged must be at a reasonable rate and does not exceed the rate set in accordance with section 28 of the Act respecting the Ministère du Revenu.

43. Upon completion of his mandate, a claims adjuster must repay any part of an advance on his remuneration for which no work was done.

CHAPTER IV SPECIAL PROVISIONS APPLICABLE IN THE CASE OF A MANDATE GIVEN BY A CLAIMANT TO A CLAIMS ADJUSTER

44. A claims adjuster must not under any circumstances undertake appraisal work for a claimant or claim to act on his behalf unless he has been given a prior written mandate to do so by the claimant.

45. A claims adjuster must not borrow from a claimant sums of money that he collects for him.

CHAPTER V SPECIAL PROVISIONS APPLICABLE IN THE CASE OF A MANDATE GIVEN BY AN INSURER TO A CLAIMS ADJUSTER

46. A claims adjuster must not under any circumstances undertake appraisal work for an insurer or claim to act on its behalf unless he has been given a prior written mandate to do so by the insurer.

47. When a claims adjuster informs the insured that he is acting on behalf of an insurer, he must also indicate to the insured that he represents only the interests of the insurer.

48. A claims adjuster must notify the insurer of any ties or interests held by third parties in property that is the subject of a claim and suggest to it settlements that take account thereof.

49. A claims adjuster must disclose to the insurer any information in his possession that could affect decisions regarding the settlement of a claim, particularly breaches of contract, fraud, misrepresentations or forging of evidence.

CHAPTER VI

DUTIES AND OBLIGATIONS TOWARDS INSURERS

50. A claims adjuster must not mislead an insurer, abuse its good faith or use unfair practices in dealing with the insurer.

51. A claims adjuster must not falsely make representations to an insurer to the effect that he is in charge of settling a claim.

CHAPTER VII

DUTIES AND OBLIGATIONS TOWARDS REPRESENTATIVES

52. A claims adjuster must use fair methods of competition and solicitation.

53. A claims adjuster must not discredit another representative.

54. A claims adjuster must not mislead another representative, abuse his good faith or use unfair practices in dealing with him.

55. A claims adjuster must collaborate with other representatives insofar as he causes no prejudice to his client or to the parties involved in a claim.

CHAPTER VIII

DUTIES AND OBLIGATIONS TOWARDS THE BUREAU DES SERVICES FINANCIERS AND THE LA CHAMBRE DE L'ASSURANCE DE DOMMAGES

56. A claims adjuster must answer without delay any correspondence from the Bureau or the Chamber, from their executive officers or inspectors, from the syndic of the Chamber or his assistants, or from an investigator referred to in sections 339 and following of the Act, in the performance of the duties devolved upon them under the Act or its regulations.

57. A claims adjuster must not, directly or indirectly, obstruct the work of the Bureau or the Chamber, of their executive officers or inspectors, of the syndic of the Chamber or of its investigators.

58. Where a claims adjuster has been informed of an investigation concerning him, he must not intervene vis-à-vis the complainant or informer, except within the scope of performing his mandate, where applicable.

59. A claims adjuster must not use judicial proceedings deemed dilatory or excessive by the body seized

thereof in order to prevent the filing or continuance of a complaint against him for a breach of the Act or its regulations or in order to cause such complaint to be withdrawn or abandoned.

CHAPTER IX

BREACHES OF THE CODE OF ETHICS

60. Breaches of the Code of Ethics by a claims adjuster include:

(1) ceasing to fulfil the requirements for becoming a holder of a certificate for a claims adjuster;

(2) carrying on activities dishonestly or negligently;

(3) having been found guilty, by final judgment, of a criminal act related to the activity of representative;

(4) contravening any provision of the Act and its regulations applicable to him;

(5) being an undischarged bankrupt, unless the bankruptcy resulted from causes unrelated to the activity of representative;

(6) carrying on activities under conditions or in situations likely to compromise the quality of his services;

(7) directly or indirectly paying or compensating a person who is not a representative in order for that person to act in that capacity or use that title;

(8) directly or indirectly accepting or obtaining payment or compensation from a person who does not hold a certificate for a claims adjuster and who acts or attempts to act in that capacity;

(9) directly or indirectly accepting or obtaining payment or compensation not authorized by the Act from a person other than the person who used his services;

(10) sharing, offering to share or promising to share his commission with a person who is not a representative in damage insurance or a claims adjuster;

(11) paying or promising to pay remuneration or compensation to a third party in order for his services to be used, except as provided for by the Act or the regulations adopted thereunder;

(12) carrying on activities not authorized by his certificate or by the class indicated thereon, or implying that he is authorized to do so;

(13) falsely implying that he holds a particular certificate;

(14) knowingly deriving benefit from perjury or from false evidence;

(15) knowingly making a false statement;

(16) participating in gathering or in conserving evidence that he knows is false;

(17) concealing or knowingly withholding that which a legislative or regulatory provision requires him to disclose;

(18) advising or encouraging a client to do something that the claims adjuster know is illegal or fraudulent;

(19) not informing the client, the insured or the opposing party of any impediment to the continuation of his mandate;

(20) insistently or repeatedly urging a person to use his professional services;

(21) requiring a client to pay advances that are disproportionate to the nature and circumstances of the claim and the state of the parties;

(22) using or paying a third party to solicit where that party is not authorized by the Act to do so;

(23) unjustifiably refusing or neglecting to appear at the office of the syndic, of one of his assistants or of an investigator referred to in sections 339 and following of the Act, at the request of any of them;

(24) carrying on activities with persons not authorized to carry on such activities by the Act or the regulations adopted thereunder, or using their services to do so;

(25) charging for professional services not rendered or falsely described;

(omitted)

(26) carrying out solicitation or placing advertisements not permitted by the Act or the regulations adopted thereunder, or allowing such solicitation to be carried out or such advertisements to be placed;

(27) out of malice, filing a complaint or making an unfounded accusation against another representative;

(28) using or appropriating, for personal purposes, money or securities entrusted to him in the carrying out of any mandate, whether the activities carried on by the

claims adjuster are in the discipline of claims adjustment or in another discipline contemplated in the Act.

CHAPTER X SPECIAL RULES APPLICABLE TO A CLAIMS ADJUSTER EMPLOYED BY AN INSURER

DIVISION I GENERAL PROVISIONS

61. The special rules in this Chapter apply only to a claims adjuster employed by an insurer.

Moreover, the said claims adjuster is not subject to the provisions of the other Chapters of this Code, unless the provisions of this Chapter otherwise provide.

DIVISION II DUTIES AND OBLIGATIONS OF A CLAIMS ADJUSTER EMPLOYED BY AN INSURER

62. A claims adjuster must not:

(1) neglect to effect promptly, honestly and fairly the settlement of claims for which responsibility has been determined;

(2) neglect to follow up promptly on a request for compensation arising from an insurance contract;

(3) neglect to accept or refuse a request for compensation within a reasonable period following the filing of the required evidence;

(4) neglect to notify an insured of the approach of the prescription date;

(5) postpone the settlement of property damage until the settlement of bodily injuries.

DIVISION III DUTIES AND OBLIGATIONS TOWARDS THE BUREAU AND THE CHAMBER

63. A claims adjuster employed by an insurer must not breach the provisions of Chapter VIII of this Code.

DIVISION IV BREACHES OF THE CODE OF ETHICS

64. The provisions of section 60 of this Code shall apply to a claims adjuster employed by an insurer, except as regards subparagraphs 7 and following of the said section.

Draft Regulation

An Act respecting the distribution of financial products and services
(1998, c. 37)

Damage insurance brokers — Code of ethics

In accordance with sections 10 and 11 of the Regulations Act (R.S.Q., c. R-18.1), notice is hereby given that the Regulation of the *Chambre de l'assurance de dommages* respecting ethics of Damage Insurance, the text whereof is set forth hereinbelow, will be submitted to the Government which may approve it, with or without any amendments, upon the expiry of 45 days from the present publication.

According to the *Chambre de l'assurance de dommages*, the proposed regulation sets forth the obligations of Damage Insurance Brokers, including their obligations towards the public, towards clients, insurers, and representatives, and towards the *Bureau des services financiers* and the *Chambre de l'assurance de dommages*. The regulation draws on the current rules of ethics set forth in the By-law of the *Conseil des assurances de dommages* respecting market intermediaries in damage insurance. However, adjustments and amendments have been made in order to clarify the current rules and provide greater detail regarding certain obligations, given the new environment created by An Act respecting the distribution of financial products and services, and in order to fill certain gaps which had been noted.

The *Chambre* believes that to date, a review of this file has not disclosed any impact upon the public, other than a greater degree of protection through effective monitoring of the Damage Insurance Brokers with whom the public will do business.

Additional information may be obtained by contacting Mrs. Maya Raic, Director General and Interim Secretary, *Chambre de l'assurance de dommages*, 500, rue Sherbrooke Ouest, 7^e étage, Montréal (Québec), H3A 3C6, telephone number (514) 842-2591 or 1-800-361-7288, telecopier number (514) 842-3138, e-mail: acapq@videotron.ca.

All interested persons wishing to provide comments with regard to the foregoing are requested to send such comments, in duplicate, prior to the expiry of the 45-day deadline, to the Minister of Finance, 12, rue Saint-Louis, local 1.10, Québec (Québec) G1R 5L3.

BERNARD LANDRY,
*Minister of State for
the Economy and Finance*

Code of ethics of damage insurance brokers

An Act respecting the distribution of financial products and services
(1998, c. 37)

CHAPTER I GENERAL PROVISIONS

(omitted)

1. A damage insurance broker must take all reasonable steps to ensure that his employees or those of the partnership of which he is a partner comply with the provisions of An Act respecting the distribution of financial products and services (1998, c. 37), the regulations adopted thereunder which are applicable to him and this Code.

The person under whose supervision and responsibility are carried on the activities of an office or a point of sale of a firm, an independent representative or an independent partnership must act in the same manner as regards the employees carrying on their activities in the said office or point of sale, as the case may be.

The training supervisor for a trainee must act in the same manner as regards the trainee.

2. A damage insurance broker must not carry on an occupation that runs counter to the dignity of the profession or that is incompatible therewith.

3. A damage insurance broker must not, directly or indirectly, pay or compensate or allow the payment or compensation of a person who is not a representative in order for that person to act in that capacity or use that title.

4. A damage insurance broker must not, directly or indirectly, be promised or receive a payment or compensation from a person who is not a damage insurance broker and who acts or attempts to act in that capacity.

5. A damage insurance broker must not, directly or indirectly, be promised or receive a payment or compensation not authorized by the Act or the regulations adopted thereunder from a person other than the person who used his services.

6. A damage insurance broker must not pay, offer to pay or undertake to pay to a person who is not a representative any advantage, rebate, compensation or other remuneration, except where permitted by the Act.

7. A damage insurance broker must not share, offer to share or promise to share the commission or compensation received by him, except as permitted by the Act or the regulations applicable to him.

8. A damage insurance broker must not pay or promise to pay remuneration in order for his services to be used, except as permitted by the Act or the regulations applicable to him.

9. A damage insurance broker must not neglect the professional duties relating to the carrying on of his activities; he must carry out such duties with integrity.

(omitted)

10. A damage insurance broker must avoid placing himself, directly or indirectly, in a situation of conflict of interest.

CHAPTER II DUTIES AND OBLIGATIONS TOWARDS THE PUBLIC

11. A damage insurance broker must support any measure designed to protect the public.

12. A damage insurance broker must support any measure likely to improve the quality of service and the availability of professional services in the field in which he carries on activities.

13. A damage insurance broker must promote measures designed to provide education and information in the field in which he carries on activities.

14. The conduct of a damage insurance broker must be characterized by objectivity, discretion, moderation and dignity.

15. A damage insurance broker must avoid any misrepresentations as to his level of competence or the effectiveness of his services.

CHAPTER III DUTIES AND OBLIGATIONS TOWARDS CLIENTS

16. Before accepting a mandate, a damage insurance broker must take into account the limits of his abilities and knowledge and the means available to him. In particular, he must not undertake or continue a mandate for which he does not have the necessary skills, without obtaining the proper assistance.

17. Before advising a client or a prospective client about a damage insurance product, a damage insurance broker must take into account the actual needs of the client or prospective client regarding the product concerned.

18. A damage insurance broker must not advise his client not to consult another representative in damage insurance or another person of his choosing.

19. A damage insurance broker must always place the interests of the insured and of all prospective clients before his own interests and those of any other person or institution.

20. A damage insurance broker must not, by fraud, trickery or other deceitful means, avoid or attempt to avoid his professional civil liability.

21. When requesting remuneration or compensation from a client, a damage insurance broker must charge and accept remuneration or compensation that is fair, reasonable and proportionate to the services rendered. In particular, he must take into account the following factors in determining his remuneration:

(1) his experience;

(2) the time devoted to the matter;

(3) the difficulty of the problem submitted;

(4) the importance of the matter;

(5) the responsibility assumed;

(6) the provision of unusual services or services requiring exceptional competence or speed;

(7) the result obtained.

22. Prior to or concurrently with the acceptance of a mandate, a damage insurance broker must notify the client that he will be requesting remuneration for the services to be rendered and he must inform the client of the amount of the remuneration for each of the services.

23. A damage insurance broker must take all reasonable measures to ensure that employees do not reveal personal information about a client.

24. A damage insurance broker must carry out the mandate accepted by him in a transparent manner.

CHAPTER IV DUTIES AND OBLIGATIONS TOWARDS INSURERS

25. A damage insurance broker must not abuse the good faith of an insurer or use unfair practices in dealing with it.

26. A damage insurance broker must not, without good cause, fail to pay an insurer, upon request or upon the expiry of a prescribed period, the premiums that he collects on its behalf.

(omitted)

CHAPTER V DUTIES AND OBLIGATIONS TOWARDS REPRESENTATIVES

27. A damage insurance broker must not, directly or indirectly, publish or distribute a report or comments which he knows to be false regarding another representative, a firm or an independent partnership carrying on activities governed by the Act.

Moreover, he must not use judicial proceedings deemed dilatory or excessive by the body seized thereof in order to prevent the filing or continuance of a complaint against him for a breach of the Act or its regulations or in order to cause such complaint to be withdrawn or abandoned.

28. A damage insurance broker must not discredit another representative.

(omitted)

29. A damage insurance broker must not abuse the good faith of another representative or use unfair practices in dealing with him.

30. A damage insurance broker must not file a malicious complaint or make a malicious accusation against another representative.

CHAPTER VI DUTIES AND OBLIGATIONS TOWARDS THE BUREAU DES SERVICES FINANCIERS AND THE CHAMBRE DE L'ASSURANCE DE DOMMAGES

31. A damage insurance broker must answer without delay any correspondence from the Bureau or the Chamber, from their executive officers or inspectors, from the syndic of the Chamber or his assistants, or from an investigator referred to in sections 339 and following of the Act, in the performance of the duties devolved upon them under the Act or its regulations.

32. A damage insurance broker must not, directly or indirectly, obstruct the work of the Bureau or the Chamber, of their executive officers or inspectors, of the syndic of the Chamber or of its investigators.

33. Where a damage insurance broker has been informed of an investigation concerning him, he must not intervene vis-à-vis the complainant or informer, except in performing his mandate, where applicable.

34. A damage insurance broker must not use judicial proceedings deemed dilatory or excessive by the body seized thereof in order to prevent the filing or continuance of a complaint against him for a breach of the Act or its regulations or in order to cause such complaint to be withdrawn or abandoned.

CHAPTER VII BREACHES OF THE CODE OF ETHICS

35. Breaches of the Code of Ethics by a damage insurance broker include:

(1) ceasing to fulfil the requirements for becoming a holder of a certificate for a damage insurance broker;

(2) carrying on activities dishonestly or negligently;

(3) having been found guilty, by final judgment, of a criminal act related to the activity of representative;

(4) contravening any provision of the Act and its regulations applicable to him;

(5) being an undischarged bankrupt, unless the bankruptcy resulted from causes unrelated to the activity of representative;

(6) carrying on activities under conditions or in situations likely to compromise the quality of his services;

(7) allowing any intervention of a third party to affect the carrying out of his professional obligations to the detriment of his client or the insured;

(8) using personal or confidential information gathered in the course of his activities for purposes other than those for which he gathered it;

(9) unless he has obtained the written consent of his client and all other interested persons, failing to maintain the secrecy of what has been confided to him in the course of his activities, unless he is relieved of that obligation by an express provision of an act, by an order of a competent court or by the carrying on of his activities;

(omitted)

(10) failing to report on the carrying out of any mandate;

(11) failing to act with integrity and as a conscientious advisor towards his clients in informing them of their rights and obligations and in giving them all necessary or useful information;

(12) knowingly making a false statement;

(13) failing to give insurers the information that it is common practice for him to provide;

(14) failing to use fair methods of competition and solicitation;

(omitted)

(15) using or appropriating, for personal purposes, money or securities entrusted to him in the carrying out of any mandate, whether the activities carried on by the broker are in the discipline of damage insurance or in another discipline contemplated in the Act;

(16) participating in gathering or in conserving evidence or a document that he knows is false;

(17) unjustifiably refusing or neglecting to appear at the office of the syndic, of one of his assistants or of an investigator referred to in sections 339 and following of the Act, at the request of any of them.

2844

Draft Regulation

An Act respecting the distribution of financial products and services
(1998, c. 37)

Contribution and certain fees payable

Notice is hereby given, in accordance with sections 10 and 11 of the Regulations Act (R.S.Q., c. R-18.1) that the Regulation respecting the contribution and certain fees payable adopted by the Bureau des services financiers, the text of which appears hereunder, may be submitted to the Government for approval, with or without amendments, upon the expiry of a 45-day period from the date of this publication.

According to the Bureau des services financiers, this draft regulation is intended to specify the annual fees payable for the issue and renewal of a representative's certificate or the registration of a firm, an independent representative or an independent partnership.

According to the Bureau, this regulation has no impact on public protection. In addition, it has no further impact on small- and medium-sized businesses since the level of costs is maintained. It is provided that the fees to register as a firm or an independent partnership are determined according to the number of representatives through whom it acts as well as the number of sectors in which it is acting. Supplementary fees are required of representatives and firms acting in any of the securities sectors to take into account the fees that must be henceforth paid by the Bureau pursuant to section 576 of the Act respecting the distribution of financial products and services (1998, c. 37). Finally, exemptions from payable fees are provided for the three years following the coming into force of section 552 of the Act in respect of the representatives in insurance of persons referred to in section 534 (2) of the Act and for independent representatives, firms or independent partnerships acting through them who wish to continue acting in the sector of group insurance of persons.

This draft regulation also provides for fees requested by the Bureau regarding certain formalities or measures provided in the Act or one of its regulations, and for goods and services that it provides.

Additional information may be obtained from M^e Nathalie G. Drouin, Director of Legal Affairs, Bureau des services financiers, 140, Grande Allée Est, bureau 300, Québec (Québec) G1R 5M8, telephone number: (418) 525-6273 or 1-877-525-6273, facsimile number: (418) 525-9512, E-mail: ndrouin.bsf@megaquebec.net.

Any interested party having comments regarding this matter is asked to forward them, in two copies, prior to the expiry of the 45-day period, to the Minister of Finance, 12, rue Saint-Louis, bureau 1.10, Québec (Québec) G1R 5L3.

BERNARD LANDRY,
Minister of State for the Economy and Finance

Regulation respecting the contribution and certain fees payable

An Act respecting the distribution of financial products and services
(1998, c. 37, s. 203 par. 2; s. 225 and s. 226)

CHAPTER I FEES PAYABLE

DIVISION 1 CERTIFICATION

1. The fees payable for the issuance and renewal of a certificate are \$63 for each of the sectors or sector

classes, other than the securities sectors, for which a representative is authorized to act.

2. Until (*insert here the date three years following the date of coming into force of section 552 of the Act*), the representatives in insurance of persons referred to in the second paragraph of section 534 of the Act are exempt from the fees payable pursuant to section 1 for the sector of group insurance of persons.

3. For the years 1999 to 2004, the fees payable for the issuance and renewal of a certificate are \$68 for each of the securities sectors for which a representative is authorized to act.

DIVISION 2 REGISTRATION

4. The fees payable annually to register as a firm or an independent partnership with the Bureau are \$63 for each of the representatives through whom a firm or an independent partnership is authorized to act, in respect of each of the sectors for which representatives, other than in the securities sectors, are authorized to act by certificate of the Bureau.

5. Until (*insert here the date three years following the date of coming in to force of section 552 of the Act*), a legal person or a partnership that registers with the Bureau in the sector of group insurance of persons is exempt from the payment of the fees set out in section 4 for each of the representatives referred to in section 2 of this Regulation.

6. For the years 1999 to 2004, the fees payable annually to register as a firm with the Bureau in one of the securities sectors are \$68 for each of the representatives through whom the firm is authorized to act, in respect of each of the securities sectors for which representatives are authorized to act by a certificate issued by the Bureau.

7. The fees payable annually to register as an independent representative with the Bureau are \$63 per sector or sector class.

8. Until (*insert here the date three years following the date of coming into force of section 552 of the Act*), the representatives referred to in section 2 of this Regulation are exempt from the payment of the fees set out in section 7 to register as independent representatives with the Bureau in the sector of group insurance of persons.

CHAPTER II FEES PAYABLE

9. The fees pertaining to the opening of a file for a candidate are \$35.

10. The fees pertaining to the opening of a file for a registration applicant are \$40.

11. The fees pertaining to any other file examination, for a candidate or a representative, are \$25.

12. The fees pertaining to any other file examination, for a firm, an independent representative or an independent partnership are \$35.

13. The fees payable for the reprinting of a certificate are \$30.

14. The fees pertaining to an official attestation of the holding of a certificate or a registration are \$60.

15. The fees pertaining to the examinations prescribed by the Bureau are:

- (1) \$100 per examination sitting;
- (2) \$30 per request to review an examination.

16. The fees pertaining to the issuance of a training attestation are \$20.

17. The cost of a training manual suggested and sold by the Bureau for the purpose of trying examinations in the sector of insurance of persons is \$120.

18. The cost of a training manual suggested and sold by the Bureau for the trying of examinations in the sector of group insurance of persons is \$120.

19. The cost of a training manual suggested and sold by the Bureau for the trying of examinations in the sector of damage insurance is \$60 per volume.

20. The fees imposed for an “NSF” cheque are \$25.

21. The fees payable for an inspection of an insurer that is not registered as a firm with the Bureau are \$120 per hour per inspector.

22. The fees pertaining to the transcription of stenographic notes are \$2.50 per page.

23. The forms prescribed by the Bureau for the replacement of a policy are sold at a price of \$1 each.

24. The notices and forms prescribed in schedules A to C of the Regulation respecting certain disclosures and the notices to be remitted by the representative and in schedules A to C of the Regulation respecting distribution without a representative are sold at a cost of \$10 per batch of 100.

25. The other forms edited by the Bureau are sold at a price of \$10 per batch of 100.

26. The fees payable for retracing a life insurance policy are \$25.

27. The annual subscription fees for a printed version of the Bureau's Bulletin are \$120.

CHAPTER III INDEXATION

28. The contribution and fees payable are adjusted, by resolution of the Board of Directors, on January 1st of each year in accordance with the rate of increase of the general consumer price index for Canada for the period ending on September 30th of the preceding year, as determined by Statistics Canada. They are decreased to the nearest dollar if they include a fraction of a dollar lower than \$0.50; they are increased to the nearest dollar if they include a fraction of a dollar that is equal to or greater than \$0.50.

The result of the annual indexation effected in accordance with the first paragraph is published in the Bulletin and in the *Gazette officielle du Québec* yearly.

29. This Regulation comes into force on (*insert here the date of coming into force of section 582 of the Act*).

2837

Draft Regulation

An Act respecting the distribution of financial products and services
(1998, c. 37)

Pursuit of activities as a representative

Notice is hereby given, in accordance with sections 10 and 11 of the Regulations Act (R.S.Q., c. R-18.1), that the Regulation respecting the pursuit of activities as a representative adopted by the Bureau des services financiers, the text of which appears hereunder, may be submitted to the Government for approval, with or without amendments, upon the expiry of a 45-day period from the date of this publication.

According to the Bureau des services financiers, this draft regulation is intended to determine the conditions that must be complied with by insurance representatives, claims adjusters and financial planners in the pursuit of their activities. It establishes a list of occupations that are incompatible with the pursuit of activities as a representative and sets out the rules applicable to client

solicitation and representations made by representatives. The product information that must be given to clients by representatives in insurance of persons and the manner of giving such information are specified.

The rules governing the replacement of insurance policies by representatives in insurance of persons are also set out in the draft regulation, and the forms contained in the Schedules indicate the procedure that must be followed in such regard. The draft regulation also determines the circumstances in which a damage insurance agent or a damage insurance broker may be authorized to act as a claims adjuster. Lastly, the draft regulation contains rules governing the insurance coverage that must be maintained by representatives who act on behalf of a firm without being employees thereof.

This regulation contains a set of rules that are already applicable to individuals pursuing activities in the distribution of financial products and services and new rules which improve the protection of the public through improved supervision of the various activities of a representative.

According to the Bureau, the examination of the file reveals no major impact other than a more uniform supervision for persons or business, particularly small and medium-sized business, acting in several spheres of the financial sector.

Additional information may be obtained from Mre Nathalie G. Drouin, Director of Legal Affairs, Bureau des services financiers, 140, Grande-Allée Est, bureau 300, Québec (Québec) G1R 5M8, telephone number: (418) 525-6273 or 1-877-525-6273, facsimile number: (418) 525-9512, E-mail: ndrouin.bsf@megaquebec.net.

Any interested party having comments regarding this matter is asked to forward them, in two copies, prior to the expiry of the 45-day period, to the Minister of Finance, 12, chemin Saint-Louis, bureau 1.10, Québec (Québec) G1R 5L3.

BERNARD LANDRY,
Minister of State for the Economy and Finance

Regulation respecting the pursuit of activities as a representative

An Act respecting the distribution of financial products and services
(1988, c. 37, ss. 196, 202, 211, and 213)

CHAPTER I

DEFINITION AND INTERPRETATION

1. For the purposes of the application of Chapters II to VII of this Regulation, the term “representative”, as defined in the Act, excludes securities representatives.

CHAPTER II

CONDITIONS AND RESTRICTIONS GOVERNING THE PURSUIT OF ACTIVITIES

DIVISION 1

GENERAL PROVISIONS

2. Representatives must forthwith deposit in a separate account all amounts collected or received on behalf of another person in the pursuit of their activities.

The separate account referred to in the first paragraph is held by the firm or independent partnership, if any, on behalf of which a representative acts.

3. Representatives must, during the period of validity of their certificate, comply with the following conditions in pursuing their activities:

(1) they must pursue their activities in an establishment in Québec on behalf of a firm, or as independent representatives, or as partners or employees of an independent partnership;

(2) they must devote their time primarily to their activities as representatives, to administrative activities within a firm or an independent partnership or to other activities relating to the field of financial services.

4. Representatives who act on behalf of firms without being employees thereof must, during the period of validity of their certificates, maintain professional liability-insurance coverage in accordance with the requirements of Chapter VIII and, where changes are made to such coverage, forward a new attestation or copy of their insurance coverage to the Bureau.

Such a representative covered by a professional liability-insurance contract maintained by the firms on behalf of which he acts and meeting the requirements set out in Chapter VIII shall be deemed to be maintaining the coverage referred to in the previous paragraph.

5. No representative may, in pursuing activities, take part directly or indirectly in a contest or a promotion providing non-pecuniary benefits, or accept such benefits, with the exception of benefits or property of low value.

Notwithstanding the first paragraph, representatives may be reimbursed by a legal person or a third party for the direct costs incurred to attend a conference or a convention, provided that:

(1) the main goal of the conference or convention is to provide training on activities governed by the Act;

(2) the selection of the representatives who are to attend the conference or the convention is made by the legal person, without any outside influence and without regard to sales results.

Representatives may also accept non-pecuniary benefits of a promotional nature and of low value, whether or not in connection with promotional activities conducted by a legal person or a third person, provided that:

(1) the benefits and activities are neither important nor frequent enough to lead a reasonable person to believe that they may exert an undue influence on the advice given by the representatives to their clients; and

(2) neither the travel and accommodation costs for the promotional activity, nor the accessory personal costs linked to the representatives' participation in the activity, are paid by the legal person or a third person.

6. Section 5 does not apply if the contest or the promotion was announced prior to (*insert here the date of coming into force of the Regulation*).

DIVISION 2

REPRESENTATIVES IN INSURANCE OF PERSONS

7. Representatives in insurance of persons must, before completing an insurance proposal, analyse the insurance needs with the purchaser or the insured, the policies or contracts held by the purchaser or the insured, their characteristics, the identity of the issuing insurer, and all other necessary elements including the income, financial situation, number of dependents, and personal and family obligations of the purchaser or the insured. The information gathered must be recorded in writing by the representative.

DIVISION 3 **FINANCIAL PLANNERS**

8. No financial planner may act in such capacity in respect of a client unless he has first entered into a written agreement with the client that specifies at least the following:

- (1) the nature and scope of the mandate;
- (2) all anticipated remuneration in respect of the performance of the mandate, including the remuneration that must be disclosed under section 17 of the Act, and an estimate of the number of hours required to complete the mandate;
- (3) all the sectors or classes of sectors in which the financial planner is authorized to act under a certificate issued by the Bureau and a description of the products and services offered by the financial planner;
- (4) the financial planner's business relationships, where products are sold on commission;
- (5) the client's signature, attesting to acceptance of the mandate.

No agreement entered into under the first paragraph may include an obligation for the client to purchase a financial product offered by the financial planner or by any other person or partnership.

9. Financial planner must draw up in writing and forward to his client a financial planning report that is consistent with the agreement entered into with such client. If, during the preparation of the report, the financial planner considers that it is in the interest of the client to introduce a change, the client must be informed of such change.

CHAPTER III **INCOMPATIBLE OCCUPATIONS**

10. The following occupations are incompatible with the pursuit of representatives' activities and may not be carried on concomitantly therewith:

- (1) the management, direction or supervision of any personnel assigned to current over-the-counter deposit or withdrawal transactions set out in section 29 of the Act;
- (2) the exercise of a medical profession;
- (3) the exercise of the activities of a magistrate or a police officer;

(4) the exercise of the profession of advocate or notary;

(5) the exercise of the profession of chartered accountant, chartered management accountant, certified general accountant, or chartered administrator;

(6) the exercise of the occupation of bankruptcy trustee;

(7) the direction of a union, or employment by a union, with the exception of a union formed of representatives;

(8) the exercise of the occupation of real estate broker or real estate agent, except in connection with brokerage activities relating to loans secured by immovable hypothec;

(9) any other occupation permitting a representative to use coercion or to abuse his influence to control, direct or obtain business related to his activities.

Notwithstanding the foregoing, the activities described in paragraphs 1, 4 and 5 are not incompatible with the activities of a financial planner.

11. The occupation of damage insurance agent is incompatible with the pursuit of the activities of a damage insurance broker.

The occupation of damage insurance broker is incompatible with the pursuit of the activities of a damage insurance agent.

12. The following occupations are incompatible with the pursuit of the activities of a damage insurance agent or damage insurance broker or a claims adjuster:

(1) vendor, lessor or repairer of motor vehicles or boats;

(2) vendor, lessor or repairer of equipment, movable property or household items;

(3) builder, repairer or renovator of buildings;

(4) supplier of goods or services of a type that may be required following an insurance loss.

CHAPTER IV **REPRESENTATION AND CLIENT SOLICITATION**

DIVISION 1 **GENERAL PROVISIONS**

13. The written representations of a representative concerning himself may include only the following elements:

- (1) the representative's family names and given names;
- (2) the family names and given names of the representative's partners, if the representative carries on activities on behalf of an independent partnership;
- (3) the representative's business addresses, business telephone numbers and facsimile number;
- (4) the representative's residential address and telephone number, electronic mail address and mailing address;
- (5) the title or titles the representative is authorized to use;
- (6) the name of the organization for which the representative works;
- (7) the sector or sectors and the class or classes of sectors in which the representative is authorized to act under a certificate issued by the Bureau, unless the title or titles he uses are representative thereof;
- (8) the description of the products and services offered by the representative;
- (9) the representative's education and qualifications;
- (10) the representative's years of experience in each sector in which the representative is authorized to act under a certificate.

14. Representatives must, when first meeting a client, give the client a written declaration, such as a business card, which shall indicate all the items set out in paragraphs 1, 3, 5, 6 and 7 of section 13.

Where a representative is unable to meet a client personally, he must verbally disclose the items set out in paragraphs 1, 5, 6 and 7 of section 13 and, at the request of the client, provide the declaration set out in the first paragraph when other documents are sent to the client for the first time.

15. A representative must refrain from making any representation or performing any solicitation that

- (1) is false or misleading;
- (2) states the representative's income or financial performance;
- (3) ascribes a quality, a level of competence or a skill to the representative, or to the representative's firm or independent partnership, that the representative is unable to demonstrate on request;
- (4) appears to promise results that the representative cannot reasonably obtain;
- (5) makes reference to items that may lead to confusion, in particular in connection with a trade mark, a slogan or a symbol.

16. Representatives may use statistics in their representations provided that the source thereof is clearly indicated.

DIVISION 2 **SPECIAL BROKERS**

17. Except in advertising or representations directed exclusively at other damage insurance brokers, no damage insurance broker may use, or allow to be used, advertising or representations, in any manner whatsoever:

- (1) which are on behalf of an outside insurer;
- (2) which state that the damage insurance product of an outside insurer may be obtained through the broker.

DIVISION 3 **MISCELLANEOUS PROVISIONS**

18. The provisions set out in this chapter apply to all forms of representation, whether made in the form of an affirmation, a declaration, a behaviour or an omission.

CHAPTER V **PRODUCT INFORMATION TO BE GIVEN TO CLIENTS**

19. Where a representative in insurance of persons causes a client to purchase from an insurer an individual insurance product in insurance of persons or an individual annuity, including an endowment contract, the representative must remitted or forwarded the client a document, printed in a 10-point or larger font equivalent to BOOKMAN OLD STYLE, that indicates whether:

(1) the insurance costs payable under the contract are guaranteed and, where applicable, for how long, and whether such amounts may vary;

(2) the return on the amounts invested through the insurance product is guaranteed or not;

(3) the face amount of the insurance is guaranteed or may vary;

(4) there are any specific exclusions under the contract;

(5) a surrender fee or a penalty may be payable if the contract is surrendered;

(6) the transaction is effected for the purpose of terminating or replacing another life insurance product.

The representative in insurance of persons must be able to demonstrate that the document has been remitted or forwarded to the client.

CHAPTER VI POLICY REPLACEMENTS

20. This chapter applies to all replacements of individual life insurance contracts, including serious-or critical-illness insurance contracts or disability insurance for all representatives in insurance of persons.

21. Where a representative in insurance of persons secures the adhesion of a person to a group insurance contract, and where that adhesion is likely to result in the termination, cancellation or reduction of benefits of an individual insurance policy, the transaction also constitutes a replacement of an individual insurance policy.

22. Representatives shall endeavour to ensure that all insurance contracts are maintained in effect, unless the replacement of the contract is justified by the interest of the purchaser or the insured; responsibility for showing that the replacement is justified lies with the representative in insurance of persons who performs the replacement.

23. No representative in insurance of persons may incite an insured or a purchaser, where the purchaser is not the insured, to cancel, cause to lapse or abandon an insurance contract for replacement by another insurance contract, unless he does so in accordance with the procedure set out in section 24.

24. Where the purchase of an insurance contract is likely to result in the termination or cancellation of another insurance contract, the representative in insurance of persons concerned shall:

(1) perform a complete analysis of the needs of the insured or the policyholder, in accordance with section 7, which analysis shall be recorded in writing;

(2) complete, at the same time as the insurance proposal, the form provided in Schedule 1 or Schedule 2, as the case may be, if it is in the interest of the insured or the purchaser to replace the contract with another contract;

(3) give the form, once completed, to the insured or the purchaser and explain the form to such insured or purchaser, in particular by comparing the characteristics of the contract in effect with those of the proposed contract and by describing the advantages and disadvantages of the replacement;

(4) send the form, once completed, to the head office of the insurer or insurers which have contracts that are to be cancelled by any means, providing proof of the date of sending, within five working days of the signing of the insurance proposal;

(5) send a copy of the form, once completed, within the time limit prescribed in paragraph 4, to the insurer with whom the representative in insurance of persons intends to place the new contract.

25. No representative may prevent an insurer having a contract to be replaced from contacting the insured or the purchaser to endeavour to dissuade either of them from replacing the contract or to offer an equivalent contract.

26. An amendment made to an existing contract is not considered to be a replacement as provided for in this chapter.

27. The replacement procedure provided for in section 24 also applies, adapted as required, to the replacement:

(1) of a signed insurance proposal for which:

(a) the mode premium has been paid in full, in cash or by cheque;

(b) the signatory of the proposal has given a bank authorization or a written authorization for a deduction from salary; or

(c) the signatory of the proposal has given written authorization for a transfer of funds from a policy issued by an insurer to another policy issued by such insurer;

(2) of an insurance proposal providing for temporary coverage of not more than one year, for which the temporary insurance premium has been paid.

28. The replacement procedure provided for in section 24 does not apply to the replacement of an insurance proposal for which the premium has been fully paid but where the required medical examination is not performed within the period provided for on the conditional receipt.

29. Where an insurer is prepared to issue a contract in accordance with the terms and conditions of the insurance proposal, but subject to the payment of an additional premium, the procedure provided for in respect of the replacement must be followed before a similar contract may be obtained from another insurer, without an additional or extra premium.

CHAPTER VII DAMAGE INSURANCE BROKERS OR DAMAGE INSURANCE AGENTS ACTING AS CLAIM ADJUSTERS

30. A damage insurance broker or a damage insurance agent may pursue activities as a claims adjuster in connection with insurance policies taken out by the firm for which the broker or agent acts in exceptional circumstances of an urgent nature where the needs of the insurance claimants of a particular region cannot be met because of insufficient resources.

Such an agent or broker must respect, adapted as required, the rules applicable to a holder of a certificate authorizing him to act in the sector of claims adjustment.

31. Notwithstanding the previous section, a damage insurance broker or a damage insurance agent may also pursue activities as a claims adjuster in respect of policies taken out by the firm on behalf of which he acts if the claim is valued at \$5,000 or less and if he complies with the following conditions:

(1) he must have passed the examination prescribed by the Bureau covering the customs and practices applicable to claims adjustment;

(2) he must respect, adapted as required, the rules applicable to a holder of a certificate authorizing him to act in the sector of claims adjustment;

(3) he must disclose, in writing, to each person with whom the broker or agent transacts business the fact that the firm on behalf of which the broker or agent acts is the mandatary of the insurer and the type of remuneration received for the services rendered as a claims adjuster.

CHAPTER VIII PROFESSIONAL LIABILITY INSURANCE HELD BY REPRESENTATIVES ACTING ON BEHALF OF A FIRM BUT WITHOUT BEING EMPLOYEES

32. The insurance contract to be maintained at all times by a representative acting on behalf of, but not employed by, a firm must, in particular, stipulate that:

(1) coverage is provided for the liability incurred by the representative by reason of any fault, errors, negligence, or omissions committed by the representative in pursuing activities as a representative, or by reason of any faults, errors, negligence, or omissions committed by the representative's present or past mandataries, employees or trainees in the performance of their duties;

(2) the coverage provided for the activities of the representative during the period for which the contract is in effect extends beyond the period of insurance provided for a term of five years by the contract for all the activities, if the representative cease to pursue, whether or not he is alive;

(3) the time within which the insurer must advise the Bureau of its intention not to renew the contract or to terminate the contract is 30 days prior to the date of non-renewal or termination;

(4) the insurer must notify the Bureau upon receiving notice of termination of an insurance contract from the representative;

(5) the insurer must notify the Bureau upon the receipt of any claim under the contract, whether or not the insurer decides to honour the claim.

33. The amount of coverage must not be less than \$500,000 per claim and \$1,000,000 per year.

34. The insurance contract may include a deductible amount not exceeding \$5,000.

35. This Regulation comes into force on *(insert here the date of coming into force of section 582 of the Act)*.

SCHEDULE 1

(s. 28, par. 2)

PRIOR NOTICE OF REPLACEMENT OF LIFE INSURANCE POLICY

Important notice for the consumer

This prior notice:

- must be completed and signed in cases where, on the recommendation of your insurance representative, you intend to replace your current life insurance policy;
- will be used to notify your current insurer of a possible policy cancellation;
- must be signed on the same day as the new application for insurance (insurance proposal);
- will not cancel your existing policy;
- is not a contract.

You may withdraw your application for insurance at any time before the new policy is issued. In addition, most insurance companies allow an additional 10-day period, after the policy is issued, to allow you to examine it thoroughly. During this period, you may cancel the policy without incurring a penalty.

As you read through this form, you should ask yourself the following questions:

1. Was a written analysis of my insurance needs completed before this insurance proposal was made? Do I have a copy of the analysis? Insurance representatives in insurance of persons must take your current and future needs into account, along with your objectives and financial situation, before suggesting the replacement of your current policy.
2. Are the premiums for the new policy higher or lower than the old premiums? A new life insurance policy of the same type as your old policy could cost you more, since you are older.
3. Will I lose any tax benefits? For example, some tax benefits may be lost if you replace a life insurance policy acquired before December 2, 1982.
4. Have any steps been taken to maintain or amend my current life insurance policy? It is generally possible, and preferable, to opt for a change to an existing policy rather than to replace it.

How to use the form “Prior notice of policy replacement”

This form consists of three separate booklets, which will be completed in three copies to be given to:

- copy 1: the policyholder;
- copy 2: the current insurer;

- copy 3: the new insurer.

An explanatory guide is included for the benefit of consumers.

Step 1 — Completing the form

Complete each booklet, writing on Copy 1 — Policyholder (green copy).

Write in capitals, using a ball-point pen.

Step 2 — Before signing the form

The Prior Notice of Replacement may be completed in advance by the representative in insurance of persons, who must then go over it point by point with the client, before the client signs. The client’s signature does not constitute a request to terminate the current policy. The prior notice must in all cases be signed on the same day as the application for life insurance.

Step 3 — Copies

Detach Copy 2 — Current Insurer (yellow copy) from each section. Your insurance representative will make sure it reaches your current insurer within five days of being signed.

Proceed in the same manner for Copy 3 — New Insurer (blue copy).

The representative must make a photocopy of the Prior Notice of Replacement, duly completed, for his record.

The remaining parts of the form are the property of the policyholder.

This form was prepared by the Conseil des assurances de personnes and is used by the Bureau des services financiers. It is compulsory that the form be filled out whenever a policy is to be replaced.

The Bureau des services financiers was established by the Act respecting the distribution of financial products and services; its mission is to protect the public by overseeing the application of the Act and the regulations under it, which govern the activities of certificate holders, firms, independent representatives and independent partnerships.

BOOKLET**1 — GENERAL INFORMATION**

(a) GUIDE

(b) TABLE

2 — COVERAGE PROVIDED

(a) GUIDE

(b) TABLE

3 — PREMIUMS

(a) GUIDE

(b) TABLE

4 — CASH SURRENDER VALUES, PARTICIPATION AND SAVINGS**4.1 GUARANTEED VALUES**

(a) GUIDE

(b) TABLE

4.2 GUARANTEED VALUES

(a) GUIDE

(b) TABLE

5 — REASONS FOR REPLACEMENT

(a) GUIDE

(b) TABLE

6 — SIGNATURE AND DATES

(a) GUIDE

(b) TABLE

1 — GENERAL INFORMATION

(a) GUIDE

The life insurance policyholder is the person who makes all the decisions concerning the policy and who, in general, pays the premiums.

In most cases, the policyholder is also the insured, but in some cases the policyholder and the insured may be two separate persons.

The other insureds are the individuals covered by the same policy, such as family members or business partners.

The terminated insureds are the insured insureds who will no longer be covered under the new policy, and the additional insureds are the individuals who will be added to the new policy.

Joint insurance is a single policy that covers two individuals, where the death benefit is payable following the death of the first or the second individual, depending on the option chosen.

The main policy types are term life, whole life, universal life, and 100-year-term life.

The effective date is the date on which the policy takes effect once the proposal is accepted by the insurance company.

The suicide clause: if death results from suicide and occurs within two years of the effective date of the policy, the insurer will not, in general, pay the death benefit.

The incontestability clause: if death occurs within two years after the policy comes into effect, the insurer may refuse to pay the death benefit if incomplete or inaccurate information on the insured's health and lifestyle were given or if information was omitted. The insurer may, in all cases, refuse to pay the death benefit if it is proven that the insured committed intentional fraud.

A registered policy: if you cash in the amounts that accumulate under an insurance policy that is part of a registered retirement savings plan (RRSP), you will have to pay income tax.

(b) TABLE

Name and given name of policyholder _____

Name and given name of insured _____

Date of birth of insured _____ / _____ / _____
Day Month Year**Other insureds** (multiple coverage) _____

Name and given name of insured (1) _____ no. of prior notice _____

Name and given name of insured (2) _____ no. of prior notice _____

Name and given name of insured (3) _____ no. of prior notice _____

Name and given name of insured (4) _____ no. of prior notice _____

Terminated insureds _____ **Additional insureds** _____

Family name and given name _____

Type of coverage _____

Amount of coverage \$ _____

The life-insurance policy includes supplementary coverage, as follows:

Insurability guarantee

Exemption from premiums

Accidental death or mutilation

Other

3 — PREMIUMS

(a) GUIDE

The total annual premium is the amount you pay each year for your life insurance policy.

The instalment period may be monthly, quarterly or annual. An annual premium that has already been paid is not generally refundable.

An additional premium is an additional amount that is added to the normal rate because the risk is greater; it can be temporary or permanent.

An exclusion is a state or condition for which the insured is not covered; it can be temporary or permanent.

A guaranteed premium will remain the same, or will increase only at certain times specified in the policy.

The guaranteed payment period determines how many years the policy-holder will have to pay premiums.

The minimum premium consists of the cost of the insurance, taxes, and administration fees required for the payment of the life-insurance policy.

The difference between the minimum premium and the premium actually paid constitutes the savings element in universal life insurance.

(b) TABLE

Insurance policy	Current policy	Proposed policy
Total annual premium:	\$ _____	\$ _____
What is the payment frequency?		
Does the premium include an additional premium?	Yes _____ No _____	To be determined

If so: why ?

- For how long?

Does the premium take into account an exclusion? Yes _____ To be determined
No _____

If so: why?

- For how long?

Premium rate: Smoker _____ Smoker _____
Non-smoker _____ Non-smoker _____

Is the premium guaranteed? Yes _____ Yes _____
No _____ No _____

Amount of the premium :
 • In 10 years: \$ _____ \$ _____
 • At age 55: \$ _____ \$ _____
 • At age 65: \$ _____ \$ _____

Guaranteed term of premium payment: _____ years _____ years

If the policy is of a universal life insurance policy, what is the amount of the minimum premium? \$ _____ \$ _____

Is this amount: Guaranteed for _____ years Guaranteed for _____ years
 Not guaranteed _____ Not guaranteed _____
 Level _____ Level _____
 Incremental _____ Incremental _____

What is the policyholder's premium? \$ _____ \$ _____

4 — CASH SURRENDER VALUES, PARTICIPATION AND SAVINGS

4.1 GUARANTEED VALUES

(a) GUIDE

The cash surrender values of a life insurance policy are the amount of savings guaranteed by the policy. These values are not generally paid out in addition to the death benefit. However, you may borrow against the cash surrender value by paying interest, or obtain the entire cash surrender value when the contract is cancelled.

The net amount is the total of the values that will be paid if the policy is terminated. The stated amount takes into

account all the deductions that will be applied (reimbursement of loans, taxes, administration costs, etc.). This amount may be used for personal needs, to pay the premiums on a new policy, or as an investment. If the amount is invested, the rate used to calculate the estimated value must be realistic and market-based.

(b) TABLE

Insurance policy	Current policy	Proposed policy
Does the life insurance policy have a cash surrender values?	Yes____ No____	Yes____ No____
Amount of the guaranteed cash surrender values:	\$	\$
• in 10 years:	\$	\$
• at age 55:	\$	\$
• at age 65:	\$	\$
What would the net amount paid out by the company be if the life insurance policy were cancelled today	\$	\$
How would this amount be used		Not applicable If funded, projection at _____% Amount invested: \$ _____ Estimated amount: \$ _____ at _____ years

4.2 NON-GUARANTEED AMOUNTS

(a) GUIDE

Participation in profits: a participating life insurance policy entitles the policyholder to part of the profits generated by the insurance company. The participation is never guaranteed. It can be used to reduce the premium or take out additional life insurance, or it can be cashed in or otherwise used.

Projections are forecasts of future returns. They are not guaranteed.

Additional life insurance is the amount of additional life insurance purchased using the participation.

The investment amount is an estimate of the amount accumulated under the policy.

The total death benefit is the total coverage as indicated in point 11, to which the amounts estimated in (c) and/or (d) are added, where applicable.

(b) TABLE

Insurance policy	Current policy	Proposed policy
Will there be any participation in the company's profits?	Yes____ No____	Yes____ No____
If so, how will the participation be used?		
If the policy is a universal life-insurance policy, is the accumulated savings fund payable in addition to the death benefit?	Yes____ No____	Yes____ No____
What is the rate used for the illustration?	%	%
<i>Projections</i>		
Additional life insurance:		
— at age 55:	\$	\$
— at age 65:	\$	\$
— at age 75:	\$	\$
Savings fund available under the universal life insurance policy:		
• at age 55:	\$	\$
• at age 65:	\$	\$
• at age 75:	\$	\$

Total death benefit:

• at age 55:	\$	\$
• at age 65:	\$	\$
• at age 75:	\$	\$

5 — REASON FOR POLICY REPLACEMENT

(a) GUIDE

Remember that it is generally possible, and preferable, to amend an existing policy rather than replace it.

(b) TABLE

In what way does the proposed contract meet the needs of the policy-holder better, and what are the advantages and disadvantages of the policy replacement?

Is there any other relevant information that should be given in connection with the policy replacement?

6 — SIGNATURES AND DATES

(a) GUIDE

The policyholder must enter his reasons for replacing the life insurance policy. If the representative is a trainee, the prior notice of policy replacement must be authorized by the person supervising the trainee's activities, namely the training supervisor.

The entire form belongs to the policyholder, with the exception of the copies for the insurers involved.

(b) TABLE

Before signing this form:

1. Make sure that it was filled out entirely in your presence or has been explained to you point by point.
2. Make sure you keep your current life insurance policy until the new policy is in force.
3. Remember that it is your responsibility, as a consumer, to ask all the questions required to understand the product you are offered; it is the responsibility of the representative to disclose all the information needed to help you do so.

Representative: _____
(family name, given name)

(Signature) (Telephone no.) (Certificate no.)

Policyholder:

I, the undersigned _____, after reading this notice and understanding its terms, wish to proceed with the replacement of my current life insurance policy for the following reasons:

(Signature) (Date) (Telephone no.)

SCHEDULE 2

(s. 28, par. 2)

PRIOR NOTICE OF REPLACEMENT OF AN INDIVIDUAL DISABILITY INSURANCE CONTRACT
(please print)

Name of insured: _____

Address: _____

Date of birth of insured: ____/____/____
Day Month Year

Telephone no.: _____

	Replaced contract	Proposed contract
Company:		
Policy no.:		
Waiting period:		
Duration of coverage:		
Amount of benefit:	\$	\$
Amount of premium:	\$	\$

Reason for replacement

1. How does the current contract fail to meet the client's needs?

2. How will the proposed contract better meet the client's needs?

3. Will the replacement involve any disadvantages for the client? If so, list them below.

Important notice for client

It is of the utmost importance, before signing this form, that you read all the information appearing on the reverse side of the client's copy.

Signature:

I hereby acknowledge that I have received a copy of this notice, duly completed, and that a copy of the notice will be sent to the mentioned companies.

Date: _____

Signature (insured): _____

Name of representative (block letters): _____

Signature of representative: _____

Telephone: _____

1. White: copy of the policyholder
2. Yellow: copy of the current insurer
3. Pink: copy of the new insurer
4. Gold: copy of the representative

Important notice for the insured

1. This notice is intended to inform and protect you as you consider the possibility of amending your disability insurance policy. The change you are considering may require the issue of a new disability insurance policy, or the cancellation of your current policy.

2. The contract to be replaced should not be terminated before the proposed contract is issued and in force in accordance with your instructions.

3. The following facts may influence your decision to replace or not to replace your current contract:

(a) the clause providing for the incontestability of the policy after two years is not generally transferred from one contract to another. The validity of the new policy

may, in some cases, be challenged in a situation where the old contract would have been incontestable.

(b) if your insurability has changed, a new policy may cost more and include more restrictions. You should not amend or cancel your current insurance contract without verifying your insurability.

(c) the new contract may not cover certain health problems which you may have contracted before it was issued and which may be covered by the replaced contract.

Please take these factors into account when you examine the prior notice of replacement.

Procedures to be followed by the representative

This document contains information required by the Bureau des services financiers when a disability insurance contract is replaced. It must be used whenever a contract is replaced.

1. Once the form has been duly completed, using a ball-point pen only, and signed by the insured, you must, using registered or certified mail and within five days of the signature of the proposal:

(a) send the yellow copy to the head office of the insurer that issued the replaced contract;

(b) send the pink copy to the head office of the insurer issuing the new contract.

2. The white copy must be given to the insured, and the gold copy must be kept for your records.

COMPARATIVE CHART

(write in capital letters)

Data sheet prepared for: _____
insuredby: _____
intermediary

Date: _____

Replaced contract**Proposed contract****COMPANY**

Policy number _____

CHARACTERISTICS OF CONTRACTS

Amount of benefit	\$	\$
Compensation period		
In case of accident		
In case of sickness		

Elimination period

Rehabilitation coverage	<input type="checkbox"/> yes	<input type="checkbox"/> no	<input type="checkbox"/> yes	<input type="checkbox"/> no
-------------------------	------------------------------	-----------------------------	------------------------------	-----------------------------

Occupation coverage	<input type="checkbox"/> yes	<input type="checkbox"/> no	<input type="checkbox"/> yes	<input type="checkbox"/> no
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Period of occupation coverage

Renewal	<input type="checkbox"/> garant. <input type="checkbox"/> not garant.	<input type="checkbox"/> garant. <input type="checkbox"/> not garant.
---------	---	---

Rescindale	<input type="checkbox"/> yes	<input type="checkbox"/> no	<input type="checkbox"/> yes	<input type="checkbox"/> no
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Exclusion of pre-existing sickness	<input type="checkbox"/> yes	<input type="checkbox"/> no	<input type="checkbox"/> yes	<input type="checkbox"/> no
------------------------------------	------------------------------	-----------------------------	------------------------------	-----------------------------

PREMIUMS

	<input type="checkbox"/> variable <input type="checkbox"/> garant.	<input type="checkbox"/> lebel <input type="checkbox"/> not garant.	<input type="checkbox"/> variable <input type="checkbox"/> garant.	<input type="checkbox"/> lebel <input type="checkbox"/> not garant.
--	---	--	---	--

At present		\$		\$
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In 5 years		\$		\$
------------	--	----	--	----

In 10 years		\$		\$
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Waiver of premiums	<input type="checkbox"/> yes	<input type="checkbox"/> no	<input type="checkbox"/> yes	<input type="checkbox"/> no
--------------------	------------------------------	-----------------------------	------------------------------	-----------------------------

EXCLUSION RIDERS

	<input type="checkbox"/> yes If yes, list them in the comments section below	<input type="checkbox"/> no	<input type="checkbox"/> yes If yes, list them in the comments section below	<input type="checkbox"/> no
--	--	-----------------------------	--	-----------------------------

INTEGRATION OF BENEFIT PROVISION

With government plans	<input type="checkbox"/> yes	<input type="checkbox"/> no	<input type="checkbox"/> yes	<input type="checkbox"/> no
-----------------------	------------------------------	-----------------------------	------------------------------	-----------------------------

With other contracts	<input type="checkbox"/> yes	<input type="checkbox"/> no	<input type="checkbox"/> yes	<input type="checkbox"/> no
----------------------	------------------------------	-----------------------------	------------------------------	-----------------------------

ADJUSTMENT OF BENEFITS

	<input type="checkbox"/> yes	<input type="checkbox"/> no	<input type="checkbox"/> yes	<input type="checkbox"/> no
--	------------------------------	-----------------------------	------------------------------	-----------------------------

Rate	___min. ___max. ___lev.	___min. ___max. ___lev.
------	-------------------------	-------------------------

PARTIAL DISABILITY

	<input type="checkbox"/> yes	<input type="checkbox"/> no	<input type="checkbox"/> yes	<input type="checkbox"/> no
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Maximum period of compensation

PARTIAL LOSS OF EARNINGS	<input type="checkbox"/> yes	<input type="checkbox"/> no	<input type="checkbox"/> yes	<input type="checkbox"/> no
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Maximum period of compensation

INCREASE OF BENEFIT

Option to increase benefit without evidence of insurability	<input type="checkbox"/> yes	<input type="checkbox"/> no	<input type="checkbox"/> yes	<input type="checkbox"/> no
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Amount		\$		\$
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Date of options

Possibility to exercise options during disability	<input type="checkbox"/> yes	<input type="checkbox"/> no	<input type="checkbox"/> yes	<input type="checkbox"/> no
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ACCIDENTAL DEATH AND DISMEMBERMENT

	<input type="checkbox"/> yes Amount	<input type="checkbox"/> no \$	<input type="checkbox"/> yes Amount	<input type="checkbox"/> no \$
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COMMENTS: Write in this section any other item comparing or contrasting the replaced contract(s) with the proposed contract.

Draft Regulation

An Act respecting family benefits
(1997, c. 57)

Family benefits — Amendments

Notice is hereby given, in accordance with sections 10 and 11 of the Regulations Act (R.S.Q., c. R-18.1), that the Regulation to amend the Regulation respecting family benefits, the text of which appears below, may be made by the Government upon the expiry of 45 days following this publication.

The purpose of the draft Regulation is to amend the Regulation respecting family benefits so as to harmonize it with the new Regulation respecting the allowance for handicapped children.

Further information may be obtained by contacting Mr. Louis-Marc Laliberté, Régie des rentes du Québec, 2600, boulevard Laurier, Sainte-Foy, C.P. 5200, G1K 7S9 (tel.: (418) 657-8702 extension 3029; fax: (418) 643-9590; E-mail: louis.marc.laliberte@rrq.gouv.qc.ca).

Any interested person having comments to make on the matter is asked to send them in writing, before the expiry of the 45-day period, to the President and General Manager, Régie des rentes du Québec, 2600, boulevard Laurier, bureau 546, Sainte-Foy, C.P. 5200, G1K 7S9 (fax: (418) 643-9586).

Comments will be forwarded to the Minister of Child and Family Welfare and to the Minister for Child and Family Welfare.

PAULINE MAROIS,
*Minister of Child and
Family Welfare*

NICOLE LÉGER,
*Minister for Child and
Family Welfare*

Regulation to amend the Regulation respecting family benefits^{*}

An Act respecting family benefits
(1997, c. 57, ss. 7 and 11, 3rd par.)

1. Section 6 of the Regulation respecting family benefits is revoked.

2. Division VII is revoked.

3. This Regulation comes into force on 1 October 1999.

2826

Draft Regulation

An Act respecting family benefits
(1997, c. 57)

Family benefits — Amendments

Notice is hereby given, in accordance with sections 10 and 11 of the Regulations Act (R.S.Q., c. R-18.1), that the Regulation to amend the Regulation respecting family benefits, the text of which appears below, may be made by the Government upon the expiry of 45 days following this publication.

The draft regulation is intended to change the rules for calculating the maximum family allowance so as to take into account the increase in the Canadian child tax benefit that will take effect in July 1999. Furthermore, the regulation is intended to increase the family allowance by lowering to 35 % and 25 % the rates of reduction of the allowance on the basis of the income of the person entitled to the allowance.

Further information may be obtained from Mr. Denis Fugère, Régie des rentes du Québec, place de la Cité, 2600, boulevard Laurier, Sainte-Foy (Québec) G1V 4T3 (tel.: (418) 657-8732, fax: (418) 644-3663).

Any person having comments to make on this matter is asked to send them in writing, before the expiry of the period mentioned above, to Mr. Guy Morneau, President and General Manager of the Régie des rentes du Québec, place de la Cité, 2600, boulevard Laurier, 5^e étage, Sainte-Foy (Québec) G1V 4T3. Comments will be forwarded by the Régie to the Minister of Child and Family Welfare and to the Minister for Child and Family Welfare.

PAULINE MAROIS,
*Minister of Child and
Family Welfare*

NICOLE LÉGER,
*Minister for Child and
Family Welfare*

* The Regulation respecting family benefits, made by Order in Council 1018-97 dated 13 August 1997 (1997, G.O. 2, 4363), was last amended by the Regulation made by Order in Council 364-98 dated 25 March 1998 (1998, G.O. 2, 1475). For the previous amendment, refer to the *Tableau des modifications et Index sommaire*, Éditeur officiel du Québec, updated to 1 September 1998.

Regulation to amend the Regulation respecting family benefits*

An Act respecting family benefits
(1997, c. 57, s. 8, 1st par., subpar. 1)

1. Section 9 of the Regulation respecting family benefits is replaced with the following section:

“9. If the income referred to in section 7 is less than or equal to \$50 000, the monthly amount of the family allowance is obtained by applying the formula $1/12(A - B)$.

In the formula provided for in the first paragraph:

(1) “A” represents:

(a) in the case where the person is the sole provider for a child, the sum of the following allowance amounts: \$2 095 for the first child and \$795 for the second and subsequent children;

(b) in the case where the person has a spouse, the product of multiplying \$795 by the number of children;

(2) “B” represents:

(a) in the case of a person who is the sole provider for a child, 35 % of the income exceeding 15 332 \$, up to 20 921 \$, plus 25 % of the income exceeding 20 921 \$;

(b) in the case of a person who has a spouse, 25 % of the income exceeding 21 825 \$.

The foregoing notwithstanding, the monthly amount of the allowance may not be less than 1/12 of the sum of the following amounts: \$131 for the first child, \$174 for the second child and \$975 for the third and subsequent children.”

2. Section 10 of the Regulation is amended by replacing, in subparagraph 1 of the first paragraph, the amount “\$398” with the amount “\$975”.

3. Section 11 of the Regulation is abrogated.

4. This regulation comes into force on 1 August 1999.

2825

Draft Regulation

An Act respecting the distribution of financial products and services
(1998, c.-37)

Fonds d'indemnisation des services financiers — Eligibility of a claim submitted

Notice is hereby given, in accordance with sections 10 and 11 of the Regulations Act (R.S.Q., c. R-18.1), that the Regulation respecting the eligibility of a claim submitted to the Fonds d'indemnisation des services financiers adopted by the Bureau des services financiers, the text of which appears hereunder, may be submitted to the Government for approval, with or without amendments, upon the expiry of a 45-day period from the date of this publication.

According to the Bureau des services financiers, this draft regulation prescribes the conditions with respect to the eligibility of a claim submitted to the Fonds d'indemnisation des services financiers. It also sets the maximum amount of compensation which may be paid at \$200,000.

According to the Bureau, the regulation will have a favorable impact on the public in that it provides for a simple compensation procedure for victims of fraud in respect of the distribution of financial products and services. Some leeway is also provided regarding the period in which a victim must file his claim if he is unable to act. The increase in the maximum limit to be paid out by the Fonds will have a favorable impact on the public but may also influence the fees that firms, independent representatives or independent partnerships must pay. This fee will be determined by the minister pursuant to section 571 of the Act.

Additional information may be obtained from M^e Nathalie G. Drouin, Director of Legal Affairs, Bureau des services financiers, 140, Grande Allée Est, bureau 300, Québec (Québec) G1R 5M8, telephone number: (418) 525-6273 or 1-877-525-6273, facsimile number: (418) 525-9512, E-mail: ndrouin.bsf@megaquebec.net.

* The last amendment to the Regulation respecting family benefits, approved by Order in Council 1018-97, dated 13 August 1997 (G.O. 1997, 2, 4363), was made by the regulation approved by Order in Council 364-98, dated 25 March 1998 (G.O. 1998, 2, 1475). For the preceding amendment, see *Tableau des modifications et Index sommaire*, Éditeur officiel du Québec, 1998, updated to 1 September 1998.

Any interested party having comments regarding this matter is asked to forward them, in two copies, prior to the expiry of the 45-day period, to the Minister of Finance, 12, rue Saint-Louis, bureau 1.10, Québec (Québec) G1R 5L3.

BERNARD LANDRY,
Minister of State for the Economy and Finance

Regulation respecting the eligibility of a claim submitted to the Fonds d'indemnisation des services financiers

An Act respecting the distribution of financial products and services
(1998, c. 37, s. 228(1) par.4)

CHAPTER I

CLAIM SUBMITTED TO THE FUND

1. A claim submitted to the fund shall:
 - (1) be in writing;
 - (2) set out the facts upon which it is based;
 - (3) identify the firm, the independent representative or the independent partnership concerned, or the representative involved, as the case may be;
 - (4) indicate the amount claimed;
 - (5) be sworn and filed with the Secretary of the Board of Directors of the fund.
2. A claim shall be filed within one year of the date on which the claimant becomes aware of the fraud, fraudulent tactics or embezzlement, as the case may be, contemplated in section 274 of the Act.
3. The Board of Directors of the fund may extend the time limit provided for in section 2 if the claimant shows that, for reasons beyond his control, he was unable to file his claim within the required time period.
4. A decision handed down by a discipline committee contemplated by section 352 of the Act or of a discipline committee established pursuant to the Act respecting the market intermediaries (R.S.Q., c. I-15.1) which contains a recommendation for compensation shall constitute a claim within the meaning of section 1, to the extent that the complaint filed pursuant to section 336 of the Act was filed within the time limit provided for in section 2.

5. The following persons may not submit a claim to the fund, unless they are claiming by reason of the fact that they are or would have been clients, had it not been for the perpetration of an act contemplated in section 274 of the Act:

- (1) an insurer;
- (2) a deposit institution;
- (3) a trust company;
- (4) any other financial institution;
- (5) a dealer or an adviser governed by the *Securities Act*;
- (6) a mutual fund
- (7) a firm, an independent representative or an independent partnership;
- (8) a representative.

6. Upon a request of the Secretary of the fund or of one of its directors, the claimant, the firm, the independent representative, or the independent partnership concerned shall:

- (1) provide all the details and the documents relating to the claim;
- (2) produce any relevant evidence.

CHAPTER II

COMPENSATION

7. The Board of Directors of the fund shall determine the eligibility of a claim and, as the case may be, shall set the amount of compensation. Its decision is final.

8. The compensation which the fund may pay is restricted to \$200,000 per claim.

CHAPTER III

FINAL PROVISION

9. This regulation comes into force on *(insert here the date of coming into force of section 582 of the Act)*.

Draft Regulation

An Act respecting income security
(R.S.Q., c. S-3.1.1)

Income security — Amendments

Notice is hereby given, in accordance with sections 10 and 11 of the Regulations Act (R.S.Q., c. R-18.1), that the Regulation to amend the Regulation respecting income security, the text of which appears below, may be made by the Government upon the expiry of 45 days following this publication.

The purpose of the draft Regulation is to amend the additional amounts for dependent children related to the family allowances granted under the Act respecting family benefits (1997, c. 57) in order to harmonize them with the amendments made to the amounts of those benefits as of 1 August 1999.

Further information regarding the draft Regulation may be obtained by contacting Ms. Geneviève Bouchard, Assistant Director General, Politiques de sécurité du revenu, 425, rue Saint-Amable, 4^e étage, Québec (Québec) G1R 4Z1 (tel. (418) 646-2564; fax: (418) 643-0019).

Any interested person having comments to make on the draft Regulation is asked to send them in writing, before the expiry of the 45-day period, to the Minister of Social Solidarity, 425, rue Saint-Amable, 4^e étage, Québec (Québec) G1R 4Z1.

ANDRÉ BOISCLAIR,
Minister of Social Solidarity

Regulation to amend the Regulation respecting income security*

An Act respecting income security
(R.S.Q., c. S-3.1.1, s. 91, 1st par., subpar. 4 and 2nd par.; 1997, c. 57, s. 58)

1. Section 10.5 of the Regulation respecting income security is amended by substituting the amount “\$66.25” for the amount of “\$81.25”.

* The Regulation respecting income security, made by Order in Council 922-89 dated 14 June 1989 (1989, *G.O.* 2, 2443), was last amended by the regulations made by Orders in Council 1218-98 dated 23 September 1998 (1998, *G.O.* 2, 4048), 1296-98 dated 7 October 1998 (1998, *G.O.* 2, 4264), 1394-98 dated 28 October 1998 (1998, *G.O.* 2, 4426), 1420-98 dated 11 November 1998 (1998, *G.O.* 2, 4481) and 12-99 dated 13 January 1999 (1999, *G.O.* 2, 86). For previous amendments, refer to the *Tableau des modifications et Index sommaire*, Éditeur officiel du Québec, 1998, updated to 1 September 1998.

2. This Regulation comes into force on 1 August 1999.

2823

Draft Regulation

An Act respecting income security
(R.S.Q., c. S-3.1.1)

Income security — Amendments

Notice is hereby given, in accordance with sections 10 and 13 of the Regulations Act (R.S.Q., c. R-18.1), that the Regulation to amend the Regulation respecting income security, the text of which appears below, may be made by the Government upon the expiry of 20 days following this publication.

The purpose of the draft Regulation is to increase the additional amounts for dependent children related to the national child benefit supplements granted by the federal government in order to harmonize them with the amendments made to those supplements as of next July 1st.

Under section 12 of the Regulations Act, the proposed regulation may be made at the expiry of a period shorter than 45 days because of the urgency due to the following circumstances:

— the amendments provided for in the draft Regulation must come into force as of 1 July 1999 in order to allow families receiving income security benefits who will not receive the maximum amount of the national child benefit supplements to benefit, for that month, from the increase in the additional amount it provides.

To date, study of the matter has revealed a positive impact on persons receiving income security benefits.

Further information regarding the draft Regulation may be obtained by contacting Ms. Geneviève Bouchard, Assistant Director General, Politiques de sécurité du revenu, 425, rue Saint-Amable, 4^e étage, Québec (Québec) G1R 4Z1 (tel. (418) 646-2564; fax: (418) 643-0019).

Any interested person having comments to make on the draft Regulation is asked to send them in writing, before the expiry of the 20-day period, to the Minister of

Social Solidarity, 425, rue Saint-Amable, 4^e étage, Québec (Québec) G1R 4Z1.

ANDRÉ BOISCLAIR,
Minister of Social Solidarity

Regulation to amend the Regulation respecting income security*

An Act respecting income security (R.S.Q., c. S-3.1.1, s. 91, 1st par., subpar. 4 and 2nd par.; 1997, c. 57, s. 58)

1. Section 10.5.1 of the Regulation respecting income security is amended by substituting the amounts "\$65.41", "\$48.75" and "\$42.50" for the amounts "\$50.41", "\$33.75" and "\$27.50".

2. This Regulation comes into force on 1 July 1999.

2824

Draft Regulation

An Act respecting the distribution of financial products and services (1998, c. 37)

Financial planners — Compulsory professional development

Notice is hereby given pursuant to sections 10 and 11 of the Regulations Act (R.S.Q., c. R-18.1) that the By-law of the Institut québécois de planification financière on compulsory professional development may be enacted by the government at the expiry of the 45-day period following publication of this notice.

According to the Institut québécois de planification financière, the proposed By-law makes professional development in the field of financial planning compulsory, in keeping with the general concern of protecting the public. It provides that financial planners shall, once every two years, spend a total of sixty (60) hours on professional development according to specific terms.

* The Regulation respecting income security, made by Order in Council 922-89 dated 14 June 1989 (1989, G.O. 2, 2443), was last amended by the regulations made by Orders in Council 1218-98 dated 23 September 1998 (1998, G.O. 2, 4048), 1296-98 dated 7 October 1998 (1998, G.O. 2, 4264), 1394-98 dated 28 October 1998 (1998, G.O. 2, 4426), 1420-98 dated 11 November 1998 (1998, G.O. 2, 4481) and 12-99 dated 13 January 1999 (1999, G.O. 2, 86). For previous amendments, refer to the *Tableau des modifications et Index sommaire*, Éditeur officiel du Québec, 1998, updated to 1 September 1998.

The By-law includes transitory provisions. Financial planners will only be bound by the rules governing compulsory professional development as of the expiry of the six (6) month period following the date the By-law comes into effect.

Additional information may be obtained by contacting Mme Claude Beaudoin, Director General, Institut québécois de planification financière, 4, place du Commerce, bureau 420, Île-des-Sœurs, Verdun, (Québec), tel.: (514) 767-4040, 1-800-640-4050, cbeaudoin@iqpf.org.

Any interested persons wishing to comment on the above matter are requested to send two copies of their comments to the Minister of State for the Economy and Finance and Minister of Finance, 12, rue Saint-Louis, bureau 1.01, Québec (Québec) G1R 5L3 before the expiry of the 45-day time period.

BERNARD LANDRY,
*Minister of State for the Economy and Finance
and Minister of Finance*

By-law on the compulsory professional development of financial planners

An Act respecting the distribution of financial products and services (1998, c. 37)

DIVISION I DEFINITIONS

1. In this By-law, the following terms shall have the meanings indicated:

a) «Institut»: the Institut québécois de planification financière.

DIVISION II GENERAL

2. This By-law sets out the rules governing compulsory professional development in financial planning.

3. For the purpose of this By-law, the seven areas involving personal financial planning are the following:

- a) finance
- b) taxation
- c) law
- d) retirement
- e) successions
- f) investment
- g) insurance.

DIVISION III COMPULSORY PROFESSIONAL DEVELOPMENT

4. Every financial planner shall, once every two years, spend a total of sixty (60) hours on professional development as follows:

a) fifteen (15) hours of integrated training activities combining the seven (7) areas involving personal financial planning set forth in section 3; the type of such activities shall be developed and given by or in partnership with the Institut;

b) thirty (30) hours of training activities in one of the seven (7) areas mentioned above, which activities shall have been approved and validated by the Institut in advance; and

c) fifteen (15) hours of other training activities required to obtain, update and review knowledge and skills which are essential to a financial planning practice; the financial planner shall provide the Institut with a written declaration describing such activities.

DIVISION IV TRANSITIONAL PROVISIONS

5. As of the expiry of the six (6) month period following the date this By-law comes into effect, the rules governing professional development provided herein shall apply to any person holding the title of financial planner in conformity with the Act respecting the distribution of financial products and services (1998, c. 37).

2842

Draft Regulation

An Act respecting the distribution of financial products and services
(1998, c. 37)

Multi-sector firms registered in the real-estate-brokerage sector

Notice is hereby given, in accordance with sections 10 and 11 of the Regulations Act (R.S.Q., c. R-18.1), that the Regulation respecting multi-sector firms registered in the real-estate-brokerage sector adopted by the Bureau des services financiers, the text of which appears hereunder, may be submitted to the Government for approval, with or without amendments, upon the expiry of a 45-day period from the date of this publication.

According to the Bureau des services financiers, this draft regulation is intended to determine the registers

and records that must be kept by multi-sector firms authorized to act in the field of real-estate-brokerage. It applies only to firms granted acquired rights by the Act in the real-estate-brokerage sector and in another discipline.

According to the Bureau, the examination of this file conducted to date reveals no impact on the public and business, particularly small and medium-sized business.

There is no new impact on multi-sector firms since the particular rules for the establishment, keeping and content of each type of book, register and record that are established are those which were specifically applicable thereto under the Regulation respecting multi-sector firms (D. 1864-93, s. 29).

Additional information may be obtained from M^e Nathalie G. Drouin, Director of Legal Affairs, Bureau des services financiers, 140, Grande Allée Est, bureau 300, Québec (Québec) G1R 5M8, telephone number: (418) 525-6273 or 1-877-525-6273, facsimile number: (418) 525-9512, E-mail: ndrouin.bsf@megaquebec.net

Any interested party having comments regarding this matter is asked to forward them, in two copies, prior to the expiry of the 45-day period, to the Minister of Finance, 12, rue Saint-Louis, bureau 1.10, Québec (Québec) G1R 5L3.

BERNARD LANDRY,
Minister of State for the Economy and Finance

Regulation respecting multi-sector firms registered in the real-estate-brokerage sector

An Act respecting the distribution of financial products and services
(1998, c. 37, ss. 223, 549)

1. In addition to complying with the rules prescribed in the Regulation respecting the obligations of firms, independent representatives and independent partnerships in connection with the keeping of registers and records, a firm registered with the Bureau in the real-estate brokerage sector shall comply with the rules prescribed in this Regulation.

2. A firm registered for the real-estate-brokerage sector shall keep the following books and records in pursuing the activity of real-estate broker:

- (1) a record for each brokerage contract;

(2) a register of its brokerage contracts;

(3) a record for each transaction proposal that was not accepted, where the firm is not the real-estate broker to which the brokerage contract was awarded;

(4) a separate register for all transactions referred to in section 1 of the Real Estate Brokerage Act (R.S.Q., c. C-73.1);

(5) a record for all transactions referred to in section 1 of the Real Estate Brokerage Act (R.S.Q., c. C-73.1);

(6) a register for all transactions referred to in section 1 of the Real Estate Brokerage Act (R.S.Q., c. C-73.1);

(7) an accounting register showing the sums held in trust.

The firm may keep the registers provided for in paragraphs 1, 6 and 7 using electronic or computer-based data or document processing systems, as long provided that it takes reasonable care to prevent loss or destruction of the registers and any falsification of the entries therein, on the condition that the information may be produced within a reasonable time and in a form that is accurate and comprehensible to any person authorized by law to audit the information.

A firm pursuing real-estate-brokerage activities shall keep the registers and records prescribed in paragraphs 1 to 6 in each of its establishments in Québec but may keep the register prescribed in paragraph 7 at its principal establishment in Québec.

3. The record for each brokerage contract shall contain the following documents:

(1) the original brokerage contract;

(2) a copy of any document containing information used to describe the immovable property, stock-in-trade or loan secured by immovable hypothec to which the brokerage contract pertains;

(3) a copy of any document that the firm has in its possession to attest to the accuracy of the information it provides concerning the object of the brokerage contract;

(4) a copy of any agreement concerning a possible sharing of compensation;

(5) the original of any proposal not accepted;

(6) any other document related to the transaction to which the contract pertains, including any correspondence.

4. The register of brokerage contracts shall contain the following information in respect of each brokerage contract. The information shall be recorded in ascending numerical order of the individual numbers attributed by the firm to each brokerage contract or in alpha-numerical order of addresses or cadastral descriptions:

(1) the address, including the postal code, of the immovable property or stock-in-trade to which the brokerage contract pertains or, in the absence of an address, its cadastral description;

(2) the date on which the brokerage contract was awarded to the firm;

(3) the date of expiry of the brokerage contract;

(4) the individual number attributed to the brokerage contract, from a series of consecutive numbers used only by the establishment concerned;

(5) the name, address, postal code and telephone number of the person or partnership that awarded the brokerage contract to the firm.

5. Where the firm is not the real-estate broker to which the brokerage contract was awarded, the record for each transaction proposal that was not accepted shall contain the following documents:

(1) the original of the transaction proposal that was not accepted or, where the firm does not have the original in its possession, a copy thereof;

(2) a copy of any document containing information used to describe the immovable property, stock-in-trade or loan secured by immovable hypothec to which the transaction proposal pertains.

6. The separate register for all transactions referred to in section 1 of the Real Estate Brokerage Act (R.S.Q., c. C-73.1) shall contain the following information:

(1) the individual number attributed to the transaction by the firm, from a series of consecutive numbers used only by the establishment concerned;

(2) the date of acceptance of the transaction proposal;

(3) the date scheduled for completion of the transaction;

(4) the address, including the postal code, of the immovable property or stock-in-trade to which the transaction pertains or, in the absence of an address, its cadastral description;

(5) the nature of the transaction;

(6) the individual number attributed to the brokerage contract by the firm, from a series of consecutive numbers used only by the establishment;

(7) the name, address, postal code and telephone number of the person or partnership that is alienating a right through the transaction;

(8) the name, address, postal code and telephone number of the person or partnership that is acquiring a right through the transaction;

(9) the total value of the consideration agreed to by the parties;

(10) the address of the firm's establishment;

(11) the amount or market value, excluding applicable taxes, of the compensation that the firm is to receive;

(12) the name of the person or partnership that is to pay the firm's compensation and, where that person or partnership is different from those referred to in paragraphs 7 and 8, the address, postal code and telephone number of that person or partnership;

(13) the amount that the firm shares with the holder of a chartered real-estate broker's certificate, with a person or partnership entitled to pursue the activities of a real-estate broker in a jurisdiction outside Québec or with a representative;

(14) the name of the holder of a chartered real-estate broker's certificate, of the person or partnership entitled to pursue the activities of a real-estate broker in a jurisdiction outside Québec or the name of the representative with whom the firm shares its compensation, as well as the numbers of their respective certificates;

(15) the sum received in trust;

(16) the date of receipt of any sum received in trust, where that date differs from the date of any promise;

(17) an indication that the sum is a sum received in trust;

(18) an indication that any sum received in trust shall be deposited in a special trust account bearing interest

for the benefit of the depositor or in the general trust account;

(19) the name of the legal advisor who is expected to effect the transaction, including the name of the legal advisor's firm;

(20) the date of entry in the register;

(21) the signature of the natural person designated by the firm under section 7 of the Real Estate Brokerage Act (R.S.Q., c. C-73.1) to represent it for the purposes of that Act or to manage that place of business under section 13 of the Act.

7. The record for all the transactions referred to in section 1 of the Real Estate Brokerage Act (R.S.Q., c. C-73.1) shall contain the following documents:

(1) the contents of the record, provided for in section 3, in respect of the brokerage contract pertaining to the transaction or, where the firm does not have that record in its possession, a copy of any document in its possession and provided for in that section;

(2) the separate register for the transaction prescribed by section 6;

(3) the original of the accepted proposal or, where the firm does not have that original in its possession, a copy thereof;

(4) a copy of the receipt issued to the depositor for any sum received in trust;

(5) a copy of the cheque or other bill of exchange or of the transfer slip used to make a withdrawal from the trust account, except where such copy is kept at the firm's principal establishment;

(6) a copy of any written statement required under section 2 of the Regulation pertaining to certain disclosures and notices to be remitted by a representative concerning the sharing of a commission between the firm and a representative;

(7) any other document related to the transaction, including any correspondence.

8. The register of transactions referred to in section 1 of the Real Estate Brokerage Act (R.S.Q., c. C-73.1) shall contain the following information for each transaction, recorded in ascending numerical order of the individual numbers attributed to each transaction:

(1) the individual number attributed to the transaction by the firm, from a series of consecutive numbers used only by the establishment;

(2) the date of acceptance of the transaction proposal;

(3) the date scheduled for completion of the transaction;

(4) the address, including the postal code, of the immovable property or stock-in-trade to which the transaction pertains or, in the absence of an address, its cadastral description;

(5) the nature of the transaction;

(6) the individual number attributed to the brokerage contract by the firm, from a series of consecutive numbers used only by the establishment;

(7) the name, address, postal code and telephone number of the person or partnership that is alienating a right through the transaction;

(8) the name, address, postal code and telephone number of the person or partnership that is acquiring a right through the transaction;

(9) the total value of the consideration agreed to by the parties;

(10) the address of the firm's establishment;

(11) the amount or market value, excluding applicable taxes, of the compensation that the firm is to receive;

(12) the name of the person or partnership that is to pay the firm's compensation and, if that person or partnership is different from the person or partnership referred to in paragraphs 7 and 8, the address, postal code and telephone number of that person or partnership;

(13) an indication of whether or not the compensation is to be shared with a firm registered as a real-estate broker, other than an affiliated real-estate broker, with a person or partnership entitled to pursue the activities of a real-estate broker in a jurisdiction outside Québec or with a representative;

(14) the sum received in trust;

(15) an indication that the sum is a sum received in trust;

(16) the date of entry in the register.

The register of transactions may also consist of a compilation of copies from each of the separate registers prescribed in section 6, classified in ascending numerical order of the individual numbers attributed by the firm to each transaction.

9. The accounting registers indicating the sums held in trust by the firm shall be integrated into an accounting system kept according to generally accepted accounting principles and shall contain the following information, recorded in chronological order:

(1) in the case of a sum received in trust and deposited into the general trust account:

(a) the individual number attributed to the transaction by the firm;

(b) the sum received;

(c) the date of receipt of the sum, where different from the date of acceptance of the proposal;

(d) the number of the receipt issued to the depositor for the sum received;

(e) the date of entry in the register;

(f) the date of deposit with the financial institution;

(2) in the case of a sum received in trust and withdrawn from the general trust account:

(a) the individual number attributed to the transaction by the firm;

(b) the sum withdrawn;

(c) the individual number attributed to the cheque, bill of exchange or transfer slip used for the withdrawal;

(d) the name of the beneficiary of the cheque, bill of exchange or transfer slip used for the withdrawal;

(e) the date appearing on the cheque, bill of exchange or transfer slip used for the withdrawal;

(f) the date of entry in the register;

(3) in the case of a sum received in trust and deposited into a special trust account:

(a) the information listed in paragraph 1;

(b) identification of the special account;

(c) the name of the financial institution with which the account was opened;

(4) in the case of a sum received in trust and withdrawn from a special trust account:

(a) the information listed in paragraph 2;

(b) identification of the special account;

(c) the name of the financial institution with which the account was opened.

2832

Draft Regulation

An Act respecting the distribution of financial products and services
(1998, c. 37)

Obligations of firms, independent representatives and independent partnerships

Notice is hereby given, in accordance with sections 10 and 11 of the Regulations Act (R.S.Q., c. R-18.1), that the Regulation respecting the practice of firms, independent representatives and independent partnerships adopted by the Bureau des services financiers, the text of which appears hereunder, may be submitted to the Government for approval, with or without amendments, at the expiry of a 45-day period from the date of this publication.

According to the Bureau des services financiers, this draft regulation is intended to determine the conditions which must be respected by firms, independent representatives and independent partnerships in respect of advertising, representations and client solicitation. The rules pertaining to the keeping of registers and records, in particular registers of clients, registers of commissions and registers of complaints are also set out. The manner of dealing with complaints received is also included among the subjects covered. Moreover, this draft regulation highlights the rules pertaining to the compulsory maintenance of liability insurance by such registrants and the features that such insurance shall have. Finally, the draft regulation sets out rules applicable to franchisers and franchisees.

Other than the fact that it introduces a new obligation for processing complaints and keeping the corresponding register, this draft regulation has a minimal impact on small business. Firms and partnerships registered with the Bureau des services financiers must continue to comply with a variety of rules which were already appli-

cable thereto by the regulations of the organizations which respectively govern their sectors of activity prior to the coming into force of section 582 of the Act. In addition, according to the Bureau, an examination of the file reveals no impact on the public except for an increase in public protection by a harmonized supervision for all sectors, of the activities of firms, independent representatives and independent partnerships governed by the Bureau des services financiers.

Additional information may be obtained from M^e Nathalie G. Drouin, Director of Legal Affairs, Bureau des services financiers, 140, Grande Allée Est, local 300, Québec (Québec) G1R 5M8, telephone number: (418) 525-6273 or 1-877-525-6273, facsimile number: (418) 525-9512, E-mail: ndrouin.bsf@megaquebec.net.

Any interested party having comments regarding this matter is asked to forward them, in two copies, prior to the expiry of the 45-day period, to the Minister of Finance, 12, rue Saint-Louis, local 1.10, Québec (Québec) G1R 5L3.

BERNARD LANDRY,
*Minister of State for
the Economy and Finance*

Regulation respecting the obligations of firms, independent representatives and independent partnerships

An Act respecting the distribution of financial products and services
(1998, c. 37)

CHAPTER I ADVERTISING, REPRESENTATIONS AND CLIENT SOLICITATION

DIVISION 1 GENERAL PROVISIONS

1. Firms, independent representatives and independent partnerships shall render services and sell products that comply with their declarations and advertising.

2. Firms, independent representatives and independent partnerships shall not, by any means whatsoever, make false, misleading, or incomplete representations to persons with whom they transact business.

3. Firms, independent representatives, and independent partnerships shall not falsely, by any means whatsoever,

(1) claim that a service or product meets the standards set out by an organization;

(2) promise results that they are not reasonably able to provide.

4. Subject to section 71 of the Act, firms, independent representatives and independent partnerships may advertise or make representations in respect of activities governed by the Act concerning only the sectors or sector classes for which they are registered with the Bureau des Services financiers.

5. Firms, independent representatives or independent partnerships shall not, by reason of their registration with the Bureau, purport that their activities are recognized, approved or guaranteed by the Bureau.

6. In all advertising documents and written representations, firms, independent representatives and independent partnerships shall, in respect of services they render or products they sell in connection with their activities governed by the Act:

(1) adequately describe the services and products referred to in the advertising document or written representation;

(2) describe the service or product without emphasizing its advantages to the detriment of its disadvantages.

7. In all advertising, representation or solicitation pertaining to activities governed by the Act, firms, independent representatives or independent partnerships shall

(1) use their names or, where applicable, the other names they use in Québec in pursuing activities and shall not make reference to any elements which may lead to confusion, in particular, with respect to trademarks, slogans, symbols or logos; and

(2) indicate the title under which they pursue activities as firms or independent partnerships.

8. The advertisement of a product by a firm, an independent representative, or an independent partnership is authorized, where prior approval is obtained from the promoter, issuer or marketer and, in particular, the insurer, in the case of insurance products, and the manager, in the case of mutual funds.

9. Firms, independent representatives or independent partnerships may, in advertising, use a testimonial if it meets the following conditions:

(1) it is general in nature;

(2) it is authentic;

(3) it expresses the opinion of its author;

(4) the firm, the independent representative or the independent partnership guarantees it to be true.

If firms, independent representatives or independent partnerships, or a person acting on their behalf, directly or indirectly pay to obtain testimony or a favourable opinion, the advertising must mention such fact.

10. A firm, an independent representative or an independent partnership may use statistics in advertising, provided that the source of the statistics is clearly identified.

11. In their advertising, firms, independent representatives and independent partnerships shall not directly or indirectly criticize the services, products, or methods of competitors.

12. Sections 238, 239, 240 and 244 of the Regulation applying the Act respecting insurance (R.R.Q., 1981, c. A-32, r.1) apply, *mutatis mutandis*, to advertising and the representations made by firms, independent representatives and independent partnerships in respect of the products they sell.

DIVISION 2 MISCELLANEOUS PROVISIONS

13. The provisions of this chapter apply to all forms of representation, whether an affirmation, a declaration, a behaviour, or an omission.

CHAPTER II REGISTERS AND RECORDS

DIVISION 1 GENERAL PROVISIONS

14. The following information, records and registers must be kept and updated or made accessible, in the case of a firm, at an establishment in Québec, and in the case of independent representatives and independent partnerships in a location that is the establishment of the representative or partnership in Québec:

(1) client records;

(2) a register of commissions;

(3) a register of complaints.

Every firm, independent representative or independent partnership may, in order to safeguard and keep its

client records and its registers, use computers or any other data-processing method, provided that reasonable measures are taken to prevent loss, destruction or falsification of the entries and provided that it is possible to provide information within a reasonable time and in a precise form that is comprehensible to all persons authorized under the Act to verify the registers.

To the extent permitted by the Act, the client records and registers that must be kept as set out in this section may be consolidated in a single document, record or register provided that all required information is recorded in such register and that the information in the client records may be separated from such records.

The information in the client records may also be safeguarded and kept in various locations to the extent that all required information is recorded with the firm or the independent partnership and provided that it is also possible to provide the full client record within a reasonable time and in a precise form that is comprehensible to any person authorized by the Act to verify such record.

DIVISION 2

CLIENT RECORDS

15. All firms, independent representatives and independent partnerships shall keep one or more client records for each of their clients.

16. The client records that must be kept by firms, independent representatives and independent partnerships in respect of each of their clients in connection with the pursuit of their activities, save those relating to the sectors of damage insurance, shall include the following information, when necessary:

- (1) the client's name;
- (2) the client's address, telephone and facsimile numbers, and the electronic mail address if any;
- (3) where the client is a natural person, his date of birth if the information has been obtained by the representative;
- (4) the amount, the object and the nature of the service rendered or the product sold, as the case may be;
- (5) the policy or contract number, the contract issue date and the date of signature of the proposal or request for services, as the case may be;
- (6) the name of the representative involved in the transaction and the method by which he is remunerated for each service rendered or product sold to the client;

(7) the method and date of payment of the products sold or services rendered;

(8) a copy, in any medium, of the needs analysis set out in section 7 of the Regulation respecting the pursuit of activities as a representative;

(9) a copy of the form completed at the time of replacement of an insurance contract, where applicable, as set out in Chapter VII of the Regulation respecting the pursuit of activities as a representative.

All other information or documents concerning products sold or services rendered to the client and obtained from him shall also be filed in the client's record by the firm, the independent representative or the independent partnership.

17. In addition to the information set out in section 16, the client records that must be kept by firms registered in one of the securities sectors in respect of each of their clients in connection with the pursuit of their activities shall contain the following information, when necessary:

- (1) the client's occupation, the name, address and telephone number of his employer, if applicable, and the sector of activity of the employer's enterprise;
- (2) how contact was first established, for example, through advertising, a personal meeting, a referral, a telephone call or an office visit;
- (3) the kind of account;
- (4) the investment objectives of the client and his knowledge of investment;
- (5) the client's annual income and net assets;
- (6) the account number of the bank, the trust company, the credit union or the caisse populaire of any person authorized to give orders in the account;
- (7) the name and signature of any person authorized to give orders in the account;
- (8) any power of attorney whereby the client has conferred on another person the power to give orders on his behalf and the address of such person;
- (9) in the case of a joint account or an account opened in the name of a legal person or a partnership, the name and address of the person authorized to give orders and the document conferring this power;

(10) the form used to open the account and updates;

(11) the form entitled "Declaration of Funds", used in material cash transactions.

18. In addition to the information set out in section 16, the client records that must be kept by firms, independent representatives or independent partnerships registered in the sector of group insurance of persons in respect of their clients in connection with their activities shall include the following information, when necessary:

(1) the name of the holder of the group insurance policy;

(2) the name of the person designated as the contact person of the holder;

(3) the calls for tenders and the proposals submitted.

19. The client records that must be kept by firms, independent representatives or independent partnerships registered in the sector of damage insurance in respect of their clients in connection with their activities shall include the following, when necessary:

(1) the client's name;

(2) the amount, the object and the nature of the insurance coverage;

(3) the policy or contract number and the contract issue and proposal signature dates, where applicable;

(4) the method and date of payment of the insurance contact; and

(5) any list evaluating the insured's property transmitted by the insured, where applicable;

Any other information or document related to the services rendered or the products sold gathered from the client shall also be included in the register.

20. Firms, independent representatives and independent partnerships shall allow their clients to read and obtain copies of information concerning them in their client records. The clients shall pay the copying costs.

DIVISION 3 REGISTER OF COMMISSIONS

21. Every firm, independent representative or independent partnership shall keep a register of commissions.

22. The register of commissions shall contain the following information for each commission:

(1) the contract number or the client name, as the case may be;

(2) the name of the client, the insurer or any other third person who have paid it or him a commission;

(3) the name of the firm, the independent representative or the independent partnership that received payment of the commission;

(4) the statement pertaining to each commission or other remuneration received by the firm, the independent representative or the independent partnership.

However, in the event that the statement provided for in paragraph 4 includes any information set out in paragraphs 1 and 2, the filing of the statement in the register of commissions shall be sufficient.

Where a firm is an insurer, the register of commissions may contain only the information set out in paragraphs 1 and 3.

23. The register of commissions shall contain the following information in respect of commissions shared:

(1) the identity and business address of each person sharing the commission and the sectors for which they are registered with the Bureau;

(2) the object and the date of the transaction and the identity of each party to the transaction;

(3) the percentage of the commission or the fixed amount resulting therefrom and the manner in which the commission is divided between the persons sharing it.

DIVISION 4 REGISTER OF COMPLAINTS

24. Every firm, independent representative or independent partnership shall keep a register of complaints.

For the purposes of this division and of Chapter IV, the word "complaint" means a written account or an account on any medium enabling such complaint to be preserved, including a telephone complaint, if the complainant requested that the complaint be recorded, alleging a breach of the Act or a situation that is likely to derogate from the Act. An account received in response to a poll conducted by a firm, an independent representative or an independent partnership does not constitute a complaint.

25. The register of complaints kept by the firm, the independent representative or the independent partnership shall indicate, for each written complaint,

- (1) the date it is received;
- (2) the name, address, and telephone and facsimile numbers of the person who lodged the complaint and his electronic mail address, if any;
- (3) the nature of the complaint in accordance with the classification set out in schedule 1 hereto and, in the case of a firm registered in the securities sector, a description of the securities to which the complaint pertains;
- (4) the name of the representative, partner, director, officer, trainee, mandatary, or employee whom the complaint concerns, as the case may be;
- (5) the date of the complaint, the manner in which it was settled with and the reasons which led the firm, independent representative or independent partnership to settle it in that manner;
- (6) whether notice was given to the insurer covering the liability of the person concerning whom the complaint was lodged.

CHAPTER III SHARING OF COMMISSIONS AND ENTRY IN THE REGISTER

26. Payment of the commission to those sharing it shall not be made in cash.

27. Any sharing of commission shall be promptly entered in the register provided for such purpose in Division 3 of Chapter II.

CHAPTER IV DEALING WITH COMPLAINTS

28. An independent representative, and in the case of a firm or an independent partnership, the officer responsible for the principal establishment of the firm or the partnership in Québec shall be responsible for the register of complaints and the processing of the complaints.

29. In dealing with any written complaint, a firm, an independent representative or an independent partnership shall

- (1) acknowledge receipt in writing within ten business days after the complaint has been received to the person who lodged the complaint; the acknowledgement

shall indicate the name of the person designated to respond or the person designated to assist him, where applicable, who will deal with the complaint, and his telephone number, the complainant's right to address the Bureau directly to lodge his complaint, as well as the address and E-mail address, telephone and facsimile numbers of the Bureau;

- (2) promptly enter the complaint in the register of complaints set out for such purpose in Division 4 of Chapter II;

(3) in the case of a representative who has been the subject of more than five complaints in a calendar year, give notice in writing to the Bureau within 20 days after receiving the fifth complaint;

(4) deal with the complaint promptly and, in all cases provided a final answer in such regard within a maximum of three months;

(5) take all necessary measures to uncover all facts relevant to the understanding of the complaint;

(6) when the complaint has been settled, indicate in writing to the client the manner in which the complaint was settled, the scope and nature of the internal verifications and the reasons justifying the manner in which the complaint was settled.

CHAPTER V INSURANCE

30. The minimum insurance coverage for a 12-month period is \$1 000 000 for an independent representative and \$5 000 000 for a firm or an independent partnership. Such insurance shall also include a minimum limit of \$500 000 per claim.

31. The insurance contract may include a deductible in an amount not exceeding \$5 000. The deductible may also be in an amount exceeding \$5 000, to the extent that the insured maintains net liquid capital that is at all times at least equal to the amount of the highest deductible appearing in the insurance contract.

32. The insurance contract that must be maintained by a firm, an independent representative or an independent partnership shall include the following stipulations:

in the case of a firm, that the coverage shall extend, in particular, to the liability that it may incur by

- (1) reason of faults, errors, negligence, or omissions committed in the pursuit of its activities governed by the Act, or by reason of faults, errors, negligence, or omissions committed by its mandataries, its employees or the

trainees of representatives who are in its employ, present or past, in the performance of their duties;

(2) in the case of an independent representative, that the coverage shall extend, in particular, to the liability he may incur by reason of faults, errors, negligence, or omissions committed in the pursuit of his activities governed by the Act, or by reason of faults, errors, negligence, or omissions committed by his mandataries, his employees or his trainees, present or past, in the performance of their duties.;

(3) in the case of an independent representative, that the coverage shall extend, in particular, to the liability that may be incurred by its partners and representatives who are in its employ by reason of faults, errors, negligence, or omissions committed in the pursuit of his activities governed by the Act, or by reason of faults, errors, negligence, or omissions committed by his mandataries, his employees or the trainees of partners and representatives who are in his employ, present or past, in the performance of their duties;

(4) that the coverage provided in respect of the activities of a firm, an independent representative or partners or representatives employed by an independent partnership for the period during which the contract is in effect will continue to apply beyond the period of insurance provided for by the contract for a term of five years, for all activities of the firm, the independent representative or partners and representatives employed by an independent partnership, whether or not the mandatary, representative or trainee, as the case may be, holds a certificate as a representative, whether he is or not alive, and whether or not the firm, the independent representative or the independent partnership is registered;

(5) that the time within which an insurer must notify the Bureau of its intention not to renew or its intention to cancel the contract be 30 days prior to the date of non-renewal or cancellation;

(6) that the insurer notify the Bureau upon receiving notice of cancellation of an insurance contract from a firm, an independent representative or an independent partnership;

(7) that the insurer give notice to the Bureau of the receipt of any claim, whether or not the insurer decides to honour the claim.

33. An insurer registered as a firm in the sector of claims adjustment who acts through claims adjusters who are in its employ is exempt, for such sector, from maintaining professional liability-insurance coverage

specifically for its representatives who act as claims adjusters if it confirms to the Bureau that it is already in possession of an insurance contract including liability coverage for all of its operations and it undertakes toward the Bureau to assume the cost of any damage arising from faults, errors, omissions, or negligence committed by a claims adjuster in its employ.

CHAPTER VI FRANCHISES

34. A firm may act as franchiser or franchisee if it is entered in the register of franchises kept by the Bureau.

35. A franchiser shall:

(1) be entered as such in the register of franchises;

(2) register any new franchisee to whom it grants a franchise;

(3) see to the removal from the register of franchises the name of a firm that ceases to be its franchisee.

36. To be entered in the register of franchises, a franchiser shall furnish the following information:

(1) its name;

(2) the address of its establishment in Québec;

(3) the trademarks, signs, graphic symbols, logos, acronyms, and names that it permits its franchisee to use.

37. To enter its franchisee in the Bureau register of franchises, a franchiser shall furnish the Bureau with the following information concerning the franchise:

(1) its name;

(2) the address of its establishment in Québec;

(3) the names and addresses of all representatives through whom it pursues its activities as franchisee.

38. If the franchiser does not, in due course, see to the entry or removal of a franchisee in the register of franchises, the franchisee itself shall see to such entry or removal within 30 days after the beginning or end, respectively, of its activities.

39. The franchisee shall clearly identify itself as such in the pursuit of its activities, particularly as regards its letterhead, business cards, advertising, and signs.

40. Where the franchiser or the franchisee provides insurance coverage in accordance with Chapter V of this regulation, the insurance contract shall indicate that it pursues its activities as franchiser or franchisee.

41. This Regulation comes into force on *(insert here the date of coming into force of section 582 of the Act)*

SCHEDULE

CLASS 1 REPRESENTATIONS

Sub-classes

- (a) general advertising
- (b) false or misleading representation
- (c) comprehension of the policyholder or securities holder
- (d) replacement of contract in the insurance of persons
- (e) conduct of the representative
- (f) tied sales
- (g) privacy and confidentiality
- (h) all other types of complaint relating to representation or sales

CLASS 2 SETTLEMENTS

Sub-classes

- (a) delays
- (b) unsatisfactory settlements
- (c) refusal of an application for settlement
- (d) suspension in benefit payments
- (e) all other types of complaint relating to settlement

CLASS 3 CLIENT SERVICES

Sub-classes

- (a) invoicing
- (b) delays

(c) administrative problems

(d) all other types of complaint relating to customer services

(e) execution of the mandate

CLASS 4 PRODUCTS

Sub-classes

(a) low initial surrender values

(b) rate of return

(c) pre-existing conditions, exclusions

(d) all other types of complaint relating to products

2834

Draft Regulation

Civil Code
(1991, c. 64; 1998, c. 5)

An Act respecting registry offices
(R.S.Q., c. B-9)

Register of personal and movable real rights — Amendments

Notice is hereby given, in accordance with sections 10 and 11 of the Regulations Act (R.S.Q., c. R-18.1), that the Regulation to amend the Regulation respecting the register of personal and movable real rights, the text of which appears below, may be made by the Government upon the expiry of 45 days following this publication.

The draft Regulation will make the register of personal and movable real rights fully operational by allowing the registration of reservations of ownership resulting from instalment sales and other rights covered by the Act to amend the Civil Code and other legislative provisions as regards the publication of personal and movable real rights and the constitution of movable hypothecs without delivery (1998, c. 5).

To that end, it specifies the property in respect of which reservations of ownership, rights of redemption or rights under a lease require publication in the register. It determines the kind of movable property that may be the subject of a movable hypothec without delivery granted by a natural person who does not operate an enterprise. Furthermore, it proposes to monitor the iden-

tification numbers of road vehicles for which a descriptive file will be opened in the register and to update the application for registration forms, in particular to take into account the fact that the address of a natural person will no longer be mandatory in that person's identification. Lastly, it contains the forms required for the registration of rights newly subject to publication.

To date, study of the matter has shown no particular consequences for small and medium-sized businesses; however, it has shown the following effects on the public and on businesses:

— creditors will be required to publish rights which did not heretofore have to be published to have effect against third persons;

— it will increase the security of transactions relating to movable property since certain rights that have been heretofore remained hidden will be published;

— it will reduce the problems related to the sale of the property of others and recourses based on claims, particularly with respect to automobiles.

Further information may be obtained by contacting Lise Cadoret, Notary, 255, boulevard Crémazie Est, 5^e étage, Montréal (Québec) H2M 2V3; tel. (514) 864-4931; fax: (514) 864-9774.

Any interested person having comments to make on the matter is asked to send them in writing, before the expiry of the 45-day period, to the undersigned, 1200, route de l'Église, 9^e étage, Sainte-Foy (Québec) G1V 4M1.

LINDA GOUPIL,
Minister of Justice

Regulation to amend the Regulation respecting the register of personal and movable real rights*

Civil Code

(1991, c. 64, art. 1745, 2nd par., 1750, 2nd par., 1852, 2nd par., 2683, 1st par. and 3024; 1998, c. 5, ss. 2, 4, 8 and 9)

An Act respecting registry offices
(R.S.Q., c. B-9, s. 5)

1. Section 15 of the Regulation respecting the register of personal and movable real rights is amended

(1) by inserting the following subparagraph after subparagraph 10 at the end of the first paragraph:

“(11) a motorized all-terrain vehicle equipped with handlebars and at least two wheels, that is designed to be straddled and whose net weight does not exceed 600 kilograms.”; and

(2) by adding the following paragraph at the end:

“A descriptive file shall be opened for a road vehicle included in one of the classes referred to in subparagraphs 1 and 3 to 9 of the first paragraph only where the vehicle's identification number has 17 characters and has been validated by the registrar using the control algorithm.”.

2. The following division is inserted after DIVISION IV of CHAPTER I:

“DIVISION V OBJECT OF CERTAIN RIGHTS SUBJECT TO PUBLICATION IN THE REGISTER

15.01. In addition to where they pertain to property acquired or required for the service or operation of an enterprise, reservations of ownership, rights of redemption and rights under a lease of more than one year, as well as any transfer of those reservations or rights, require publication in the register in accordance with articles 1745, 1750 and 1852 of the Civil Code where they pertain to the following property:

(1) a road vehicle included in one of the classes referred to in subparagraphs 1, 2, 9, 10 and 11 of the first paragraph of section 15;

(2) a caravan or a fifth-wheel;

(3) a mobile home;

(4) a boat;

(5) a personal watercraft;

(6) an aircraft.

15.02. The property on which a natural person who does not operate an enterprise may grant a movable hypothec without delivery pursuant to article 2683 of the Civil Code is that listed in section 15.01.”.

3. Section 16 is amended by inserting “and” after “name” in subparagraph 1 of the first paragraph and by deleting “and residential address” in the same subparagraph.

4. The following is substituted for section 20:

“**20.** A road vehicle included in one of the classes referred to in subparagraphs 1 and 3 to 9 of the first

* The Regulation respecting the register of personal and movable real rights, made by Order in Council 1594-93 dated 17 November 1993 (1993, G.O. 2, 6215), was last amended by the Regulation made by Order in Council 444-98 dated 1 April 1998 (1998, G.O. 2, 1513).

paragraph of section 15, where its identification number has at least 17 characters and complies with the control algorithm, and a road vehicle included in one of the classes referred to in subparagraphs 2, 10 and 11 of that paragraph shall be described under the heading “Road vehicle” of the form. The description must contain the vehicle’s identification number and class.

Any other road vehicle, including one whose identification number does not have the required 17 characters or does not comply with the control algorithm, shall be described under the heading “Other property” of the form.”.

5. The following is inserted after section 52.1:

“**52.2.** The application for registration of a right referred to in section 24 of the Act to amend the Civil Code and other legislative provisions as regards the publication of personal and movable real rights and the constitution of movable hypothecs without delivery (1998, c. 5) shall be made on the form RZ “Application for registration of a reservation of ownership, rights under a lease or certain other rights — Transitional law”.

Notwithstanding the foregoing, the application shall be made on the form RD “Application for registration of a reservation of ownership, rights under a lease or certain other rights” where registration of the right is required under article 2961.1 of the Civil Code.”.

6. Schedules I to XVII attached to this Regulation are substituted for Schedules I to XV.

7. This Regulation comes into force on the fifteenth day following its publication in the *Gazette officielle du Québec*.

SCHEDULE I
(s. 23)



Gouvernement du Québec
Ministère de la Justice
Register of personal and movable
real rights

APPLICATION FOR REGISTRATION
OF A MOVABLE HYPOTHEC

Form RH — Page 1

NATURE	1- Check one a Conventional hypothec without delivery b Conventional hypothec with delivery (pledge) c Floating hypothec d Legal hypothec of the State or of a legal person established in the public interest e Legal hypothec under a judgment f Renewal of publication of a hypothec				g Renewal on a new movable h Renewal on new shares i Extension of hypothec on property tendered or deposited j Extension of hypothec on property acquired as a replacement k Charging of property with legal hypothec
D.R.C.E.	2- DATE AFTER WHICH REGISTRATION CEASES TO BE EFFECTIVE <i>Note : Registration may be cancelled on the day following this date without presentation of an application to that effect</i> Year: _____ Month: _____ Day: _____				
PARTIES	① HOLDER <i>See instructions</i> 4- Surname 5- Given name 3- Notice of address number 6- Date of birth 7- Name of organization or government agency 8- Address (no., street, municipality, province) 9- Postal code If necessary, use Annex AP or AD				
PARTIES	② GRANTOR <i>See instructions</i> 10- Surname 11- Given name 12- Date of birth 13- Name of organization or government agency 14- Address (no., street, municipality, province) 15- Postal code If necessary, use Annex AP or AD Where applicable, check <input type="checkbox"/> certified statement of rights, also sent by <input type="checkbox"/> fax <input type="checkbox"/> e-mail				
PROPERTY	ROAD VEHICLE <i>See instructions</i> 16- Class 17- Identification number 18- Year 19- Description ① If necessary, use Annex AV Where applicable, check <input type="checkbox"/> certified statement of rights, also sent by <input type="checkbox"/> fax <input type="checkbox"/> e-mail				
PROPERTY	20- OTHER PROPERTY If necessary, use Annex AG				
PARTICULARS	21- Sum of hypothec <i>See instructions</i> 22- Reference to legislation granting hypothec 23- Cause of claim REFERENCE TO REGISTRATION IN THE REGISTER OF PERSONAL AND MOVABLE REAL RIGHTS 24- Entry no. ① <i>If necessary, use Annex AI</i> 25- Where applicable, check one a The hypothec is granted to secure payment of bonds or other titles of indebtedness (C.c.Q., art. 2692). b The hypothec is granted to secure a right ending at death. REFERENCE TO CONSTITUTING ACT 26- Form of act <i>Check one</i> a Private writing b Notarial act <i>en minute</i> c Notarial act <i>en brevet</i> d Judgment 27- Date 28- Place or judicial district 29- No. of minute of record 30- Full name of notary or name of court 31- OTHER PARTICULARS If necessary, use Annex AG				
SIGNATURE	The undersigned hereby requests that this notice be registered. 32- Name of person signing		Form no.		
SIGNATURE	33- X Signature				

SCHEDULE II

(s. 23)



Gouvernement du Québec
Ministère de la Justice
**Register of personal and movable
real rights**

**APPLICATION FOR REGISTRATION OF A
RESERVATION OF OWNERSHIP,
RIGHTS UNDER A LEASE
OR CERTAIN OTHER RIGHTS**
Form RD — Page 1

NATURE	<p>1- NATURE <i>Check one</i></p> <p>a Reservation of ownership (instalment sale) e Reservation of ownership and transfer of the reservation of ownership</p> <p>b Rights under a lease f Rights under a lease and transfer of rights</p> <p>c Right of redemption g Right of redemption and transfer of the right of redemption</p> <p>d Rights of ownership of the lessor (leasing) h Rights of ownership of the lessor (leasing) and transfer</p> <p>2- SINGLE REGISTRATION</p> <p>a Check, where the registration is to apply to rights of the same nature granted subsequently to the registration (C.C.Q., art. 2961.1).</p>
D.R.C.E.	<p>3- DATE AFTER WHICH REGISTRATION CEASES TO BE EFFECTIVE <i>Note: Registration may be cancelled on the day following this date without presentation on an application to that effect.</i></p> <p>Year Month Day</p>
PARTIES	<p>① 4- <i>Check one</i> a Seller b Lessor (Lease) c Lessor (Leasing) <i>See instructions</i> 5- Notice of address no.</p> <p>6- Surname 7- Given Name 8- Date of birth</p> <p>9- Name of organization or government agency Year Month Day</p> <p>10- Address (no., street, municipality, province) 11- Postal code</p> <p><i>If necessary, use Annex AP or AD</i></p> <p>② 12- <i>Check one</i> d Buyer e Lessee (Lease) f Lessee (Leasing) <i>See instructions</i></p> <p>13- Surname 14- Given Name 15- Date of birth</p> <p>16- Name of organization or government agency Year Month Day</p> <p>17- Address (no., street, municipality, province) 18- Postal code</p> <p><i>If necessary, use Annex AP or AD</i></p> <p style="text-align: right;">Where applicable, check <input type="checkbox"/> certified statement of rights. Also sent by <input type="checkbox"/> fax <input type="checkbox"/> e-mail</p>
PROPERTY	<p>③ TRANSFEREE <i>See instructions</i> 19- Notice of address no.</p> <p>20- Surname 21- Given name 22- Date of birth</p> <p>23- Name of organization or government agency Year Month Day</p> <p>24- Address (no., street, municipality, province) 25- Postal code</p> <p><i>If necessary, use Annex AP or AD</i></p> <p>ROAD VEHICLE <i>See instructions</i></p> <p>26- Class 27- Identification no. 28- Year 29- Description</p> <p style="text-align: right;">Where applicable, check <input type="checkbox"/> certified statement of rights. Also sent by <input type="checkbox"/> fax <input type="checkbox"/> e-mail</p> <p>30- OTHER PROPERTY</p> <p><i>If necessary, use Annex AG</i></p>
PARTICULARS	<p>REFERENCE TO CONSTITUTING ACT</p> <p>31- Form of act <i>Check one</i> a Private writing b Notarial act <i>en minute</i> c Notarial act <i>en brevet</i></p> <p>32- Date 33- Place</p> <p>Year Month Day</p> <p>34- No. of minute 35- Full name of notary</p> <p>36- EXTENT OF THE TRANSFER <i>Check one, where applicable</i></p> <p>a Transfer of all the rights b Transfer of a part of the rights</p> <p>37- OTHER PARTICULARS</p> <p><i>If necessary, use Annex AG</i></p>
SIGNATURE	<p>The undersigned hereby requests that this notice be registered</p> <p style="text-align: center;">38- Name of person signing</p> <p style="text-align: right;">Form No.</p> <p>39- X Signature</p>

SCHEDULE III
(s. 23)



Gouvernement du Québec
Ministère de la Justice
**Register of personal and movable
real rights**

**APPLICATION FOR REGISTRATION OF A
RESERVATION OF OWNERSHIP,
RIGHTS UNDER A LEASE OR CERTAIN
OTHER RIGHTS — TRANSITIONAL LAW**
Form RZ — Page 1

NATURE	<p>1- Check one</p> <table style="width: 100%;"> <tr> <td style="width: 50%;"> <p>a Reservation of ownership (instalment sale)</p> <p>b Rights under a lease</p> <p>c Right of redemption</p> <p>d Rights of ownership of the lessor</p> </td> <td style="width: 50%;"> <p>e Reservation of ownership and transfer of the reservation of ownership</p> <p>f Rights under a lease and transfer of rights</p> <p>g Right of redemption and transfer of the right of redemption</p> <p>h Rights of ownership of the lessor and transfer</p> </td> </tr> </table> <p style="text-align: center;">i Stipulation of unseizability</p>	<p>a Reservation of ownership (instalment sale)</p> <p>b Rights under a lease</p> <p>c Right of redemption</p> <p>d Rights of ownership of the lessor</p>	<p>e Reservation of ownership and transfer of the reservation of ownership</p> <p>f Rights under a lease and transfer of rights</p> <p>g Right of redemption and transfer of the right of redemption</p> <p>h Rights of ownership of the lessor and transfer</p>
<p>a Reservation of ownership (instalment sale)</p> <p>b Rights under a lease</p> <p>c Right of redemption</p> <p>d Rights of ownership of the lessor</p>	<p>e Reservation of ownership and transfer of the reservation of ownership</p> <p>f Rights under a lease and transfer of rights</p> <p>g Right of redemption and transfer of the right of redemption</p> <p>h Rights of ownership of the lessor and transfer</p>		
D.R.C.E.	<p>2- DATE AFTER WHICH REGISTRATION CEASES TO BE EFFECTIVE <i>Note: Registration may be cancelled on the day following this date without presentation of an application to that effect</i></p> <p>Year Month Day</p>		
PARTIES	<p>① 3- Check one a Seller b Lessor (Lease) c Lessor (Leasing) d Stipulator See instructions 4- Notice of address n°</p> <p>5- Surname 6- Given Name 7- Date of birth</p> <p>8- Name of organization or government agency Year Month Day</p> <p>9- Address (no., street, municipality, province) 10- Postal code</p> <p><i>If necessary, use Annex AP or AD</i></p> <p>② 11- Check one e Buyer f Lessee (Lease) g Lessee (Leasing) h Beneficiary See instructions</p> <p>12- Surname 13- Given Name 14- Date of birth</p> <p>15- Name of organization or government agency Year Month Day</p> <p>16- Address (no., street, municipality, province) 17- Postal code</p> <p><i>If necessary, use Annex AP or AD</i></p> <p style="text-align: right;">Where applicable, check <input type="checkbox"/> certified statement of rights. Also sent by <input type="checkbox"/> fax <input type="checkbox"/> e-mail</p> <p>③ TRANFEREE See instructions 18- Notice of address no.</p> <p>19- Surname 20- Given name 21- Date of birth</p> <p>22- Name of organization or government agency Year Month Day</p> <p>23- Address (no., street, municipality, province) 24- Postal code</p> <p><i>If necessary, use Annex AP or AD</i></p>		
PROPERTY	<p>ROAD VEHICULE See instructions</p> <p>25- Class 26- Identification no. 27- Year 28- Description</p> <p><i>If necessary, use Annex AV</i></p> <p style="text-align: right;">Where applicable, check <input type="checkbox"/> certified statement of rights. Also sent by <input type="checkbox"/> fax <input type="checkbox"/> e-mail</p> <p>29- OTHER PROPERTY</p> <p><i>If necessary, use Annex AG</i></p>		
PARTICULARS	<p>REFERENCE TO CONSTITUTING ACT</p> <p>30- Form of act Check one a Private writing b Notarial act <i>en minute</i> c Notarial act <i>en brevet</i> d Judgment</p> <p>31- Date 32- Place or judicial district</p> <p>Year Month Day</p> <p>33- No. of minute or record 34- Full name of notary or name of court</p> <p>35- EXTENT OF THE TRANSFER Check one, where applicable</p> <p>a Transfer of all the rights b Transfer of a part of the rights</p> <p>36- OTHER PARTICULARS</p> <p><i>If necessary, use Annex AG</i></p>		
SIGNATURE	<p>The undersigned hereby requests that this notice be registered</p> <p>37- Name of person signing</p> <p style="text-align: right;">Form No.</p> <p>38- X Signature</p>		

SCHEDULE V
(s. 23)



Gouvernement du Québec
Ministère de la Justice
Register of personal and movable
real rights

GENERAL APPLICATION
FOR REGISTRATION

Form RG — Page 1

D.R.C.E	NATURE Indicate <i>one</i> nature of right 1- Nature
	2- DATE AFTER WHICH REGISTRATION CEASES TO BE EFFECTIVE <i>Note : Registration may be cancelled on the day following this date without presentation of an application to that effect</i> Year: _____ Month: _____ Day: _____
PARTIES	1 See instructions 4- Check one a Holder b Grantor c Other (specify) 3- Notice of address no. 5- Surname 6- Given name 7- Date of birth 8- Name of organization or government agency Year Month Day 9- Address (no., street, municipality, province) 10- Postal code Where applicable, check <input type="checkbox"/> certified statement of rights, also sent by <input type="checkbox"/> fax <input type="checkbox"/> e-mail
	2 See instructions 12- Check one a Holder b Grantor c Other (specify) 11- Notice of address no. 13- Surname 14- Given name 15- Date of birth 16- Name of organization or government agency Year Month Day 17- Address (no., street, municipality, province) 18- Postal code If necessary, use Annex AP or AD Where applicable, check <input type="checkbox"/> certified statement of rights, also sent by <input type="checkbox"/> fax <input type="checkbox"/> e-mail
	ROAD VEHICLE See instructions 19- Class 20- Identification number 21- Year 22- Description 1 If necessary, use Annex AV Where applicable, check <input type="checkbox"/> certified statement of rights, also sent by <input type="checkbox"/> fax <input type="checkbox"/> e-mail
	23- OTHER PROPERTY If necessary, use Annex AG
	24- Amount REFERENCE TO REGISTRATION IN THE REGISTER OF PERSONAL AND MOVABLE REAL RIGHTS 25- Entry number 1 2 <i>If necessary, use annex A1.</i>
	REFERENCE TO CONSTITUTING ACT 26- Form of act <i>Check one</i> a Private writing b Notarial act <i>en minute</i> c Notarial act <i>en brevet</i> d Judgment e Other (specify) 27- Date 28- Place or judicial district Year Month Day 29- No. of minute or record 30- Full name of notary, name of court or full names of witnesses 31- OTHER PARTICULARS If necessary, use Annex AG
SIGNATURE	The undersigned hereby requests that this notice be registered. 32- Name of person signing 33- X _____ Signature
	Form no. _____

SCHEDULE VI

(s. 23)



Gouvernement du Québec
Ministère de la Justice
**Register of personal and movable
real rights**

**APPLICATION FOR REGISTRATION
OF PRIOR NOTICE OF INTENTION**

Form RP — Page 1

NATURE	1- Nature of prior notice <i>Check one</i>	
	a Prior notice of intention to exercise hypothecary right c Prior notice of intention to exercise seller's right of repossession e Other (specify)	b Prior notice of intention to exercise rights resulting from a trust by onerous title d Prior notice requiring seller to exercise right of redemption
PARTIES	① 2- <i>Check one</i> a <input type="checkbox"/> Holder b <input type="checkbox"/> Seller <i>See instructions</i>	
	3- Surname	4- Given name 5- Date of birth
	6- Name of organization or government agency	Year Month Day
	7- Address (no., street, municipality, province)	8- Postal code
	If necessary, use Annex AP or AD ② 9- <i>Check one</i> c <input type="checkbox"/> Grantor d <input type="checkbox"/> Buyer <i>See instructions</i>	
10- Surname	11- Given name 12- Date of birth	
13- Name of organization or government agency	Year Month Day	
14- Address (no., street, municipality, province)	15- Postal code	
If necessary, use Annex AP or AD Where applicable, check <input type="checkbox"/> certified statement of rights, also sent by <input type="checkbox"/> fax <input type="checkbox"/> e-mail		
PROPERTY	ROAD VEHICLES <i>See instructions</i>	
	16- Class 17- Identification number 18- Year 19- Description	
	① If necessary, use Annex AV Where applicable, check <input type="checkbox"/> certified statement of rights, also sent by <input type="checkbox"/> fax <input type="checkbox"/> e-mail	
20- OTHER PROPERTY If necessary, use Annex AG		
PARTICULARS	21- Right whose exercise is intended <i>Check one</i>	
	a Taking possession for administrative purposes c Sale by creditor e Other (specify)	b Taking in payment d Sale by judicial authority
	REFERENCE TO REGISTRATION IN THE REGISTER OF PERSONAL AND MOVABLE REAL RIGHTS 22- Entry no. ①	
	REFERENCE TO PRIOR NOTICE 23- Form of prior notice <i>Check one</i> a Private writing b Notarial act <i>en minute</i> c Notarial act <i>en brevet</i>	
	24- Date	25- Place
	Year Month Day	
26- Minute number	27- Full name of notary	
28- OTHER PARTICULARS If necessary, use Annex AG The debtor having failed to fulfil his obligations, the holder has served a prior notice of intention in accordance with the legislative provisions. The prior notice of intention is filed with this application, along with proof of its service.		
SIGNATURE	The undersigned hereby requests that this notice be registered. 29- Name of person signing	
	30- X	Form no. Signature

SCHEDULE VII

(s. 23)



Gouvernement du Québec
Ministère de la Justice
Register of personal and movable
real rights

APPLICATION FOR REGISTRATION
OF A CORRECTION

Form RR — Page 1

NATURE	<p>1- Check one</p> <p>a Correction by an interested person b Correction ordered by judgment</p>
PARTIES	<p>① See instructions</p> <p>2- Check one a Holder b Grantor c Other (specify)</p> <p>4- Surname 5- Given name</p> <p>7- Name of organization or government agency</p> <p>8- Address (no., street, municipality, province)</p> <p style="text-align: right;">3- Notice of address number</p> <p style="text-align: right;">6- Date of birth Year Month Day</p> <p style="text-align: right;">9- Postal code</p> <p style="text-align: right;">Where applicable, check <input type="checkbox"/> certified statement of rights, also sent by <input type="checkbox"/> fax <input type="checkbox"/> e-mail</p> <p>② See instructions</p> <p>10- Check one a Holder b Grantor c Other (specify)</p> <p>12- Surname 13- Given name</p> <p>15- Name of organization or government agency</p> <p>16- Address (no., street, municipality, province)</p> <p style="text-align: right;">11- Notice of address number</p> <p style="text-align: right;">14- Date of birth Year Month Day</p> <p style="text-align: right;">17- Postal code</p> <p style="text-align: right;">Where applicable, check <input type="checkbox"/> certified statement of rights, also sent by <input type="checkbox"/> fax <input type="checkbox"/> e-mail</p> <p>If necessary, use Annex AP or AD</p>
PARTICULARS	<p>REFERENCE TO REGISTRATION IN THE REGISTER OF PERSONAL AND MOVABLE REAL RIGHTS</p> <p>18- Entry No. ① If necessary, use Annex AI</p> <p>REFERENCE TO JUDGMENT</p> <p>19- Date 20- Judicial district</p> <p>21- Court record number 22- Court</p> <p>23- OBJET OF CORRECTION</p> <p>If necessary, use Annex AG If the correction concerns a road vehicle, enter the corrected description below</p> <p>24- Class 25- Identification number 26- Year 27- Description</p> <p>①</p> <p style="text-align: right;">Where applicable, check <input type="checkbox"/> certified statement of rights, also sent by <input type="checkbox"/> fax <input type="checkbox"/> e-mail</p> <p>If necessary, use Annex AV If the correction brings forward the date after which registration ceases to be effective, enter the corrected description below</p> <p>28- DATE AFTER WHICH REGISTRATION CEASES TO BE EFFECTIVE</p> <p style="text-align: center;">Year Month Day Note: Registration may be cancelled on the day following this date without presentation of an application to that effect</p> <p>29- OTHER PARTICULARS</p> <p>If necessary, use Annex AG</p>
SIGNATURE	<p>The undersigned hereby requests that this notice be registered.</p> <p>30- Name and signature of person signing</p> <div style="border: 1px solid black; height: 100px; width: 100%; margin-top: 20px;"></div> <p style="text-align: right; margin-top: 20px;">Form no.</p>

SCHEDULE VIII

(s. 23)



Gouvernement du Québec
Ministère de la Justice
**Register of personal and movable
real rights**

**APPLICATION FOR REGISTRATION
OF AN ADDRESS**

Form RA — Page 1

NATURE	1- Check one and fill in the corresponding section a Registration of address for notification purposes b Change of name or of address for notification c Registration of notice of address number following registration of the right in question d Correction								
BENEFICIARY	See instructions 2- Surname 3- Given name 4- Date of birth 5- Name of organization or government agency Year Month Day 6- Address (no., street, municipality, province) 7- Postal code								
OBJECT OF REGISTRATION	<p>A- REGISTRATION OF ADDRESS FOR NOTIFICATION PURPOSES <i>Fill in the References section</i></p> <p style="text-align:center;">ADDRESS FOR NOTIFICATION</p> 8- Address 9- Postal code 10- Fax number <p>B- CHANGE OF NAME OR OF ADDRESS FOR NOTIFICATION</p> 11- Notice of address number Change of name <i>Fill in spaces 12, 13, 14, 16, 17, 18 or 15, 19</i> Former name 12- Surname 13- Given name 14- Date of birth 15- Name of organization or government agency Year Month Day New name 16- Surname 17- Given name 18- Date of birth 19- Name of organization or government agency Year Month Day Change of address for notification <i>Fill in spaces 20 à 25</i> Previous address 20- Address 21- Postal code 22- Fax number New address 23- Address 24- Postal code 25- Fax number								
REFERENCES	<p>C- REGISTRATION OF NOTICE OF ADDRESS NUMBER FOLLOWING REGISTRATION OF THE RIGHT IN QUESTION</p> 26- Notice of address number <i>Fill in the References section</i> <p>D- CORRECTION <i>Fill in a or b</i></p> a- Of a registration number 27- Incorrect registration number 28- Correct registration number 29- Notice of address number in question b- Of a notice of address number <i>Fill in the References section</i> 30- Incorrect notice of address number 31- Correct notice of address number								
SIGNATURE	<p>32- REGISTRATION NUMBER OR FORM NUMBER</p> <table style="width:100%; border:none;"> <tr> <td style="text-align:center;">①</td> <td style="text-align:center;">②</td> <td style="text-align:center;">③</td> <td style="text-align:center;">④</td> </tr> <tr> <td style="text-align:center;">⑤</td> <td style="text-align:center;">⑥</td> <td style="text-align:center;">⑦</td> <td style="text-align:center;">⑧</td> </tr> </table> <p><i>If necessary, use Annex A1</i></p>	①	②	③	④	⑤	⑥	⑦	⑧
①	②	③	④						
⑤	⑥	⑦	⑧						
SIGNATURE	The undersigned hereby requests that this notice be registered. 33- Name of person signing Form no. 34- X Signature								

SCHEDULE X
(s. 23)



Gouvernement du Québec
Ministère de la Justice
Register of personal and movable
real rights

APPLICATION FOR REGISTRATION
OF A VOLUNTARY REDUCTION

Form RE — Page 1

PARTIES	<p>1- HOLDER Designate the person consenting to the reduction. - If the holder has changed, explain the change and file the required supporting document. - If the holder is represented, indicate the name and quality of the representative, as well as the nature of the document authorizing the representative to act.</p> <p>If necessary, use Annex AG</p> <p>2- GRANTOR State the grantor's name</p> <p>If necessary, use Annex AG</p>
	<p>3- THE HOLDER HEREBY INFORMS THE REGISTRAR THAT HE CONSENTS TO THE FOLLOWING REDUCTION:</p> <p>If necessary, use Annex AG</p> <p>If the reduction concerns a road vehicle, enter the description below</p> <p>4- Class 5- Identification number 6- Year 7- Description</p> <p>①</p> <p>If necessary, use Annex AV</p>
SIGNATURES	<p>The undersigned hereby requests that this notice be registered.</p> <p>8- Name and signature of person signing</p>

Form no.

SCHEDULE XII

(s. 23)



Gouvernement du Québec
 Ministère de la Justice
**Register of personal and movable
 real rights**

**APPLICATION FOR REGISTRATION
 OF A LEGAL REDUCTION OR CANCELLATION**

Form RL — Page 1

NATURE	<p>1- <i>Check one</i></p> <p>LEGAL REDUCTION OR CANCELLATION</p> <p>a of a right ending at death and of the hypothec securing it following the death of the beneficiary (C.C.Q., art. 3067)</p> <p>b following a taking in payment (C.C.Q., art. 3069, par. 1)</p> <p>c following a sale by a creditor (C.C.Q., art. 3069, par. 1)</p> <p>d following a sale by judicial authority (C.C.Q., art. 3069, par. 1)</p> <p>e following a forced sale (C.C.Q., art. 3069, par. 1, and C.C.P., art. 611.1)</p> <p>f Other (specify)</p>
	<p>PARTIES</p> <p>① <i>See instructions</i></p> <p>2- <i>Check one</i> a Holder b Grantor c Other (specify)</p> <p>3- Surname 4- Given name 5- Date of birth</p> <p>6- Name of organization or government agency Year Month Day</p> <p>7- Address (no., street, municipality, province) 8- Postal code</p> <p>② <i>See instructions</i></p> <p>9- <i>Check one</i> a Holder b Grantor c Other (specify)</p> <p>10- Surname 11- Given name 12- Date of birth</p> <p>13- Name of organization or government agency Year Month Day</p> <p>14- Address (no., street, municipality, province) 15- Code postal</p> <p><i>If necessary, use Annex AP or AD</i></p>
	<p>OBJECT OF REGISTRATION</p> <p>16- THE UNDERSIGNED HEREBY NOTIFIES THE REGISTRAR THAT: Describe the events, documents and all relevant facts warranting a legal reduction or cancellation. Give references for the registered entries and, where applicable, describe the property in respect of which this application is being filed.</p> <p><i>If necessary, use Annex AG</i></p>
<p>SIGNATURE</p> <p>The undersigned hereby requests that this notice be registered.</p> <p>17- Name of person signing</p> <p>18- X</p> <p>Signature</p>	<p>Form no.</p>

SCHEDULE XIII

(s. 23)



Gouvernement du Québec
Ministère de la Justice
**Register of personal and movable
real rights**

ANNEX: PARTIES

Form AP

Enter the form number of the first page of the application.	Number the annex in the order in which it appears on the application form.
<p>3 See instructions</p> <p>1- Check one a Holder b Grantor c Other (specify)</p> <p>3- Surname</p> <p>6- Name of organization or government agency</p> <p>7- Address (no., street, municipality, province)</p> <p>9- Represented by</p>	<p>2- Notice of address number</p> <p>4- Given name</p> <p>5- Date of birth Year Month Day</p> <p>8- Postal code</p> <p>10- Quality of representative</p> <p>Where applicable, check <input type="checkbox"/> certified statement of rights, also sent by <input type="checkbox"/> fax <input type="checkbox"/> e-mail</p>
<p>4 See instructions</p> <p>1- Check one a Holder b Grantor c Other (specify)</p> <p>3- Surname</p> <p>6- Name of organization or government agency</p> <p>7- Address (no., street, municipality, province)</p> <p>9- Represented by</p>	<p>2- Notice of address number</p> <p>4- Given name</p> <p>5- Date of birth Year Month Day</p> <p>8- Postal code</p> <p>10- Quality of representative</p> <p>Where applicable, check <input type="checkbox"/> certified statement of rights, also sent by <input type="checkbox"/> fax <input type="checkbox"/> e-mail</p>
<p>5 See instructions</p> <p>1- Check one a Holder b Grantor c Other (specify)</p> <p>3- Surname</p> <p>6- Name of organization or government agency</p> <p>7- Address (no., street, municipality, province)</p> <p>9- Represented by</p>	<p>2- Notice of address number</p> <p>4- Given name</p> <p>5- Date of birth Year Month Day</p> <p>8- Postal code</p> <p>10- Quality of representative</p> <p>Where applicable, check <input type="checkbox"/> certified statement of rights, also sent by <input type="checkbox"/> fax <input type="checkbox"/> e-mail</p>
<p>6 See instructions</p> <p>1- Check one a Holder b Grantor c Other (specify)</p> <p>3- Surname</p> <p>6- Name of organization or government agency</p> <p>7- Address (no., street, municipality, province)</p> <p>9- Represented by</p>	<p>2- Notice of address number</p> <p>4- Given name</p> <p>5- Date of birth Year Month Day</p> <p>8- Postal code</p> <p>10- Quality of representative</p> <p>Where applicable, check <input type="checkbox"/> certified statement of rights, also sent by <input type="checkbox"/> fax <input type="checkbox"/> e-mail</p>
<p>7 See instructions</p> <p>1- Check one a Holder b Grantor c Other (specify)</p> <p>3- Surname</p> <p>6- Name of organization or government agency</p> <p>7- Address (no., street, municipality, province)</p> <p>9- Represented by</p>	<p>2- Notice of address number</p> <p>4- Given name</p> <p>5- Date of birth Year Month Day</p> <p>8- Postal code</p> <p>10- Quality of representative</p> <p>Where applicable, check <input type="checkbox"/> certified statement of rights, also sent by <input type="checkbox"/> fax <input type="checkbox"/> e-mail</p>

Form no.

SCHEDULE XIV
(s. 23)



Gouvernement du Québec
Ministère de la Justice
**Register of personal and movable
real rights**

ANNEX: NAME

Form AD

Enter the form number of the first page of the application.	Number the annex in the order in which it appears on the application form.
③ NAME (ASSUMED NAME)	
1- Check one a Holder b Grantor c Other (specify)	
2- Name	
3- Address (no., street, municipality, province)	
4- Postal code	
Where applicable, check <input type="checkbox"/> certified statement of rights, also sent by <input type="checkbox"/> fax <input type="checkbox"/> e-mail	
NAMES OF PERSONS ACTING UNDER ABOVE NAME (ASSUMED NAME)	
④ See instructions	
6- Surname	7- Given name
9- Name of organization or government agency	5- Notice of address number
10- Address (no., street, municipality, province)	8- Date of birth Year Month Day
11- Postal code	
Where applicable, check <input type="checkbox"/> certified statement of rights, also sent by <input type="checkbox"/> fax <input type="checkbox"/> e-mail	
⑤ See instructions	
6- Surname	7- Given name
9- Name of organization or government agency	5- Notice of address number
10- Address (no., street, municipality, province)	8- Date of birth Year Month Day
11- Postal code	
Where applicable, check <input type="checkbox"/> certified statement of rights, also sent by <input type="checkbox"/> fax <input type="checkbox"/> e-mail	
⑥ See instructions	
6- Surname	7- Given name
9- Name of organization or government agency	5- Notice of address number
10- Address (no., street, municipality, province)	8- Date of birth Year Month Day
11- Postal code	
Where applicable, check <input type="checkbox"/> certified statement of rights, also sent by <input type="checkbox"/> fax <input type="checkbox"/> e-mail	
⑦ See instructions	
6- Surname	7- Given name
9- Name of organization or government agency	5- Notice of address number
10- Address (no., street, municipality, province)	8- Date of birth Year Month Day
11- Postal code	
Where applicable, check <input type="checkbox"/> certified statement of rights, also sent by <input type="checkbox"/> fax <input type="checkbox"/> e-mail	
⑧ See instructions	
6- Surname	7- Given name
9- Name of organization or government agency	5- Notice of address number
10- Address (no., street, municipality, province)	8- Date of birth Year Month Day
11- Postal code	
Where applicable, check <input type="checkbox"/> certified statement of rights, also sent by <input type="checkbox"/> fax <input type="checkbox"/> e-mail	

Form no.

SCHEDULE XV
(s. 23)



Gouvernement du Québec
Ministère de la Justice
Register of personal and movable
real rights

ANNEX:
DESCRIPTION OF ROAD VEHICLES
Form AV

Enter the form no. of the first
page of the application.

Number the annex in the order in which
it appears on the application form.

ROAD VEHICLES

1- Class	2- Identification number	3- Year	4- Description
②			Where applicable, check <input type="checkbox"/> certified statement of rights, also sent by <input type="checkbox"/> fax <input type="checkbox"/> e-mail
③			Where applicable, check <input type="checkbox"/> certified statement of rights, also sent by <input type="checkbox"/> fax <input type="checkbox"/> e-mail
④			Where applicable, check <input type="checkbox"/> certified statement of rights, also sent by <input type="checkbox"/> fax <input type="checkbox"/> e-mail
⑤			Where applicable, check <input type="checkbox"/> certified statement of rights, also sent by <input type="checkbox"/> fax <input type="checkbox"/> e-mail
⑥			Where applicable, check <input type="checkbox"/> certified statement of rights, also sent by <input type="checkbox"/> fax <input type="checkbox"/> e-mail
⑦			Where applicable, check <input type="checkbox"/> certified statement of rights, also sent by <input type="checkbox"/> fax <input type="checkbox"/> e-mail
⑧			Where applicable, check <input type="checkbox"/> certified statement of rights, also sent by <input type="checkbox"/> fax <input type="checkbox"/> e-mail
⑨			Where applicable, check <input type="checkbox"/> certified statement of rights, also sent by <input type="checkbox"/> fax <input type="checkbox"/> e-mail
⑩			Where applicable, check <input type="checkbox"/> certified statement of rights, also sent by <input type="checkbox"/> fax <input type="checkbox"/> e-mail
⑪			Where applicable, check <input type="checkbox"/> certified statement of rights, also sent by <input type="checkbox"/> fax <input type="checkbox"/> e-mail
⑫			Where applicable, check <input type="checkbox"/> certified statement of rights, also sent by <input type="checkbox"/> fax <input type="checkbox"/> e-mail
⑬			Where applicable, check <input type="checkbox"/> certified statement of rights, also sent by <input type="checkbox"/> fax <input type="checkbox"/> e-mail
⑭			Where applicable, check <input type="checkbox"/> certified statement of rights, also sent by <input type="checkbox"/> fax <input type="checkbox"/> e-mail
⑮			Where applicable, check <input type="checkbox"/> certified statement of rights, also sent by <input type="checkbox"/> fax <input type="checkbox"/> e-mail
⑯			Where applicable, check <input type="checkbox"/> certified statement of rights, also sent by <input type="checkbox"/> fax <input type="checkbox"/> e-mail
⑰			Where applicable, check <input type="checkbox"/> certified statement of rights, also sent by <input type="checkbox"/> fax <input type="checkbox"/> e-mail
⑱			Where applicable, check <input type="checkbox"/> certified statement of rights, also sent by <input type="checkbox"/> fax <input type="checkbox"/> e-mail
⑲			Where applicable, check <input type="checkbox"/> certified statement of rights, also sent by <input type="checkbox"/> fax <input type="checkbox"/> e-mail
⑳			Where applicable, check <input type="checkbox"/> certified statement of rights, also sent by <input type="checkbox"/> fax <input type="checkbox"/> e-mail
㉑			Where applicable, check <input type="checkbox"/> certified statement of rights, also sent by <input type="checkbox"/> fax <input type="checkbox"/> e-mail
㉒			Where applicable, check <input type="checkbox"/> certified statement of rights, also sent by <input type="checkbox"/> fax <input type="checkbox"/> e-mail

Form no.

SCHEDULE XVI

(s. 23)



Gouvernement du Québec
Ministère de la Justice
Register of personal and movable
real rights

GENERAL ANNEX

Form AG

Enter the form no. of the first
page of the application.

Number the annex in the order in which
it appears on the application form.

Use this form if space is lacking under "Other property", "Object of change", "Object of correction" or "Other particulars", or to complete the information under a heading on an application for registration of a reduction or a cancellation if no other annex is provided. In these cases, enter in the left-hand column the number of the heading to which this annex relates and that it completes. If the information under a heading other than those indicated above is completed on this annex, enter in the left-hand column the number of the heading "Other particulars" on the form to which this annex relates and that it completes.

Number
of heading
to be
completed

Note : Please leave a line between each heading.

Form no.

SCHEDULE XVII
(s. 23)



Gouvernement du Québec
Ministère de la Justice
**Register of personal and movable
real rights**

ANNEX: REGISTRATIONS

Form A1

Enter the form no. of the first page of the application.		Number the annex in the order in which it appears on the application form.	
Registration or form number			
1	2	3	4
5	6	7	8
9	10	11	12
13	14	15	16
17	18	19	20
21	22	23	24
25	26	27	28
29	30	31	32
33	34	35	36
37	38	39	40
41	42	43	44
45	46	47	48
49	50	51	52
53	54	55	56
57	58	59	60
61	62	63	64
65	66	67	68
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101	102	103	104
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117	118	119	120

Form no.

Draft Regulation

An Act respecting registry offices
(R.S.Q., c. B-9)

Register of personal and movable real rights

— Tariff of fees

— Amendments

Notice is hereby given, in accordance with sections 10 and 11 of the Regulations Act (R.S.Q., c. R-18.1), that the Regulation to amend the Tariff of fees respecting the register of personal and movable real rights, the text of which appears below, may be made by the Government upon the expiry of 45 days following this publication.

Any person having comments to make on the matter is asked to send them in writing, before the expiry of the 45-day period, to the undersigned, 1200, route de l'Église, 9^e étage, Sainte-Foy (Québec) G1V 4M1.

LINDA GOUPIL,
Minister of Justice

Regulation to amend the Tariff of fees respecting the register of personal and movable real rights*

An Act respecting registry offices
(R.S.Q., c. B-9, s. 8)

1. The following is substituted for section 1 of the Tariff of fees respecting the register of personal and movable real rights:

“1. The fee for the registration of a right mentioned in an application which, according to law, must fix the date after which registration ceases to be effective is \$27.00 per application, plus fees for the duration of the publication equal to \$3.00 per year or fraction of a year of intended publication, up to \$15.00.

In addition, in computing the fee for the registration of the renewal of the publication of a right, the fees for the duration of the intended publication shall be multiplied by the number of registration numbers indicated under the heading “Reference to registration in the register of personal and movable real rights” on the appropriate form.

* The Tariff of fees respecting the register of personal and movable real rights, made by Order in Council 1595-93 dated 17 November 1993 (1993, *G.O.* 2, 6238), was last amended by the Regulation made by Order in Council 445-98 dated 1 April 1998 (1998, *G.O.* 2, 1533).

1.1 The fee for the registration of a right mentioned in an application that does not have to specify the date after which registration ceases to be effective or for the registration of a correction in an entry is \$42.00 per application.”

2. The following is added after section 2:

“2.1 The fees exigible under sections 1, 1.1 and 2 shall be reduced by \$8.00 per application where the application is presented by electronic means.”

3. Section 3 is amended

(1) by inserting “and section 1.1” after the number “1” in the part preceding paragraph 1; and

(2) by adding the following paragraph at the end:

“(5) a right mentioned in an application presented in the form of a notice made on the form RZ “Application for registration of a reservation of ownership, rights under a lease or certain other rights — Transitional law.”

4. The following is substituted for section 13.2:

“13.2 The fee exigible for consulting the register using the identification number of a road vehicle is \$3.00 per number.”

5. This Regulation comes into force on the thirtieth day following the date of its publication in the *Gazette officielle du Québec*.

2828

Draft Regulation

An Act respecting the distribution of financial products and services
(1998, c. 37)

Rules for securities representatives and firms regulations

Notice is hereby given pursuant to the Regulations Act (R.S.Q., c. R-18.1) that the “Rules for Securities Representatives and Firms Regulations”, the text of which is published below, may be submitted for Government approval with or without amendments upon the expiry of a 45-day time period following such publication.

According to the Commission, the purpose of these proposed Regulations is to set forth the rules for securities representatives, and securities firms acting through

a securities representative, by reference to the existing rules governing the brokerage of group savings plans, of investment contracts and of scholarship plans. Such rules have already been set forth by the Government and the Commission des valeurs mobilières du Québec.

For this purpose, these proposed Regulations prescribe by reference the rules of professional conduct, the requirements for carrying on business, the rules governing solicitation, product information as well as business relationships and rules governing the disclosure thereof. Furthermore, the rules governing trust accounts and the rules governing the maintenance of financial resources for securities firms are also prescribed in the same manner.

The Commission believes that these Regulations will have a favourable impact on the public and the financial sector by ensuring that established rules are maintained and because no new obligations are created in addition to the obligations already existing.

Further information may be obtained by contacting Daniel Laurion, Commission des valeurs mobilières du Québec, 800, carré Victoria, 22^e étage, C.P. 246, Tour de la Bourse, Montréal (Québec) H4Z 1G3, (514) 940-2150.

Any interested persons wishing to comment on the above matter are requested to send two copies of their comments to the Minister of State for the Economy and Finance and Minister of Finance, 12 rue Saint-Louis, bureau 1.01, Québec (Québec) G1R 5L3 before the expiry of the 45-day time period.

BERNARD LANDRY,
*Minister of State for the Economy and Finance
and Minister of Finance*

Rules for securities representatives and firms regulations

An Act respecting the distribution of financial products and services
(1998, c. 37)

DIVISION 1 GENERAL

1. These Regulations apply to the securities representatives referred to under section 9 of the Act respecting the distribution of financial products and services (1998, c. 37) who carry on business in the group savings plan, investment contract and scholarship plan brokerage sectors.

2. Such securities representatives, and securities firms acting through a securities representative, are subject to the rules provided under the Securities Act (R.S.Q., c. V-1.1), the Regulation concerning securities and any other subordinate legislation relating thereto, to the extent set forth under sections 4 to 6 hereof.

3. In the event of a conflict between the above-mentioned rules and the provisions of these Regulations, the above-mentioned rules shall take precedence.

DIVISION 2 SECURITIES REPRESENTATIVES

4. Securities representatives carrying on business are subject to the rules governing the representative of a dealer, which rules determine:

- (1) professional conduct;
- (2) occupations which are incompatible with the business carried on by a representative;
- (3) the conditions and restrictions relating to the business carried on by a representative;
- (4) client solicitation and representations made by a representative;
- (5) product information which a representative is required to provide to a client and the manner in which such information is to be provided;
- (6) the granting of another benefit or interest constituting a business relationship for the purposes of section 53 of the Act respecting the distribution of financial products and services.

5. For the purposes of section 54 of the Act respecting the distribution of financial products and services, securities representatives shall meet the requirements by demonstrating that they have completed the training recognized by a confederation governed by the Savings and Credit Unions Act (R.S.Q., c. C-4.1).

DIVISION 3 SECURITIES FIRMS

6. Firms acting through a securities representative are subject to the rules governing dealers with a restricted practice of the same class, which rules determine the establishment and maintenance of a trust account as well as the maintenance of sufficient financial resources.

DIVISION 4 FINAL PROVISIONS

7. These Regulations shall come into force on the day they are approved by the Government.*

2841

Draft Regulation

An Act respecting the distribution of financial products and services
(1998, c. 37)

Special brokerage in damage insurance

Notice is hereby given, in accordance with the sections 10 and 11 of the Regulations Act (R.S.Q., c. R-18.1), that the Regulation respecting special brokerage in damage insurance adopted by the Bureau des services financiers, the text of which appears hereunder, may be submitted to the Government for approval, with or without amendments, upon the expiry of a 45-day period from the date of this publication.

According to the Bureau des services financiers, this draft regulation is intended to determine the conditions that must be met by a damage insurance broker before it is authorized to act as a special broker, as well as the information that the broker must give to a client in writing before placing a risk. The form of statement to be given to the client is set out in the Schedule. The draft regulation substantially maintains the rules that were established in such respect by the Conseil des assurances de dommages.

The draft regulation also proposes an amount of \$100,000 as security to be provided by a firm on behalf of which a broker acts; such security was previously established at \$50,000.

The examination of this file conducted to date reveals, according to the Bureau, no impact on the public, other than an increase in public protection through the supervision of this activity. Regarding business and particularly small and medium-sized business, the only impact relates to the increase in the amount of security.

Additional information may be obtained from M^e Nathalie G. Drouin, Director of Legal Affairs, Bureau des services financiers, 140, Grande Allée Est, bureau 300, Québec (Québec) G1R 5M8, telephone number: (418) 525-6273 or 1-877-525-6273, facsimile number: (418) 525-9512, E-mail: ndrouin.bsf@megaquebec.net.

Any interested party having comments regarding this matter is asked to forward them, in two copies, prior to the expiry of the 45-day period, to the Minister of Finance, 12, rue Saint-Louis, bureau 1.10, Québec (Québec) G1R 5L3.

BERNARD LANDRY,
*Minister of State for the
Economy and Finance*

Regulation respecting special brokerage in damage insurance

An Act respecting the distribution of financial products and services
(1998, c. 37, s. 212)

CHAPTER I AUTHORIZATION

1. For a broker to be authorized to act as a special broker, the firm in which he is employed or on whose behalf he acts must apply in writing to the Bureau and forward the following documents and information:

(1) the name, residential address and certificate number of the damage insurance broker who intends to act as a special broker;

(2) the names and addresses of at least three damage insurers holding insurance licences in Québec and whose products the firm is authorized to offer and to sell;

(3) a copy of the firm's financial statements for its most recent fiscal year, signed by two of the firm's directors;

(4) a copy of the security prescribed in section 2.

CHAPTER II SECURITY

2. The security provided for in the second paragraph of section 77 of the Act that must be furnished in the form of an insurance contract by the firm on whose behalf the broker acts, is hereby determined as a blanket amount of \$100,000, regardless of the number of insurance contracts placed through a special broker.

CHAPTER III REQUIREMENTS

3. A firm that employs or acts through representatives who hold broker's certificates in damage insurance and who are authorized by the Bureau to act as special brokers must forward to the Bureau, each month:

(1) a copy of all statements signed by clients in accordance with Schedule 1 to this Regulation;

(2) a list indicating the names of the insurers that refused to grant insurance for a proposed risk and a description of the contemplated risk and the identity of the person who requested such insurance;

(3) the identity and principal establishment of all outside insurers, as that term is defined in section 41 of the Act, who agreed to insure the contemplated risk.

4. Every six months, a broker in damage insurance authorized by the Bureau to act as a special broker shall forward a report to the Bureau containing the following information:

(1) for each risk placed with an outside insurer, the number of insurers holding a licence issued under the Act respecting insurance (R.S.Q., c. A-32) who were offered the risk, the name of the outside insurer with whom the risk was placed by the special broker, and a summary description of the risk placed;

(2) the percentage and number of risks entrusted to him by natural persons, partnerships or legal persons having their domiciles, principal establishments or head offices in Québec, both in terms of the number of risks and the value of the premiums placed with an outside insurer.

SCHEDULE 1

(s. 3, subparagraph 1)

STATEMENT BY THE CLIENT TO A SPECIAL BROKER ACTING FOR AN INSURER NOT HOLDING A LICENCE IN QUÉBEC

I, the undersigned _____

Identification of the client

Name: _____
Address: _____
Telephone no.: _____

hereby declare that, in respect of the following property or other interests to be insured:

Designation and location of risks to be insured

- (a) Description of the risk: _____
- (b) Exact address of the risk: _____

the following insurers, holding licences in Québec

Identity of insurers that refused to grant the insurance coverage requested

- (a) _____
- (b) _____
- (c) _____

have refused to grant me damage insurance applied for in the amount of

Amount of insurance applied for \$ _____

IMPORTANT

Furthermore, I hereby state that I was notified by the broker that:

(a) the insurer with which the risk is to be placed does not hold a licence in Québec;

(b) said insurer does not have an establishment in Québec;

(c) said insurer is not subject to supervision by the Inspector General of Financial Institutions and does not file the statements and reports prescribed under the Act respecting insurance (R.S.Q., c. A-32);

(d) said insurer is not required to maintain sufficient reserves to guarantee its obligations toward its insurers in Québec.

IN WITNESS WHEREOF, I have signed this statement,

in: _____ on: _____

(Client's signature)
(In the case of a corporation, the signature of its duly authorized representative)

(Witness)

2833

Draft Regulation

An Act respecting the distribution of financial products and services
(1998, c. 37)

Titles similar to the title of financial planner

Notice is hereby given, in accordance with sections 10 and 11 of the Regulations Act (R.S.Q., c. R-18.1) that the Regulation respecting titles similar to the title of financial planner adopted by the Bureau des services financiers, the text of which appears hereunder, may be submitted to the Government for approval, with or without amendments, upon the expiry of a 45-day period from the date of this publication.

According to the Bureau des services financiers, this draft regulation is intended to determine the titles which are similar to the title of financial planner. Most of these titles were set out in the previous regulation respecting titles similar to the title of financial planner (R.S.Q., c. I-15.1, r.5).

Because such titles are likely to mislead the public, they may not be used by anyone.

According to the Bureau, this regulation will have a favorable impact on the public in that it reduces the possibility of confusion between the title of financial planner and similar titles.

To date, this draft regulation has revealed no other impact on business, particularly small and medium-sized business.

Additional information may be obtained from Mre Nathalie G. Drouin, Director of Legal Affairs, Bureau des services financiers, 140, Grande-Allée Est, bureau 300, Québec (Québec) G1R 5M8, telephone number: (418) 525-6273 or 1-877-525-6273, facsimile number: (418) 525-9512, E-mail: ndrouin.bsf@megaquebec.net.

Any interested party having comments regarding this matter is asked to forward them, in two copies, prior to the expiry of the 45-day period, to the Minister of Finance, 12, rue Saint-Louis, bureau 1.10, Québec (Québec) G1R 5L3.

BERNARD LANDRY,
Minister of State for the Economy and Finance

Regulation respecting titles similar to the title of financial planner

An Act respecting the distribution of financial products and services
(1998, c. 37 s. 215)

1. The following titles are similar to the title of financial planner and may not be used by anyone:

- (1) chartered financial planner (CFP);
- (2) registered financial planner (RFP);
- (3) financial planning counsellor or financial planning adviser;
- (4) financial planning consultant;
- (5) financial planning co-ordinator;
- (6) chartered financial consultant;
- (7) chartered financial co-ordinator;
- (8) certified financial consultant;
- (9) certified financial co-ordinator;
- (10) personal finance consultant;
- (11) personal finance co-ordinator;
- (12) personal finance planner;
- (13) any title including one of the following four expressions, in which the words composing each are either appear together or are separated by other words:
 - (a) financial planner;
 - (b) financial planning;
 - (c) financial consultant;
 - (d) financial co-ordinator.

2. This regulation comes into force on *(insert here the date of coming into force of section 582 of the Act)*.

Index Statutory Instruments

Abbreviations: **A**: Abrogated, **N**: New, **M**: Modified

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Brokerage activities in connection with loans secured by immovable hypothec (An Act respecting the distribution of financial products and services, 1998, c. 37)	1182	Draft
Chambre de la sécurité financière — Compulsory professional development (An Act respecting the distribution of financial products and services, 1998, c. 37)	1182	Draft
Chambre de la sécurité financière — Ethics (An Act respecting the distribution of financial products and services, 1998, c. 37)	1186	Draft
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Income security (An Act respecting income security, R.S.Q., c. S-3.1.1)	1227	Draft
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Multi-sector firms registered in the real-estate-brokerage sector (An Act respecting the distribution of financial products and services, 1998, c. 37)	1229	Draft
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Registry offices, An Act respecting... — Register of personal and movable real rights (R.S.Q., c. B-9)	1239	Draft
Registry offices, An Act respecting... — Register of personal and movable real rights — Tariff of fees (R.S.Q., c. B-9)	1259	Draft
Rules for securities representatives and firms regulations (An Act respecting the distribution of financial products and services, 1998, c. 37)	1259	Draft
Special brokerage in damage insurance (An Act respecting the distribution of financial products and services, 1998, c. 37)	1261	Draft
Titles similar to the title of financial planner (An Act respecting the distribution of financial products and services, 1998, c. 37)	1263	Draft