

6. 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. 1010-2006, 8 November 2006

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

Chambre de la sécurité financière — Compulsory professional development

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

WHEREAS, under paragraph 2 of section 202.1 of the Act respecting the distribution of financial products and services (R.S.Q., c. D-9.2), the Autorité des marchés financiers shall determine, by regulation, the rules governing compulsory professional development for representatives of each sector or class of sector other than financial planning;

WHEREAS the Chambre de la sécurité financière is a legal person established under the Act;

WHEREAS, under the fourth paragraph of section 312 of the Act, the Chambre de la sécurité financière shall exercise, in respect of its members, the regulatory power provided for in section 202.1;

WHEREAS, under the first paragraph of section 217 of the Act, a regulation made pursuant to the Act shall be submitted to the Government for approval with or without amendment;

WHEREAS, by Order in Council 1171-99 dated 13 October 1999, the Government approved the Regulation governing compulsory professional development of the Chambre de la sécurité financière;

WHEREAS the Chambre de la sécurité financière made the Regulation of the Chambre de la sécurité financière respecting compulsory professional development on 28 February 2006 to replace the above-mentioned Regulation;

WHEREAS, in accordance with sections 10 and 11 of the Regulations Act (R.S.Q., c. R-18.1), the draft Regulation of the Chambre de la sécurité financière respecting

compulsory professional development was published in the *Gazette officielle du Québec* of 14 June 2006 with a notice that it could be submitted to the Government for approval on the expiry of 45 days following that publication;

WHEREAS the 45-day period has expired;

WHEREAS it is expedient to approve the Regulation with amendments;

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

THAT the Regulation of the Chambre de la sécurité financière respecting compulsory professional development, attached to this Order in Council, be approved.

GÉRARD BIBEAU,
Clerk of the Conseil exécutif

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

An Act respecting the distribution of financial products and services
(R.S.Q., c. D-9.2, s. 202.1, par. 2 and s. 312)

DIVISION I SCOPE AND INTERPRETATION

1. This Regulation applies to all representatives, whether or not they are independent, who hold a certificate issued by the Autorité des marchés financiers authorizing them to practise in any of the following sectors, including the classes thereof provided for in the Regulation respecting the issuance and renewal of representatives' certificates, adopted by the Autorité des marchés financiers by Resolution 99.07.08 dated 6 July 1999:

- (1) insurance of persons;
- (2) group insurance of persons;
- (3) group savings plan brokerage;
- (4) investment contract brokerage;
- (5) scholarship plan brokerage.

For the purposes of this Regulation, the sectors listed in subparagraphs 3 to 5 of the first paragraph constitute a single sector.

2. In this Regulation, the term “professional development unit” or “PDU” means one hour of training recognized by the Chambre de la sécurité financière.

DIVISION II TRAINING

§1. *Period, frequency and content of training*

3. As of 30 November 2006, a representative referred to in section 1 must, between that date and 30 November 2007, and for any 24-month period thereafter, take part in training activities recognized by the Chamber in accordance with Division III consisting of at least 10 PDUs from among the following general subjects :

- (1) management of a financial services firm;
- (2) Civil Code;
- (3) accounting;
- (4) economics;
- (5) finance;
- (6) business planning for clients;
- (7) business planning for representatives;
- (8) financial planning;
- (9) tax planning;
- (10) actuarial sciences;
- (11) legislative environment;
- (12) intestate and testamentary succession.

During that period, the representative must also take part in training activities recognized by the Chamber having the following additional PDUs :

(1) 10 PDUs in subjects pertaining to compliance with standards, ethics or business conduct; and

(2) 10 PDUs in subjects specific to each sector listed in the first paragraph of section 1, for each sector for which the representative is authorized to act under the certificate :

(a) insurance of persons :

- i. client counselling;
- ii. underwriting or risk management;
- iii. disability insurance;
- iv. life insurance;
- v. trusts;
- vi. risk management in insurance of persons;
- vii. underwriting in insurance of persons;
- viii. accident or health insurance plans;
- ix. segregated funds;
- x. strategy of wealth accumulation and use;
- xi. financial needs analysis;
- xii. deferred income plans;
- xiii. mutual funds;
- xiv. investor profile and asset allocation;
- xi. investment strategy;
- xvi. retirement and estate planning;
- xvii. guaranteed investment certificates and linked notes;

(b) group insurance of persons :

- i. client counselling;
- ii. underwriting or risk management;
- iii. disability insurance;
- iv. life insurance;
- v. group insurance and group pension plans;
- vi. benefits and underwriting in group insurance and group annuity plans;
- vii. setting up a group insurance and group annuity program;
- viii. preparing a rate schedule and analyzing group insurance and group annuity quotes;
- ix. preparing a group insurance and group annuity recommendation;
- x. public and private plans;
- xi. processing group insurance claims;
- xii. mutual funds;
- xiii. guaranteed investment certificates and linked notes;

(c) group savings plan brokerage, investment contract brokerage and scholarship plan brokerage :

- i. client counselling;
- ii. underwriting or risk management;
- iii. retirement and estate planning;
- iv. trusts;
- v. segregated funds;
- vi. strategy of wealth accumulation and use;
- vii. scholarship plans;
- viii. concepts of investment contracts;
- ix. investment products;
- x. derivatives;
- xi. financial needs analysis;
- xii. deferred income plans;
- xiii. mutual funds;
- xiv. investor profile and asset allocation;
- xi. investment strategy;
- xvi. guaranteed investment certificates and linked notes.

§2. *Variations in the training requirement*

4. Representatives referred to in section 1 who are issued a certificate between 30 November 2006 and 30 November 2007, or in any subsequent 24-month period, must accumulate PDUs from among the subjects listed in subdivision 1 in the proportion that the number of full months for which the certificate has been held is of 24 months.

Despite the foregoing, representatives who have held a certificate for less than 6 months are exempt from the requirements of subdivision 1.

Representatives who are authorized to act in a new sector during a period referred to in the first paragraph, in addition to the sector in which they are authorized to act under the certificate, are deemed to comply with the requirements of subdivision 1, but only for that new sector.

5. Representatives who are absent or on sick leave or accident leave, or for family or parental reasons, are exempt from the requirements of subdivision 1 to the extent and subject to the following conditions:

(1) the absence or leave is of a duration of not less than four consecutive weeks; and

(2) the representatives make a written request to the Chamber to avail themselves of the exemption and submit a supporting document or the medical certificate required for entitlement to the absence or leave.

Subject to subparagraphs 1 and 2, for the purposes of this section, the causes and terms of absences or leaves are those set out in Divisions V.0.1 and V.1 of Chapter IV of the Act respecting labour standards (R.S.Q., c. N-1.1).

Representatives must inform the Chamber in writing as soon as the absence or leave has ended and comply with the requirements of subdivision 1. They must then accumulate PDUs in the proportion that the number of full months in the period in which they were not absent or on leave is of 24 months.

6. Representatives who were suspended or struck off the roll or whose certificate was cancelled or revoked pursuant to a decision of the disciplinary committee of the Chamber or whose certificate is revoked, suspended, not renewed or included conditions imposed by the Autorité des marchés financiers cannot give training activities recognized by the Chamber or earn PDUs as a trainer, instructor or facilitator of those activities.

§3. Awarding and assignment of PDUs

7. Representatives who act as trainers, instructors or facilitators of a training activity recognized by the Chamber are entitled, only once for the activity, to double the number of PDUs awarded for the activity.

8. Representatives who, during the period referred to in subdivision 1, took part in training activities recognized by the Chamber consisting of more PDUs than required under subparagraphs 1 and 2 of the second paragraph of section 3, may count the excess PDUs under general subjects but only during that period. Such representatives cannot count the excess PDUs accumu-

lated in the general subjects listed in subdivision 1 under a subject pertaining to compliance with standards, ethics or business conduct or a specific subject.

§4. Notice from the Chamber

9. At the latest within 30 days before the end of the period referred to in subdivision 1, the Chamber must send a notice to each representative who has not accumulated the required number of PDUs and inform the representative of the consequences, set out in sections 118.1 and 126 of the Regulation respecting the issuance and renewal of representatives' certificates, for failure to take part in training activities.

10. Within 30 days after the end of the period referred to in subdivision 1, the Chamber must send a notice to each representative who has not accumulated the required number of PDUs and inform the representative of the consequences, set out in sections 118.1 and 126 of the Regulation respecting the issuance and renewal of representatives' certificates, for failure to take part in training activities.

The Chamber must inform the Autorité des marchés financiers when it sends the notice provided for in the first paragraph to a representative.

§5. Keeping and sending of documents

11. Representatives must keep the attendance vouchers or certificates of exam or test results issued to them by the person, organization or educational institution providing the training activities recognized by the Chamber, for a 24-month period following the end of the period referred to in subdivision 1.

12. During the period referred to in subdivision 1, representatives must, personally or through the firm for which they are acting or the independent partnership of which they are a partner or employee, send to the Chamber a paper copy of the attendance vouchers for the activities it recognized.

Despite the foregoing, representatives are exempt from the requirement under the first paragraph if they, or the firm for which they are acting or the independent partnership of which they are a partner or employee, send their attendance vouchers for the activities recognized by the Chamber to its technological address by means of its secured access. The representatives are then not required to send a copy of the vouchers, unless the Chamber so requires for data verification purposes, in which case paper copies must be provided within 30 days of the Chamber's request.

DIVISION III RECOGNITION OF TRAINING ACTIVITIES

13. The Chamber recognizes the training activities related to the sectors listed in section 1 if the activities enable the following professional skills and knowledge to be developed:

- (1) business development;
- (2) technical analysis;
- (3) client satisfaction;
- (4) business strategies.

The Chamber also recognizes and awards PDUs for any activity provided by a person, organization or educational institution during which training pertains to products specific to the sectors listed in section 1, provided that the time allocated to the training does not exceed one-half of the total time of the activity.

14. A representative or a person, organization or educational institution wishing to have an activity recognized must apply for recognition to the Chamber not later than six months after the activity is held.

15. The application for recognition must include

- (1) a description of the training activity;
- (2) the training procedure for the activity;
- (3) a document explaining how the activity develops professional skills;
- (4) if the application is submitted before the activity is held, the name and address of the person responsible for the activity;
- (5) if the application is submitted by the representative after the activity is held, proof that the representative attended the activity;
- (6) the method of assessing successful completion of the activity, if applicable;
- (7) if the application is submitted after the activity is held by the person, organization or educational institution providing the activity, a list of participants; and
- (8) the number of PDUs and the subject to which the training activity applies.

The person, organization or educational institution applying for recognition of a training activity for financial products must also produce a written undertaking to the effect that the duration and content of the training given to the representatives reflects the duration and content proposed to the Chamber.

16. The Chamber recognizes or refuses to recognize an activity within 45 days of receipt of the application. If the recognition is refused or the activity is recognized for fewer PDUs than requested, the Chamber must give reasons to the applicant.

17. The recognition of an activity is valid for 24 months. At the end of that period, a person wishing to renew the recognition must make a new application to the Chamber.

18. The person responsible for an activity must submit a new application for recognition to the Chamber if its content, duration or assessment procedures have been modified.

The Chamber may then maintain or terminate the recognition, or increase or decrease the number of PDUs awarded for the activity.

19. The Chamber may terminate recognition of an activity or increase or decrease the number of PDUs awarded to it if the Chamber becomes aware that the activity being provided is different from the activity that was recognized, or if the conditions set out in section 13 or 15 are not being met.

DIVISION IV TRANSITIONAL AND FINAL

20. For the purposes of this Regulation, the Chamber recognizes PDUs accumulated by representatives for training activities taken between 1 January 2006 and the date of coming into force of this Regulation as if the activities had been taken on or after the latter date.

21. Despite section 3, between 30 November 2006 and 30 November 2007, a representative may replace up to 5 PDUs for training activities recognized by the Chamber in subjects pertaining to compliance with standards, ethics or business conduct by an equivalent number of PDUs in the other subjects.

22. This Regulation replaces the Regulation governing compulsory professional development of the *Chambre de la sécurité financière* approved by Order in Council 1171-99 dated 13 October 1999.

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