



**AUTORITÉ
DES MARCHÉS
FINANCIERS**

**Guide – Display of official logo
and deposit protection
information**

Authorized deposit institutions

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Introduction

In Québec, the Autorité des marchés financiers (the “AMF”) oversees authorized financial institutions and protects deposits up to a maximum of \$100,000 per category of deposits.¹ To foster confidence and stability in the financial sector, depositors need to be made aware of this deposit protection and to be able to quickly determine whether their financial institution² is authorized by the AMF. To make an informed choice, depositors must receive accurate information before purchasing a deposit product and told whether it is protected in the event their financial institution becomes bankrupt.

The AMF recognizes the key role that financial institutions play in informing and educating depositors about deposit products and the deposit protection provided by the AMF. Authorized deposit institutions must comply with several requirements regarding representations made to and information to be provided to depositors about the deposit protection provided by the AMF.

All the relevant legal and regulatory requirements may be found in the following documents:

- [Deposit Institutions and Deposit Protection Act](#), CQLR, c. I-13.2.2 (the “Act”)
- [Regulation respecting the application of the Deposit Institutions and Deposit Protection Act](#), RLRQ, c. I-13.2.2, r.1 (the “Regulation”)
- [Notice relating to application of the Regulation dated April 30, 2020.](#)

1. Objective

This guide sets out the AMF’s expectations for authorized deposit institutions regarding the requirement to communicate information about the deposit protection provided by the AMF and their eligible deposit products in a timely manner and in a language that is clear, readable, specific and not misleading, in accordance with the Regulation.

The guide contains practical information and examples intended to help institutions establish practices and meet the AMF’s expectations and Regulation requirements.

This guide is for all authorized deposit institutions. Authorized deposit institutions incorporated or continued by or under an act of federal parliament are also members of the Canadian Deposit Insurance Corporation (the “CDIC”) and must consequently comply with CDIC regulatory requirements deemed equivalent to the AMF requirements. Such institutions are therefore considered to comply with the Regulation³ as regards the requirements governing representations made to and advertising intended for Québec depositors.

¹ The categories of deposits include the deposits of money and separate deposits of money within the meaning of Section 9 of the Regulation, namely joint deposits, trust deposits or deposits administered by others, and deposits in RRSPs, RRIFs, TFSA, FHSAs, RESPs and RDSPs.

² For the purpose of this guide, the terms “institution” and “deposit institution” are used without distinction to mean a “deposit institution”.

³ Section 37.2 of the Regulation.

2. General principles of application

When developing their practices for the solicitation and receipt of deposits (whether through agents or technological means), an authorized deposit institution should be guided by the following general principles:

- Not cause confusion or misunderstanding.
- Communicate information or advertising, in a timely manner, in a language that is clear, easy to understand, specific and not misleading.

Reference:

Regulation, s. 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.

3. Informing the public of the institution's status

The basic principle is to inform the public that the institution is authorized to solicit and receive deposits and offers deposit products eligible for the deposit protection provided by the AMF.

References:

Regulation, s. 33.

Every authorized deposit institution must display the official logo supplied by the Authority, in physical or digital form, in a conspicuous place at the entrance to and inside any establishment where it carries on its activities.

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.

Regulation, s. 34.

The official logo attesting to authorization by the Authority is as follows:



Act, s. 32. A deposit institution whose authorization has been suspended or revoked or whose policy contemplated in section 34 has been suspended, cancelled or rescinded, as the case may be, must disclose that fact to its depositors and remove any sign, mark, advertisement or other means of publicity conveying the information that deposits entrusted to it are guaranteed under the terms of this Act.

The application of the above sections is illustrated in the following sections.

3.1 Display and use of the official logo

Authorized deposit institutions must display the official logo in a conspicuous place at the entrance to and inside their establishments to let the public know that the institutions are authorized by the AMF and their deposits are eligible for protection. Effective April 30, 2021, the official logo will also have to be displayed in digital form when deposits are solicited and received through technological means. As of that date, the deposit institution will have to display the logo when a depositor initiates a deposit action.

When using and displaying the AMF official logo, the following criteria should be considered:

Clarity

Only authorized deposit institutions may use the official logo. Its use allows consumers and depositors to know exactly when they are doing business with an authorized deposit institution whose deposits are eligible for AMF protection.

Visibility and timeliness

The official logo must be positioned in such way as to attract the eyes of the depositor when he or she is doing business with an authorized financial institution, be it in a physical place of business (establishment) or through a digital means (website, mobile application, automatic teller machine, etc.). When deposits are received through digital means, the official logo must appear, in a timely manner, when the depositor initiates the action leading to the deposit.

Examples of proper use of the official logo

Clarity: Not misleading as to the institution authorized to receive deposits.

Case 1: Institution that shares a place of business or a technological means with the other institutions in its financial group

When an authorized deposit institution shares a place of business—an office or a kiosk in a shopping mall, for example—with institutions that are not authorized deposit institutions, it must make sure that the official logo is positioned close to its name so the authorized deposit institution may be clearly and specifically identified.

When a deposit institution shares the website of the financial group it belongs to and the group includes entities that are not authorized deposit institutions, the official logo must

be displayed so that the consumer can readily see which institution or institutions are authorized deposit institutions, such as:

- On a web page devoted to an authorized deposit institution
- On a page of the financial group, if it is clearly linked to the authorized deposit institution(s).

If a Québec authorized deposit institution shares a place of business with a CDIC member institution, the AMF official logo is the only one that has to be displayed when most of the deposit-receiving activities are carried out at the Québec authorized deposit institution. However, if most of the deposit receiving activities are carried out at the CDIC member institution, then only the CDIC decal needs to be displayed.

Case 2: Display of the AMF official logo for an authorized deposit institution incorporated or continued by or under an act of federal parliament that is a CDIC member institution.

Because a CDIC member authorized deposit institution incorporated or continued by or under an act of federal parliament must comply with CDIC regulatory requirements that are equivalent to the AMF regulatory requirements governing representations and advertising, it is not required to display the AMF official logo. This is to avoid confusion as to the identity of the primary deposit insurer that would repay the deposits in the event the institution becomes bankrupt.

Case 3 : Relocation, amalgamation, liquidation, winding-up or dissolution of an authorized financial institution

The official logo must be removed immediately from all establishments, automatic teller machines, websites and mobile applications if the deposit institution's authorization is revoked by the AMF. An institution must also remove the AMF's official logo and any digital display of the logo if it leaves an establishment where it is carrying on business.

Case 4 : Display of official logo by agents or an authorized deposit institution that does not have an establishment

Where an authorized deposit institution's deposit products are offered through representatives or other outside agents, the representatives or agents should not display the AMF's official logo to prevent depositors from wrongly concluding that the representative's or agent's establishment or digital means are those of the AMF-authorized deposit institution.

If the institution acts solely through digital means and its offices are not used solely to receive depositors (are not establishments carrying on deposit activities), the institution is not required to display the official logo at its offices but only through its technological means.

Case 5: Use of the official logo for a trade name

Where an authorized deposit institution uses a trade name or trade mark that is not its authorized deposit institution name, it must clearly link the AMF official logo to the authorized deposit institution and avoid creating any possible confusion in the depositor's mind about the institution's authorization. In such situations, the official logo must appear where reference is made to the authorized deposit institution's name. The authorized

deposit institution may also specify that the trade name is only a trademark of the authorized institution.

Visibility: In a conspicuous place, readable and timely

Case 6 : Timely display of the digital logo

An authorized deposit institution must display the AMF's official logo when a depositor initiates a deposit action through any technological means (website, mobile application, automatic teller machine, etc.). The institution must determine the most appropriate place to have depositors notice that they are doing business with an authorized institution and that the deposit they are about to make is protected by the AMF. Depositors should be able to see the official logo in the normal sequence of actions leading to the taking of a deposit.

For example, the home page of the institution's website is probably not the appropriate place to display the official logo because users are not necessarily planning to make a deposit and may therefore not be open to receiving information on the deposit protection. However, it would be appropriate to display the official logo on a page whose primary purpose is to enable consumers to acquire a deposit product, as depositors' full attention would then be focused on the receipt of a deposit and not on identifying themselves or looking for their establishment's contact information.

Case 7: Positioning of the digital official logo

The AMF official logo in digital form should be clearly visible when the deposit action is initiated. It should be prominently displayed on the screen page so that the depositor's eye is drawn to it without him or her having to actively look for it. For example, depositors should not have to scroll down endlessly, click on a specific hyperlink, or read the small print in a footnote in order to see it.

Case 8: Use for marketing purposes

The AMF official logo is required to be displayed only at the entrance to or inside an establishment and when a deposit action is initiated through technological means. However, the AMF allows the official logo to be used in advertising or other promotional materials prepared by the institution, provided it is not used in a way that creates the belief that an institution is authorized when it is not or that a product is protected when it is not. The use of the official logo for advertising purposes must not lead to any misunderstanding for consumers.

The AMF asks institutions to provide information on the deposit protection in its promotional materials. An institution can also state that it is an authorized deposit institution, provide information about the deposit protection or refer to the AMF website.

Case 9: Readability

An authorized deposit institution must always display a clearly readable and visible logo in its place of business. Whether it is at the entrance to or inside the place of business, it must not be altered, obstructed by any objects or worn to the point of being unreadable.

A deposit institution can change the size of the AMF official logo in order, for example, to display it via its automatic teller machines. However, they must not alter the proportions and colours, and the changes to the size must not compromise its readability.

The official authorization logo in digital form may be obtained upon request by e-mail at Protection.depots@lautorite.qc.ca.

3.2 Wording used to provide authorization information

In its communications or advertising, an institution can use whatever wording it chooses, and even use the official logo, to inform consumers that it is a deposit institution authorized by the AMF. However, it must make sure that such use of the official logo or such wording does create any confusion as to the institution that is authorized to solicit and receive deposits.

When the institution presents itself as a deposit institution authorized by the AMF, the context in which it does so should not mislead consumers regarding the product that is protected by the AMF. Such wording should be used in a context where reference is made to products eligible for AMF protection.

Examples of the objective of informing depositors not being met

Case 10: Confusion as to which deposit institution is authorized

If a financial group engages in general advertising for all the entities of the group or uses a generic trade name, the advertising or trade name should not make reference to the AMF's authorization, unless such reference is clearly and exclusively linked to the entities that are authorized deposit institutions. There must be no ambiguity with other entities of the group that are not authorized to receive deposits.

Case 11: Ambiguity regarding products eligible for deposit protection

In advertising pertaining primarily to its financial group's mutual funds, for example, the institution should not make reference to its status as an authorized deposit institution, as this could lead depositors to falsely believe that the mutual funds they are buying are covered by the AMF's deposit protection.

4. Information to be provided regarding deposit protection and deposits eligible for such protection

Authorized deposit institutions must communicate information on the deposit protection provided by the AMF and its features in a timely manner and in a language that is clear, readable, specific and not misleading. This information is intended to help consumers make informed decisions when purchasing a deposit product and to raise consumer awareness of the deposit protection provided by the AMF. This obligation to inform applies when a deposit product is initially acquired (e.g., when an account is opened or a GIC or term deposit is purchased).

The fast pace of technological change is having an inevitable impact on the way depositors interact with their deposit institutions. For purposes of consistency, the AMF expects

institutions that make electronic services available to their customers to meet the same obligations to inform as those they must meet when the services are provided in person.

References:

Regulation, s. 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.

Regulation, s. 36.

Every document issued by an authorized deposit institution and evidencing the receipt of funds referred to in section 1 hereof must contain the following statement: "This is a deposit of money within the meaning of the Deposit Institutions and Deposit Protection Act."

Regulation, s. 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."

Regulation, s. 37.1.

An authorized deposit institution must, for any instrument that could give rise to confusion because it is similar 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 like 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.

In determining the appropriateness of the information to be provided, the following criteria should be considered.

Information accuracy

The institution's statements regarding eligible and ineligible deposits and the amount of protection per category of deposits must be error-free and worded in such a way as to not confuse depositors.

The institution must provide depositors with a description of the protection provided by the AMF that explains, in particular, the key features of the protection. While it is up to the institution to determine how to best meet this obligation, one way it can do so is by providing depositors with the AMF's deposit protection brochure and referring them to the AMF's website.

Clarity

The information provided to consumers must be conveyed in plain, understandable language. Consumers without an in-depth knowledge of the financial sector should be able to easily understand the features of the deposit product and the protection provided to them by the AMF.

Timeliness

The institution must provide depositors with information in the following situations. This information should be provided systematically, without the depositor having to request it.

Timing	Information objective	Nature of the information
When an eligible deposit account is initially opened with an institution and when an eligible deposit product is purchased	Inform depositors about the AMF's deposit protection	In person, include the AMF brochure in the account opening documentation, refer to the AMF website or provide accurate information on deposit protection features through an adviser. On an electronic transactional website of the institution (web, mobile applications), make an electronic version of the AMF brochure or a summary of key deposit protection features available or refer to the AMF website before completing the purchase transaction.
At the taking of an eligible deposit	Evidence the receipt of an eligible deposit	Provide a physical or electronic copy with the statement set out in section 36.

Authorized deposit institution must always provide information that is clear and not misleading regarding the AMF's deposit protection. For example, it can provide access to the AMF's deposit protection brochure, refer to the AMF website or refer to its authorized institution status in its advertising campaigns.

Examples of proper application of the advertising and representation requirements

Case 12: Receipt of a deposit by an agent of the authorized deposit institution

The authorized deposit institution must ensure that the agents with whom it has agreements comply with current regulations. As in the case of the institution itself, the AMF expects agents to provide timely, clear and accurate information about the deposit protection.

For example, if a broker's representative receives deposits on behalf of an authorized deposit institution, the institution must ensure that the representative informs the depositor as if the he or she were one of its own advisers.

If the representative also acts on behalf of a CDIC member institution, then he or she must inform the depositor about the protection provided by the relevant deposit insurer—the AMF or CDIC—depending on which institution he or she is receiving the deposit for.

Case 13: General information concerning the deposit protection via the website of the authorized deposit institution or its financial group

An institution may disseminate information concerning the deposit protection provided by the AMF on its website or the website of its financial group. However, it must ensure that the information is accurate and displayed in an appropriately place.

For example, an authorized deposit institution provides information about the deposit protection on a financial literacy page that also contains information about different registered plans (e.g., RRSPs and TFSAs) as well as various types of investments (mutual funds, shares, bonds, deposits, etc.). Information about the deposit protection may be presented on a such page in order to make depositors aware of it as long as the information is clear, accurate and not misleading.

Case 14: Opening of a deposit account via an electronic site

A deposit institution may allow accounts to be opened via an electronic site. It must make sure that it complies with the same obligations to inform as if the transaction were carried out through a physical person in one of its establishments.

For example, the institution must inform the depositor about the protection provided by the AMF within the deposit opening process. Compliance with this requirement may be achieved in various ways, including by providing the electronic version of the AMF deposit protection brochure, referring the depositor to the appropriate section of the AMF's website or displaying its own description of the protection plan. This description should show what is protected, the amount of the protection (\$100,000) and the categories of deposits for protection purposes (RRSPs, TFSAs, joint, trust, etc.).

Case 15: Products that are eligible and ineligible for deposit protection

In order to make informed decisions, consumers must be able to avoid any confusion regarding product eligibility or ineligibility for the AMF's deposit protection. Institutions that offer products like and therefore easy to mistake for eligible products to inform consumers that they are not deposits of money and therefore not eligible for the AMF's deposit protection. This obligation can be met using a statement like the one proposed in section 37 of the Act.

For example, an institution proposes a range of investment products to its clients, including principle protected notes. This type of product may be a deposit of money or an investment security issued under a prospectus. While the latter product has similar features to a deposit of money (guaranteed principal, term, interest payment, etc.), it is not a deposit of money. The institution should clearly indicate that, because of its nature, such a product is not eligible for the AMF's deposit protection.

Case 16: Explain the key features of the deposit protection

So that customers can make an informed decision, the AMF expects deposit institutions to provide them with the relevant information about the deposit product offered, including the key features of the AMF's deposit protection plan. A depositor wishing to purchase an eligible deposit product should be informed about the protection provided by the AMF and its key features (coverage amount, categories, etc.). However, the AMF does not expect authorized deposit institutions to offer to calculate the exact amount of its depositors' protected deposits.

Case 17: Statement to be included in documents evidencing the receipt of a deposit

Authorized deposit institutions must include the following statement when evidencing the receipt of a deposit: "This is a deposit of money within the meaning of the Deposit Institutions and Deposit Protection Act." The AMF expects institutions to include this statement on the documentation for opening an account or purchasing an eligible deposit (certificate of deposit, contract opening the account, etc.). They do not have to include it when the deposit is made in the context of a deposit of money in an existing account—for example, on the transaction statement confirming a deposit of money.