

2021
2022

Annual Statement of Priorities

The Autorité des marchés financiers (the “AMF”) is publishing its statement of priorities to inform the industry and the general public about its key initiatives for the period from April 1, 2021 to March 31, 2022. These initiatives are part of the implementation of the organization’s [2021-2025 Strategic Plan](#) and the vision it has set for itself: “A value-added regulator for consumers and the financial sector.”

Original version in French

English translation provided by certified translators who are members of the *Ordre des traducteurs, terminologues et interprètes agréés du Québec*.

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Orientation 01

A PROACTIVE REGULATOR THAT IS RELEVANT TO CONSUMERS IN AN EVER-CHANGING ENVIRONMENT

Assistance services

- The AMF will continue to devote considerable effort to enhancing the services offered to financial consumers. It will strive to raise public awareness of its consumer assistance services through heightened visibility, particularly by leveraging its financial education and consumer protection partnerships.
- The AMF will improve the experience of consumers who turn to it for help by streamlining access to its assistance services. Among other things, it wants to evaluate the possibility of providing an on-line mediation solution for consumers and the industry.
- The AMF intends to publish a draft *Regulation respecting complaint processing and dispute resolution* for comment with the objective of optimizing the client experience and ensuring that consumer complaints are processed according to a set of uniform standards.
- The AMF will maintain its initiatives to better support the industry in combating financial mistreatment, including proposed regulatory amendments, led by the Canadian Securities Administrators (CSA), to enhance the protection of older and vulnerable clients.

Financial education

- The AMF will complete the implementation of the [Québec Financial Education Strategy](#) (QFES) 2019-2022 Action Plan and launch various consultations to develop the QFES 2022-2025 action plan.
- The AMF will continue its initiatives to deepen its knowledge of consumer financial behaviours. With the new AMF Index and behavioural finance research projects, it will be able to even better align its consumer-focused actions. In this regard, the AMF plans to leverage its [Strategic Financial Education, Outreach and Research Partnerships Program](#).

Maintaining dialogue

- In order to better understand the challenges and risks faced by consumers, the AMF will seek to maximize its consultation and feedback mechanisms with the members of the [Financial Products and Services Consumer Advisory Committee](#). This will enable the AMF to better understand consumers' needs, broach a range of topics, maintain dialogue on regulatory development and consumer assistance initiatives, and help consumers translate their concerns into tangible actions.

01 A proactive regulator that is relevant to consumers in an ever-changing environment

Oversight and supervision

- As part of its oversight activities, the AMF will continue to conduct cross-sectional analyses on targeted issues in order to develop an overall picture of current practices in the insurance industry. Broadly, its monitoring activities will be extended to include analyzing new financial products or business models and understanding how they work and potential issues with them. Accordingly, the AMF's supervisory activities for 2021-2022 will include a thematic review focused on financial products offered on Aboriginal reserves and a review of syndicate of co-owners' (condo corporation) insurance.
- In an economic environment that is highly volatile because of the global pandemic, the AMF will maintain its data collection and monitoring activities so that it has the information it needs to optimize the use of its oversight and supervisory capabilities.
- In conducting its supervisory activities, the AMF noted that financial institutions' incentive management practices have emerged as a source of conflicts of interest that are potentially detrimental to the fair treatment of clients. The AMF therefore intends to implement a specific framework setting out its expectations in this matter.

Enforcement

- The AMF will continue to prioritize the development of high-performance technology-based tools to increase its ability to detect, investigate and seek sanctions for violations of the laws it administers in an increasingly virtual environment that is conducive to fraud. These tools will also enable the AMF to achieve further efficiencies in collecting, processing and analyzing the large volumes of data it needs to carry out its interventions.

Orientation 02

AN INFLUENTIAL REGULATOR SUPPORTING QUÉBEC'S FINANCIAL SECTOR

Compliance burden

- The AMF will increase its efforts to minimize the compliance burden of its regulated clienteles by considering circumstances, areas of activity and potential risks for consumers. To this end, in 2021-2022, the AMF will solicit practical suggestions from its stakeholders, including industry representatives. This process, which will complement the various projects and initiatives already undertaken to reduce regulated entities' regulatory burden, will cover several clienteles regulated by the AMF while taking into account the specific characteristics of the various areas of activity. The AMF will first target industry-identified issues over which the AMF exercises direct control and for which it is able to act quickly to implement solutions to minimize the compliance burden for the benefit of everyone.
- The AMF will continue to work on various proposals to simplify or relax the regulatory framework in coordination with the CSA. These include:
 - reviewing the regulatory framework for self-regulatory organizations, specifically to align it with the changing financial products and services landscape and the needs of investors
 - implementing regulatory amendments to facilitate the electronic delivery of documents, specifically by permitting new methods of electronic delivery and providing additional clarification and guidance to enable issuers to further reduce the use of paper and the associated costs
 - simplifying certain requirements applicable to investment funds through various initiatives, including consolidating the simplified prospectus (SP) and annual information form (AIF), and codifying exemptive relief granted in respect of the notice-and-access system
 - streamlining continuous disclosure requirements applicable to companies through various initiatives, including eliminating duplicative disclosure among the financial statements, management's discussion and analysis (MD&A) and other documents required under the [Regulation 51-102 forms](#)
 - introducing a prospectus exemption to facilitate market access by using companies' continuous disclosure instead of a prospectus
 - reviewing the relevance and frequency of certain requirements applicable to OTC derivatives market participants and entities subject to requirements related to institutional trade matching and settlement
 - implementing targeted amendments to [Regulation 33-109](#) and [Regulation 31-103](#) regarding the information that a firm or individual must provide when applying for registration and updating their information.
- The AMF will continue to develop tools enabling regulated entities to comply with the regulatory requirements applicable to them, specifically by updating the [Registrant Governance and Compliance Guide](#) to incorporate the mortgage brokerage sector and publishing a Securities Registration Guide to help new registrants better understand their regulatory obligations.

02 An influential regulator supporting Québec's financial sector

Framework

- The AMF will continue to act as an influencer on national committees, particularly with its peer regulators, in order to develop a national incentives management guideline in insurance and for the joint project of the Canadian Council of Insurance Regulators (CCIR) and the CSA regarding disclosure of the full costs of mutual funds (including ETFs) and segregated funds.
- The AMF will work on updating the qualification and career entry programs in damage insurance by developing a qualification curriculum, in conjunction with the Canadian Insurance Services Regulatory Organizations, taking into account the situation of the industry in Québec.
- The AMF will solicit feedback from the industry on the application of the framework for insurance products offered via the Internet.
- To supplement the existing security incident management framework for financial institutions, the AMF intends to issue a regulation governing the reporting of security-related incidents, including a framework of penalties applicable in the event of non-compliance.
- The AMF intends to initiate a discussion with financial institutions to further its analysis of operational resilience and how it might be incorporated on an ongoing basis into prudential oversight.

Fintechs and innovation

- The AMF will continue to closely monitor developments in the crypto-assets sector and repeat its calls for vigilance and risk awareness in regard to crypto-assets. The AMF will work jointly with the CSA on the registration of crypto-asset trading platforms under securities legislation, as specified in *Joint CSA/IIROC Staff Notice 21-329 - Guidance for Crypto-Asset Trading Platforms: Compliance with Regulatory Requirements*. The AMF will also continue to make changes to the regulatory framework while working in close cooperation with its national and international partners.
- The AMF will continue to take part in the joint work of the International Organization of Securities Commissions (IOSCO) and the Committee on Payments and Market Infrastructures (CPMI) to prepare a consultation and draft a report on the application of the Principles for Financial Market Infrastructures (PFMI) applicable to systemically important stablecoins. This report is expected to be published between now and the end of 2021.
- The AMF intends to publish a report, developed in conjunction with [Algora Lab](#), setting out its expectations relating to the responsible deployment of artificial intelligence (AI) in Québec's financial industry. This report will be based, among other things, on established ethical frameworks for the responsible use of AI and public deliberative workshops dealing with actual examples of application.
- The AMF intends to publish an issues paper on the development of connected and automated vehicles (CAVs). CAVs present many challenges and will have a considerable impact on insurers and the overall way in which the automobile insurance system in Québec works, especially on underwriting, pricing and insurance coverages offered by private insurers. The paper will form the starting point for a consultation with all stakeholders, particularly insurers.

02 An influential regulator supporting Québec's financial sector

Other initiatives

- The AMF intends to provide thought and action leadership—in Québec, Canada and internationally—regarding the impact of climate change on the financial system and the incorporation of environmental, social and governance (ESG) issues into financial activities and decisions. This initiative is being undertaken amid a climate emergency, an accelerating transition of capital toward a net-zero economy, and a growing offering of “green” or sustainable financial products. Specifically, the AMF will step up its involvement in initiatives to develop the regulatory framework and guidelines required to align financial sector regulation with international principles in this area. The AMF also intends to survey the financial institutions it regulates on their vulnerability to climate change-related risks and the internal controls they have put in place to address them.
- The AMF will continue to ensure executive leadership and take part in the CSA's work to replace the national systems as part of SEDAR+, phase 1 of which includes the replacement of SEDAR, the Cease Trade Order Database, and the Disciplined List. The AMF will help ensure a smooth transition to the new systems by contributing to the rollout of outreach and training activities for market participants and other users. It will also continue the planning and preparation work for SEDAR+ phase 2, which will enable the replacement of the System for Electronic Disclosure by Insiders (SEDI).

Orientation 03

A HIGH-PERFORMING REGULATOR IN THE PURSUIT OF ITS MISSION

Data strategy

- To enhance its business intelligence and maximize the use of its data, the AMF will upgrade the various policies and procedures that will make up its data governance framework. This framework will include policies and procedures to ensure the integrity and ethical use of collected and shared data and a framework for assessing data quality.
- The AMF will develop and implement a data value creation strategy to train and support the business sectors so that they can build capacity to harness their data.
- In order to build its analytical capacity, the AMF will also develop a target business intelligence architecture that can be used to design tools and methods that will facilitate the collection, integration, dissemination and presentation of its data.

Risk and organizational capacity management

- The AMF will perform a maturity assessment of its integrated risk management program so that the program may evolve in accordance with best practices.
- The AMF will complete the implementation of its new information security governance framework. The framework will result in increased cooperation and synergy among business sectors, greater transparency on security issues, and better risk mitigation.
- To achieve the AMF's organizational objectives and enhance sound management, the AMF will continue to roll out its organizational capacity management approach both for delivery of its business projects and for its day-to-day activities.

Modernization of information systems

- The AMF will maintain its efforts to acquire an integrated enterprise information management solution to help it ensure compliance with its obligations as a public body, support collaborative work between teams and build a high-quality information environment. In 2021-2022, the AMF will acquire a technological solution through a call for tenders and begin implementing it, providing it with the basis for optimal information management within the organization.

Organizational cultural change

- To further develop a culture of agility and innovation, the AMF will take the necessary steps to complete this cultural shift. It will focus, in particular, on developing its managers' competencies. It will also continue the rollout of its innovation strategy 2.0 while providing teams with the resources needed to support them in deploying their innovation projects.

Orientation 04

A REGULATOR COMMITTED TO ITS HUMAN CAPITAL

Employee health and safety

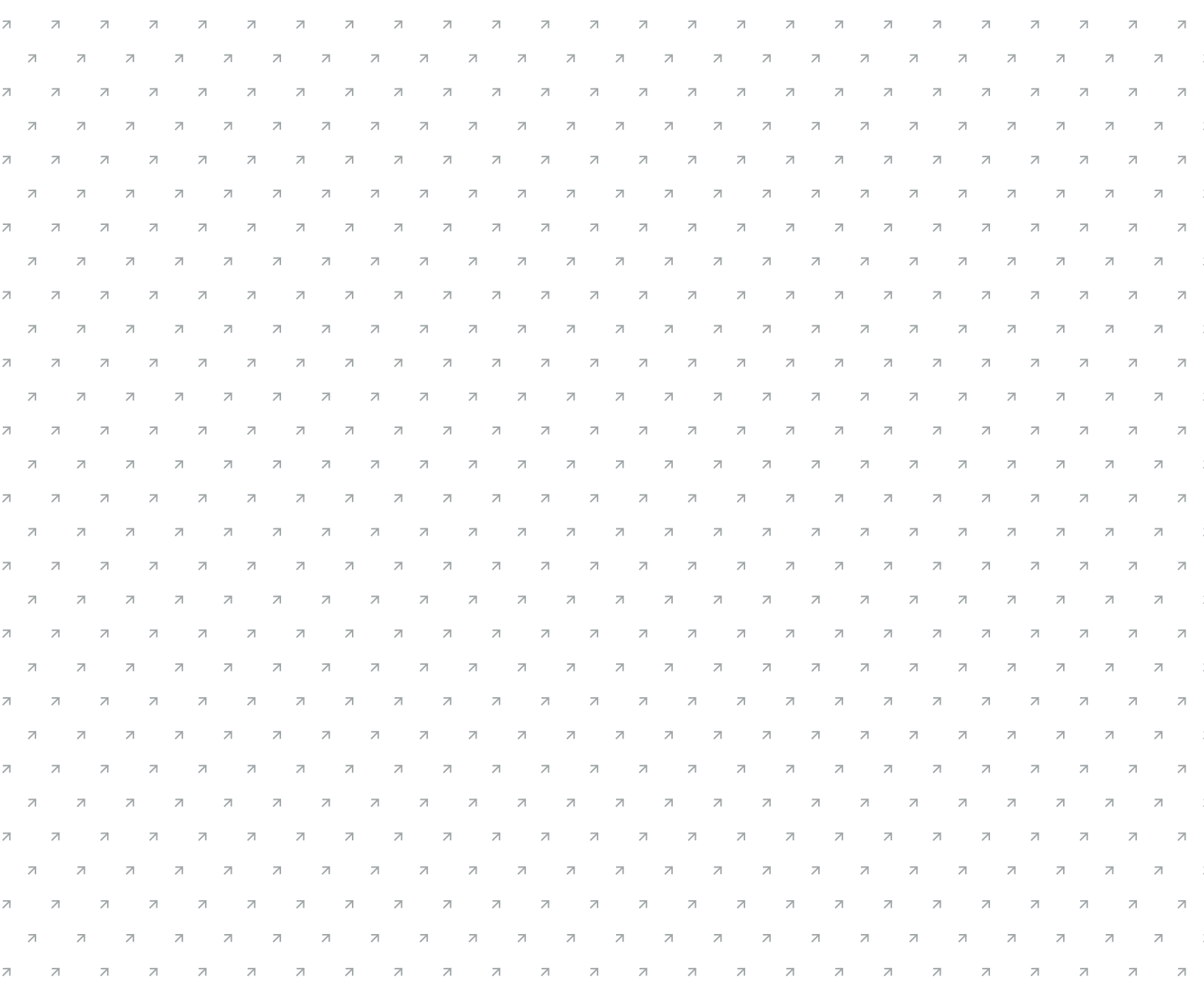
- The AMF will continue to care about the physical and mental well-being of its employees. For example, its health and wellness program will be enhanced through the addition of new activities and tools, including an on-line platform containing a wealth of information on a variety of topics. The organization of work will be reassessed to take account of the new reality of telework and issues and opportunities related to the return to the physical workplace. On this matter, the AMF will favour a hybrid work organization.

Employer brand

- In order to attract and retain talent, the AMF will launch a major initiative to establish and assert its employer brand. It will seek to identify its distinctive attributes and advantages and will define its value proposition and promotional strategy.

Diversity and inclusion

- The AMF will begin to reflect on how to recognize and value diversity and inclusion to promote the sharing of diverse skills, experiences and perspectives. To this end, the AMF will identify best practices for enhancing diversity and design a diversity and inclusion program. Moreover, the AMF has committed to ensuring that all its advisory committees work to achieve parity while taking into account diversity in all its forms by December 31, 2021.



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