

(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
