

9. EFFECT OF THE AGREEMENT

This agreement takes effect on the date of the last signature thereto.

IN WITNESS WHEREOF, THE PARTIES HAVE SIGNED, IN FIVE COPIES,

In Québec, on 20 October 2011

JEAN CHAREST,
Leader of the Québec Liberal Party

In Québec, on 25 October 2011

PAULINE MAROIS,
Leader of the Parti Québécois

In Québec, on 27 October 2011

GÉRARD DELTELL,
Leader of the Action démocratique du Québec

In Montréal, on 2 November 2011

RÉGENT SÉGUIN,
Leader of Québec solidaire

In Québec, on 3 November 2011

JACQUES DROUIN,
Chief Electoral Officer of Québec

1733

M.O., 2011

Order number D-9.2-2011-06 of the Minister for Finance dated 31 October 2011

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

CONCERNING 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 other than financial planners;

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 and the second paragraphs of section 194 of the Act, the Autorité des marchés financiers shall publish in the information bulletin the draft regulation made by a Chamber under the fourth paragraph of section 312 and every draft regulation must be published with a notice stating the time that must elapse before the draft regulation may be made or be submitted for approval, and stating the fact that any interested person may, during that time, submit comments to the person designated in the notice;

WHEREAS, under the first and the third paragraphs of section 217 of the Act, a regulation made by a Chamber under the fourth paragraph of section 312 must be submitted to the Minister for approval with or without amendment, a draft of a regulation referred to in the first paragraph may not be submitted for approval and the regulation may not be made before 30 days have elapsed since the publication of the draft and the regulation comes into force on the date of its publication in the *Gazette officielle du Québec* or on any later date specified in the regulation;

WHEREAS Order in Council no. 930-2011 of September 14, 2011 concerning the Minister for Finance provides that the Minister for Finance is, under the supervision of the Minister of Finance, responsible for the application of the Act respecting the distribution of financial products and services;

WHEREAS the Regulation of the Chambre de la sécurité financière respecting compulsory professional development has been approved by Order in Council no. 1010-2006 dated November 8, 2006;

WHEREAS there is cause to replace this regulation;

WHEREAS the draft Regulation to amend Regulation of the Chambre de la sécurité financière respecting compulsory professional development was published in the *Bulletin de l'Autorité des marchés financiers*, volume 7, no. 24 of June 18, 2010;

WHEREAS the Chambre de la sécurité financière made the Regulation of the Chambre de la sécurité financière respecting compulsory professional development on September 16, 2011;

WHEREAS there is cause to approve this regulation without amendment;

CONSEQUENTLY, the Minister for Finance approves without amendment the Regulation of the Chambre de la sécurité financière respecting compulsory professional development appended hereto.

Québec, 31 October 2011

ALAIN PAQUET,
Minister for Finance

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 312)

DIVISION I SCOPE AND INTERPRETATION

1. This Regulation applies to all representatives over whom the Chambre de la sécurité financière has jurisdiction in virtue of Chapter II of Title V of An Act respecting the distribution of financial products and services (R.S.Q., c. D9.2) and Chapter I of Title V of the Securities Act (R.S.Q., c. V-1.1) and who hold an authorization to practise in any of the following sectors or registration categories:

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

2. In this Regulation:

“applicant” means a person, organization or educational institution that submits an application for recognition of a training activity in accordance with this Regulation;

“authorization to practise” means a valid certificate in insurance of persons, certificate in group insurance of persons, registration as a mutual fund dealer representative or registration as a scholarship plan dealer representative;

“PDU” means a professional development unit consisting of one hour of training activity recognized by the Chamber pursuant to this Regulation;

“reference period” means any 24-month period beginning on December 1 of an odd-numbered year;

“trainer” means a natural person who acts as an instructor or facilitator and who provides a training activity.

DIVISION II TRAINING

§1. Period, frequency and content of training

3. A representative must accumulate at least 30 PDUs per reference period, in accordance with the following:

(a) he must accumulate 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 successions;

(b) he must accumulate at least 10 PDUs in subjects pertaining to compliance with standards, ethics and business conduct;

(c) he must accumulate at least 10 PDUs in the specific subjects pertaining to each sector and registration category for which he holds an authorization to practise.

Every two reference periods, the 10 PDUs a representative must accumulate under subparagraph *b* of the first paragraph must include 3 PDUs related to a training

activity developed by the Chamber and provided by it or in partnership with it in the subjects of compliance with standards, ethics or business conduct or on changes in the legal rules governing the activities covered by the authorization he holds.

4. The following, in particular, are subjects specific to insurance of persons:

- (1) client counselling;
- (2) underwriting or risk management;
- (3) disability insurance;
- (4) life insurance;
- (5) trusts;
- (6) risk management in insurance of persons;
- (7) underwriting in insurance of persons;
- (8) accident or health insurance plans;
- (9) segregated funds;
- (10) strategy of wealth accumulation and use;
- (11) financial needs analysis;
- (12) deferred income plans;
- (13) investor profile and asset allocation;
- (14) investment strategy;
- (15) retirement and estate planning.

The following, in particular, are subjects specific to group insurance of persons:

- (1) client counselling;
- (2) underwriting or risk management;
- (3) disability insurance;
- (4) life insurance;
- (5) group insurance and group pension plans;
- (6) benefits and underwriting in group insurance and group annuity plans;
- (7) setting up a group insurance and group annuity program;

(8) preparing a rate schedule and analyzing group insurance and group annuity quotes;

(9) preparing a group insurance and group annuity recommendation;

(10) public and private plans;

(11) processing group insurance claims.

The following, in particular, are subjects specific to group savings:

- (1) client counselling;
- (2) underwriting or risk management;
- (3) retirement and estate planning;
- (4) trusts;
- (5) strategy of wealth accumulation and use;
- (6) deferred income plans;
- (7) mutual funds;
- (8) investor profile and asset allocation;
- (9) investment strategy;
- (10) knowing the client;
- (11) registered plans.

The following, in particular, are subjects specific to scholarship plans:

- (1) client counselling;
- (2) underwriting or risk management;
- (3) investor profile;
- (4) knowing the client;
- (5) strategy of wealth accumulation and use;
- (6) scholarship plans.

5. Notwithstanding subparagraph *c* of section 3, the holder of an authorization to practise as a scholarship plan dealer representative may accumulate 5 of the 10 PDUs he is required to accumulate in that capacity from among the subjects specific to groups savings. If he also holds an authorization to practise as a mutual fund dealer

representative, the representative is only required to accumulate, in his capacity as a scholarship plan dealer representative, 5 PDUs, which PDUs are to be accumulated from among the subjects specific to that registration category.

§2. Variations in the training requirement and exemptions

6. A representative who is issued an authorization to practice by the Autorité des marchés financiers for the first time is exempt from complying with the requirements set out in subdivision 1 with respect to this authorization to practise, for a period of one year from the date of issuance of the authorization. Once this period is over, he must accumulate, according to the apportionment in section 3, a number of PDUs equal to the proportion that the number of full months not elapsed during the reference period then in effect is to a reference period. In computing such proportion, the number of PDUs is rounded up to the nearest unit.

7. A representative is exempt from the professional development requirements if he is absent or on leave during a period of at least four consecutive weeks owing to sickness or accident, or for family or parental reasons. For purposes of this section, the causes and terms of an absence or leave are those set out in Divisions V.0.1 and V.1 of Chapter IV of An Act respecting labour standards (R.S.Q., c. N-1.1).

A representative may obtain an exemption in accordance with the first paragraph if he makes a written application to the Chamber setting out the reasons justifying the exemption and provides the supporting document or medical certificate attesting the existence of the situation invoked.

The Chamber grants the exemption for the duration and subject to the conditions set out in the supporting document or medical certificate.

If the Chamber intends to wholly or partially refuse an application for an exemption, it must give the representative written notice thereof and inform him of his right to submit written observations within the time limit indicated by it.

The Chamber must rule on the application and then send its decision to the representative.

8. The representative must notify the Chamber immediately in writing as soon as the situation giving rise to the exemption ceases to exist. He must then comply

with the requirements prescribed by this Regulation and accumulate a number of PDUs equal to the proportion that the number of full months, whether or not elapsed, during which he was not exempted from the requirements during a reference period is to that reference period. In computing such proportion, the number of PDUs is rounded up to the nearest unit.

9. A representative is not exempt from the requirements under this Regulation for the period during which he ceases to be authorized to practise or during which conditions or restrictions on his right to practise are imposed. However, if a representative ceases to be authorized for a period of more than one year, he is exempt from these requirements for the portion of such period that exceeds one year.

§3. Accumulation and assignment of PDUs

10. A representative who acts as a trainer for a training activity recognized by the Chamber is entitled, only once for the activity, to double the number of PDUs usually awarded for the activity.

A representative who ceases to be authorized to practise as a representative, even temporarily, may not act as a trainer for a training activity recognized by the Chamber and accumulate PDUs in such capacity.

11. A representative who, during a reference period, accumulates more PDUs than required under sections 3, 6 or 7 may accumulate the excess PDUs only as PDUs in respect of general subjects.

12. Upon application by a representative, a maximum of 5 excess PDUs pertaining to training activities in which he took part between September 1 and November 30 of an odd-numbered year may be carried over to the following reference period or after the exemption period for representatives contemplated in sections 6 and 7.

In his application, the representative must identify the PDUs he is applying to carry over.

13. A representative who, at the end of a reference period, has failed to comply with the professional development requirements prescribed by this Regulation may not assign to the period in respect of which he is in default PDUs accumulated during the subsequent reference period, unless the Authority has rendered a suspension decision under the second paragraph of section 218 of An Act respecting the distribution of financial products and services (R.S.Q., c. D-9.2) or the second paragraph of section 151.0.1 of the Securities Act (R.S.Q., c. V-1.1), and such decision has been fully executed.

§4. Notice from the Chamber

14. No later than the thirtieth day preceding the end of a reference period, the Chamber must send a notice to each representative who has not accumulated the number of PDUs required to comply with the professional development requirements prescribed by this Regulation informing him of the consequences under section 13, under the second paragraph of section 218 of An Act respecting the distribution of financial products and services (R.S.Q., c. D-9.2), under the second paragraph of section 151.0.1 of the Securities Act (R.S.Q., c. V-1.1) and under sections 57 and 63 of the Regulation respecting the issuance and renewal of representatives' certificates (D-9.2, r. 7).

15. Within 30 days after the end of a reference period, the Chamber must send a notice to each representative who has failed to comply with the professional development requirements prescribed by this Regulation informing him of the consequences under section 13, under the second paragraph of section 218 of An Act respecting the distribution of financial products and services (R.S.Q., c. D-9.2), under the second paragraph of section 151.0.1 of the Securities Act (R.S.Q., c. V-1.1) and under sections 57 and 63 of the Regulation respecting the issuance and renewal of representatives' certificates (D-9.2, r. 7).

The Chamber must inform the Autorité des marchés financiers when it sends such notice to a representative.

§5. Keeping and sending of documents

16. A representative must keep, for a 24-month period following a reference period, the supporting documents regarding each training activity recognized by the Chamber in which he took part and any attendance vouchers, certificates of exam or test results or transcripts issued by the person, organization or educational institution having provided the training activity in question.

17. During a reference period and within no more than 20 days after receipt of the notice referred to in section 15, a representative must, personally or through the firm or broker for which the representative is acting or the independent partnership of which the representative is a partner or employee, send to the Chamber a copy of the attendance vouchers or the certificates of exam or test results for the recognized activities in which he took part. If he fails to do so, the PDUs for the recognized activities in question will not be considered valid for purposes of the professional development requirements prescribed by this Regulation.

The obligation set out in the first paragraph is fulfilled if a representative informs the Chamber of his attendance or exam or test results for a recognized activity in which he took part by means of the secured electronic access provided by the Chamber. The representative is then not required to send a copy of the vouchers or certificates mentioned in the first paragraph, unless the Chamber so requires for purposes of verifying the data transmitted electronically.

In such a case, paper copies of the vouchers and certificates must be sent within 30 days following receipt of the Chamber's request.

If a representative fails to comply with such request, the Chamber must send him a notice stating that he has an additional 20 days following his receipt of the notice to remedy the default and provide the required documents. The notice must also inform the representative that, if he does not provide the required vouchers and certificates within the stipulated time limit, the PDUs for the training activities contemplated in the request will not be considered valid for purposes of the professional development requirements prescribed by this Regulation.

DIVISION III RECOGNITION OF TRAINING ACTIVITIES

18. The Chamber recognizes training activities and establishes their eligible duration for calculating the PDUs relating thereto if the activities enable the following professional knowledge, competencies and skills to be developed:

(1) acquisition and betterment of an integrated approach to the pursuit of the activities for which the representatives hold an authorization to practise;

(2) acquisition and application of knowledge and analysis methods specific to the activities of representatives;

(3) acquisition, comprehension and application of theoretical and technical knowledge in subjects pertaining to compliance with standards, ethics and business conduct.

A training activity based solely on the sale or promotion of a product cannot be recognized under this Regulation.

19. An application for recognition must be submitted within six months after the activity is held, but not later than the last day of the reference period during which the activity is held.

20. The application for recognition must include the following, in particular:

(1) a description of the training activity in question, its pedagogical framework and the subjects referred to in sections 3 and 4 that are dealt with in the training activity;

(2) the procedure for the activity and its duration;

(3) a document setting out the objectives of the activity and explaining how the activity develops the professional knowledge, skills and competencies referred to in section 18;

(4) the method for assessing successful completion of the activity, if applicable.

The application must be accompanied by payment of the fees determined by the Chamber for an application for recognition.

21. No later than the last day of the reference period in effect, a representative may, in accordance with section 20, submit an application for recognition of a training activity in which he took part and which has not already been recognized. The recognition decision rendered pursuant to such an application is valid only for the representative in question. In addition to the elements mentioned in section 20, the representative must provide a voucher attesting that he attended the activity or a certificate of exam or test results, as the case may be.

22. If the Chamber intends to refuse the application for recognition or recognize the activity for fewer PDUs than requested, it must notify the applicant in writing and inform him of his right to submit written observations within 15 days following receipt of the notice.

The Chamber must grant or refuse recognition and then send its decision to the applicant.

23. Recognition of an activity is valid for 24 months from the date of the recognition decision or from any other date mentioned therein. At the end of that period, an applicant who wishes to renew the recognition must submit a new application to the Chamber.

24. A person, organization or educational institution that provides a training activity recognized by the Chamber must inform the Chamber of any change in any of the elements listed in section 20. The notice must be accompanied by payment of the fees determined by the Chamber for the processing of a notice of change.

Further to the notice of change referred to in the first paragraph, the Chamber may maintain or terminate recognition of the activity or increase or decrease the number of PDUs awarded therefor. The Chamber must then send its decision to the applicant.

25. The Chamber may terminate recognition of an activity or increase or decrease the number of PDUs awarded therefor if it becomes aware that the activity being provided is different from the activity that was recognized, or if the conditions set out in section 18 are not being met.

If the Chamber intends to terminate recognition of the activity or increase or decrease the number of PDUs awarded therefor, it must inform the applicant in question of his right to submit written observations within the time limit indicated by it. The Chamber must then send its decision to the applicant.

DIVISION IV TRANSITIONAL AND FINAL PROVISIONS

26. Section 9 of this Regulation applies to a representative who, as at December 1, 2011, was the subject of a decision preventing him from pursuing his activities as a representative.

27. A representative may, upon application, carry over to the reference period beginning December 1, 2011, a maximum of 5 excess PDUs pertaining to training activities in which he took part between September 1 and November 30, 2011. The representative must identify the PDUs he is applying to carry over.

28. Notwithstanding section 19, an application for recognition submitted as of December 1, 2011 pertaining to a training activity held before that date must be presented no later than December 30, 2011.

29. Notwithstanding section 21, an application for recognition pertaining to a training activity in which a representative took part before December 1, 2011 and which has not already been recognized may be presented by the representative no later than December 30, 2011.

30. This Regulation replaces the Regulation governing compulsory professional development of the *Chambre de la sécurité financière*, approved by Order in Council 1010-2006 dated November 8, 2006.

31. This Regulation comes into force on December 1, 2011.