

Notice relating to disclosure requirements - Trust companies, savings companies and other deposit institutions, credit unions not members of a federation, member credit unions of a federation and federations of credit unions

The Autorité des marchés financiers (the “AMF”) has taken steps since March 2020 to limit the impact of COVID-19 on the Québec financial system.

The AMF hereby announces the implementation of an additional measure to enable the trust companies, savings companies and other deposit institutions, credit unions not members of a federation, member credit unions of a federation and federations of credit unions (the “financial institutions concerned”) to maintain their activities and allocate their resources in the best possible way given the current situation. This notice also clarifies the relief measures related to COVID-19 set out in the [Notice relating to additional measures for deposit institutions and trust companies concerning capital and prudential standards – COVID-19, published on April 9, 2020](#).

The following announcements concern the requirements relating to market risk and the leverage ratio under the [AMF's Pillar 3 Disclosure Requirements Guideline \(the "Pillar 3 Guideline"\)](#) for the financial institutions concerned governed by *the Trust Companies and Savings Companies Act*,¹ *the Act respecting financial services cooperatives*² and the *Deposit Institutions and Deposit Protection Act*.³ These announcements are intended to, among other things, maintain the principle of comparability across Canadian financial institutions.

1. Measure relating to market risk

Although the Pillar 3 Guideline provides for the use of templates to disclose information relating to market risk, the financial institutions concerned may, if they wish so, continue to apply the disclosure requirements relating to market risk set out in the [2016 version of the Capital Adequacy Guideline \(available in French only\)](#). This option will be available until the effective date of the new market risk framework (fundamental review of the trading book), scheduled for January 2024, as announced in the [Notice relating to new measures for deposit and trust institutions to reduce the impact of issues stemming from COVID-19, published on March 31, 2020](#).

2. Clarification relating to leverage ratio relief

The AMF expects domestic systemically important financial institutions (“D-SIFIs”) to indicate all exclusions from the leverage ratio in row 7 “Other adjustments” of Template [LR1 - Summary comparison of accounting assets vs leverage ratio exposure measure](#) of the Pillar 3 Guideline.

For the non-systemic financial institutions concerned, the exclusions from the leverage ratio must be deducted from row 1 “On-balance sheet exposures” of Template [LR2 - Leverage ratio common disclosure template](#) of the Pillar 3 Guideline. The non-systemic financial institutions concerned must also insert a footnote explaining that the adjustment was made in connection with the [Notice relating to additional measures for deposit institutions and trust companies concerning capital and prudential standards – COVID-19, published on April 9, 2020](#).

¹ CQLR, c. S-29.02.

² CQLR, c. C-67.3

³ CQLR, c. I-13.2.2

3. Effective date and end date

These requirements are effective upon publication of this notice, and the AMF reserves the right to reassess them as the COVID-19 crisis evolves or in light of national or international changes.

If you have any questions or wish to report any issues, please contact:

Luc Naud
Director, Capital Oversight of Financial Institutions
Luc.Naud@lautorite.qc.ca

June 26, 2020