

7. Any person who violates any of the provisions of sections 2 to 6 is guilty of an offence.

8. This Regulation comes into force on the fifteenth day following the date of its publication in the *Gazette officielle du Québec*.

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Gouvernement du Québec

O.C. 161-2001, 28 February 2001

An Act respecting the distribution of financial products and services
(R.S.Q., c. D-9.2)

Commission des valeurs mobilières — Rules of ethics in the securities sector

Regulation respecting the rules of ethics in the securities sector

WHEREAS under the first paragraph of section 201 of the Act respecting the distribution of financial products and services (R.S.Q., c. D-9.2), the Commission des valeurs mobilières du Québec may, after consulting the chamber of financial products, make a regulation to determine the rules of ethics applicable to securities representatives;

WHEREAS under the second paragraph of that section, a regulation made under the first paragraph shall be submitted to the Government for approval with or without amendment;

WHEREAS the chamber of financial products was consulted;

WHEREAS under that section, the Commission des valeurs mobilières du Québec made the Regulation respecting the rules of ethics in the securities sector;

WHEREAS in accordance with sections 10 and 11 of the Regulations Act (R.S.Q., c. R-18.1), the text of the draft Regulation was published in the *Gazette officielle du Québec* of 25 October 2000 with a notice that it could be submitted to the Government for approval upon the expiry of 45 days following that publication;

WHEREAS the 45-day period has expired;

WHEREAS the Commission des valeurs mobilières du Québec did not receive any comments following that publication;

WHEREAS it is expedient to approve the Regulation;

IT IS ORDERED, therefore, upon the recommendation of the Minister of Finance:

THAT the Regulation respecting the rules of ethics in the securities sector, attached to this Order in Council, be approved.

MICHEL NOËL DE TILLY,
Clerk of the Conseil exécutif

Regulation respecting the rules of ethics in the securities sector

An Act respecting the distribution of financial products and services
(R.S.Q., c. D-9.2, s. 201)

DIVISION I PURPOSE AND SCOPE

1. This regulation sets forth the rules of ethics applicable to the securities representatives mentioned in the first paragraph of section 9 of the Act respecting the distribution of financial products and services (R.S.Q., c. D-9.2).

DIVISION II RULES OF CONDUCT

2. A representative shall show loyalty towards his client whose interests shall be of the utmost priority when he makes a trade on his behalf.

3. A representative shall make a diligent and professional effort to get to know a client's financial and personal situation as well as his investment goals. The information he obtains from the client shall describe this situation as well as any developments with respect thereto.

4. A representative's recommendations shall be based on an in-depth analysis of information obtained from the client and information concerning the trade.

5. A representative shall caution a client who gives him an unsolicited order which does not appear to be in keeping with his situation.

6. A client's capital shall remain his exclusive property and a representative shall only use it for trades authorized by the client.

7. A representative shall take reasonable steps to ensure the accuracy and sufficiency of information given to a client concerning his investments.

DIVISION III CONFIDENTIALITY OF CLIENT INFORMATION

8. Information about a client's trades and account shall be confidential and a representative shall not disclose them without the client's permission, unless a provision of law or an order from a court having jurisdiction exempts him from this requirement.

9. Information about a client's order shall remain confidential and a representative shall not use it to trade in his personal account or that of another client.

DIVISION IV RESPECT AND CONFIDENCE OF THE PUBLIC

10. A representative's methods of soliciting and conducting business shall inspire respect and confidence from the public.

11. Orders shall only be executed when a client authorizes a representative to do so.

12. Trades a client asks a representative to make shall only be carried out by a person authorized by law to do so.

13. In conducting his activities, a representative shall take into consideration the financial integrity and liabilities of the firm on behalf of which he is acting.

14. A representative's professional activities shall be conducted responsibly, with respect, integrity and skill.

15. A representative shall maintain a high level of professional knowledge.

16. A representative shall ensure that his conduct complies with the law and meets the requirements of the body governing the firm on behalf of which he is acting.

17. A representative who receives privileged or confidential information from a client, an issuer or a third party shall not pass it on, nor shall he trade using such information.

18. A representative shall refrain from making false declarations as to his level of skill or as to the effectiveness of his services or those of the firm on behalf of which he is acting.

DIVISION V OBLIGATION TO INFORM CLIENT AND COLLABORATE IN ENFORCING THE ACT

19. A representative shall provide, in an objective and complete manner, the information requested by a client as well as all information concerning the status of his investments and that which is needed to understand and assess a trade.

20. A representative shall forthwith collaborate with and respond to a person responsible for enforcing the Act respecting the distribution of financial products and services and its regulations.

21. This regulation shall come into force on the fifteenth day following the date of its publication in the *Gazette officielle du Québec*.

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Gouvernement du Québec

O.C. 191-2001, 28 February 2001

Building Act
(R.S.Q., c. B-1.1)

Regulation — **Amendment**

Regulation to amend the Regulation respecting the application of the Building Act

WHEREAS under section 4.1 and subparagraph 1 of the first paragraph of section 182 of the Building Act (R.S.Q., c. B-1.1), the Government may, by regulation, exempt, in particular, categories of contractors from the total or partial application of the Act;

WHEREAS, in accordance with sections 10 and 11 of the Regulations Act (R.S.Q., c. R-18.1), the draft of the Regulation to amend the Regulation respecting exemption from the application of the Building Act was published in Part 2 of the *Gazette officielle du Québec* of 5 May 1999 with a notice that it could be made by the Government upon the expiry of 45 days following that publication;

WHEREAS the title of the Regulation respecting exemption from the application of the Building Act was replaced, by Order in Council 954-2000 dated 26 July 2000, by the title "Regulation respecting the application of the Building Act";