

**REGULATION TO AMEND THE REGULATION RESPECTING THE APPLICATION OF THE DEPOSIT INSTITUTIONS AND DEPOSIT PROTECTION ACT**

Deposit Institutions and Deposit Protection Act  
(chapter I-13.2.2, s. 1.1, 2nd par., subpar. (7), s. 27, 3rd par., subpar. (8), s. 27.3, par. (5) and ss. 37, 40.3, 41 and 43)

**1.** Section 1 of the Regulation is amended:

(1) in the first paragraph:

(a) by replacing “an institution” by “a deposit institution” and “the institution”, wherever it appears, by “the deposit institution”;

(b) by inserting “, account transaction and safekeeping” after “for investment”;

(2) in the second paragraph:

(a) by revoking subparagraph 1;

(b) by deleting “issued by a financial services cooperative, an insurer, a trust company or a savings company” in subparagraph 2;

(c) by inserting “deposit” before “institution” in subparagraph 3;

(d) by replacing “shares” by “securities” in subparagraph 4;

(e) by adding the following subparagraph after subparagraph 4:

“(5) traveller’s cheques.”;

(3) by replacing “an institution” by “a deposit institution” in the third paragraph.

**2.** Section 2 of the Regulation is amended:

(1) in the first paragraph:

(a) by replacing “therein” by “in that paragraph”;

(b) by inserting “deposit” before “institution”;

(2) in the second paragraph, by inserting “deposit” before “institution”;

(3) in the third paragraph, by deleting “a traveller’s cheque.”.

**3.** Section 3 of the Regulation is amended:

(1) in the first paragraph:

(a) by inserting “of money” after “deposit”;

(b) by replacing “depositor” by “depositor’s account”.

(2) in the second paragraph:

(a) by replacing “a registered institution” by “an authorized deposit institution”;

(b) by deleting “within the meaning of section 1.2 of the Act”;

(c) by inserting “of money” after “deposits”.

4. Section 4 of the Regulation is amended:

(1) by inserting “of money” after “deposit” in the introductory clause;

(2) by inserting the following paragraph after paragraph 1:

“(1.1) where the funds are remitted by technological means, including through an automated teller machine, the deposit is deemed to be made at the place of business of the depository, branch or agent of the depository that has the funds;”;

(3) by replacing “office” by “place of business” in paragraphs 2 and 4.

5. The heading of Chapter II of the Regulation is replaced by the following:

“APPLICATION FOR AUTHORIZATION”.

6. Section 6 of the Regulation is replaced by the following:

“6. A legal person applying for authorization from the Autorité des marchés financiers to carry on deposit institution activities in Québec must submit its application for authorization together with the following documents and information:

(1) an insurance certificate attesting that the legal person holds fidelity insurance;

(2) where applicable, a detailed statement of deposits of money that it holds outside Québec;

(3) where applicable, a copy of the resolution of the board of directors authorizing the legal person to apply to the Authority for an authorization to carry on deposit institution activities in Québec;

(4) a business plan covering a minimum period of three years, setting out its planned deposit institution activities for Québec and detailing, in particular:

(a) the legal person’s financial capacity, including its current financial position and its financial forecasts related to the planned activities;

(b) its business strategy;

(c) its management and governance practices;

(d) its commercial practices;

(e) the policies and procedures established to ensure compliance with the laws, regulations and guidelines applicable to it.

(5) where applicable, its most recent annual report;

(6) where applicable, a statement signed by a person authorized to do so within the legal person regarding compliance with the laws, regulations and guidelines applicable to the legal person.

The documents and information submitted with the application for authorization must be dated within no more than 12 months prior to the date on which the legal person provides the Authority with the final information to complete the application.”.

7. Sections 7 and 8 of the Regulation are revoked.
8. Section 9 of the Regulation is amended:
  - (1) by replacing “the same institution” by “the same deposit institution”; “the institution”, wherever it appears, by “the deposit institution; and “an institution”, wherever it appears, by “a deposit institution”;
  - (2) by inserting “of money” after “deposit” in the introductory clause;
  - (3) by inserting “, registered education savings plan, registered disability savings plan” after “income funds” in paragraph 1;
  - (4) in paragraph 2:
    - (a) by inserting “for each beneficiary of a trust or for each mandator,” at the beginning;
    - (b) by inserting “is” after “deposit” and before “made”;
    - (c) by replacing “as well as the name and address of the beneficiary are noted” by “is noted”;
  - (5) in paragraph 3:
    - (a) by inserting “for each beneficiary of a trust or for each mandator,” at the beginning of the paragraph;
    - (b) by inserting “is” after “deposit” and before “made”;
    - (c) by replacing “, the names and addresses of each beneficiary and the breakdown of the deposit are noted” by “is noted”;
    - (d) by inserting “, registered education savings plan, registered disability savings plan”, after “income funds”;
  - (6) by revoking paragraph 5.
9. Section 10 of the Regulation is amended:
  - (1) by inserting “of money” after “deposit”;
  - (2) by replacing “permit” by “authorization”;
  - (3) by replacing “an institution’s” by “a deposit institution’s”.
10. Section 11 of the Regulation is revoked.
11. The Regulation is amended by inserting the following after section 11:

“DIVISION I.1  
CALCULATION OF THE PREMIUM PAYABLE

  - 11.1. For the purposes of calculating the premium payable under section 40.2.1 of the Act:

(1) the determination of each beneficiary of a trust or of each mandator, with respect to the deposits of money held in trust or under a mandate referred to in paragraphs 2 and 3 of section 9, is made on the basis of the information contained in the records of the authorized deposit institution.

(2) the interest accrued and payable on a deposit of money must be calculated, in accordance with the terms and conditions of the contract and exclusive of any penalty, on the basis of the number of days between the date of the last interest payment and 30 April, divided by the number of days between the date of the last interest payment and the date of the next interest payment.”.

**12.** Section 12 of the Regulation is amended:

(1) by replacing “a registered institution” by “an authorized deposit institution” and “the registered institution” by “the authorized deposit institution”;

(2) by replacing “1/25” by “1/20” in paragraph 1.

**13.** Section 13 of the Regulation is amended:

(1) by replacing “registered” by “authorized deposit”;

(2) by replacing “prescribed by the Authority” by “available on the Authority’s website”.

**14.** Section 14 of the Regulation is amended by replacing “a registered institution” by “an authorized deposit institution”.

**15.** Section 15 of the Regulation is amended:

(1) by replacing “a registered institution”, wherever it appears, by “an authorized deposit institution” and “the registered institution” by “the authorized deposit institution” in paragraph 3;

(2) in subparagraph 1:

(a) by replacing “1/25” by “1/20”;

(b) by inserting “of money” after “each deposit”;

(c) by replacing “the institution” by “the deposit institution”.

**16.** Section 16 of the Regulation is amended:

(1) by replacing “A registered institution” by “An authorized deposit institution”;

(2) by replacing “prescribed” by “sent”.

**17.** Section 17 of the Regulation is amended:

(1) by replacing “a registered institution”, wherever it appears, by “an authorized deposit institution”;

(2) by replacing “the institution”, wherever it appears, by “the deposit institution”.

**18.** Sections 19 and 20 of the Regulation are revoked.

**19.** The heading of subdivision 2 of Division II of Chapter III of the Regulation is replaced by the following:

*“Premium payable by an authorized extra-provincial deposit institution resulting from an amalgamation”.*

**20.** Section 21 of the Regulation is amended:

(1) in the first paragraph:

(a) by replacing “a registered extra-provincial institution” by “an authorized extra-provincial deposit institution”;

(b) by replacing “institutions were already registered” by “deposit institutions were already authorized”;

(c) by replacing “a registered institution” by “an authorized deposit institution”;

(2) in the second paragraph, by replacing “a registered institution” by “an authorized deposit institution”;

(3) by replacing the third paragraph by the following:

“An extra-provincial deposit institution is a deposit institution other than an authorized Québec deposit institution.”.

**21.** Section 22 of the Regulation is amended:

(1) in the first paragraph:

(a) by replacing “A registered institution” by “An authorized deposit institution”;

(b) by replacing “by completing the form prescribed by” by “with”;

(2) by deleting the second paragraph.

**22.** Section 23 of the Regulation is amended:

(1) by replacing “registered”, wherever it appears, by “authorized deposit”;

(2) by inserting “of money” after “deposits” in the first paragraph.

**23.** Section 24 of the Regulation is amended:

(1) by replacing “a registered institution” by “an authorized deposit institution”;

(2) by replacing “1/25” by “1/20”;

(3) by inserting “of money” after “deposits”.

**24.** Section 25 of the Regulation is amended:

(1) by replacing “a registered institution” by “an authorized deposit institution”;

(2) by inserting “of money” after “premiums during with its deposits”;

(3) by replacing “1/25” by “1/20”.

**25.** Section 26 of the Regulation is amended by inserting “of money” after “deposit”.

**26.** Section 27 of the Regulation is amended by replacing “a registered institution” by “an authorized deposit institution”.

**27.** Section 29 of the Regulation is amended by replacing “a registered institution” by “an authorized deposit institution” and “the registered institution”, wherever it appears, by “the authorized deposit institution”.

**28.** Section 30 of the Regulation is amended by replacing “registered” by “authorized deposit”.

**29.** Section 31 of the Regulation is amended:

(1) by inserting “authorized deposit” before “institution”;

(2) by adding the following paragraph at the end:

“For calculating the interest referred to in the first paragraph, interest accrued and payable on a deposit of money must be calculated, in accordance with the terms and conditions of the contract and exclusive of any penalty, on the basis of the number of days between the date of the last interest payment and the cut-off date, divided by the number of days between the date of the last interest payment and the date of the next interest payment.”.

**30.** Section 31.1 of the Regulation is amended:

(1) by inserting “deposit” before “institution”, wherever it appears;

(2) by replacing “give the Authority access to”, wherever it appears, by “deliver to the Authority”;

(3) by replacing “The institution” in the introductory clause by “The authorized deposit institution”;

(4) by inserting “, at the Authority’s request,” before “all or” in the second paragraph;

(5) by adding the following paragraph after the second paragraph:

“Where the deposit institution belongs to a financial group within the meaning of section 6.3 of the Act respecting financial services cooperatives (chapter C-67.3), the federation belonging to the financial group must be able to consolidate the standardized data of all members of the financial group before delivering the data to the Authority.”

**31.** Section 31.2 of the Regulation is amended:

(1) by replacing “A registered institution” by “An authorized deposit institution” and “the registered institution”, wherever it appears, by “the authorized deposit institution”;

(2) in the fourth paragraph:

(a) by inserting “total or” before “partial”;

(b) by replacing “the decision to restrict deposits” by “receipt by the deposit institution of the instructions to restrict deposits”.

**32.** Section 31.3 of the Regulation is amended:

(1) by replacing “A registered institution” by “An authorized deposit institution”;

(2) by replacing “deemed” by “presumed”.

**33.** The heading of Chapter V of the Regulation is replaced by the following:

“REPRESENTATIONS AND ADVERTISING”.

**34.** The Regulation is amended by inserting the following section after the heading of Chapter V:

“**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.”

**35.** Section 33 of the Regulation is amended:

- (1) by replacing “registered” by “authorized deposit”;
- (2) by inserting “, in physical or digital form,” after “the Authority”;
- (3) by adding the following paragraph at the end:

“In carrying on its deposit institution activities, it must also display the official logo, in digital form, when a depositor initiates an action through technological means made available to him or her by the deposit institution.”.

**36.** Section 34 of the Regulation is replaced by the following:

“**34.** The official logo attesting to authorization by the Authority is as follows:



”.

**37.** Section 35 of the Regulation is replaced by the following:

“**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.”.

**38.** Section 36 of the Regulation is amended:

- (1) by replacing “a registered institution” by “an authorized deposit institution”;
- (2) by inserting “of money” after “deposit”.

**39.** Section 37 of the Regulation is replaced by the following:

**“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.”.

**40.** The Regulation is amended by inserting the following sections after section 37:

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

**37.2** An authorized deposit institution referred to in section 40.4 of the Act is presumed to comply with the provisions of this Chapter.”.

**41.** Section 38 of the Regulation is replaced by the following:

**“38.** Every authorized deposit institution must deliver annually the detailed report provided for in section 41 of the Act.

The delivery to the Authority of an annual report or an annual statement as required under the Insurers Act (chapter A-32.1), the Trust Companies and Savings Companies Act (chapter S-29.02) or the Act respecting financial services cooperatives (chapter S-29.02) fulfills the requirement set out in the first paragraph hereof.”.

**42.** Sections 39, 40 and 41 of the Regulation are revoked.

**43.** This Regulation comes into force on April 30, 2020, except for paragraph 3 of section 8, subparagraph d of paragraph 5 of section 8, paragraph 6 of section 8, paragraph 2 of section 12, subparagraph a of paragraph 2 of section 15, paragraph 2 of section 23, paragraph 3 of section 24, paragraph 5 of section 30 and paragraph 3 of section 35, which will come into force on April 30, 2021.