

Area	Number of licences
Petawaga	55
Rapides-des-Joachims	20
Rivière-Blanche (de la)	0
Saint-Patrice	30
Wessonneau	70

3. Schedule IV is amended in section 1 by striking out paragraph 6.

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

106261

M.O., 2023-04

Order number A-32.1-D-9.2-2023-04 of the Minister of Finance, 4 May 2023

Insurers Act
(chapter A-32.1)

Act respecting the distribution of financial products and services
(chapter D-9.2)

CONCERNING Regulation respecting the prohibition on charging certain fees from holders of individual variable insurance contracts relating to segregated funds

WHEREAS paragraph 1 of section 485 of Insurers Act (chapitre A-32.1) provides that in addition to other regulations that it may make under this Act, the Autorité des marchés financiers may, by regulation, determine the standards applicable to authorized insurers in relation to their commercial practices and their management practices;

WHEREAS the third paragraph of section 486 of such Act provides that a draft of a regulation must be published in the bulletin of the Autorité des marchés financiers with the notice required under section 10 of the Regulations Act (chapter R-18.1);

WHEREAS the first, fourth et fifth paragraphs of section 486 of such Act provide, in particular, that a regulation made under this Act by the Autorité des marchés financiers is approved by the Minister of Finance with or without amendment, that such regulation may not be submitted for approval before 30 days have elapsed since

its publication as a draft, that such regulation comes into force on the date of its publication in the *Gazette officielle du Québec* or on any later date specified in it and it must also be published in the Authority's bulletin;

WHEREAS section 496 of such Act provides that the Autorité des marchés financiers may, in a regulation made under this Act, specify that a failure to comply with the regulation may give rise to a monetary administrative penalty, that regulation may define the conditions for applying the penalty and set forth the amounts or the methods for determining them and the amounts may vary according to the seriousness of the failure to comply, without exceeding the maximum amounts provided for in section 494 of this Act;

WHEREAS paragraph 13.1 of section 223 of the Act respecting the distribution of financial products and services (chapter D-9.2) provides that the Autorité des marchés financiers may, by regulation, determine for each sector other rules relating to the activities of a firm, an independent representative or an independent partnership;

WHEREAS the first and the second paragraphs of section 194 of such Act provide, in particular, that the Autorité des marchés financiers 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 such 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, that such regulation may not be submitted for approval before 30 days have elapsed since its publication as a draft and that such regulation comes into force on the date of its publication in the *Gazette officielle du Québec* or on any later date specified in this regulation;

WHEREAS the draft Regulation respecting the prohibition on charging certain fees from holders of individual variable insurance contracts relating to segregated funds was published in the Bulletin de l'Autorité des marchés financiers, volume 19, no. 49 of December 15, 2022;

WHEREAS the Autorité des marchés financiers made, on April 17, 2023, by the decision no. 2023-PDG-0013, Regulation respecting the prohibition on charging certain fees from holders of individual variable insurance contracts relating to segregated funds;

WHEREAS there is cause to approve this regulation without amendment;

CONSEQUENTLY, the Minister of Finance approves without amendment the Regulation respecting the prohibition on charging certain fees from holders of individual variable insurance contracts relating to segregated funds appended hereto.

4 May 2023

ERIC GIRARD
Minister of Finance

Regulation respecting the prohibition on charging certain fees from holders of individual variable insurance contracts relating to segregated funds

Insurers Act
(chapter A-32.1, s. 485 par. (1) and s. 496)

Act respecting the distribution of financial products and services
(chapter D-9.2, s. 223 par. (13.1))

1. This Regulation applies to:

(1) any insurer authorized under the Insurers Act (chapter A-32.1) only to the extent that the insurer has entered into an individual variable insurance contract, defined as an individual contract of life insurance, including an annuity, or an undertaking to provide an annuity, under which the insurer's liabilities vary in amount depending upon the market value of the segregated funds that it holds and in which it allocates the amounts invested by the holder of the contract, which are, with the corresponding rights it holds thereunder, represented by means of segregated fund units allocated to the contract; and

(2) any firm, independent partnership or independent representative registered in the sector of insurance of persons under the Act respecting the distribution of financial products and services (chapter D-9.2) that offers a contract referred to in paragraph 1 or services related thereto.

2. An authorized insurer, firm, independent partnership or independent representative may not, in any way whatsoever, require fees or compensation from the holder of the contract when the latter requests to have all or a portion of the invested amounts withdrawn or transferred to another segregated fund or requests a change in the

fee option under the contract for the investing of such amounts, except for the following fees where these are provided for in the contract:

(1) management fees, fees related to operating expenses, trading fees or small policy fees;

(2) insurance fees, where such fees are not included in the fees referred to in paragraph 1;

(3) fees related to advisory services paid for by the holder of the contract to the firm, independent partnership or independent representative, paid out by the insurer from the amounts invested by the holder of the contract; and

(4) withdrawal or transfer fees, where such fees are not reduced on a sliding scale based on the length of time between when the amounts are invested and when they are withdrawn or transferred to another segregated fund.

3. A monetary administrative penalty of \$1,000 in the case of a natural person or of \$5,000 in any other case may be imposed on an authorized insurer that, in contravention of section 2, requires fees from the holder of the contract when the latter requests to have all or a portion of the invested amounts withdrawn or transferred to another segregated fund or requests a change in the fee option under the contract for the investing of such amounts.

4. This Regulation comes into force on 1 June 2023.

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