

financiers may, for each discipline, determine by regulation the information that a representative must disclose to a person from whom the representative requires compensation, and the manner of disclosing the information;

WHEREAS the first and the second paragraphs of section 194 of the Act provide, in particular, that the Authority shall publish its draft regulations in the information bulletin 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 the first and the third paragraphs of section 217 of the Act provide, in particular, that a regulation made by the Autorité des marchés financiers under this Act must be submitted to the Minister of Finance for approval with or without amendment and that 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, that 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 the Regulation to amend the Regulation respecting information to be provided to consumers was published in the Bulletin de l'Autorité des marchés financiers, volume 16, no. 39 of October 3, 2019;

WHEREAS the Autorité des marchés financiers made, on February 21, 2020, by the decision no. 2020-PDG-0016, Regulation to amend the Regulation respecting information to be provided to consumers;

WHEREAS there is cause to approve this regulation without amendment;

CONSEQUENTLY, the Minister of Finance approves without amendment the Regulation to amend the Regulation respecting information to be provided to consumers appended hereto.

27 March 2020

ERIC GIRARD,
Minister of Finance

Regulation to amend the Regulation respecting information to be provided to consumers

An Act respecting the distribution of financial products and services
(chapter D-9.2, s. 200, par. (8))

1. The Regulation respecting information to be provided to consumers (chapter D-9.2, r. 18) is amended by replacing “fees” by “compensation” in the heading of Division 2.

2. By replacing “fees”, wherever it appears in sections 4.1 and 4.2 of the Regulation, by “compensation”.

3. The Regulation is amended by inserting the following after section 4.3:

“**4.3.1.** A mortgage broker who satisfies the disclosure requirements set out in sections 9.3 and 9.4 of the Regulation respecting the pursuit of activities as a representative (chapter D-9.2, r. 10) is exempt from satisfying his obligations under this subdivision.”

4. Section 4.4 of the Regulation is amended:

(1) by replacing “fees” by “compensation” in the introductory clause;

(2) by replacing “fees claimed” by “compensation is claimed” in paragraph 1;

(3) by replacing “fees claimed are” by “compensation claimed is” in paragraph 2.

5. This Regulation comes into force on 1 May 2020.

104338

M.O., 2020-09

Order number I-13.2.2-2020-09 of the Minister of Finance dated 27 March 2020

Deposit Institutions and Deposit Protection Act
(chapter I-13.2.2)

CONCERNING Regulation to amend the Regulation respecting the application of the Deposit Insurance Act

WHEREAS that section 43 of the Deposit Institutions and Deposit Protection Act (chapter I-13.2.2) provide that in addition to the regulatory powers assigned to it by this Act, the *Autorité des marchés financiers* may make regulations for the matters referred to this section;

WHEREAS that the first paragraph of section 45 of such Act provide that a regulation of the Authority under this Act must be submitted for approval to the Minister of Finance, who may approve it with or without amendment;

WHEREAS that the third paragraph of this section stipulate that 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 the expiry of 30 days after the publication of the draft regulation, that the regulation comes into force on the date of its publication in the Gazette officielle du Québec or on any later date determined in the regulation and that sections 4, 8, 11 and 17 to 19 of the Regulations Act (chapter R-18.1) do not apply to the regulation;

WHEREAS the draft Regulation to amend the Regulation respecting the application of the Deposit Insurance Act was published in the *Bulletin de l'Autorité des marchés financiers*, volume 16, no. 45 of November 14, 2019;

WHEREAS on March 11, 2020, by the decision no. 2020-PDG-0020, the *Autorité des marchés financiers* made Regulation to amend the Regulation respecting the application of the Deposit Insurance Act;

WHEREAS there is cause to approve this regulation without amendment;

CONSEQUENTLY, the Minister of Finance approves without amendment Regulation to amend the Regulation respecting the application of the Deposit Insurance Act appended hereto.

March 27, 2020

ERIC GIRARD,
Minister of Finance

Regulation to amend the Regulation respecting the application of the Deposit Insurance Act

Deposit Institutions and Deposit Protection Act (chapter I-13.2.2, s. 1.1, 2nd par., subpar. (7), s. 27, 3rd par., subpar. (8), s. 27.3, par. (5) and ss. 37, 40.3, 41 and 43)

1. The title of the Regulation respecting the application of the Deposit Insurance Act (chapter I-13.2.2, r.1) is replaced by the following:

“REGULATION RESPECTING THE APPLICATION OF THE DEPOSIT INSTITUTIONS AND DEPOSIT PROTECTION ACT”.

2. Section 1 of the Regulation is amended:

(1) in the first paragraph:

(a) by replacing “an institution” by “a deposit institution” and “the institution”, wherever it appears, by “the deposit institution”;

(b) by inserting “, account transaction and safe-keeping” after “for investment”;

(2) in the second paragraph:

(a) by revoking subparagraph 1;

(b) by deleting “issued by a financial services cooperative, an insurer, a trust company or a savings company” in subparagraph 2;

(c) by inserting “deposit” before “institution” in subparagraph 3;

(d) by replacing “shares” by “securities” in subparagraph 4;

(e) by adding the following subparagraph after subparagraph 4:

“(5) traveller’s cheques.”;

(3) by replacing “an institution” by “a deposit institution” in the third paragraph.

3. Section 2 of the Regulation is amended:

(1) in the first paragraph:

(a) by replacing “therein” by “in that paragraph”;

(b) by inserting “deposit” before “institution”;

(2) in the second paragraph, by inserting “deposit” before “institution”;

(3) in the third paragraph, by deleting “a traveller’s cheque.”.

4. Section 3 of the Regulation is amended:

(1) in the first paragraph:

(a) by inserting “of money” after “deposit”;

(b) by replacing “depositor” by “depositor’s account”.

(2) in the second paragraph:

(a) by replacing “a registered institution” by “an authorized deposit institution”;

(b) by deleting “within the meaning of section 1.2 of the Act”;

(c) by inserting “of money” after “deposits”.

5. Section 4 of the Regulation is amended:

(1) by inserting “of money” after “deposit” in the introductory clause;

(2) by inserting the following paragraph after paragraph 1:

“(1.1) where the funds are remitted by technological means, including through an automated teller machine, the deposit is deemed to be made at the place of business of the depository, branch or agent of the depository that has received the funds;”;

(3) by replacing “office”, wherever it appears, by “place of business” in paragraphs 2 and 4.

6. The heading of Chapter II of the Regulation is replaced by the following:

“APPLICATION FOR AUTHORIZATION”.

7. Section 6 of the Regulation is replaced by the following:

“**6.** A legal person applying for authorization from the Autorité des marchés financiers to carry on deposit institution activities in Québec must submit its application for authorization together with the following documents and information:

(1) an insurance certificate attesting that the legal person holds fidelity insurance;

(2) where applicable, a detailed statement of deposits of money that it holds outside Québec;

(3) a copy of the resolution of the board of directors authorizing the legal person to apply to the Authority for an authorization to carry on deposit institution activities in Québec;

(4) a business plan covering a minimum period of three years, setting out its planned deposit institution activities for Québec and detailing, in particular:

(a) the legal person’s financial capacity, including its current financial position and its financial forecasts related to the planned activities;

(b) its business strategy;

(c) its management and governance practices;

(d) its commercial practices;

(e) the policies and procedures established to ensure compliance with the laws, regulations and guidelines applicable to it.

(5) where applicable, its most recent annual report;

(6) a statement signed by a person authorized to do so within the legal person regarding compliance with the laws, regulations and guidelines applicable to the legal person.

The documents and information submitted with the application for authorization must be dated within no more than 12 months prior to the date on which the legal person provides the Authority with the final information to complete the application.”.

8. Sections 7 and 8 of the Regulation are revoked.

9. The heading of Division I of Chapter III of the Regulation is replaced by the following:

“SEPARATE DEPOSITS”.

10. Section 9 of the Regulation is replaced by the following sections:

“**9.** In accordance with section 38 of the Act, the following deposits of money are deemed to be separate from any other deposit of money made by a person with the same deposit institution or bank:

(1) any deposit of money made by that person under any of the following plans, funds or accounts provided for in the Taxation Act (chapter I-3) or the Income Tax Act (R.S.C. 1985, c. 1), (5th supp.):

(a) a registered retirement savings plan;

(b) a registered retirement income fund;

(c) a tax-free savings account.

(2) any deposit of money made by that person in the same trust or under the same form of administration of the property of others, where the person acts as a trustee

or is otherwise charged with the administration of the property of others and where the existence of the trust or form of administration of the property of others is noted in the records of the deposit institution or bank;

(3) any deposit of money made by that person where the person acts as a co-owner jointly with the same persons and the existence of each person's rights is noted in the records of the deposit institution or bank;

(4) any deposit of money made by that person and used to pay the balance owing by a hypothecary debtor with respect to the property taxes on the hypothecated property.

9.1 In the case of deposits of money made in accordance with paragraph 2 of section 9, such deposits are likewise deemed to be separate from any other deposit of money made by any of the beneficiaries of the trust or any of the persons whose property is administered, except for deposits of money made in accordance with paragraph 1 of that section.

The first paragraph applies only to the following forms of administration of the property of others:

- (1) the administration of a trust;
- (2) the liquidation of a succession, legal person or partnership;
- (3) any other form of administration of the property of others instituted in connection with the operation of an enterprise.

9.2 For the purposes of executing the guarantees provided under sections 33.1 and 34 of the Act and calculating the premium payable under section 40.2.1 of the Act, the rights of each beneficiary of the trust or each person whose property is administered in any deposit made in accordance with paragraph 2 of section 9 are deemed to be deposits of money and to be separate from each other."

11. Section 10 of the Regulation is amended:

- (1) by inserting "of money" after "deposit";
- (2) by replacing "permit" by "authorization";
- (3) by replacing "an institution's" by "a deposit institution's".

12. Section 11 of the Regulation is revoked.

13. The Regulation is amended by inserting the following after section 11:

"DIVISION 1.1
CALCULATION OF THE PREMIUM PAYABLE

11.1. For the purposes of calculating the premium payable under section 40.2.1 of the Act:

(1) in the cases contemplated in sections 9.1 and 9.2, the determination of the beneficiaries of a trust and the persons whose property is administered is made on the basis of the information noted in the records of the authorized deposit institution;

(2) the interest accrued and payable on a deposit of money must be calculated, in accordance with the terms and conditions of the contract and exclusive of any penalty, on the basis of the number of days between the date of the last interest payment and 30 April, divided by the number of days between the date of the last interest payment and the date of the next interest payment."

14. Section 12 of the Regulation is amended:

(1) by replacing "a registered institution" by "an authorized deposit institution" and "the registered institution" by "the authorized deposit institution";

(2) by replacing "1/25" by "1/20" in paragraph 1.

15. Section 13 of the Regulation is amended:

- (1) by replacing "registered" by "authorized deposit";
- (2) by replacing "prescribed by the Authority" by "available on the Authority's website".

16. Section 14 of the Regulation is amended by replacing "a registered institution" by "an authorized deposit institution".

17. Section 15 of the Regulation is amended:

- (1) by replacing "a registered institution", wherever it appears, by "an authorized deposit institution" and "the registered institution" by "the authorized deposit institution" in paragraph 3;
- (2) in subparagraph 1:
 - (a) by replacing "1/25" by "1/20";
 - (b) by inserting "of money" after "each deposit";
 - (c) by replacing "the institution" by "the deposit institution".

18. Section 16 of the Regulation is amended:

(1) by replacing “A registered institution” by “An authorized deposit institution”;

(2) by replacing “prescribed” by “sent”.

19. Section 17 of the Regulation is amended:

(1) by replacing “a registered institution”, wherever it appears, by “an authorized deposit institution”;

(2) by replacing “the institution”, wherever it appears, by “the deposit institution”.

20. Sections 19 and 20 of the Regulation are revoked.**21.** The heading of subdivision 2 of Division II of Chapter III of the Regulation is replaced by the following:

“Premium payable by an authorized extra-provincial deposit institution resulting from an amalgamation”.

22. Section 21 of the Regulation is amended:

(1) in the first paragraph:

(a) by replacing “a registered extra-provincial institution” by “an authorized extra-provincial deposit institution”;

(b) by replacing “institutions were already registered” by “deposit institutions were already authorized”;

(c) by replacing “a registered institution” by “an authorized deposit institution”;

(2) in the second paragraph, by replacing “a registered institution” by “an authorized deposit institution”;

(3) by replacing the third paragraph by the following:

“An extra-provincial deposit institution is a deposit institution other than an authorized Québec deposit institution.”

23. Section 22 of the Regulation is amended:

(1) in the first paragraph:

(a) by replacing “A registered institution” by “An authorized deposit institution”;

(b) by replacing “by completing the form prescribed by” by “with”;

(2) by deleting the second paragraph.

24. Section 23 of the Regulation is amended:

(1) by replacing “registered”, wherever it appears, by “authorized deposit”;

(2) by inserting “of money” after “deposits” in the first paragraph.

25. Section 24 of the Regulation is amended:

(1) by replacing “a registered institution” by “an authorized deposit institution”;

(2) by replacing “1/25” by “1/20”;

(3) by inserting “of money” after “deposits”.

26. Section 25 of the Regulation is amended:

(1) by replacing “a registered institution” by “an authorized deposit institution”;

(2) by inserting “of money” after “premiums during with its deposits”;

(3) by replacing “1/25” by “1/20”.

27. Section 26 of the Regulation is amended by inserting “of money” after “deposit”.**28.** Section 27 of the Regulation is amended by replacing “a registered institution” by “an authorized deposit institution”.**29.** Section 29 of the Regulation is amended by replacing “a registered institution” by “an authorized deposit institution” and “the registered institution”, wherever it appears, by “the authorized deposit institution”.**30.** Section 30 of the Regulation is amended by replacing “registered” by “authorized deposit”.**31.** Section 31 of the Regulation is amended:

(1) by inserting “authorized deposit” before “institution”;

(2) by adding the following paragraph at the end:

“For calculating the interest referred to in the first paragraph, interest accrued and payable on a deposit of money must be calculated, in accordance with the terms and conditions of the contract and exclusive of any penalty, on the basis of the number of days between the date of the last interest payment and the cut-off date, divided by the number of days between the date of the last interest payment and the date of the next interest payment.”

32. Section 31.1 of the Regulation is amended:

- (1) by inserting “deposit” before “institution”, wherever it appears;
- (2) by replacing “give the Authority access to”, wherever it appears, by “deliver to the Authority”;
- (3) by replacing “The institution” in the introductory clause by “The authorized deposit institution”;
- (4) by inserting “, at the Authority’s request,” before “all or” in the second paragraph;
- (5) by adding the following paragraph after the second paragraph:

“Where the deposit institution belongs to a financial group within the meaning of section 6.3 of the Act respecting financial services cooperatives (chapter C-67.3), the federation belonging to the financial group must be able to consolidate the standardized data of all of its member credit unions before delivering the data to the Authority.”

33. Section 31.2 of the Regulation is amended:

- (1) by replacing “A registered institution” by “An authorized deposit institution” and “the registered institution”, wherever it appears, by “the authorized deposit institution”;
- (2) in the fourth paragraph:
 - (a) by inserting “total or” before “partial”;
 - (b) by replacing “the decision to restrict deposits” by “receipt by the deposit institution of the instructions to restrict deposits”.

34. Section 31.3 of the Regulation is amended:

- (1) by replacing “A registered institution” by “An authorized deposit institution”;
- (2) by replacing “deemed” by “presumed”.

35. The heading of Chapter V of the Regulation is replaced by the following:

“REPRESENTATIONS AND ADVERTISING”.

36. The Regulation is amended by inserting the following section after the heading of Chapter V:

“**32.1.** In carrying on its deposit institution activities, an authorized deposit institution must draft all its advertising or disclosure documents in a language that is clear,

readable, specific and not misleading so as to highlight the key elements required for informed decision-making and not cause confusion or misunderstanding.

Likewise, the authorized deposit institution and its agents may not make misrepresentations or exert undue pressure or use fraudulent tactics on the public.”

37. Section 33 of the Regulation is amended:

- (1) by replacing “registered” by “authorized deposit”;
- (2) by inserting “, in physical or digital form,” after “the Authority”;
- (3) by adding the following paragraph at the end:

“In carrying on its deposit institution activities, it must also display the official logo, in digital form, or in physical form in the case of an automated teller machine, when a depositor initiates an action through technological means made available to him or her by the deposit institution.”.

38. Section 34 of the Regulation is replaced by the following:

“**34.** The official logo attesting to authorization by the Authority is as follows:



”.

39. Section 35 of the Regulation is replaced by the following:

“**35.** Before opening an account for a depositor or issuing any document to him or her evidencing the receipt of a deposit of money within the meaning of section 1, an authorized deposit institution must provide the depositor with a description, in physical or digital form, of the Authority’s deposit protection plan.

An authorized deposit institution that provides the depositor with the Authority’s deposit protection brochure in physical or digital form or that refers to the relevant sections of the Authority’s website is deemed to have fulfilled the obligation set out in the first paragraph.”.

40. Section 36 of the Regulation is amended:

(1) by replacing “a registered institution” by “an authorized deposit institution”;

(2) by inserting “of money” after “deposit”.

41. Section 37 of the Regulation is replaced by the following:

“37. Where the document evidencing the authorized deposit institution’s obligation to repay does not explicitly bear the name of the person entitled, as of the date of issue of the document, to repayment, it must include the following statement: “The funds of which receipt is evidenced by this document do not constitute a deposit of money within the meaning of the Deposit Institutions and Deposit Protection Act.”

42. The Regulation is amended by inserting the following sections after section 37:

“37.1 An authorized deposit institution must, for any instrument that could give rise to confusion because it is similar to in nature to a deposit of money, inform its clients that such an instrument does not constitute a deposit of money.

An authorized deposit institution that displays a statement similar to the one in section 37 on the disclosure document for such an instrument to be provided to clients is deemed to have fulfilled the obligation in the first paragraph.

37.2 An authorized deposit institution referred to in section 40.4 of the Act is presumed to comply with the provisions of this Chapter.”

43. Section 38 of the Regulation is replaced by the following:

“38. Every authorized deposit institution must deliver annually the detailed report provided for in section 41 of the Act.

The delivery to the Authority of an annual report or an annual statement as required under the Insurers Act (chapter A-32.1), the Trust Companies and Savings Companies Act (chapter S-29.02) or the Act respecting financial services cooperatives (chapter S-29.02) fulfills the requirement set out in the first paragraph hereof.”

44. Sections 39, 40 and 41 of the Regulation are revoked.**45.** Paragraph 1 of section 9 of the Regulation respecting the application of the Deposit Institutions and Deposit Protection Act, introduced by section 10 of this Regulation, must, as of April 30, 2021, read as follows:

“(1) any deposit of money made by that person under any of the following plans, funds or accounts, provided for in the Taxation Act (chapter I-3) or the Income Tax Act (R.S.C. 1985, c. 1), (5th supp.):

(a) a registered retirement savings plan;

(b) a registered retirement income fund;

(c) a registered education savings plan;

(d) a registered disability savings plan;

(e) a tax-free savings account.”;

46. Paragraph 4 of section 9 of the Regulation respecting the application of the Deposit Institutions and Deposit Protection Act, introduced by section 10 of this Regulation, will be deleted as of April 30, 2021.**47.** The first paragraph of section 9.1 of the Regulation respecting the application of the Deposit Institutions and Deposit Protection Act, introduced by section 10 of this Regulation, must read as follows as of April 30, 2021:

“9.1 In the case of deposits of money made in accordance with paragraph 2 of section 9, such deposits are likewise deemed to be separate from any other deposit of money made by any of the beneficiaries of the trust or any of the persons whose property is administered, except for deposits of money made in accordance with subparagraphs a, b, d and e of paragraph 1 of that section.”

48. This Regulation comes into force on April 30, 2020, except for paragraph 2 of section 14, subparagraph a of paragraph 2 of section 17, paragraph 2 of section 25, paragraph 3 of section 26, paragraph 5 of section 32 and paragraph 3 of section 37, which come into force on April 30, 2021.

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