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MESSAGE FROM THE PRESIDENT AND CEO

I am very pleased to present the 2017-2020 Strategic Plan of the *Autorité des marchés financiers* (the “AMF”). For an organization such as ours, which works in a constantly evolving and complex ecosystem, the strategic planning process offers a unique opportunity to look into the future with the objective of continuously improving how its mission is fulfilled.

After more than three years at the helm of the AMF, I am convinced that this is a mature organization, composed of a more integrated, effective and influential team than ever in its short history. Our significant achievements over the past few years, which stem from our employees’ efforts and engagement, all point in the same direction: The AMF plays a key role in Québec’s financial sector.

Our three-year plan is based on a rigorous analysis of our environment and financial market trends. The financial industry is evolving at a highly accelerated pace, due in great part to technological innovations. Consumers have growing expectations. It is therefore important that we adapt our approaches and methods, while continuing to implement best oversight practices.

Against that backdrop, we have adopted a new vision that will inspire our organization over the next three years: **A proactive regulator bolstering confidence in a healthy and dynamic financial sector.**

To achieve this vision, we have prioritized three orientations: demonstrate our leadership, added value and ability to innovate; strengthen our role as a local regulator close to its markets; and invest in our performance.



The plan takes into account a global climate of uncertainty that is further fuelled by the proposal of the federal government and a few participating jurisdictions to establish a so-called co-operative capital markets regulatory system. Regardless of the outcome of the constitutional debate on this proposal, the AMF will continue to provide leadership, collaborate with other regulators and influence deliberations on public policy issues related to Canada’s capital markets.

Lastly, it would not be possible to implement our three-year plan without the support of the Minister of Finance of Québec and his commitment to the important task of reforming the laws governing Québec’s financial sector, nor would it be possible without the contribution of the members of our *Conseil consultatif de régie administrative* (Advisory Board). I would personally like to thank them in this regard.

I am convinced that our inspiring vision and our values of integrity, excellence, openness and engagement, which are shared by all AMF employees, will help us achieve the objectives we have set for the next three years.

A stylized black ink signature of Louis Morisset.

Louis Morisset

MESSAGE FROM THE CHAIR OF THE ADVISORY BOARD

The strategic process undertaken by the AMF is the result of a rigorous and inclusive approach, initiated several months ago by the President and CEO and his management team. The members of the Board and I have witnessed the efforts devoted to this process and the constant desire to ensure that the AMF's activities evolve for the benefit of all financial sector stakeholders.

The planning process followed recognized practices, and the Board was kept informed throughout the process and was able to contribute at various stages. This three-year plan is based on an exhaustive analysis of the internal and external environment in which the AMF operates. We believe that its strategic orientations and objectives are coherent and realistic and will be a source of inspiration for AMF staff.



This is why the Board fully endorses the 2017-2020 Strategic Plan presented below. Moreover, the Board will monitor its implementation with all the attention its functions require.

In setting forth its new vision, the AMF quite rightly underscores the importance of financial market regulation for creating public confidence in the financial sector and thereby contributing to its health and dynamic growth. For its part, the Board wishes to highlight the vital role of the AMF in Québec's economy.

A handwritten signature in black ink, which appears to read 'Andrée Mayrand'.

Andrée Mayrand

OVERVIEW OF THE AMF

Established under *An Act respecting the Autorité des marchés financiers*¹ on February 1, 2004, the AMF is the body mandated by the Québec government to regulate Québec's financial markets and assist consumers of financial products and services. The AMF is unique in that it oversees, in an integrated manner, the areas of insurance, securities, derivatives, deposit institutions—other than banks—and the distribution of financial products and services.

Our mission

The mission entrusted to the AMF, which inspires and mobilizes its employees, can be summarized as follows:

Regulate Québec's financial sector to promote its efficiency and protect consumers of financial products and services

Under *An Act respecting the Autorité des marchés financiers*, the AMF's mission is to:

- (1) provide assistance to consumers of financial products and services, in particular by setting up consumer-oriented educational programs on financial products and services, processing complaints filed by consumers and giving consumers access to dispute-resolution services;
- (2) ensure that the financial institutions and other regulated entities of the financial sector comply with the solvency standards applicable to them as well as with the obligations imposed on them by law with a view to protecting the interests of consumers of financial products and services, and take any measure provided by law for those purposes;
- (3) supervise the activities connected with the distribution of financial products and services, administer the rules governing eligibility for and the carrying on of those activities, and take any measure provided by law for those purposes;
- (4) supervise stock market and clearing house activities and monitor the securities market, in particular, by administering the controls provided by law as regards access to the public capital market, ensuring that the issuers and other practitioners involved in the financial sector comply with the obligations imposed on them by law and taking any measure provided by law for those purposes;
- (4.1) supervise derivatives markets, including derivatives exchanges and clearing houses and ensure that regulated entities and other derivatives market practitioners comply with the obligations imposed by law; and
- (5) see to the implementation of protection and compensation programs for consumers of financial products and services and administer the compensation funds set up by law.

¹ CQLR, c. A-33.2, sections 4 and 8

The AMF performs its functions and exercise its powers in a way as to:

- (1) foster the confidence of the public and of the business community as regards financial institutions and practitioners in the financial sector as regards solvency and the competence of agents, advisers, brokers, representatives and other practitioners in the financial sector;
- (2) promote the availability of high-quality, competitively priced financial products and services for individuals and enterprises in all regions of Québec;
- (3) see to the establishment of an effective and efficient regulatory framework that promotes the development of the financial sector and facilitates innovative management and commercial practices;
- (4) grant the public and the business community access to reliable, accurate and complete information on the financial institutions and practitioners in the financial sector and on the financial products and services offered;
- (5) protect consumers against unethical, abusive or fraudulent practices and give individuals and enterprises access to various dispute resolution mechanisms.

Our values

In developing this three-year plan, we reflected on the values that have guided the AMF since its establishment in 2004. We identified four that are essential for the fulfilment of our mission and the achievement of our vision. They constitute the foundation of our governance and the essential reference points for all our employees.



The AMF today



With the conclusion of its 2012-2017 Strategic Plan, the AMF reinforced the culture of co-operation shared by all its staff and the concerted approach of its various areas of

activity, thereby maximizing the benefits of its integrated oversight model. It set up an integrated risk management program that provides a comprehensive view of issues and allows it to define its priorities. The organization's governance framework was improved, the leadership of its managers was further developed and its teams gained experience and expertise.

Today, the AMF applies a monitoring approach through which it can follow market and regulatory changes as part of a comprehensive view that benefits all of its activities.

Its inspection and surveillance methods have been revised to be more relevant and efficient: Its actions are more concerted and targeted. Its enhanced means for detecting unethical, abusive or fraudulent practices and the development of certain technological tools have led, in recent years, to deterrent legal proceedings and sanctions that have gained the confidence of the public and financial sector participants.

The AMF also refocused its financial literacy efforts. It now has the “AMF Index,” a tool that helps prioritize its actions based on changes in the behaviour of consumers of financial products and services. The Québec Financial Education Strategy, which it introduced in co-operation with some twenty partners, will be a powerful means for leveraging its actions in the next few years.

As well, significant accomplishments strengthened financial sector regulation. Several major reforms gained headway—including those arising from commitments made by the G20 countries in the wake of the 2007-2008 financial crisis—most notably as regards market structures, over-the-counter (OTC) derivatives and enhanced oversight of Desjardins Group, which was designated by the AMF as a “domestic systemically important financial institution” in June 2013.

In 2016, the AMF created a fintech working group whose mandate is to analyze technological innovations in the financial sector and anticipate regulatory, market efficiency and consumer protection issues. The group, which is supported by an advisory committee composed of outside experts, reinforces the AMF's ability to meet the oversight challenges inherent in the industry's digital shift.

Lastly, the AMF substantially increased its national and international influence. It currently chairs the Canadian Council of Insurance Regulators and the Canadian Securities Administrators, in addition to sitting on the Board of the International Organization of Securities Commissions and the Executive Council of the International Association of Deposit Insurers. Moreover, it is an active member of the International Association of Insurance Supervisors. Within these forums, the AMF is recognized for its significant role in the work of the various committees that define regulatory standards and best practices. This recognition is also evident in the increased confidence of the public towards the AMF and towards the financial sector as a whole.

Today, the AMF represents a team that is firmly positioned to meet future challenges by leveraging the strengths developed over the past few years.

CONTEXT AND ISSUES

The AMF's 2017-2020 Strategic Plan reflects a complex and uncertain environment.

A particularly volatile macroeconomic environment

The scars of the 2007-2008 financial crisis, which slowed the momentum of recovery internationally, will continue to fade gradually over the next few years. However, the strengthening of the economy will most likely be characterized by a more tepid rate of growth than in the past, whether in Europe, the United States or Canada, or in the emerging economies. An aging population will curb the potential for growth in the developed economies, and its effects will be particularly strong in Québec.

In addition, governments have taken on substantial debt since the last crisis, and this could hamper their ability to face new challenges. Central banks used their full arsenal and certain countries even posted negative interest rates. The financial markets, which generally recovered in recent years, face a high degree of uncertainty. Under these circumstances, the anticipated rise in interest rates will be relatively modest. Changes in the real estate market and increased household indebtedness are both worrisome developments that will require constant monitoring.



Lastly, geopolitical risks will continue to be high, be it the uncertain outcome of Brexit, the rise of protectionism in certain countries, or the potential impacts of the most recent U.S. election on certain areas that affect the AMF and the industry it regulates, starting with the probable deregulation of the financial sector in the United States.

This macroeconomic environment will require constant monitoring so its impact on the markets and the AMF's oversight activities can be anticipated.

Greater technological and financial innovation

The increased pace of technological innovation is a very real global phenomenon that will only become more pronounced in the next few years. Its many ramifications in the financial sector are disrupting traditional business models and modifying consumer habits.

The number of crowdfunding platforms and peer-to-peer loan sharing and risk sharing platforms, much like robo-advisers, is rapidly increasing. Blockchain technology, originally developed for the creation and trade of virtual currencies, represents a revolution in the world of data storage and transmission and has a vast number of potential applications. These technological innovations are opening the door to new growth opportunities for Québec's financial industry and are providing consumers with a wider choice of competing products and services. However, at the same time, they present new risks that must be evaluated and mitigated.

While there is a consensus that all market participants—traditional and emerging—should be subject to an appropriate regulatory framework, the new purchasing, trading and distribution channels may require certain adjustments to the current regulatory approaches. In particular, special attention will have to be paid to ensure that the laws, regulations and other standards in effect are aligned with the new market realities. The regulation of these new financial products and services offerings must be based on an analysis of consumer protection needs and industry competitiveness. Achieving a fair balance between protection of the public and market efficiency will continue to be a common goal for all financial sector regulators.

Issues related to climate change, natural disasters and socially responsible investing



Climate change is a phenomenon that is of increasing concern to the financial sector and its regulators. Several recent initiatives, including those of the Financial Stability Board² and the

United Nations,³ aim for a better understanding and disclosure of the climate risks to which businesses are exposed.

Furthermore, the AMF notes that natural disasters (floods, forest fires, etc.) are more and more frequent and severe in Québec and in Canada. This reality has already impacted the financial sector and will continue to be a growing source of concern. The risk of a major earthquake in the Québec City-Montréal-Ottawa corridor, home to more than 75% of Québec's population, is particularly misunderstood and underestimated. According to Earthquakes Canada,⁴ this zone is the second most hazardous in Canada.

In addition, according to the Insurance Bureau of Canada,⁵ the percentage of Quebecers insured against earthquakes (3%) is far lower than in British Columbia (45%), the primary seismic hazard zone in Canada. Besides issues related to the capital of insurers, for which a guideline has already been issued, the AMF is of the view that we must not delay in considering the various facets of this major hazard and taking action to mitigate its potential consequences.

Lastly, the AMF will examine the deliberations and actions of regulators in regards to socially responsible investing based, in particular, on environmental, social and good governance criteria. The AMF intends to focus on the information available to investors as well as the disclosure practices of issuers with respect to socially responsible investing.

Further improving diversified capital access

The financial scandals that rocked the United States in the early 2000s led to major reforms in the U.S. and in Canada that affected the accounting and financial transparency of publicly-traded companies.

This framework, although beneficial for investor protection, generated significant implementation costs which, over time, may have reduced the number of stock exchange listings in the United States and in Canada. Many Québec businesses are currently exploring new avenues for accessing capital. Québec stands out for its many sources of funding, be it venture capital or investment and development capital. Québec businesses are less attracted to public financing than are those in other provinces.

Over the past few years, the AMF has played an important role in bringing the regulation of the exempt securities market up to par. For example, it participated actively in implementing the regulatory framework governing equity crowdfunding. These various initiatives broadened the financing available to Québec businesses, especially start-ups. The AMF intends to consider the implementation of other regulatory initiatives aimed at making access to the traditional capital markets more attractive.

² Task Force on Climate-related Financial Disclosures, <https://www.fsb-tcfd.org>

³ United Nations Environment Programme – Finance Initiative, <http://www.unepfi.org/about/>

⁴ Simplified seismic hazard map, <http://www.seismescanada.rncan.gc.ca/hazard-alea/simphaz-en.php>

⁵ http://www.securitepublique.gouv.qc.ca/fileadmin/Documents/securite_civile/colloques/2016/babinsky.pdf

Consumers with changing profiles and needs



Raising the financial literacy of Quebecers remains a priority, particularly as regards management of personal finances and retirement planning.

Aging demographics and their impact on Québec's economy raise numerous challenges. A significant number of Quebecers in the labour force are nearing retirement age. Their primary concern is to have an adequate level of income during their lifetime. These clienteles are particularly vulnerable to the consequences of poor decisions and financial fraud, an issue that will continue to be of great concern to the AMF, all the more so given that low interest rates are prompting certain investors to take greater risks in the hope of earning higher returns.

At the other end of the spectrum, millennials just starting out in the labour market and living through their first experiences as consumers of financial products and services could expose themselves to different risks by seeking out information and trading on digital platforms. For them, privacy and the protection of personal information are very real issues.

Consumers, regardless of their generation, will demand that the industry offer financial products and services through the distribution channels of their choosing, while seeking out a satisfactory level of service and protection.

Importance of national and international co-operation among regulators

Domestically, the AMF is a major participant in the work of the Canadian Securities Administrators (CSA) and the Canadian Council of Insurance Regulators, among other organizations. Its leadership and input within these forums contribute to the development of more balanced and harmonized regulations, which can only be beneficial for consumer protection and the efficiency of the markets in Québec and Canada.

Although the AMF must contend with differing points of view, including the proposal of the federal government and a few participating jurisdictions to establish a so-called co-operative capital markets regulatory system, it continues to work towards a consensus with its colleagues from the other regulators and to assume responsibilities on major projects that will shape the future of the CSA. For example, the AMF has assumed leadership of the CSA National Systems Renewal Program designed to handle the receipt and processing of required regulatory filings.

In 2014, the International Monetary Fund (IMF), within the scope of its Financial Sector Assessment Program, recommended enhanced and formalized co-operation between federal and provincial supervisors so as to provide better protection for financial stability, consumers and investors. Accordingly, the AMF negotiated a number of co-operation agreements with provincial and territorial insurance regulators, with the Canada Deposit Insurance Corporation and with the Bank of Canada.



Internationally, the AMF also plays a major role within the principal regulator forums, often with regard to innovative or emerging issues. In particular, it heads committees of the International Organization of Securities Commissions (IOSCO) in charge of ensuring consultation and co-operation among regulators with respect to enforcement and the exchange of information.

The AMF is also an active participant in efforts by the International Association of Deposit Insurers to identify the specific issues that affect financial cooperatives, as it shares its expertise in overseeing and regulating Desjardins Group, one of the world's largest cooperative financial groups. Furthermore, the AMF continues to play a role within the International Association of Insurance Supervisors, where it chaired for almost five years the committee responsible for establishing the international principles governing the business conduct of insurers.

In short, in an environment marked by accelerated financial technological innovation and market globalization, co-operation among regulators is more important than ever; it allows them to fight unethical, abusive or fraudulent practices more effectively and facilitates the sharing of expertise and the adoption of harmonized regulatory principles. Co-operation among regulators provides a unique opportunity to share methods and practices, and compare them to the best the world has to offer. In this way, the AMF can retain the best oversight practices and ensure that regulations and its actions meet the highest standards.

Major projects in progress

The many reforms initiated by the G20 in the aftermath of the most recent financial crisis have progressed significantly over the past few years, but important work is still underway.

The requirement that OTC derivative positions be reported to trade repositories, in force since October 2014, now provides the AMF with a better understanding of the participants, products and trends in this previously opaque market. However, the regulation of mandatory clearing, electronic trading platforms and margin requirements and the reform of market infrastructures with a view to ensuring a more resilient financial system have yet to be implemented.

A number of projects have also been launched in order to enhance prudential disclosure requirements and oversight of Desjardins Group, in keeping with the principles adopted by the Basel Committee in the wake of the 2007-2008 financial crisis.

Moreover, in order to ensure that Québec continues to be recognized for the quality of its financial sector regulation, the Québec government undertook an extensive reform of the laws governing this sector. This legislative updating is important because it will give the AMF additional tools and greater flexibility to deliver enhanced consumer protection and optimal oversight of the industry.

The reform will also satisfy certain expectations of the IMF following its 2014 assessment. The IMF is scheduled to perform its next assessment of Canada's financial sector oversight and regulation in 2018. The AMF must be thorough in preparing for this assessment so as to earn a positive appraisal and thereby strengthen market confidence in Québec's financial sector.

The expected benefits and ramifications of these major projects will have a significant impact on the AMF's activities.

The means to achieve our goals

Through sound management of its expenditures, combined with higher duties from some of its activities over the past few years, the AMF is on a solid financial footing that should allow it to achieve its goals. However, given the continuing uncertain economic context, it will still be difficult to forecast its revenue.

In recent years, the AMF contributed to efforts to stabilize Québec's public finances, by limiting its expenditures in accordance with the governmental measures applicable to consolidated entities. Significant investments will now be required if it is to continue to evolve and ensure the protection of consumers of financial products and services.

The AMF will have to invest in key areas of its mission, particularly its enforcement activities. It will have to add staff and continue to develop its expertise, infrastructures and technological applications, so as to keep up with the changes in the financial sector it oversees and with the standards applicable to its areas of activity.

The AMF will limit the required expenditure increases by optimizing the allocation and management of its financial, material and human resources.



OUR VISION

With the financial sector changing more and more quickly, the AMF has chosen to step up its proactive shift, which, in and of itself, is a challenge for any regulator. By proactively approaching its mission to regulate the financial sector, it seeks to ensure that its actions will contribute to the public's confidence in the markets and institutions and thereby foster a dynamic financial sector in Québec.



**A proactive regulator
bolstering confidence
in a healthy and dynamic
financial sector**

OUR STRATEGIC ORIENTATIONS

ORIENTATION 1

DEMONSTRATE OUR LEADERSHIP, ADDED VALUE AND ABILITY TO INNOVATE

The AMF intends to assert its leadership role as an influential thinker and contributor on the local, national and international scenes. In a context of accelerated financial globalization, it will prioritize high impact initiatives for the growth and development of Québec's financial sector, thereby highlighting the added value of its regulatory activities and its ability to innovate. It will take a proactive approach to address the regulatory challenges brought on by new technologies and the transformation of the industry.

Objective 1.1

Take on a leadership role as an influential thinker and contributor on current and emerging issues

The AMF will enhance its integrated monitoring—implemented over the past few years—of trends and issues in the financial sector. In doing so, it will be better equipped to adopt positions, undertake regulatory initiatives and recommend to the government any legislative amendments which may be necessary in the interests of consumers and the industry. The AMF will also strive to ensure a better awareness and understanding of its deliberations on the major issues facing Québec's financial sector.

The AMF will strengthen its influence and leadership role within organizations such as the forums of domestic and international regulators. Together with the government, it will defend Québec's interests, particularly with respect to regulation of the capital markets as well as co-operation and the exchange of information for enforcement purposes. In so doing, it will maintain a framework for effective action among the regulators of Canada's provinces and territories.

Objective 1.2

Lead high impact initiatives for the protection of the public and the development of Québec's financial sector

The AMF will prioritize value-added actions with a significant impact on the protection of consumers of financial products and services and the development of the province's financial sector.

In carrying out its regulatory and oversight activities, it will use innovative approaches based on best practices. This will allow it to build on the close links forged with regulators nationally and internationally.

The AMF has noted that certain administrative formalities and regulatory requirements can inhibit the development of the financial sector. It intends to pay special attention to this matter, particularly with regard to emerging issuers and asset managers.

Objective 1.3

Increase our proactivity with respect to new technologies and industry transformation

The AMF will specifically monitor technological innovations applied to the financial sector and solidify its links with the key stakeholders in Québec's financial ecosystem. It will also draw on the co-operation established with other regulators in order to deepen its understanding of the new business models and their impact. This will help it to reassess the existing regulatory framework, adapt it as necessary and recommend adjustments to the government, as required. Lastly, it will structure its operations and adapt its methods in order to process requests from new financial sector participants in an integrated and effective manner.

SOME INITIATIVES FOR 2017-2020

- Where possible, promote the streamlining or simplification of the regulatory or normative framework. The AMF will work to consolidate its numerous guidelines applicable to financial institutions and insurers. It will also implement a scheme facilitating access to the capital markets by reporting issuers with a first-rate continuous disclosure record and reduce certain administrative formalities and regulatory requirements applicable to emerging issuers and asset managers.
- Develop our expertise regarding the Canadian OTC derivatives market by making the most of trade repository data, thereby maintaining our national leadership in this area. The AMF also intends to harness this expertise by offering it to other Canadian regulators to help them process and host the data they hold.
- Deepen our understanding and knowledge of technological innovations applied to the world of finance. To this end, the AMF intends to strengthen its links with key stakeholders in Québec's fintech ecosystem. These links will facilitate the implementation of measures to guide and support new stakeholders through the regulatory framework and, where possible, the establishment of a "regulatory sandbox," i.e., a controlled environment.
- Contribute to discussions on the disclosure practices of issuers regarding climate change and socially responsible investing, publish the findings and conclusions of our reviews, and determine whether regulatory proposals are required to ensure that issuers provide investors with appropriate disclosure on these issues for purposes of investment decisions.
- Undertake a special project to analyze and determine how to mitigate the major financial risks—to the public and to the industry—of a moderate or major earthquake in Québec.
- After consulting the insurance industry about the risks of conflicts of interest related to incentive schemes, consider the need to review the existing regulatory framework in order to ensure the fair treatment of consumers, and share our work with our colleagues on the Canadian Council of Insurance Regulators.
- As a leader in Canada on matters of enforcement, continue to develop our expertise and technological tools to fight unethical, abusive or fraudulent practices that are emerging.
- Optimize the contribution and processing of our various sources of information (whistleblowing, complaints, case assessments, information centre and partners) to more quickly and efficiently develop alerts and warnings about suspicious firms and schemes, and diversify our platforms for disseminating these alerts and warnings.

ORIENTATION 2

STRENGTHEN OUR ROLE AS A LOCAL REGULATOR CLOSE TO ITS MARKETS

A local regulator must have an in-depth knowledge and understanding of the needs of the financial sector it regulates and strive to address those needs in the best interests of consumers and the industry. To do so, over the years the AMF has developed a corporate culture of openness supported by formal and informal communications. Its regulatory development process is based on a variety of consultation methods. Dialogue between the AMF and all financial sector participants is essential for properly assessing the impact of its regulatory framework and enriching its understanding of the industry. Over the next few years, the AMF will seek to hold an even more productive dialogue.

Objective 2.1

Reinforce our links with clients and partners

The AMF will take advantage of new opportunities for information, awareness, consultation and exchanges. It will seek to reinforce its links with all financial sector stakeholders, including its own clienteles: consumers and the entities governed by the laws under its purview. Given the rapidly evolving offer of products and services, the AMF will consult in particular start-ups, technological innovators, consumer groups, institutional investors, academia and regulators in order to take advantage of existing perspectives, analyses, research and positions. In addition, the AMF will continue, via targeted initiatives, to work to improve the financial literacy of consumers and sharpen their vigilance.

The AMF will also seek to solidify its existing partnerships in order to increase their impact, particularly with respect to financial literacy and the suppression of unethical, abusive or fraudulent practices, and it will explore new avenues for collaboration.

Objective 2.2

Improve our delivery of services

Surveys indicate that regulatory requirements are often seen as the principal challenge faced by industry stakeholders and one of the highest risks with which they have to contend.

The AMF will continue its efforts to help regulated entities understand the applicable requirements. It will offer compliance support to the industry, by developing and providing tools, guides and workshops designed to give plain-language explanations of the regulatory framework governing the practices of regulated entities and clarify its expectations in this regard. In so doing, the AMF will work towards a genuine culture of compliance across all market segments.

As well, the AMF will improve the effectiveness of its interactions with certain clienteles and facilitate access to its various assistance services.

SOME INITIATIVES FOR 2017-2020

- Deploy targeted outreach and informational initiatives, taking into account the vulnerabilities and particular needs of seniors as well as those of younger consumers of financial products and services who strongly favour on-line interactions.
- Develop new avenues for discussions and consultations with industry participants, consumer groups, academia and technological innovators.
- Design and deploy an awareness plan for officers, employees and agents of Québec reporting issuers with a view to preventing illegal insider trading and encouraging the adoption of best practices in this regard.
- Develop an interface designed for stakeholders in the financial products and services industry, including compliance guides and questionnaires, to help them understand the regulatory requirements and establish a genuine culture of compliance.
- Increase the scope and benefits of the partnerships we have established in our various areas of activity, particularly in matters of financial literacy and the suppression of unethical, abusive or fraudulent practices.



ORIENTATION 3

INVEST IN OUR PERFORMANCE

To implement its vision and accomplish its mission with greater effectiveness and efficiency, the AMF will invest in new methods, while carrying out its major current projects, including the upgrading of its technological systems and applications. It will define and fill its needs for expertise, particularly with regard to the industry's digital shift and the application of technological innovations to the world of finance. In order to enhance its agility, it will rely on the culture of co-operation and performance adopted over the past few years.

Objective 3.1

Increase our agility and performance

While maintaining the thoroughness and prudence that are essential for achieving its mission, the AMF will develop its agility in order to keep up with the pace of transformation in the industry and intervene more effectively. To do so, it intends to streamline its working methods and decision-making processes. It will also ensure that its culture of integrated risk management moves forward in order to foster initiative and accountability, and it will encourage a proactive approach at every level of the organization. Moreover, it will work to continuously improve the manner in which it conducts its activities, in particular by using benchmarking and independent reviews of some of its activities.

Objective 3.2

Develop our skills

In order to stand out in a complex and uncertain environment and address the issues it faces as a regulator, the AMF must ensure it has cutting-edge expertise. In keeping with its culture of co-operation and performance, the AMF will continue to encourage innovation and collective intelligence, through shared ideas and knowledge. Lastly, as a knowledge-based organization whose raw materials are the know-how and expertise of its employees, the AMF will continue to offer stimulating challenges, a dynamic environment and attractive working conditions in order to remain an employer of choice.

Objective 3.3

Update our tools

The AMF will have to continue investing in new technologies in order to keep up with changes in the financial sector. It will have to improve channels for interfacing with its regulated clients and enhance its ability to collect, process, analyze and secure the information and data used for purposes of registration, oversight, inspections, investigations and legal proceedings.

SOME INITIATIVES FOR 2017-2020

- Develop and deploy a strategy to foster continuous improvement and innovation aimed, among other things, at streamlining our working methods and validation processes.
- Optimize our operational effectiveness and efficiency, particularly with respect to our administrative and technological processes.
- Update our skills management and succession planning strategy to ensure that the necessary expertise for achieving the organization's objectives is available and our resources remain engaged.
- Continue to develop the project, begun a few years ago, to modernize our business systems.
- Further develop our computer forensics lab and complete our electronic evidence management project. Given the complexity and increasing volume of investigation files and data to be collected, processed, analyzed and secured, completion of these projects is essential if we are to maintain our enforcement abilities.
- Complete, in co-operation with our colleagues in the other provinces and territories, the National Systems Renewal Program of the Canadian Securities Administrators, which is designed to handle the receipt and processing of required filings, and the proposed new marketplace surveillance and analytical system.
- Pursue the deployment of the project management office and develop new methods for allocating financial, material and human resources.
- Provide for the allocation of space, equipment and tools tailored to the evolution of our activities.

2017-2020 STRATEGIC PLAN - SUMMARY TABLE

Orientation 1

DEMONSTRATE OUR LEADERSHIP, ADDED VALUE AND ABILITY TO INNOVATE

Objectives	Means	Results	Indicators
1.1 Take on a leadership role as an influential thinker and contributor on current and emerging issues	1.1.1 Enhance our monitoring and analysis of trends and issues in the financial sector 1.1.2 Develop and share strong and well-articulated positions on major issues facing Québec's financial sector 1.1.3 Strengthen our influence within forums of domestic and international regulators	<ul style="list-style-type: none"> • The AMF proactively identifies existing and emerging issues and analyzes them in order to formulate its positions. • The AMF makes its positions known and disseminates them within organizations such as the forums of domestic and international regulators. • The AMF plays an influential role within forums of domestic and international regulators. 	<ul style="list-style-type: none"> • Positions put forward/projects initiated or managed by the AMF • Duties performed within domestic and international forums • Status and results of our initiatives (prioritized actions and innovative approaches deployed) • Status of our fintech work: <ul style="list-style-type: none"> – Initiatives carried out to position ourselves in this area – Number/quality of fintech stakeholders or firms interacting with the AMF
1.2 Lead high impact initiatives for the protection of the public and the development of Québec's financial sector	1.2.1 Prioritize value-added initiatives and publicize them 1.2.2 Deploy innovative approaches based on best practices	<ul style="list-style-type: none"> • The AMF prioritizes its actions and involvement based on their impact. • The AMF stands out for its new approaches. 	<ul style="list-style-type: none"> • Results of external sectoral surveys measuring: <ul style="list-style-type: none"> – the contribution of our observations to industry-relevant issues – the added value of our actions and the innovative nature of our approaches – our proactive approach to oversight with respect to new technologies and the transformation of the industry
1.3 Increase our proactivity with respect to new technologies and industry transformation	1.3.1 Deepen our understanding of the new business models and their impact 1.3.2 Reassess the regulatory framework, adapt it as necessary and recommend adjustments, as required 1.3.3 Structure our operations and adapt our methods	<ul style="list-style-type: none"> • The AMF formulates specific methods for monitoring fintech developments. • The AMF continuously re-evaluates the business and regulatory environment. • The AMF explores new regulatory approaches, adapts its methods and recommends adjustments, as required. • The AMF positions itself and is recognized as an active stakeholder in Québec's fintech ecosystem. 	<ul style="list-style-type: none"> • Results of surveys to assess the public's confidence in: <ul style="list-style-type: none"> – the financial sector – financial sector professionals – the AMF • Results of the IMF's Financial Sector Assessment Program and status of the implementation of its recommendations • Results of benchmarking vis-à-vis other regulators

Orientation 2

STRENGTHEN OUR ROLE AS A LOCAL REGULATOR CLOSE TO ITS MARKETS

Objectives	Means	Results	Indicators
2.1 Reinforce our links with clients and partners	2.1.1 Increase opportunities for information, awareness, consultation and exchanges 2.1.2 Solidify our partnerships and explore new avenues for collaboration	<ul style="list-style-type: none"> • The AMF maintains a fruitful dialogue with all financial sector stakeholders that: <ul style="list-style-type: none"> – allows it to better understand their realities and concerns; – consequently, allows it to anticipate the effects of measures it takes; – allows stakeholders to have a better understanding of the actions it takes. • The AMF contributes to improving the financial literacy of consumers and sharpening their vigilance. • The AMF increases the impact of its partnerships and other outside collaborations. 	<ul style="list-style-type: none"> • Status and results of our awareness, consultation and other liaison activities • Impact of our partnerships, particularly as regards the Québec Financial Education Strategy and the control of unethical, abusive or fraudulent practices • New collaborations developed and the impact thereof • Tools, guides and workshops offered and user appreciation assessments • Results of external sectoral surveys measuring the quality of our dialogue
2.2 Improve our delivery of services	2.2.1 Offer compliance support to the industry 2.2.2 Improve the effectiveness of our interactions with our regulated clients and other clienteles	<ul style="list-style-type: none"> • The AMF offers the industry tools, guides and workshops tailored to its needs. • The AMF heightens satisfaction of targeted clients, regulated or otherwise, with which it deals directly. 	<ul style="list-style-type: none"> • Results of the AMF Index • Results of surveys regarding the perception that Quebecers have of AMF activities • Results of satisfaction surveys among our target clienteles • Results of benchmarking vis-à-vis other regulators

Orientation 3

INVEST IN OUR PERFORMANCE

Objectives	Means	Results	Indicators
3.1 Increase our agility and performance	3.1.1 Streamline our working methods and decision-making processes 3.1.2 Ensure that our culture of integrated risk management moves forward and foster initiative and accountability 3.1.3 Continue to improve the conduct of our activities	<ul style="list-style-type: none"> • The AMF increases the capacity for action of its teams and managers. • The AMF enhances its integrated risk management tools. • The AMF improves the effectiveness and efficiency of its activities. 	<ul style="list-style-type: none"> • Adjustments to the governance framework • Status of initiatives aimed at continuously improving and optimizing our activities • Report from the project management office • Results of targeted key performance indicators (KPIs)
3.2 Develop our skills	3.2.1 Define, prioritize and satisfy new expertise requirements 3.2.2 Encourage innovation and collective intelligence 3.2.3 Offer stimulating challenges, a dynamic environment and attractive working condition	<ul style="list-style-type: none"> • The AMF develops its skills and deploys strategies to satisfy its new expertise requirements. • The AMF makes the most of the innovation and collective intelligence of its teams. • The AMF stands out as an employer of choice. 	<ul style="list-style-type: none"> • Monitoring of indicators, particularly as regards turnover, the percentage of payroll allocated to training and the deployment of our skills development strategies • Results of the survey on organizational culture • Results of the survey on employee mobilization
3.3 Update our tools	3.3.1 Continue to develop our technological resources 3.3.2 Acquire space, equipment and tools that are specialized and tailored to the evolution of our activities	<ul style="list-style-type: none"> • The AMF improves its client interface. • The AMF enhances its ability to collect, process and analyze information and data. • The AMF increases the performance of its teams by providing them with the appropriate tools. 	<ul style="list-style-type: none"> • Results of benchmarking vis-à-vis other regulators and agencies



Toll-free: 1-877-525-0337
www.lautorite.qc.ca

QUÉBEC CITY

Place de la Cité, tour Cominar
2640, boulevard Laurier, bureau 400
Québec (Québec) G1V 5C1
418-525-0337

MONTRÉAL

800, Square-Victoria, 22^e étage
C.P. 246, tour de la Bourse
Montréal (Québec) H4Z 1G3
514-395-0337