



**AUTORITÉ
DES MARCHÉS
FINANCIERS**

**Guide to Application for
Authorization to Act as
Administrator of a
Voluntary Retirement
Savings Plan**

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INTRODUCTION

This Guide provides detailed explanations about the steps to follow to obtain an authorization to act as administrator of a voluntary retirement savings plan (VRSP). It presents the criteria for obtaining authorization and sets out the expectations of the *Autorité des marchés financiers* (“AMF”) regarding the information on which applications will be reviewed.

However, for more information about the legal and regulatory obligations of legal persons under the *Voluntary Retirement Savings Plans Act*,¹ (the “VRSP Act”) it is advisable to read the following:

- the [VRSP Act](#);
- the *Regulation respecting applications for authorization and liability insurance coverage for administrators of voluntary retirement savings plans* (the “[Regulation respecting applications for authorization](#)”);
- the *Regulation respecting fees and costs payable for the issuance of an authorization under the Voluntary Retirement Savings Plans Act* (the “[Regulation respecting fees and costs](#)”).

WHO SHOULD READ THIS GUIDE?

The VRSP Act confers on the AMF responsibility for issuing authorization to act as administrator of a voluntary retirement savings plan to the following legal persons:²

1. insurers holding a life insurance class (life insurer) issued under *An Act respecting insurance*³ in conformity with the *Regulation under the Act respecting insurance*,⁴
2. trust companies holding a licence issued under *An Act respecting trust companies and savings companies*,⁵
3. investment fund managers registered in accordance with Title V of the *Québec Securities Act*.⁶

These legal persons (applicants) must first obtain authorization from the AMF to act as administrator of a VRSP and then register their plan with *Retraite Québec*.

¹ CQLR, R-17.0.1.

² VRSP Act, section 14.

³ CQLR, c. A-32.

⁴ CQLR, c. A-32, r. 1.

⁵ CQLR, c. S-29.01.

⁶ CQLR, c. V-1.1.

The VRSP must be registered with *Retraite Québec* before the administrator can provide it to employers, self-employed workers and any persons wishing to save for retirement independently.

AUTHORIZATION CRITERIA

The AMF grants an authorization to eligible applicants who satisfy the conditions set out in the VRSP Act⁷ and the regulations.⁸ These conditions are:

- Provide all required documents and information

The electronic application for authorization form, available on the [AMF website](#) under “Other AMF mandates / VRSP – Voluntary Retirement Savings Plan / Applying for authorization,” lists all supporting documents required under section 28 of the VRSP Act or determined by regulation. Details on the content of these documents are outlined in Section 2 of Step 1 of this Guide.

- Demonstrate operational capability and the expertise required to properly administer a VRSP.

The AMF expects the applicant to demonstrate that:

- its activities related to the VRSP are organized in such a manner as to ensure sound management of the plan;
 - has sufficient financial, material and technology resources to sustain the development of the VRSP for the first five years and to manage a high volume of transactions;
 - staff and officers assigned to VRSP activities have expertise in financial and retirement products;
 - the development of VRSP activities meet the distribution obligations set out in the VRSP Act.⁹ A summary of these obligations is provided in Appendix A.
- In respect of its activities as an insurer, trust company or investment fund manager, comply with the Acts and the regulations and any orders, written instructions or undertakings made under any Act governing those activities.

⁷ VRSP Act, sections 28, 29 and 108.

⁸ Regulation respecting applications for authorization and Regulation respecting fees and costs payable.

⁹ Sections 42 to 44.

STEPS IN APPLYING FOR AUTHORIZATION

Follow the steps below to ensure that the AMF has all the information and documents required to review your application for authorization. Each step is explained in detail in the following sections of this Guide.

Step 1 - Fill out the application for authorization form

Step 2 - Submit the application

STEP 1 – FILL OUT THE APPLICATION FOR AUTHORIZATION FORM

The dynamic PDF version of the application for authorization form is available on the [AMF website](#) under “Other AMF mandates / VRSP – Voluntary Retirement Savings Plan / Applying for authorization.”

In filling out this form, the legal person (applicant) is applying for authorization to act as administrator of a VRSP and for a certified extract from its registration in the AMF’s register of authorized administrators. This extract is required to register the plan with *Retraite Québec*.¹⁰

The VRSP administrator authorized by the AMF must submit this certified extract to *Retraite Québec* within 90 days after the date authorization is granted, failing which the authorization will be cancelled of right.¹¹

Section 1 – Identification of applicant

The name of the applicant (legal person) is the name in the constituting instrument as it appears in the *Registre des entreprises du Québec* (Québec Enterprise Register). The applicant must provide its head office address and the address in Québec where it primarily carries out its business activities. The mailing address to be provided is either the head office address or the address of the main place of business in Québec, or another address indicated by the applicant.

Correspondence regarding the application (e.g., compliance of application, additional information, acknowledgment of receipt regarding start of application review, decision) will be sent to the contact person. This person is generally the authorized representative of the applicant, as defined in section 5 below.

¹⁰ VRSP Act, section 3, par. 2, subpar. 2.

¹¹ VRSP Act, section 36, par. 1.

Please note that other AMF registers cannot be updated from the information provided in the application form. Any changes must first be made to the registers concerned (e.g., a change in head office address for a life insurer must be made to the register of insurers).

Section 2 – Supporting documents to be provided

This section is divided into three parts: mandatory documents, other documents and comments. Please tick the box next to the supporting document you are sending.

Mandatory documents

- ✓ Business plan

The business plan dealing with the proposed development of activities related to the VRSP must cover a five-year period. The AMF expects the business plan to include the following information:

- an annual financial overview of VRSP activities for five financial years presented in the form of a statement of income for VRSP activities and a statement of changes in the applicant's equity, together with the following explanatory notes:
 - the revenue generated by the VRSP;
 - the required investments;
 - forecasts of annual VRSP contribution volume;
 - the number of members and total assets under management;
 - any other relevant information necessary to understand the financial information submitted;
- details on the methods intended to identify, manage and control risks associated with the VRSP and their impact on the risk management framework in place, in particular with respect to market, investment and fraud risks;
- details regarding the marketing of the plan and the persons who will act on behalf of the administrators in the VRSP offering, and an analysis of the impact of the VRSP offering on existing commercial strategies;
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- a description of planned staff complement and their expertise, and an organizational chart showing reporting lines for senior positions and key responsibilities in the administration of the plan;
- details of key operational processes, the supporting technology platform, and measures intended to provide members, individuals and employers with the information and documents required under applicable legislation;
- a description of the process for collecting and recovering contributions and for paying annuities;
- information security measures and specifications of transaction platform security;
- a copy, in the form of an appendix, of any current and proposed material outsourcing arrangement;
- a copy, in the form of an appendix, of the most recent audited financial statements – See the specifications in the subsection “Other documents”;
- an explanation of why the VRSP will be maintained over the course of the business plan and why it will be sustainable in the long term.

✓ Liability insurance certificate

The applicant must send a certificate confirming that it holds liability insurance that satisfies requirements.¹² This certificate may be issued in the name of the financial group to which the applicant belongs on the condition that the applicant’s name clearly appears on the certificate.

✓ List of officers in charge of the VRSP

A list of the officers in charge of the VRSP, together with a description of their expertise in the area of financial and retirement products¹³ must be provided. A curriculum vitae is accepted as the description of an officer’s expertise, and can be appended to the business plan.

An officer can include a member of the board of directors, a senior official or an executive responsible for the management and oversight of the risks associated with the VRSP.

Other documents

¹² Regulation respecting applications for authorization, ss. 3 and 4.

¹³ Regulation respecting applications for authorization, section 1, par. 1.

You may be required to submit a copy of the following documents.

✓ Audited financial statements

The AMF relies on the most recent audited financial statements, i.e., those dated less than six months earlier, to ensure that the applicant has satisfactory financial resources.

The applicant's financial statements must have been audited by an accountant who is a member of the *Ordre des comptables professionnels agréés du Québec*, listed in Schedule I of the Professional Code,¹⁴ and authorized, under its constituting act, to practise as an accountant.

If the applicant has sent the AMF, under other laws it administers, its audited financial statements dated less than six months earlier, it is not required to provide them with the application for authorization.

✓ Irrevocable letter of credit or suretyship

If the applicant's excess amount of assets over liabilities is less than \$1,000,000, the amount of the irrevocable letter of credit or suretyship, or the sum of both, must be at least equal to the difference between its excess amount of assets over liabilities and \$1,000,000. In addition, the irrevocable letter of credit must have the features listed in Appendix A of this Guide.

The suretyship must be established in accordance with the Civil Code of Québec¹⁵ (Civil Code). If a suretyship is issued outside of Québec, the AMF may request a legal opinion confirming that the instrument complies with the Civil Code.

✓ PRPP licence and registration

If the applicant holds a licence or registration for a pooled registered pension plan (PRPP) within the meaning of the *Pooled Registered Pension Plans Act*,¹⁶ it must attach the relevant documents issued by the Office of the Superintendent of Financial Institutions (OSFI). If a licence or registration is pending, the applicant can indicate this in the "Comments" section of the form.

Comments

Use this space to explain the supporting documents or provide other information related to the application.

¹⁴ CQLR, c. C-26.

¹⁵ CQLR, c. C-1991.

¹⁶ S.C. 2012, c. 16.

Section 3 – Questionnaire

You must answer all the questions.

Section 4 - Fees and costs payable

Information about fees and costs payable in respect of this type of application is available on our website by clicking <https://lautorite.qc.ca/en/professionals/regulations-and-obligations/voluntary-retirement-savings-plan-vrsp/fees-and-costs-payable-to-the-amf/>.

To be eligible for consideration, the application must be sent together with the fees and costs payable. Furthermore, only the costs payable for the issuance of the certified extract from the registration in the register of authorized administrators are refundable.

An invoice will be sent via the applicant's secure message inbox if the applicant is registered for AMF E-Services.

If you are not eligible to register for AMF E-Services, use the form provided through the following link to make a payment form:

https://lautorite.qc.ca/fileadmin/lautorite/formulaires/professionnels/distrib/dci_bordereau-paiement-an.pdf.

Section 5 – Declaration and attestation

The natural person appointed by the applicant can represent the applicant generally (e.g., this person may be the chief representative in Québec of a life insurer not constituted in Québec or the ultimate designated person of an investment fund manager) or specifically for purposes of this application (e.g., a director or a senior officer in charge of the VRSP).

The authorized representative must tick the box as evidence of his declaration and attestation regarding the applicant's excess assets over its liabilities, provide his first and last names, and date the form.

STEP 2 –SUBMIT THE APPLICATION

Applications will be reviewed once the form and all supporting documents have been sent and payment of all fees and costs has been received. Please ensure that the supporting documents contain all the required information to comply with authorization criteria.

Once the form and all supporting documents are ready to be sent to the AMF, log on to AMF E-Services. You will be able to submit the application and the supporting documents under "Other" by selecting "Other application/request – Insurers and deposit institutions." If you cannot access AMF E-Services, contact us at the following address: info-droitdexercice@lautorite.qc.ca.

AMF DECISION

The AMF will make a decision within 90 days. Complete and compliant applications will expedite processing.

Once the AMF is satisfied that the applicant meets the conditions necessary to obtain an authorization to act as administrator of a VRSP, it will also send the applicant a certified extract from its registration in the register of authorized administrators.

Before it refuses to grant an authorization, the AMF must, in accordance with section 5 of *An Act respecting administrative justice*,¹⁷ inform the applicant in writing and give the applicant at least 10 days to present written observations or provide other documents.

All AMF decisions with respect to an authorization are published in its Bulletin,¹⁸ available on the AMF website.

REGISTER OF AUTHORIZED ADMINISTRATORS - VRSPs

The AMF maintains a register of administrators authorized to act as administrator of a VRSP.¹⁹ This authorization is required to register the VRSP with *Retraite Québec*. **The VRSP must be registered with *Retraite Québec* before the administrator can provide it to employers, self-employed workers and any other persons wishing to save for retirement independently.**

INFORMATION CENTRE

For questions about the application, contact us by calling the AMF Information Centre at 1-877-525-0337 or via the “Contact us” section on the [AMF website](#).

¹⁷ CQLR, c. J-3.

¹⁸ VRSP Act, section 40.

¹⁹ The register can be consulted via our website by clicking on the “Search in the Registers” tab and then selecting “Register – VRSPs.”

APPENDIX A

Summary of distribution obligations under the VRSP Act

The distribution of VRSPs to employers and individuals is governed by the distribution rules in the [Act respecting the distribution of financial products and services](#) and the [Securities Act](#) both of which are administered by the AMF. Representatives involved in the distribution of this product must hold a valid right to practise based on the financial product offered (insurance or securities).

If you are a life insurer

If you are a life insurer that provides VRSPs to employers, you can offer the product through a group insurance and group annuity advisor or a group annuity plans advisor. If a VRSP is not provided as a substitute for another VRSP to which the employer is already subscribed, you can offer it through a group insurance plans advisor or a financial security advisor.

In all cases, VRSPs can be offered through an actuary in the course of his or her activities.

VRSPs for individuals must be offered through financial security advisors.

As a VRSP administrator, you can also offer this plan without an intermediary if no advice is requested or given.

Whether a VRSP is offered through or without an intermediary, only a financial security advisor can advise a plan member with respect to the choice of an investment option.

If you are a trust company or an investment fund manager

If you are a trust company or an investment fund manager, you can offer VRSPs to employers or individuals through a representative of a dealer registered under the Securities Act or through a person who is exempt from the registration requirement under the Act.

As a VRSP administrator, you can also provide this plan without an intermediary if no advice is requested or given.

APPENDIX B

Features of the irrevocable letter of credit

- is issued by a deposit institution licensed under a statute of Canada, a Canadian province or a Canadian territory (where the issuer is a foreign bank, the letter of credit must be confirmed by a Canadian bank);
- is denominated in Canadian dollars;
- clearly indicates the name and address of the legal person (the beneficiary);
- indicates its effective date;
- has a fixed term of at least one year and specifies the date and time of expiry;
- will be renewed tacitly and unconditionally;
- sets out the conditions under which the legal person can draw on the letter of credit, including the possibility of making partial drawings;
- provides that the amount of the letter of credit may be reduced only pursuant to drawings made by the legal person in accordance with the terms of the letter of credit;
- specifies that non-renewal of the letter of credit requires written notice of at least three months to the legal person, with a copy to the AMF, and the written notice must contain appropriate protective clauses;
- allows the legal person to draw on the letter of credit in the event the letter of credit is not renewed;
- indicates the standards and rules applicable to its use;
- is governed by the applicable laws of Québec and the Uniform Customs and Practice for Documentary Credits of the International Chamber of Commerce (UCP 600);
- specifies that in case of conflict between UCP 600 and the laws of Québec, the latter shall prevail;
- is signed;
- allows the legal person to make up all or a portion of the difference between its equity and the minimum amount of \$1,000,000;
- is accompanied by confirmation from the legal person (beneficiary) that it has not granted a hypothec or other form of security interest affecting:
 - the obligation secured by the letter of credit;

- the universality of its claims;
- the universality of its present and future property.