

chapter D-9.2

ACT RESPECTING THE DISTRIBUTION OF FINANCIAL PRODUCTS AND SERVICES

TITLE I REPRESENTATIVES

CHAPTER I GENERAL PROVISIONS

1. A representative is either an insurance representative, a claims adjuster, a financial planner or a mortgage broker.

History: 1998, c. 37, s. 1; 2009, c. 25, s. 54; 2018, c. 23, a. 505.

2. An insurance representative is either a representative in insurance of persons, a group insurance representative, a damage insurance agent or a damage insurance broker.

History: 1998, c. 37, s. 2.

3. A representative in insurance of persons is a natural person who offers individual insurance products in insurance of persons or individual annuities from one or more insurers directly to the public, to a firm, to an independent representative or to an independent partnership.

A representative in insurance of persons is authorized to secure the adhesion of a person in respect of a group insurance or group annuity contract.

The following are not representatives in insurance of persons:

(1) persons who, on behalf of an employer, a union, a professional order or an association or professional syndicate constituted under the Professional Syndicates Act (chapter S-40), secure the adhesion of an employee of that employer or of a member of that union, professional order, association or professional syndicate in respect of a group contract in insurance of persons or a group annuity contract;

(2) the members of a mutual benefit association who offer policies for the mutual benefit association.

History: 1998, c. 37, s. 3; 2005, c. 51, s. 6; 2018, c. 23, s. 506.

4. A group insurance representative is a natural person who offers insurance products in group insurance of persons or group annuities from one or more insurers.

Actuaries who, in pursuing activities as an actuary, offer insurance products in group insurance of persons or group annuities are not group insurance representatives.

History: 1998, c. 37, s. 4; 2018, c. 23, s. 507.

5. A damage insurance agent is a natural person who, on behalf of a firm that is an insurer or that is bound by an exclusive contract with a single damage insurer, offers damage insurance products directly to the public.

History: 1998, c. 37, s. 5; 2002, c. 45, s. 351; 2004, c. 37, s. 90; 2018, c. 23, s. 508.

6. A damage insurance broker is a natural person who offers a range of damage insurance products from several insurers directly to the public, or who offers damage insurance products from one or more insurers to a firm, an independent representative or an independent partnership.

History: 1998, c. 37, s. 6; 2018, c. 23, s. 509.

7. A customs broker who, in pursuing activities as a customs broker, offers insurance products is not a damage insurance agent or damage insurance broker.

History: 1998, c. 37, s. 7.

7.1. A suretyship contract is not an insurance product even if it is designated as a suretyship insurance contract.

History: 2018, c. 23, s. 510.

8. An insurer is an insurer authorized under the Insurers Act (chapter A-32.1), other than a self-regulatory organization authorized to insure the professional liability of the persons governed by it.

History: 1998, c. 37, s. 8; 2018, c. 23, s. 511.

9. *(Repealed).*

History: 1998, c. 37, s. 9; 2001, c. 38, s. 97; 2009, c. 25, s. 55.

10. A claims adjuster is a natural person who, in the field of damage insurance, investigates insured losses, appraises damages and negotiates the settlement of claims.

The following are not claims adjusters:

(1) persons who, in pursuing activities in a field other than insurance, carry out one of the functions of a claims adjuster;

(2) natural persons responsible for appraising damage to automobiles.

History: 1998, c. 37, s. 10; 2018, c. 23, s. 512.

11. A financial planner is a natural person who uses the title of financial planner.

History: 1998, c. 37, s. 11.

11.1. A mortgage broker is a natural person who, for others and in return for remuneration that is contingent on the making of a loan secured by immovable hypothec, engages in a brokerage transaction relating to such a loan.

History: 2018, c. 23, s. 513.

11.2. The following persons are not mortgage brokers when they engage in a mortgage brokerage transaction:

(1) advocates, notaries, chartered appraisers, liquidators, sequestrators, trustees in bankruptcy and trustees, provided they engage in such a transaction in the exercise of their functions;

(2) members in good standing of the Ordre professionnel des comptables professionnels agréés du Québec;

(3) persons employed by a hypothecary creditor, provided they engage in such a transaction in the course of their principal occupation and only for that creditor;

(4) employees and exclusive representatives of an insurer, bank, deposit institution authorized under the Deposit Institutions and Deposit Protection Act (chapter I-13.2.2) or trust company authorized under the Trust Companies and Savings Companies Act (chapter S-29.02), when acting on behalf of their financial institution or of another financial institution that is part of the same financial group, in the context of a brokerage transaction relating to a loan secured by immovable hypothec; and

(5) a person who is a member in good standing of a professional order or who is governed by an Act administered by the Autorité des marchés financiers who only gives a client the name and contact information of a person or partnership offering loans secured by immovable hypothec or otherwise merely puts them in contact with each other, provided the member or person does so as an ancillary activity.

The expression “financial group” has the meaning assigned to it by section 147.

History: 2018, c. 23, s. 513.

12. Subject to the provisions of Title VIII, no person may act as or purport to be a representative without holding the appropriate certificate issued by the Authority.

However, a financial institution may, by giving out brochures or flyers or using direct mail or any other form of publicity, invite the public to purchase insurance products.

History: 1998, c. 37, s. 12; 2002, c. 45, s. 499; 2004, c. 37, s. 90; 2009, c. 25, s. 56.

13. Representatives pursue their activities in the sectors or classes of sectors in which they are authorized to act by a certificate issued by the Authority.

The following are sectors:

- insurance of persons;
- group insurance of persons;
- damage insurance;
- claims adjustment;
- financial planning;
- mortgage brokerage.

History: 1998, c. 37, s. 13; 2002, c. 45, s. 499; 2004, c. 37, s. 90; 2009, c. 25, s. 57; 2018, c. 23, s. 514.

14. No representative may pursue activities as a representative unless the representative is acting for a firm, is registered as an independent representative or is a partner in or employee of only one independent partnership.

Representatives acting for several firms must disclose the name of the firm for which they are acting to the client with whom they are transacting business.

History: 1998, c. 37, s. 14; 2009, c. 25, s. 58.

15. No person acting in contravention of the provisions of section 12 or 14 may claim or receive remuneration for any products sold or services rendered.

History: 1998, c. 37, s. 15.

16. All representatives are bound to act with honesty and loyalty in their dealings with clients.

They must act with competence and professional integrity.

History: 1998, c. 37, s. 16.

17. Where representatives require compensation from the persons with whom they transact business, they must, according to the procedure determined by regulation of the

Authority, disclose to the client the fact that they also receive remuneration for the products sold and the services rendered and any other benefit determined by regulation.

History: 1998, c. 37, s. 17; 2002, c. 45, s. 352; 2004, c. 37, s. 90.

18. No representative may make the making of a contract subject to the requirement that the client make an insurance contract.

No representative may exert undue pressure on a client or use fraudulent tactics to induce a client to purchase a financial product or service.

History: 1998, c. 37, s. 18.

19. Representatives who, at the time a contract is made, cause a client to make an insurance contract must give the client a notice, drawn up in the manner prescribed by regulation of the Authority, stating that the client may rescind the insurance contract within 10 days of signing it.

History: 1998, c. 37, s. 19; 2002, c. 45, s. 499; 2004, c. 37, s. 90; 2009, c. 25, s. 106.

20. A client may rescind an insurance contract made at the same time as another contract, within 10 days of signing it, by sending notice by registered mail.

Where such an insurance contract is rescinded, the first contract retains all its effects.

The first paragraph and section 19 do not apply to an insurance contract expiring within 10 days of its being signed.

History: 1998, c. 37, s. 20; 2009, c. 25, s. 106; I.N. 2016-01-01 (NCCP); 2018, c. 23, s. 515.

20.1. The Authority may determine by regulation other circumstances in which a client may rescind an insurance or annuity contract drawn up by an insurer as well as any subscription to such a contract, and circumstances in which a client may cancel such a contract or subscription, and the conditions and procedure applicable to such a rescission or cancellation.

History: 2009, c. 25, s. 59.

21. No contract may contain provisions allowing it to be amended in the event of the rescission or cancellation of an insurance contract made at the same time.

However, a contract may provide that rescission or cancellation of the insurance contract will entail, for the remainder of the term, the loss of the favorable conditions extended because more than one contract was made at the same time.

History: 1998, c. 37, s. 21; 2009, c. 25, s. 106.

22. Representatives, financial institutions, firms and enterprises that offer financing for the purchase of goods or services and that require the debtor to subscribe for insurance to guarantee the reimbursement of the loan must give the debtor a notice, drawn up in the manner prescribed by regulation of the Authority, stating that the debtor may subscribe for insurance with the insurer and representative of the debtor's choice provided that the insurance is considered satisfactory by the creditor, who may not refuse it without reasonable grounds. They may not subordinate the making of the contract of credit to the making of an insurance contract with the insurer they specify.

No contract of credit may stipulate that it is made subject to the condition that an insurance contract made with such an insurer remain in force until the expiry of the term, or subject to the condition that the expiry of an insurance contract will entail forfeiture of term.

The rights of the debtor under the contract of credit shall not be forfeited when the debtor rescinds, cancels or withdraws from the insurance contract, provided that the debtor subscribes for insurance with another insurer that is considered satisfactory by the creditor, who may not refuse it without reasonable grounds.

History: 1998, c. 37, s. 22; 2002, c. 45, s. 499; 2004, c. 37, s. 90; 2009, c. 25, s. 106.

23. Representatives shall disclose all the information they gather about clients to the establishment to which they are attached.

Representatives acting for several firms shall disclose such information to the establishment of the firm for which they are acting at the time.

They may disclose such information only to a person authorized by law.

History: 1998, c. 37, s. 23.

24. No representative may receive an amount deriving from a sharing of commissions except through a firm or independent partnership for which the representative acts.

History: 1998, c. 37, s. 24.

25. No representative acting on behalf of a firm or an independent partnership may consult information held by that firm or partnership unless granted access in accordance with sections 91 and 92.

History: 1998, c. 37, s. 25.

CHAPTER II SPECIAL PROVISIONS

DIVISION I INSURANCE REPRESENTATIVES

26. Insurance representatives must, when placing a risk with an insurer with which they have, or with which the independent partnership or firm for which they act has, a business relationship, disclose that relationship to the person with whom they are transacting business.

Any direct or indirect interest held by an insurer in the ownership of a firm or held by a firm in the ownership of an insurer, and the granting by an insurer of any benefit or other interest determined by regulation, constitutes a business relationship.

History: 1998, c. 37, s. 26.

27. Insurance representatives must inquire into their clients' situation to assess their needs.

They must ensure to appropriately advise their clients regarding matters that fall within the sectors in which they are authorized to act; if they can, they shall offer their clients a product that meets their needs.

History: 1998, c. 37, s. 27; 2018, c. 23, s. 516.

28. Insurance representatives must, before making an insurance contract, describe the proposed product to the client in relation to the needs identified and specify the nature of the coverage offered.

Insurance representatives must also indicate clearly to the client any particular exclusion of coverage, if any, having regard to the needs identified and provide the client with the required explanations regarding such exclusions.

History: 1998, c. 37, s. 28; 2002, c. 45, s. 353.

29. No insurance representative may be assigned to current over-the-counter deposit and withdrawal transactions, or credit operations, except in connection with

- (1) credit referrals;
- (2) the provision of credit advice to a client with regard to the client's financial situation and needs;
- (3) the granting of credit for the purchase of an insurance product or for investment purposes;
- (4) any other credit operation determined by government order.

A counter is any place where current deposit and withdrawal transactions are effected for a financial institution.

The Government shall, before making an order under subparagraph 4 of the first paragraph, give the Authority 60 days' advance notice.

History: 1998, c. 37, s. 29; 2002, c. 45, s. 499; 2004, c. 37, s. 90.

30. No insurance representative acting on behalf of a firm or independent partnership may pursue activities as a representative in an establishment of the firm or partnership except in a place designated for that purpose where confidentiality is assured.

History: 1998, c. 37, s. 30.

31. Representatives in insurance of persons, group insurance representatives and damage insurance brokers must, before offering an insurance product, disclose to the person with whom they are transacting business, in the manner prescribed by regulation, the names of the insurers whose products they are authorized to offer, together with the other information on those insurers prescribed by regulation.

History: 1998, c. 37, s. 31.

32. Insurance representatives acting for a firm that is an insurer or that is bound by an exclusive contract with a single insurer must disclose that fact to the person with whom they are transacting business.

History: 1998, c. 37, s. 32.

33. Where an insurer requires personal information of a medical or lifestyle-related nature in order to process an insurance proposal, the information must be collected using a form that is separate from the form used to collect the other information needed by the insurer.

History: 1998, c. 37, s. 33.

34. A form used to collect information other than information of a medical or lifestyle-related nature may nevertheless contain a request for information

(1) on whether or not the client has, during the period mentioned in the form, consulted a health professional, received treatment or undergone test for any of the diseases listed on the form;

(2) on whether or not the client has, during the period mentioned in the form, been admitted to a hospital, clinic or health care institution.

A request for information must be formulated in such a way that the client's answer will not reveal the disease for which the client consulted a health professional, received treatment, underwent tests or was admitted to a hospital, clinic or health care institution.

History: 1998, c. 37, s. 34.

35. Notwithstanding section 23, an insurance representative acting for a firm, other than an insurer, offering both credit and insurance must, once a form containing information of a medical or lifestyle-related nature has been completed by the client with or without the representative's assistance, forward it only to the insurer concerned. The representative may not keep a copy of the form, and may not disclose any information contained in the form to any other person.

History: 1998, c. 37, s. 35.

36. Where an insured who has provided personal information of a medical or lifestyle-related nature sustains an insured loss and files a claim with the firm concerned, if it offers both credit and insurance, rather than with the insurer, no information that is brought to the attention of the insurance representative who assists the insured may be disclosed to any other person.

Notwithstanding section 23, the claim and all the required documents must be sent by the representative to the insurer only and no copy may be kept by the representative.

History: 1998, c. 37, s. 36.

37. No information of a medical or lifestyle-related nature received from a client may be disclosed by an insurer to a firm offering both credit and insurance, even with the authorization of the client.

History: 1998, c. 37, s. 37.

38. Damage insurance brokers who offer insurance products directly to the public must, each time they offer an insurance product belonging to a class determined by regulation of the Authority to a client who is a natural person, be able to obtain quotes from at least three insurers who do not belong to the same financial group, within the meaning assigned to that expression by section 147.

Such brokers must keep the information allowing them to prove that they made every effort to comply with the first paragraph and must update such information regularly.

The regulation made for the purposes of this section may only pertain to damage insurance products intended to meet personal, family or household insurance needs.

History: 1998, c. 37, s. 38; 2018, c. 23, s. 517.

39. When the renewal of an insurance policy includes a change other than to the premium, damage insurance agents and brokers must take the necessary steps to ensure that the coverage provided corresponds to the client's needs.

History: 1998, c. 37, s. 39; 2018, c. 23, s. 518.

NOT IN FORCE – 1998, c. 37, a. 40
Will come into force on a date set by the government

40. Damage insurance brokers who act as such for a firm or independent partnership that is authorized by an insurer to act as a claims adjuster must, before making an insurance contract, disclose that fact in writing to the person with whom they are transacting business.

History: 1998, c. 37, s. 40.

41. Only a special broker may offer the insurance products of an outside insurer if the firm for which the special broker is acting has met the requirements of the second paragraph of section 77.

A special broker is a damage insurance broker who acts for a firm and who is authorized to act in that capacity on the conditions that the Authority determines by regulation. The broker's certificate shall include the relevant particulars.

An outside insurer is a damage insurer that, under subparagraph 3 of the first paragraph of section 27 of the Insurers Act (chapter A-32.1), does not require the Authority's authorization.

History: 1998, c. 37, s. 41; 2002, c. 45, s. 499; 2004, c. 37, s. 90; 2018, c. 23, s. 519.

42. No special broker may offer the products of an outside insurer, except in the fields of automobile insurance, unless justified by market scarcity.

History: 1998, c. 37, s. 42; 2018, c. 23, s. 520.

43. Before placing a risk with an outside insurer, special brokers must give the client a written notice stating that the proposed insurer is not an insurer authorized to carry on its activities in and has no establishment in Québec.

The written notice must, in addition, contain any other information determined by regulation.

History: 1998, c. 37, s. 43; 2018, c. 23, s. 521.

DIVISION II
CLAIMS ADJUSTERS

44. No person may use the title of claims adjuster or an abbreviation of that title without holding the appropriate certificate issued by the Authority.

The same rule applies with regard to the titles similar to the title of claims adjuster, and the abbreviations of those titles, determined by regulation.

History: 1998, c. 37, s. 44; 2002, c. 45, s. 499; 2004, c. 37, s. 90.

45. No claims adjuster may be authorized to act in a sector other than claims adjustment.

History: 1998, c. 37, s. 45.

46. Notwithstanding section 45, damage insurance agents and damage insurance brokers may qualify to act as claims adjusters in respect of policies purchased through the firm for which they act. The Authority shall determine, by regulation, the circumstances in which such agents or brokers may act and the conditions of exercise with which they must comply.

History: 1998, c. 37, s. 46; 2002, c. 45, s. 499; 2004, c. 37, s. 90.

47. Claims adjusters acting for an insurer must, when contacting a person having suffered an insured loss, inform the person that they are acting for the insurer.

History: 1998, c. 37, s. 47.

48. Claims adjusters who offer their services to a claimant must propose two contracts, one providing for hourly remuneration and the other providing for percentage remuneration. The client may choose the most suitable contract.

History: 1998, c. 37, s. 48.

49. The contract is binding on the claimant only from the time the claimant receives a copy of the contract.

History: 1998, c. 37, s. 49.

50. The claimant may rescind the contract within 10 days of receiving it by sending a notice by registered mail.

In such a case, the firm, the independent representative or the independent partnership may charge only the expenses incurred to prevent any further loss.

History: 1998, c. 37, s. 50; 2009, c. 25, s. 106; I.N. 2016-01-01 (NCCP).

DIVISION III

Repealed, 2009, c. 25, s. 60.

History: 2009, c. 25, s. 60.

51. *(Repealed).*

History: 1998, c. 37, s. 51; 2009, c. 25, s. 60.

52. *(Repealed).*

History: 1998, c. 37, s. 52; 2009, c. 25, s. 60.

53. *(Repealed).*

History: 1998, c. 37, s. 53; 2002, c. 45, s. 500; 2004, c. 37, s. 90; 2009, c. 25, s. 60.

54. *(Repealed).*

History: 1998, c. 37, s. 54; 2000, c. 29, s. 636; 2002, c. 45, s. 500; 2004, c. 37, s. 90; 2009, c. 25, s. 60.

55. *(Repealed).*

History: 1998, c. 37, s. 55; 2002, c. 45, s. 500; 2004, c. 37, s. 90; 2009, c. 25, s. 60.

DIVISION IV FINANCIAL PLANNERS

56. Subject to section 60, no person may use the title of financial planner or purport to offer financial planning services without holding the appropriate certificate issued by the Authority.

The same rule applies with regard to the titles similar to the title of financial planner, and the abbreviations of those titles, determined by regulation.

History: 1998, c. 37, s. 56; 2002, c. 45, s. 354; 2004, c. 37, s. 90.

57. Only a person holding a diploma in financial planning issued by the Institut québécois de planification financière may obtain, from the Authority, a certificate authorizing the person to use the title of financial planner.

History: 1998, c. 37, s. 57; 2002, c. 45, s. 499; 2004, c. 37, s. 90.

58. *(Repealed).*

History: 1998, c. 37, s. 58; 2002, c. 45, s. 355.

CHAPTER III

FINANCIAL PLANNERS BELONGING TO A PROFESSIONAL ORDER

59. Each of the professional orders variously known as the Ordre professionnel des avocats du Québec, the Ordre professionnel des notaires du Québec, the Ordre professionnel des comptables professionnels agréés du Québec and the Ordre professionnel des administrateurs agréés du Québec may enter into an agreement with the Authority setting out the responsibilities of the order with regard to those of its members who wish to use the title of financial planner.

While such an agreement is in force, the provisions of this Act relating to financial planners, with the exception of the penal provisions, do not apply to such members.

However, the provisions of this chapter do not apply to a member of an order who is registered as a representative in accordance with Title III of the Derivatives Act (chapter I-14.01) or Title V of the Securities Act (chapter V-1.1), who holds a certificate issued by the Authority in a sector other than financial planning or who is an executive officer or employee of a firm registered for a sector other than financial planning, where the member acts in the field of financial planning for the firm.

History: 1998, c. 37, s. 59; 2002, c. 45, s. 356; 2004, c. 37, s. 90; 2009, c. 25, s. 61; 2009, c. 35, s. 76; 2009, c. 58, s. 52; 2012, c. 11, s. 32.

60. The members of the order who hold a diploma in financial planning issued by the Institut québécois de planification financière are, for such time as they meet the requirements and comply with the rules determined by their order, authorized to use the title of financial planner during the term of the agreement.

History: 1998, c. 37, s. 60.

61. The agreement shall set out the powers and obligations of the order concerning the management and supervision of its members when they pursue activities as financial planners.

The agreement shall also set out the rules of ethics and the professional requirements with which the members must comply.

History: 1998, c. 37, s. 61.

62. The agreement must provide that the liability insurance that the order requires of its members, and the provisions relating to its indemnity fund, cover the acts of the members using the title of financial planner.

Every act performed by a member as a financial planner within the scope of an agreement is deemed to be an act performed as a member of the order to which the member belongs.

History: 1998, c. 37, s. 62.

63. The agreement shall have a maximum term of five years, and may be renewed.

It may, following agreement, be amended at any time.

History: 1998, c. 37, s. 63.

64. The Authority may not refuse to enter into an agreement if the rules of ethics and the professional requirements submitted by an order are at least as stringent as those applicable to financial planners holding a certificate.

History: 1998, c. 37, s. 64; 2002, c. 45, s. 499; 2004, c. 37, s. 90.

65. An order may require that those of its members who hold a diploma in financial planning undergo additional training, pass examinations or meet specific requirements in order to qualify to hold that title during the term of the agreement.

History: 1998, c. 37, s. 65.

66. An order may require that those of its members who are authorized to use the title of financial planner pay specific annual dues.

History: 1998, c. 37, s. 66.

67. Each order shall keep a register of those of its members who are authorized to use the title of financial planner. The register shall be kept available for public consultation.

History: 1998, c. 37, s. 67.

68. Every member of an order who is authorized to use the title of financial planner and who fails to comply with a provision of the rules established by the order in respect of such a member, commits an offence that may be referred to the disciplinary council of the order concerned.

History: 1998, c. 37, s. 68; 2008, c. 11, s. 212.

69. Where the Authority considers that an order has failed to exercise the responsibilities assigned to it by agreement, the Authority shall serve notice on the order at least 15 days in advance, stating the grounds that in its view justify the opinion and the order's right to present observations.

Where, after the order has presented or has failed to present its observations, the Authority maintains its opinion that the order has failed to exercise the responsibilities assigned to it, the Authority shall refer the matter to the Minister, stating the grounds on which its opinion is based.

In such a case, the Minister may terminate the agreement.

History: 1998, c. 37, s. 69; 2002, c. 45, s. 499; 2004, c. 37, s. 90.

TITLE II REGISTRATION

CHAPTER I FIRMS

70. A legal person offering financial products and services acts either as a single-sector firm or a multi-sector firm.

A single-sector firm is a firm that offers products and services in a single sector.

A multi-sector firm is a firm that offers products and services in more than one sector.

A firm is considered to offer products and services in the mortgage brokerage sector if it engages in mortgage brokerage transactions.

History: 1998, c. 37, s. 70; 2018, c. 23, s. 522.

70.1. For the purposes of section 70, a hypothecary creditor is not a firm operating in the mortgage brokerage sector.

History: 2018, c. 23, s. 523.

71. No person may act as or purport to be a firm without being registered with the Authority.

No person may act as or purport to be a damage insurance brokerage firm without being registered as such with the Authority.

A legal person that, without acting as a firm, receives a commission or other remuneration based on the sale of financial products or the provision of financial services must be registered with the Authority. As of its registration, the legal person is, for the purposes of this Act, considered to be acting as a firm in the sector in which the products and services are offered

History: 1998, c. 37, s. 71; 2002, c. 45, s. 499; 2004, c. 37, s. 90; 2018, c. 23, s. 524.

71.1. A firm may offer products and services in a given sector without the intermediary of a natural person. However, it must take the necessary steps to ensure that representatives of its own interact, in sufficient time, with clients who express the need to interact with a representative; the firm must also inform its clients that such representatives are available.

History: 2018, c. 23, s. 525.

72. Only a legal person that maintains an establishment in Québec may register with the Authority to act as a firm.

The following may, in particular, register as a firm:

- insurers;
- banks or authorized foreign banks listed in Schedule I, II or III to the Bank Act (S.C. 1991, c. 46);
- trust and loan companies within the meaning of the Trust and Loan Companies Act (S.C. 1991, c. 45);
- financial services cooperatives within the meaning of the Act respecting financial services cooperatives (chapter C-67.3);
- trust companies authorized under the Trust Companies and Savings Companies Act (chapter S-29.02);
- dealers or advisers registered under the Derivatives Act (chapter I-14.01) or the Securities Act (chapter V-1.1).

For the purposes of this Act, a Lloyd's insurer is deemed to be a legal person.

History: 1998, c. 37, s. 72; 2000, c. 29, s. 637; 2002, c. 45, s. 357; 2002, c. 70, s. 186; 2002, c. 45, s. 357; 2004, c. 37, s. 90; 2009, c. 25, s. 62; 2009, c. 58, s. 53; 2018, c. 23, s. 526.

73. Insurers whose products are distributed solely by insurance representatives who are neither employed by the insurer nor bound to the insurer by an exclusive contract are not required to register with the Authority when their products are offered by such representatives.

History: 1998, c. 37, s. 73; 2002, c. 45, s. 499; 2004, c. 37, s. 90.

74. The Authority shall register a legal person that meets the conditions established by this Act and the regulations and that provides the Authority, in the manner prescribed by regulation, with the information and documents relating to each representative through whom the legal person intends to pursue activities, for each sector for which it is applying for registration, together with any other information or documents prescribed by regulation.

History: 1998, c. 37, s. 74; 2002, c. 45, s. 499; 2004, c. 37, s. 90.

75. A firm is registered for a particular sector.

A firm registered for the damage insurance sector is so registered as a damage insurance agency except when it may be registered as a brokerage firm for that sector.

Only a firm that meets the following criteria may be registered as a damage insurance brokerage firm:

- (1) it is not an insurer;

(2) its capital complies with section 150;

(3) its representatives who offer damage insurance products are brokers who comply with sections 6 and 38, where those insurance products belong to a class prescribed by the regulation made for the purposes of the latter section;

(4) when offering insurance products without the intermediary of a natural person, the firm complies with sections 6 and 38, where the insurance products belong to a class prescribed by the regulation made for the purposes of the latter section.

History: 1998, c. 37, s. 75; 2018, c. 23, a. 527.

76. Legal persons who register as firms must establish that they have subscribed for liability insurance that is consistent with the requirements determined by regulation. They must also establish that every representative acting on their behalf without being an employee has liability insurance that is consistent with the requirements determined by regulation.

History: 1998, c. 37, s. 76; 2002, c. 45, s. 499; 2004, c. 37, s. 90; 2018, c. 23, s. 528.

77. The legal person that registers must, in addition to paying the fees required for registration, pay the contribution payable to the Fonds d'indemnisation des services financiers pursuant to section 278.

A firm that is to offer products through a special broker must also furnish security to the Authority, in the form of an insurance policy issued by an insurer in the amount determined by regulation to cover the obligations of the outside insurers concerned.

History: 1998, c. 37, s. 77; 2002, c. 45, s. 358; 2004, c. 37, s. 90.

78. The Authority may refuse registration for a given sector, or impose restrictions or conditions for registration, where the applicant's registration for any of the sectors listed in the second paragraph of section 13 has previously been cancelled, where the registration of a director or executive officer of the applicant has previously been cancelled, or where a director or executive officer of the applicant has previously been a partner in an independent partnership, or a director or executive officer of a firm, whose registration has previously been cancelled.

History: 1998, c. 37, s. 78; 2002, c. 45, s. 499; 2004, c. 37, s. 90.

79. The Authority may also refuse registration where the applicant for registration or a director or executive officer of the applicant does not, in the opinion of the Authority, show the required honesty, competence or solvency.

History: 1998, c. 37, s. 79; 2002, c. 45, s. 499; 2004, c. 37, s. 90; 2006, c. 50, s. 126; 2009, c. 25, s. 63.

80. A firm is responsible for any injury caused to a client by the fault of one of its representatives in the performance of the representative's functions.

However, the firm retains the remedies available to it against the representative concerned.

History: 1998, c. 37, s. 80.

81. While registered, a firm must pay the annual fees prescribed by regulation to the Authority.

A firm must also pay the contribution payable to the Fonds d'indemnisation des services financiers pursuant to section 278.

History: 1998, c. 37, s. 81; 2002, c. 45, s. 359; 2004, c. 37, s. 90.

82.

No legal person that has failed to comply with section 71.1, 74, 76 or 77 h may claim or receive remuneration for products sold or services rendered during that period.

History: 1998, c. 37, s. 82; 2018, c. 23, s. 529.

83. A firm must, while registered, maintain liability insurance that is consistent with the requirements determined by regulation. The firm must also ensure that every representative acting on its behalf without being an employee carries liability insurance that is consistent with the requirements determined by regulation.

History: 1998, c. 37, s. 83; 2002, c. 45, s. 360; 2004, c. 37, s. 90; 2009, c. 25, s. 64; 2009, c. 58, s. 54; 2018, c. 23, s. 530.

83.1. A damage insurance firm or damage insurance brokerage firm must disclose, on its website and in its written communications with its clients, the names of the insurers for which it offers insurance products.

A firm must disclose, in the same manner, the name of any insurer to which it is bound by an exclusive contract and the products covered by that contract.

A brokerage firm must disclose, in the same manner, the following information:

(1) the name of the financial institution, the financial group or the legal person related thereto that holds an interest in shares issued by the firm representing more than 20% of the value of the firm's equity capital; and

(2) the name of any insurer to which are paid more than 60% of the premiums stipulated in the contracts entered into by the firm and belonging to a single class prescribed by the regulation made for the purposes of section 38.

For the purposes of subparagraph 1 of the third paragraph, a firm's equity capital does not include shares that do not carry the right to vote or the right to receive a share of the firm's remaining property on liquidation.

History: 2018, c. 23, s. 531.

84. All firms and their executive officers are bound to act with honesty and loyalty in dealings with clients.

They must act with care and competence.

History: 1998, c. 37, s. 84.

85. A firm and its executive officers shall oversee the conduct of the firm's representatives. They shall ensure that the representatives comply with this Act and the regulations.

History: 1998, c. 37, s. 85.

86. The firm shall ensure that its executive officers and employees comply with this Act and the regulations.

History: 1998, c. 37, s. 86.

86.0.1. Sections 17 to 19, 26 to 28, 31, 32, 35, 36 and 39 apply, with the necessary modifications, to firms that offer a product or service without the intermediary of a natural person.

In addition, sections 6 and 38 apply, with the necessary modifications, to a firm registered as a damage insurance brokerage firm offering insurance products in that sector without the intermediary of a natural person.

History: 2018, c. 23, s. 532.

NOT IN FORCE – 2004, c. 37, a. 56
Will come into force on a date set by the government

86.1. A firm shall set up a compliance program and designate an executive officer, or a person holding a management position under an executive officer's authority, to supervise enforcement of the program.

The content of the program, the mandate and powers of the compliance supervisor and the measures to ensure the compliance supervisor's independence are determined by regulation of the Authority, based on criteria specified in the regulation.

History: 2004, c. 37, s. 56.

87. In no case may a firm or its officers help or, by encouragement, advice or consent, or by an authorization or order, induce another firm, an independent representative or an independent partnership to infringe any provision of this Act or the regulations.

History: 1998, c. 37, s. 87.

88. Each firm shall keep, in Québec, the records relating to its clients, in accordance with the regulations.

The firm shall keep, in Québec, all the documents and information supplied by its representatives, and make them accessible to the Authority in the manner determined by the Authority.

History: 1998, c. 37, s. 88; 2002, c. 45, s. 499; 2004, c. 37, s. 90.

89. Each firm registered for an insurance sector shall, unless it has obtained consent from a client under section 92, keep its insurance records separately from its other records in accordance with the regulations.

The requirement to keep such records separately shall not operate to require a firm to maintain separate computer systems.

History: 1998, c. 37, s. 89.

90. Each firm shall keep the information relating to its clients for the minimum period determined by regulation.

History: 1998, c. 37, s. 90.

91. Each firm must ensure that its representatives have access only to the information necessary for the pursuit of their activities.

History: 1998, c. 37, s. 91.

92. No firm, even a firm that on 1 October 1999 holds a client's consent to use information on the client held by the firm for purposes unrelated to the object of the file for which the information was collected, may allow one of its representatives to have access to such information unless the client's specific consent is obtained for that purpose.

Specific consent is consent given in a form used solely for that purpose that authorizes a firm to allow one of its representatives to have access to information on the client held by the firm.

History: 1998, c. 37, s. 92.

93. A firm must, when seeking specific consent from a client, give the client a notice drawn up in the manner prescribed by regulation of the Authority stating that the client is free to give consent and may revoke it at any time.

History: 1998, c. 37, s. 93; 2002, c. 45, s. 499; 2004, c. 37, s. 90.

94. No firm may refuse to do business with a client on the sole ground that the client refuses to provide it with specific consent.

History: 1998, c. 37, s. 94.

95. Notwithstanding section 23 of the Deposit Institutions and Deposit Protection Act (chapter I-13.2.2), a firm may, through an insurance representative, collect deposits for a deposit institution authorized under that Act or a member bank of the Canada Deposit Insurance Corporation. No cash deposit may be received by such a representative.

All deposits so collected must be deposited with the deposit institution or bank for which the firm is acting.

History: 1998, c. 37, s. 95; 2009, c. 25, s. 65; 2018, c. 23, s. 533.

96. *(Repealed).*

History: 1998, c. 37, s. 96; 2009, c. 25, s. 66; 2008, c. 9, s. 137.

97. Only a firm may, in a sector for which the firm is registered, grant a concession to another firm authorizing the operation of a franchise.

History: 1998, c. 37, s. 97.

98. *(Repealed).*

History: 1998, c. 37, s. 98; 2002, c. 45, s. 500; 2004, c. 37, s. 90; 2009, c. 25, s. 67.

99. *(Repealed).*

History: 1998, c. 37, s. 99; 2002, c. 45, s. 500; 2004, c. 37, s. 90; 2009, c. 25, s. 67.

100. A firm may share a commission it receives only with another firm, an independent representative or independent partnership, a broker or agency governed by the Real Estate Brokerage Act (chapter C-73.2), a securities dealer or securities adviser governed by the Derivatives Act (chapter I-14.01) or the Securities Act (chapter V-1.1), an authorized deposit institution, a bank, an authorized foreign bank, an authorized trust company, an insurer or a federation within the meaning of the Act respecting financial services cooperatives (chapter C-67.3).

The commission shall be shared in the manner determined by regulation.

The firm shall enter every sharing of a commission in a register, in accordance with the regulations.

A person receiving an amount from the sharing of a commission made in accordance with this section is not required, by virtue of that fact, to be registered with the Authority under the third paragraph of section 71.

History: 1998, c. 37, s. 100; 2000, c. 29, s. 638; 2009, c. 58, s. 55; 2008, c. 9, s. 138; 2018, c. 23, s. 534.

101. Notwithstanding section 56, a single-sector firm or an independent partnership all the representatives of which are financial planners may make itself known as a financial planning firm or partnership.

Likewise, the following may make themselves known as offering financial planning services:

- (1) a firm or an independent partnership acting through a financial planner;
- (2) a firm that, without acting through the intermediary of a natural person, employs at least one financial planner.

History: 1998, c. 37, s. 101; 2018, c. 23, s. 535.

102. Any insurance premium paid to a firm or to a representative of a firm for the account of an insurer is deemed to have been paid directly to the insurer.

The obligations of an insurer who pays sums of money to a firm for the account of an insured or the beneficiary of an insured are discharged only when the insured or beneficiary receives the money.

History: 1998, c. 37, s. 102.

103. Every firm must process the complaints filed with it in a fair manner. To that end, a firm must

- (1) follow a policy for processing complaints filed by its clients and resolving disputes with them; and
- (2) keep a complaints register.

Unless such a policy is fully set out in a regulation made under section 216.1, the firm must adopt one itself.

History: 1998, c. 37, s. 103; 2002, c. 45, s. 362; 2018, c. 23, s. 536.

103.1. The complaint processing and dispute resolution policy adopted under subparagraph 1 of the first paragraph of section 103 must, in particular,

- (1) set out the characteristics that make a communication to the firm a complaint that must be registered in the complaints register kept under subparagraph 2 of the first paragraph of section 103; and

(2) provide for a record to be opened for each complaint and prescribe rules for keeping such records.

The firm must make a summary of the policy, including the elements specified in subparagraphs 1 and 2 of the first paragraph, publicly available on its website, if the firm has one, and disseminate it by any appropriate means to reach the clientele concerned.

History: 2002, c. 45, s. 362; 2004, c. 37, s. 90; 2008, c. 7, s. 74; 2018, c. 23, s. 536.

103.2. Within 10 days after a complaint is registered in the complaints register, the firm must send the complainant a notice stating the complaint registration date and the complainant's right, under section 103.3, to have the complaint record examined.

History: 2002, c. 45, s. 362; 2004, c. 37, s. 57; 2008, c. 7, s. 75; 2018, c. 23, s. 536.

103.3. A complainant whose complaint has been registered in the complaints register may, if dissatisfied with the firm's processing of the complaint or the outcome, request the firm to have the complaint record examined by the Authority.

If the firm is a mutual company that is a member of a federation, the record is examined by the latter instead of by the Authority.

The firm is required to comply with a request made to it and send the record to the Authority or, in the case of a mutual company that is a member of a federation, to the federation.

Sections 389 to 394 of the Insurers Act (chapter A-32.1) apply, with the necessary modifications, to the federation; complaint records filed in accordance with this Act are complaint records within the meaning of those sections.

History: 2002, c. 45, s. 362; 2004, c. 37, s. 90; 2018, c. 23, s. 536.

103.4. The Authority shall examine the complaint records that are sent to it.

It may, with the parties' consent, act as conciliator or mediator or designate a person to act as such.

Conciliation or mediation may not, alone or in combination, continue for more than 60 days after the date of the first conciliation or mediation session, as the case may be, unless the parties consent to it.

Conciliation and mediation are free of charge.

History: 2002, c. 45, s. 362; 2018, c. 23, s. 536.

103.5. Unless the parties agree otherwise, nothing that is said or written in the course of a conciliation or mediation session may be admitted into evidence before a court of justice or before a person or body of the administrative branch exercising adjudicative functions.

A conciliator or mediator may not be compelled to disclose anything revealed or learned in the exercise of conciliation or mediation functions or to produce a document prepared or obtained in the course of such functions before a court of justice or before a person or body of the administrative branch exercising adjudicative functions.

Notwithstanding section 9 of the Act respecting Access to documents held by public bodies and the Protection of personal information (chapter A-2.1), no person has a right of access to a document contained in the conciliation or mediation record.

History: 2018, c. 23, s. 536.

103.6. Notwithstanding sections 9 and 83 of the Act respecting Access to documents held by public bodies and the Protection of personal information (chapter A-2.1), the Authority may not communicate a complaint record without the authorization of the firm that has sent it.

History: 2018, c. 23, s. 536.

103.7. On the date set by the Authority, a firm must send it a report on the complaint processing and dispute resolution policy adopted under subparagraph 1 of the first paragraph of section 103 stating the number of complaints that the firm has registered in the complaints register and their nature.

The report must cover the period determined by the Authority.

History: 2018, c. 23, s. 536.

104. A firm that terminates its association with a representative must inform the Authority, in writing, without delay.

If the firm terminates its association with a representative for reasons relating to the representative's activities, it must inform the Authority of those reasons.

A firm that informs the Authority of such reasons incurs no civil liability thereby.

History: 1998, c. 37, s. 104; 2002, c. 45, s. 499; 2004, c. 37, s. 90.

105. A firm that ceases to do business with another firm, an independent representative or an independent partnership for reasons relating to the representative's or the partnership's activities must inform the Authority of those reasons.

A firm that informs the Authority of such reasons incurs no civil liability thereby.

History: 1998, c. 37, s. 105; 2002, c. 45, s. 499; 2004, c. 37, s. 90; 2009, c. 58, s. 56.

106. A firm must, at the request of the Authority, forward any document or information concerning its activities that is required by the Authority.

History: 1998, c. 37, s. 106; 2002, c. 45, s. 499; 2004, c. 37, s. 90.

107. The Authority may inspect a firm as often as it considers necessary to ensure compliance with this Act and the regulations.

History: 1998, c. 37, s. 107; 2002, c. 45, s. 499; 2004, c. 37, s. 90.

108. Inspectors must produce identification on request and show evidence of their authority issued by the Authority.

History: 1998, c. 37, s. 108; 2002, c. 45, s. 499; 2004, c. 37, s. 90.

109. Inspectors may

- (1) have access, at any reasonable time, to any of a firm's establishments;
- (2) examine and make copies of the firm's books, registers, accounts, records and other documents;
- (3) require any document relating to the firm's activities.

Every person having custody, possession or control of such books, registers, accounts, records and other documents must, at the request of the inspector, produce them and allow them to be examined.

History: 1998, c. 37, s. 109.

110. Inspectors may verify access rights for any computer system to ensure that only authorized persons have access to information.

History: 1998, c. 37, s. 110.

111. No person may hinder the work of an inspector, in particular by misleading the inspector.

History: 1998, c. 37, s. 111.

112. The documents, books, registers, accounts and records that the Authority or the inspector may require must be produced whatever their storage medium and whatever the means by which they may be accessed.

History: 1998, c. 37, s. 112; 2002, c. 45, s. 499; 2004, c. 37, s. 90.

113. The inspector shall report his or her findings regarding the manner in which the firm concerned protects the personal information relating to its clients to the Commission d'accès à l'information established by the Act respecting Access to documents held by public bodies and the Protection of personal information (chapter A-2.1).

History: 1998, c. 37, s. 113.

114. *(Repealed).*

History: 1998, c. 37, s. 114; 2002, c. 45, s. 363.

114.1. The Authority may order a firm to direct an auditor, at the firm's expense, to conduct any audit or review required by the Authority and deliver the audit or review to the Authority as soon as practicable.

History: 2009, c. 25, s. 68.

115. If it is brought to the knowledge of the Financial Markets Administrative Tribunal that a firm, any of its directors or officers, or a representative has, by an act or omission, contravened or aided in the contravention of a provision of this Act or the regulations, or that it is necessary in order to protect the public, the Tribunal may, once the facts have been established, cancel, revoke or suspend the firm's or the representative's registration or certificate or subject it to restrictions or conditions. The Tribunal may also impose an administrative penalty not exceeding \$2,000,000 for each contravention, except for a contravention of the rules of ethics determined by regulation under section 202.1 that are applicable to mortgage brokers, in which case the administrative penalty is not less than \$2,000 and not more than \$50,000 for each contravention.

For the purposes of the first paragraph, before making a request to the Tribunal, an interested person within the meaning of section 93 of the Act respecting the regulation of the financial sector (chapter E-6.1) must notify the Authority and obtain confirmation from the Authority that it does not itself intend to make such a request. The Authority must inform the interested person in writing of its decision within 10 days after being notified.

History: 1998, c. 37, s. 115; 2002, c. 45, s. 499; 2004, c. 37, s. 90; 2009, c. 58, s. 57; 2011, c. 26, s. 20; 2016, c. 7, s. 179; 2018, c. 23, s. 538.

115.1. The Financial Markets Administrative Tribunal may prohibit a person from acting as a director or officer of a firm on the grounds set out in article 329 of the Civil Code or when a sanction has been imposed on the person under this Act, the Derivatives Act (chapter I-14.01) or the Securities Act (chapter V-1.1).

The prohibition imposed by the Tribunal may not exceed five years.

The Tribunal may, at the request of the person concerned, lift the prohibition on such conditions as it considers appropriate.

History: 2011, c. 26, s. 20; 2016, c. 7, s. 179.

115.2. If a firm fails to comply with section 81, 82, 83 or 103.1 or to file documents as required under this Act or the regulations, the Authority may suspend the firm's registration, subject it to restrictions or conditions or impose an monetary administrative penalty not exceeding \$5,000 for each contravention. The Authority may cancel the registration of a firm that fails to comply with section 82 or, for the second or subsequent time, fails to comply with section 81, 83 or 103.1.

NOT IN FORCE – 2011, c. 26, a, 20
Will come into force on a date set by the government

For the purposes of the first paragraph, the Authority may determine, by regulation, the amounts that may be imposed as a penalty for failure to file documents as required under this Act or the regulations, as well as the conditions subject to which a penalty may be imposed.

History: 2011, c. 26, s. 20; 2018, c. 23, s. 809.

115.3. The Authority may, for the purposes or in the course of an investigation, request the Financial Markets Administrative Tribunal

(1) to order the representative or firm or any other person or entity actually or potentially under investigation not to dispose of funds, securities or other property in their possession;

(2) to order the representative or firm or any other person or entity actually or potentially under investigation to refrain from withdrawing funds, securities or other property on deposit with or under the control or in the safekeeping of another person; or

(3) to order any other person or entity not to dispose of funds, securities or other property referred to in subparagraph 2.

An order issued under the first paragraph is effective from the time the party concerned is notified of it and, unless otherwise provided, remains binding for a 12-month period; the order may be revoked or otherwise amended during that period.

The party concerned must be given at least 15 days' notice of any hearing during which the Financial Markets Administrative Tribunal is to consider an extension. The Tribunal may order the extension if the representative, firm, other person or entity does not request to be heard or fails to establish that the reasons for the initial order have ceased to exist.

History: 2011, c. 26, s. 20; 2016, c. 7, s. 179; 2018, c. 23, s. 538.

115.4. If the person or entity named in an order under subparagraph 3 of the first paragraph of section 115.3 has put a safety deposit box at the disposal of a representative, firm or other person or entity or has allowed the use of a safety deposit box, the person or entity must immediately notify the Authority.

On the Authority's request, the person or entity named in the order must open the safety deposit box in the presence of an agent of the Authority, draw up an inventory of the contents in triplicate, and give one copy to the Authority and another to the representative, firm, other person or entity under investigation.

History: 2011, c. 26, s. 20.

115.5. An order issued under section 115.3 that names a bank or a financial institution applies only to the agencies or branches specified.

History: 2011, c. 26, s. 20.

115.6. An order issued under section 115.3 also applies to funds, securities and other property received after the order becomes effective.

History: 2011, c. 26, s. 20.

115.7. The representative, the firm and any person or entity directly affected by an order issued under section 115.3, if in doubt as to the application of the order to particular funds, securities or other property, may apply to the Financial Markets Administrative Tribunal for clarification; they may also apply for an amendment to or the revocation of the order.

A written notice setting out the reasons for the application for amendment or revocation must be filed with the Tribunal. The notice must be served on the Authority at least 15 days before the hearing set to hear the application.

History: 2011, c. 26, s. 20; 2016, c. 7, s. 179; 2018, c. 23, s. 539.

115.8. An order issued under section 115.3 is admissible for publication in the same register as that in which rights in the funds, securities or other property covered by the order are required to be published or admissible for publication.

Likewise, the order may be published in a register kept outside Québec if such orders are admissible for publication under the Act governing the register.

History: 2011, c. 26, s. 20.

115.9. Following a failure to comply with an obligation under this Act, the Authority may request the Financial Markets Administrative Tribunal to issue one or more of the following orders in order to remedy the situation or deprive a representative, a firm or other person or entity of the profit realized as a result of the non-compliance:

- (1) an order requiring a representative or firm or any other person or entity to comply with
 - (a) any provision of this Act;
 - (b) any decision of the Authority under this Act; or
 - (c) any regulation, rule or policy of a self-regulatory organization, or any decision rendered by the self-regulatory organization on the basis of such a regulation, rule or policy;

(2) an order directing a representative or firm or any other person or entity to submit to a review of practices and procedures and institute such changes as may be directed by the Authority;

(3) an order rescinding any insurance- or annuity-related transaction entered into by a representative or firm or any other person or entity, and directing the representative, firm, other person or entity to refund any part of the money paid on entering into the transaction;

(4) an order directing a representative or firm or any other person or entity to produce compliant financial statements or an accounting in such a form as may be determined by the Tribunal;

(5) an order directing a legal person to hold a shareholders' meeting;

(6) an order directing a representative or firm or any other person or entity to rectify a register or other record;

(7) an order directing a representative or firm or any other person or entity to disgorge to the Authority amounts obtained as a result of the non-compliance.

History: 2011, c. 26, s. 20; 2016, c. 7, s. 179.

115.9.1. If the Tribunal issues an order under paragraph 7 of section 115.9, the Tribunal must, if the proof justifying the order shows that persons have sustained a loss in the course of the non-compliance referred to in that paragraph 7, order the Authority to submit to the Tribunal the terms under which the amounts disgorged to the Authority will be administered and may be distributed to the persons who have sustained a loss, unless it is shown to the Tribunal that the amounts so disgorged are less than those to be incurred for their distribution.

The terms must provide the following at a minimum:

(1) the rules according to which the amounts will be deposited with a deposit institution authorized under the Deposit Institutions and Deposit Protection Act (chapter I-13.2.2) or a bank or otherwise invested until the distribution ends;

(2) the conditions to meet to be entitled to participate in the distribution of the amounts disgorged, including the time limit after which a person may not participate;

(3) the means that must be taken to notify the persons concerned of the possibility of participating in the distribution of the amounts; and

(4) the date on which the distribution is to end should the amounts disgorged not be distributed in their entirety.

History: 2018, c. 23, s. 540.

115.9.2. The Authority must publish the terms that it proposes in its bulletin at least 30 days before submitting them to the Tribunal.

Any interested person may contest the terms before the Tribunal, except the representative, firm or other person responsible for the non-compliance against whom or which the order was issued under paragraph 7 of section 115.9.

The Tribunal shall approve the terms submitted by the Authority with or without amendments; it may also order the Authority to submit new terms.

History: 2018, c. 23, s. 540.

115.9.3. The Authority shall administer and distribute the amounts in accordance with the terms approved by the Tribunal.

The rules for the simple administration of the property of others apply to the Authority with respect to the amounts disgorged to it while the terms of their administration and distribution have not been approved by the Tribunal.

The Authority may amend the terms by following the procedure provided for in section 115.9.2.

History: 2018, c. 23, s. 540.

115.9.4. If the Tribunal issues an order under paragraph 7 of section 115.9 directing that amounts be disgorged to the Authority without ordering the Authority to submit terms of administration and distribution, the Authority must pay the amounts to the Minister of Finance.

The same applies to the balance of the amounts disgorged to the Authority remaining, if any, on the date on which a distribution ends.

History: 2018, c. 23, s. 540.

115.10. In addition to imposing a measure by order, the Financial Markets Administrative Tribunal may require the person or entity named in the order to repay to the Authority the costs incurred in connection with the inspection or investigation that established non-compliance with a provision of this Act, according to the tariff set by regulation.

History: 2011, c. 26, s. 20; 2016, c. 7, s. 179.

116. *(Repealed).*

History: 1998, c. 37, s. 116; 2002, c. 45, s. 364.

117. *(Repealed).*

History: 1998, c. 37, s. 117; 2002, c. 45, s. 499; 2004, c. 37, s. 90; 2009, c. 58, s. 58.

118. *(Repealed).*

History: 1998, c. 37, s. 118; 2002, c. 45, s. 365.

119. *(Repealed).*

History: 1998, c. 37, s. 119; 2002, c. 45, s. 366; 2004, c. 37, s. 90; 2008, c. 7, s. 77; 2009, c. 58, s. 58.

120. *(Repealed).*

History: 1998, c. 37, s. 120; 2002, c. 45, s. 367.

121. *(Repealed).*

History: 1998, c. 37, s. 121; 2002, c. 45, s. 368; 2009, c. 58, s. 58.

122. *(Repealed).*

History: 1998, c. 37, s. 122; 2002, c. 45, s. 369, s. 499; 2004, c. 37, s. 90; 2009, c. 58, s. 58.

123. *(Repealed).*

History: 1998, c. 37, s. 123; 2002, c. 45, s. 370.

124. *(Repealed).*

History: 1998, c. 37, s. 124; 2002, c. 45, s. 371; 2004, c. 37, s. 90; 2009, c. 58, s. 58.

125. *(Repealed).*

History: 1998, c. 37, s. 125; 2002, c. 45, s. 372.

125.1. If, following the inspection of a firm registered as a damage insurance brokerage firm, the Authority considers that the proof referred to in the second paragraph of section 38 is insufficient, the Authority may register the firm as a damage insurance agency if it has not remedied the situation within the time the Authority granted it to do so.

History: 2018, c. 23, s. 541.

125.2. The decision under section 125.1 may, within 30 days of its notification, be contested before the Financial Markets Administrative Tribunal

History: 2018, c. 23, s. 541.

126. A firm that wishes to terminate its activities in a given sector must apply to the Authority for the revocation of its registration for that sector.

The Authority may make the revocation subject to the conditions it determines.

Despite the registration revocation, the Authority shall retain jurisdiction with regard to acts performed prior to the revocation.

The Authority may suspend the firm's registration on the conditions it determines, or impose restrictions or conditions on it during examination of the application for revocation.

History: 1998, c. 37, s. 126; 2002, c. 45, s. 499; 2004, c. 37, s. 90; 2006, c. 50, s. 127.

127. A firm whose registration has been cancelled or revoked for a given sector must transfer all related records, books and registers to another firm, an independent partnership or an independent representative that is registered for that sector. The firm must inform the Authority in writing beforehand.

The Authority may object to the transfer or make it subject to the conditions it considers appropriate.

With the authorization of the Authority, the firm may, rather than transferring the records, books and registers, dispose of them otherwise.

If the firm refuses or is unable to transfer or dispose of the records, books and registers, the Authority shall take possession and determine the manner of disposing of them.

History: 1998, c. 37, s. 127; 2002, c. 45, s. 499; 2004, c. 37, s. 90; 2009, c. 58, s. 59.

CHAPTER II INDEPENDENT REPRESENTATIVES AND INDEPENDENT PARTNERSHIPS

128. Insurance representatives in insurance of persons and group insurance representatives, other than those referred to in section 32, damage insurance brokers, financial planners, claims adjusters and mortgage brokers who do not act for a firm and who are not a partner or employee of an independent partnership must, in order to pursue their activities, register with the Authority as an independent representative in each sector or class of sectors in which they are authorized to act pursuant to a certificate.

A partnership all the partners of which are representatives mentioned in the first paragraph may register with the Authority to act through its partners as an independent partnership in each sector for which one of its partners is authorized to act.

History: 1998, c. 37, s. 128; 2002, c. 45, s. 499; 2004, c. 37, s. 90; 2009, c. 25, s. 69; 2018, c. 23, s. 542.

129. No deposit institution or trust company may offer financial products or services in any of its establishments through an independent representative or independent partnership.

History: 1998, c. 37, s. 129; 2018, c. 23, s. 543.

130. A partnership applying for registration as an independent partnership must designate one partner to represent the partnership in dealings with the Authority. Once registration is issued, that partner shall become the partnership's Authority correspondent.

The partnership may designate another partner, at any time, to act as its Authority correspondent. The change shall take effect on the date on which the Authority receives notification of the change.

History: 1998, c. 37, s. 130; 2002, c. 45, s. 499; 2004, c. 37, s. 90.

131. Representatives who register as independent representatives must establish that they have subscribed for liability insurance that is consistent with the requirements determined by regulation.

Partnerships that register as independent partnerships must do likewise with respect to their partners and the representatives employed by them.

History: 1998, c. 37, s. 131; 2002, c. 45, s. 499; 2004, c. 37, s. 90; 2018, c. 23, s. 544.

132. The Authority may refuse to register an applicant as an independent representative or impose restrictions or conditions for registration where the applicant's registration for that sector has previously been cancelled.

The Authority may also refuse to register a partnership for a particular sector where the registration of one of the partners has previously been cancelled, or where one of the partners was previously a partner in an independent partnership or a director or executive officer of a firm whose registration has previously been cancelled.

History: 1998, c. 37, s. 132; 2002, c. 45, s. 499; 2004, c. 37, s. 90.

133. Representatives who register as independent representatives must pay the contribution payable to the Fonds d'indemnisation des services financiers pursuant to section 278, in addition to the fees required for registration.

A partnership registered as an independent partnership must make such payments in respect of each partner and each representative employed by it.

History: 1998, c. 37, s. 133; 2002, c. 45, s. 373.

134. An independent partnership may, at any time, employ a representative to pursue activities in a sector for which the partnership is registered. The partnership may act

through the representative as soon as the requirements set out in sections 131 and 133 have been met.

History: 1998, c. 37, s. 134.

135. While registered, independent representatives and independent partnerships must, annually, pay the fees prescribed by regulation to the Authority.

Independent representatives must also pay the contribution payable to the Fonds d'indemnisation des services financiers pursuant to section 278.

An independent partnership must make such payments in respect of each partner and each representative employed by it.

History: 1998, c. 37, s. 135; 2002, c. 45, s. 374; 2004, c. 37, s. 90.

136. Independent representatives must, while registered, maintain liability insurance that is consistent with the requirements determined by regulation.

Independent partnerships must do likewise with respect to their partners and the representatives they employ.

History: 1998, c. 37, s. 136; 2002, c. 45, s. 375; 2004, c. 37, s. 90; 2009, c. 58, s. 60; 2018, c. 23, s. 545.

137. An independent partnership must oversee the conduct of its representatives. It must ensure that its representatives and employees comply with this Act and the regulations.

**NOT IN FORCE – 2004, c. 37, a. 58 (Addition at the end)
Will come into force on a date set by the government**

The independent partnership shall set up a compliance program and designate an executive officer, or a person holding a management position under an executive officer's authority, to supervise enforcement of the program.

The content of the program, the mandate and powers of the compliance supervisor and the measures to ensure the compliance supervisor's independence are determined by regulation of the Authority, based on criteria specified in the regulation.

History: 1998, c. 37, s. 137.

138. In no case may an independent representative or a representative who is a partner in or employee of an independent partnership help or, by encouragement, advice or consent, or by an authorization or order, induce a representative, a firm or an independent partnership to infringe any provision of this Act or the regulations.

History: 1998, c. 37, s. 138.

139. Each independent representative and independent partnership shall keep client-related records in Québec, in accordance with the regulations, in a place that is the establishment of the representative or the partnership, and shall inform the Authority of the location and address of that place.

The information collected on clients by an independent representative shall be conserved and made accessible to the Authority, and may be disclosed only to an insurer whose products are offered by the independent representative or to a person to whom disclosure is authorized by law. Where a financial planner is registered as an independent representative, the information may only be disclosed to a person to whom disclosure is authorized by law.

The same requirements apply to an independent partnership.

History: 1998, c. 37, s. 139; 2002, c. 45, s. 499; 2004, c. 37, s. 90.

140. Each independent partnership registered for an insurance sector shall, unless it has received consent from a client under section 92, keep its insurance records separately from its other records, in accordance with the regulations.

The requirement to keep such records separately shall not operate to require an independent partnership to maintain separate computer systems.

History: 1998, c. 37, s. 140.

141. *(Repealed).*

History: 1998, c. 37, s. 141; 2008, c. 9, s. 139.

142. Independent representatives registered for an insurance sector and independent partnerships acting through an insurance representative may, notwithstanding section 23 of the Deposit Institutions and Deposit Protection Act (chapter A-26), receive deposits on behalf of a deposit institution authorized under that Act or a member bank of the Canada Deposit Insurance Corporation. No such representative may, however, receive a deposit of money.

Such deposits must be deposited with the deposit institution or bank on whose behalf the representative acts.

History: 1998, c. 37, s. 142; 2018, c. 23, s. 546.

143. No independent representative or independent partnership may share a commission except with another independent representative or independent partnership, a firm that is not a deposit institution or a trust company, or a broker or agency governed by the Real Estate Brokerage Act (chapter C-73.2).

The commission shall be shared in accordance with the procedure determined by regulation.

Independent representatives and independent partnerships shall enter every sharing of a commission in a register in the manner prescribed by regulation.

A person receiving an amount from the sharing of a commission made in accordance with this section is not required, by virtue of that fact, to be registered with the Authority under the third paragraph of section 71.

History: 1998, c. 37, s. 143; 2008, c. 9, s. 140; 2018, c. 23, s. 547.

144. An independent partnership must inform the Authority immediately, in writing, when the employment of a representative is terminated or when a partner leaves the partnership.

Where the employment is terminated or the partner leaves the partnership for reasons relating to the pursuit of the representative's or the partner's activities, the partnership must inform the Authority of those reasons.

A partnership that informs the Authority of such reasons incurs no civil liability thereby.

History: 1998, c. 37, s. 144; 2002, c. 45, s. 499; 2004, c. 37, s. 90.

145. *(Repealed).*

History: 1998, c. 37, s. 145; 2002, c. 45, s. 376.

146. Sections 74, 75, 79, 102, 103 to 103.7, 106 to 113, 114.1, 125.1, 126 and 127, adapted as required, apply to independent representatives.

Section 71.1, the first paragraph of section 72 and sections 74, 75, 79, 82, 84, 86.0.1, 90, 91, 102, 103 to 103.7, 106 to 113, 114.1, 125.1, 126 and 127 apply, with the necessary modifications, to independent partnerships.

History: 1998, c. 37, s. 146; 2002, c. 45, s. 377; 2009, c. 25, s. 70; 2009, c. 58, s. 61; 2018, c. 23, s. 548.

146.1. Sections 115, 115.1 and 115.3 to 115.9 apply to an independent representative or independent partnership that does not comply with this Act or the regulations, or if necessary in order to protect the public. Section 115.2 applies, with the necessary modifications, if an independent representative or independent partnership does not comply with section 103.1, 128, 135 or 136 of this Act or fails to file documents as required by regulation.

History: 2009, c. 58, s. 62; 2011, c. 26, s. 21.

CHAPTER III INTEREST IN DAMAGE INSURANCE BROKERAGE

147. For the purposes of this chapter,

— “*financial institution*” means a financial institution other than an insurer engaging exclusively in the business of reinsurance;

— “*firm*” means a firm registered as a damage insurance brokerage firm;

— “*financial group*” means a group made up of all or some of the following legal persons: a federation governed by the Act respecting financial services cooperatives (chapter C-67.3) and the legal persons that are members of the federation.

Any other group of legal persons composed of a financial institution and a legal person affiliated with the financial institution is also a financial group;

— “*affiliated legal person*” means a legal person that is controlled by or that controls another legal person.

A legal person affiliated with another legal person is deemed to be affiliated with any other legal person affiliated with that legal person;

— “*controlled legal person*” means a legal person in which more than 50% of the voting rights attached to its shares are held directly or indirectly by another legal person, or a majority of the directors of which can be elected by another legal person;

— “*legal person related to a financial institution*” or “*legal person related to a financial group*” means a legal person in which more than 20% of the shares or voting rights attached to the shares are held directly or indirectly by financial institutions or financial groups.

History: 1998, c. 37, s. 147; 2000, c. 29, s. 639; 2018, c. 23, s. 550.

148. (*Repealed*).

History: 1998, c. 37, s. 148; 2018, c. 23, s. 551.

149. No financial institution, financial group or related legal person may use a name previously used by an independent representative having pursued activities as a damage insurance broker or the name of an independent partnership or firm having pursued activities through a damage insurance broker.

History: 1998, c. 37, s. 149.

150. A firm may not be registered with the Authority as a damage insurance firm if a financial institution, a financial group or a legal person related thereto holds an interest allowing it to exercise more than 20% of the voting rights attached to the shares issued by the firm or an interest representing more than 50% of the value of the firm’s equity capital.

For the purposes of the first paragraph, a firm's equity capital does not include shares that do not carry the right to vote or the right to receive a share of the firm's remaining property on liquidation.

History: 1998, c. 37, s. 150; 2018, c. 23, a. 552.

151. Section 150 does not apply, in relation to the percentage of shares, to a firm incorporated in Canada if the firm's shares were listed on a Canadian stock exchange on 21 December 1988.

Section 150 does not apply to a firm the shares of which are held

(1) by another firm incorporated in Canada the shares of which were listed on a Canadian stock exchange on 21 December 1988, as long as that firm does not become, in relation to the percentage of voting rights, a related legal person; or

(2) by a legal person incorporated in Canada the shares of which were listed on a Canadian stock exchange on 21 December 1988 and that on that date controlled a firm referred to in the first paragraph, as long as that legal person does not become, in relation to the percentage of voting rights, a related legal person.

History: 1998, c. 37, s. 151.

152. Section 150 does not apply to a firm referred to therein where the percentage of shares or voting rights attached to its shares exceeded 20% on 21 December 1988. However, the percentage may not be increased except to give effect to a contract entered into before 21 December 1988.

Where, on or after 22 December 1988, a firm referred to in the first paragraph allots its shares or registers a transfer of its shares and the effect thereof is to reduce the percentage of its shares or voting rights attached to its shares held directly or indirectly by financial institutions, financial groups or related legal persons, the new percentage shall become the highest percentage of shares or voting rights attached to the shares that may be held directly or indirectly by financial institutions, financial groups or related legal persons. However, this paragraph shall not operate to prevent a firm from allotting its shares or registering a transfer of its shares to give effect to a contract entered into before 21 December 1988.

The first and second paragraphs shall cease to apply to a firm referred to therein if the percentage of shares or voting rights attached to the shares reaches 20%.

History: 1998, c. 37, s. 152.

153. No firm referred to in the first paragraph of section 152 may, as long as more than 20% of its shares or voting rights attached to its shares are held directly or indirectly by financial institutions, financial groups or related legal persons, directly or indirectly hold shares in another firm or, on or after 11 May 1989, grant it a concession or acquire its business.

A firm referred to in the first paragraph that on 21 December 1988 holds, directly or indirectly, shares of another firm may continue to hold those shares. However, the percentage of such shares may not be increased on or after 22 December 1988, and the percentage of voting rights attached to such shares may not be increased on or after 11 May 1989 and, if either percentage is decreased on or after the applicable date, the new percentage shall become the highest percentage of such shares or such voting rights that the firm may hold, as long as more than 20% of its shares or voting rights attached to its shares are held directly or indirectly by financial institutions, financial groups or related legal persons.

The first and second paragraphs do not apply to a firm incorporated in Canada the shares of which are listed on a Canadian stock exchange on 21 December 1988.

History: 1998, c. 37, s. 153.

154. A firm that is not in compliance with the provisions of section 152 or 153 may not offer a product or service through a natural person or without the intermediary of such a person or purport to do so.

History: 1998, c. 37, s. 154; 2018, c. 23, s. 553.

155. Section 148 does not apply to a firm the shares of which are listed on a stock exchange.

However, not more than 49% of the shares of such a firm or voting rights attached to its shares may be held directly or indirectly by a financial institution, financial group or legal person related thereto.

History: 1998, c. 37, s. 155.

156. No firm referred to in section 155 may, as long as more than 49% of its shares or voting rights attached to its shares are held, directly or indirectly, by a financial institution, financial group or legal person related thereto, directly or indirectly hold the shares of another firm, grant it a concession or acquire its business.

History: 1998, c. 37, s. 156.

157. A firm referred to in section 155 that is not in compliance with sections 155 and 156 may not offer a product or service through a natural person or without the intermediary of such a person or purport to do so.

History: 1998, c. 37, s. 157; 2018, c. 23, s. 554.

TITLE II.1

Repealed, 2008, c. 9, s. 142.

History: 2002, c. 45, s. 378; 2008, c. 9, s. 142.

157.1. *(Repealed).*

History: 2002, c. 45, s. 378; 2008, c. 9, s. 142.

157.2. *(Repealed).*

History: 2002, c. 45, s. 378; 2008, c. 9, s. 142.

157.3. *(Repealed).*

History: 2002, c. 45, s. 378; 2008, c. 9, s. 142.

157.4. *(Repealed).*

History: 2002, c. 45, s. 378; 2008, c. 9, s. 142.

157.5. *(Repealed).*

History: 2002, c. 45, s. 378; 2008, c. 9, s. 142.

157.6. *(Repealed).*

History: 2002, c. 45, s. 378; 2008, c. 9, s. 142.

TITLE III AUTORITÉ DES MARCHÉS FINANCIERS

History: O.C. 495-2004, s. 1; 2004, c. 37, s. 90.

CHAPTER I

Repealed, 2002, c. 45, s. 379.

History: 2002, c. 45, s. 379.

158. *(Repealed).*

History: 1998, c. 37, s. 158; 2002, c. 45, s. 379.

159. *(Repealed).*

History: 1998, c. 37, s. 159; 2002, c. 45, s. 379.

160. *(Repealed).*

History: 1998, c. 37, s. 160; 2000, c. 8, s. 120; 2000, c. 15, s. 163; 2002, c. 45, s. 379.

161. *(Repealed).*

History: 1998, c. 37, s. 161; 2002, c. 45, s. 379.

162. *(Repealed).*

History: 1998, c. 37, s. 162; 2002, c. 45, s. 379.

163. *(Repealed).*

History: 1998, c. 37, s. 163; 2002, c. 45, s. 379.

164. *(Repealed).*

History: 1998, c. 37, s. 164; 2002, c. 45, s. 379.

165. *(Repealed).*

History: 1998, c. 37, s. 165; 2002, c. 45, s. 379.

166. *(Repealed).*

History: 1998, c. 37, s. 166; 2002, c. 45, s. 379.

167. *(Repealed).*

History: 1998, c. 37, s. 167; 2002, c. 45, s. 379.

168. *(Repealed).*

History: 1998, c. 37, s. 168; 2002, c. 45, s. 379.

169. *(Repealed).*

History: 1998, c. 37, s. 169; 2002, c. 45, s. 379.

170. *(Repealed).*

History: 1998, c. 37, s. 170; 2002, c. 45, s. 379.

171. *(Repealed).*

History: 1998, c. 37, s. 171; 2002, c. 45, s. 379.

172. *(Repealed).*

History: 1998, c. 37, s. 172; 2002, c. 45, s. 379.

173. *(Repealed).*

History: 1998, c. 37, s. 173; 2002, c. 45, s. 379.

174. *(Repealed).*

History: 1998, c. 37, s. 174; 2002, c. 45, s. 379.

175. *(Repealed).*

History: 1998, c. 37, s. 175; 2002, c. 45, s. 379.

176. *(Repealed).*

History: 1998, c. 37, s. 176; 2002, c. 45, s. 379.

177. *(Repealed).*

History: 1998, c. 37, s. 177; 2002, c. 45, s. 379.

178. *(Repealed).*

History: 1998, c. 37, s. 178; 2002, c. 45, s. 379.

179. *(Repealed).*

History: 1998, c. 37, s. 179; 2002, c. 45, s. 379.

180. *(Repealed).*

History: 1998, c. 37, s. 180; 2002, c. 45, s. 379.

181. *(Repealed).*

History: 1998, c. 37, s. 181; 2002, c. 45, s. 379.

182. *(Repealed).*

History: 1998, c. 37, s. 182; 2002, c. 45, s. 379.

183. *(Repealed).*

History: 1998, c. 37, s. 183; 2002, c. 45, s. 379.

**CHAPTER II
FUNCTIONS AND POWERS OF THE AUTHORITY**

History: 2002, c. 45, s. 380; 2004, c. 37, s. 90.

184. The Authority's mission is to see to the protection of the public regarding the exercise of the activities governed by this Act.

The Authority shall ensure compliance with this Act and the regulations governing certificate holders, firms, independent representatives and independent partnerships.

History: 1998, c. 37, s. 184; 2002, c. 45, s. 381; 2004, c. 37, s. 90.

185. The Authority may make recommendations to the Minister concerning any question relating to the distribution of financial products and services.

The Authority must advise the Minister on any question submitted by the Minister relating to the matters that fall within its jurisdiction.

History: 1998, c. 37, s. 185; 2002, c. 45, s. 499; 2004, c. 37, s. 90.

186. The Authority shall receive the complaints made against certificate holders, firms, independent representatives and independent partnerships.

History: 1998, c. 37, s. 186; 2002, c. 45, s. 382; 2004, c. 37, s. 90.

186.1. In the case of a complaint filed against a certificate holder, the Authority shall advise the firm or the independent partnership to which the certificate holder is attached of the filing of the complaint and its nature.

The Authority shall also advise the certificate holder.

History: 2002, c. 45, s. 383; 2004, c. 37, s. 90.

187. The Authority shall also receive the complaints made against distributors.

The Authority shall investigate complaints of a penal nature and, where it considers that there exists sufficient evidence that an offence has been committed, it shall institute proceedings.

The Authority shall examine complaints of a civil nature and may forward them to the distributor and insurer concerned.

The Authority shall, in a periodic report published in its bulletin, state the types of civil complaints it has received.

History: 1998, c. 37, s. 187; O.C. 495-2004, s. 2; 2004, c. 37, s. 90.

188. The Authority shall forward every complaint it receives concerning a representative to the syndic having jurisdiction, together with any relevant information or document relating to the complaint.

History: 1998, c. 37, s. 188; 2002, c. 45, s. 385; 2004, c. 37, s. 90.

189. *(Repealed).*

History: 1998, c. 37, s. 189; 2002, c. 45, s. 386; 2004, c. 37, s. 90; 2008, c. 7, s. 78.

189.1. *(Repealed).*

History: 2002, c. 45, s. 387; 2004, c. 37, s. 90; 2008, c. 7, s. 78.

190. The Authority may enter into an agreement with the Institut québécois de planification financière concerning professional development in financial planning.

History: 1998, c. 37, s. 190; 2002, c. 45, s. 499; 2004, c. 37, s. 90.

191. The Authority may exchange personal information with a syndic for the purpose of detecting or repressing offences under this Act or the regulations.

History: 1998, c. 37, s. 191; 2002, c. 45, s. 388; 2004, c. 37, s. 90.

192. The Authority may request from a chamber or a syndic any information or document necessary for the exercise of its functions.

History: 1998, c. 37, s. 192; 2002, c. 45, s. 389; 2004, c. 37, s. 90.

193. The Authority shall publish, periodically, an information bulletin to inform representatives, firms, and independent representatives and independent partnerships, as well as the general public, about its activities. The bulletin must, in particular, include the roll of hearings of the discipline committees, an excerpt from the roll of hearings of the Financial Markets Administrative Tribunal concerning cases relating to the administration of this Act, a summary of the decisions made by the Authority in respect of firms, independent representatives and independent partnerships, the decisions made in respect of the representatives, together with a summary of the Authority's report on activities.

History: 1998, c. 37, s. 193; O.C. 495-2004, s. 3; 2004, c. 37, s. 90; 2018, c. 23, s. 555.

194. The Authority shall publish its draft regulations in the information bulletin and the draft regulation made by a Chamber under the fourth paragraph of section 312.

Every draft regulation must be published with a notice stating the time that must elapse before the draft regulation may be made or be submitted for approval, and stating the fact that any interested person may, during that time, submit comments to the person designated in the notice.

The Authority shall also publish in the information bulletin all the regulations approved by the Minister or the Government under this Act.

History: 1998, c. 37, s. 194; 2002, c. 45, s. 391; 2004, c. 37, s. 90; 2008, c. 7, s. 79.

195. *(Repealed).*

History: 1998, c. 37, s. 195; 2002, c. 45, s. 392.

196. The Authority may determine by regulation, for each sector and class of sectors, the requirements with which the liability insurance contracts of firms, representatives acting on behalf of a firm without being employees, independent representatives and independent partnerships must be consistent.

The regulation may, in particular, prescribe the extent of coverage, the amount covered per claim, the amount of the deductible and the notice that must be given before a contract is cancelled, or prescribe the formulations of a standard policy.

History: 1998, c. 37, s. 196; 2002, c. 45, s. 393; 2004, c. 37, s. 90; 2013, c. 18, s. 51.

197. Insurers must, within the time prescribed by regulation, advise the Authority of their intention not to renew or to cancel the liability insurance contract of an independent representative, independent partnership or firm.

Insurers must also advise the Authority upon receiving a notice cancelling such a contract from an independent representative, independent partnership or firm.

Independent representatives, independent partnerships and firms must, at least 30 days before the date of expiry of their liability insurance contract, either renew the contract or make a contract with another insurer for a period of at least one year beginning on the day following the date of expiry.

History: 1998, c. 37, s. 197; 2002, c. 45, s. 499; 2004, c. 37, s. 90.

198. *(Repealed)*

History: 1998, c. 37, s. 198; 2002, c. 45, s. 394; 2004, c. 37, s. 59; 2018, c. 23, s. 556.

199. *(Repealed).*

History: 1998, c. 37, s. 199; 2002, c. 45, s. 499; 2004, c. 37, s. 90; 2018, c. 23, s. 556.

200. The Authority may, for each discipline, determine by regulation

(1) the minimum qualifications required to obtain a certificate, the courses that an applicant for a certificate must take, and the rules relating to the preparation and passing of prescribed examinations;

(2) the cases in which the requirements of paragraph 1 do not apply;

(3) the rules relating to compulsory training periods, the acts that trainees may perform during training periods, notwithstanding section 12, and the rules relating to the obligations of training supervisors;

(4) the cases in which training periods are not compulsory;

(5) the other conditions for obtaining a certificate;

(5.1) the rules relating to compulsory professional development of financial planners, after consultation with the Institut québécois de planification financière;

(6) the titles or abbreviations that a representative may use, the rules for obtaining authorization to use such titles and abbreviations, and the rules relating to their use;

(7) the various classes of sectors;

(8) the information that a representative must disclose to a person from whom the representative requires compensation, and the manner of disclosing the information;

(9) the information and documents that a representative or prospective representative must furnish.

History: 1998, c. 37, s. 200; 2002, c. 45, s. 395; 2004, c. 37, s. 90.

201. *(Repealed).*

History: 1998, c. 37, s. 201; 2002, c. 45, s. 396; 2004, c. 37, s. 90; 2009, c. 25, s. 71.

202. The Authority may, for each sector, determine by regulation

(1) the occupations that are incompatible with the pursuit of activities as a representative;

(2) the conditions and restrictions that apply to the pursuit of activities as a representative;

(3) the rules applicable to client solicitation and the representations made by representatives;

(4) the product information that representatives must give to clients, and the manner of giving such information.

History: 1998, c. 37, s. 202; 2002, c. 45, s. 397; 2004, c. 37, s. 90.

202.1. The Authority shall, for each sector, determine by regulation,

(1) the rules of ethics applicable to representatives;

(2) the rules governing compulsory professional development for representatives other than financial planners.

History: 2002, c. 45, s. 398; 2004, c. 37, s. 90; 2009, c. 25, s. 72.

202.2. The Authority may, for each sector, determine by regulation the information and documents that a firm acting without the intermediary of a natural person must give to clients, as well as their form.

History: 2018, c. 23, s. 557.

203. The Authority may, for each sector, make regulations to determine

- (1) the term of a representative's certificate;
- (2) the fees payable by a representative for the issue and renewal of a certificate;
- (3) the rules and procedure governing the issue and renewal of certificates;
- (4) the particulars that a certificate may contain;
- (5) *(paragraph repealed)*;
- (6) the manner in which and time within which the Authority must be informed by a representative of any change affecting the information entered in the register in respect of that representative.

History: 1998, c. 37, s. 203; 2002, c. 45, s. 399; 2004, c. 37, s. 90; 2018, c. 23, s. 558.

203.1. *(Repealed)*.

History: 2002, c. 45, s. 400; 2008, c. 9, s. 142.

204. The Authority may exercise the powers conferred on it by sections 200 to 203 according to such classes of sector it may determine.

History: 1998, c. 37, s. 204; 2002, c. 45, s. 401; 2004, c. 37, s. 90.

205. The Authority may, for each sector, allow representatives of a given sector to pursue activities in Québec from a base in another province or another country, and fix the professional requirements for the pursuit of such activities.

History: 1998, c. 37, s. 205; 2002, c. 45, s. 402; 2004, c. 37, s. 90.

206. *(Repealed)*.

History: 1998, c. 37, s. 206; O.C. 495-2004, s. 4; 2004, c. 37, s. 90; 2009, c. 25, s. 73; 2008, c. 9, s. 141.

207. The Authority may, by regulation, determine what constitutes a business relationship and the rules relating to the disclosure of business relationships for the purposes of section 26.

History: 1998, c. 37, s. 207; 2002, c. 45, s. 404; 2004, c. 37, s. 90; 2009, c. 25, s. 74.

208. The Authority may, by regulation, determine the information that must be disclosed by representatives in insurance of persons, group insurance representatives, damage insurance brokers and firms that are not insurers or that are not bound by an exclusive contract with an insurer to the person with whom they are transacting business concerning the insurers whose products they offer, and the manner in which the information must be disclosed.

History: 1998, c. 37, s. 208; 2002, c. 45, s. 499; 2004, c. 37, s. 90; 2018, c. 23, s. 559.

209. The Authority may, by regulation, determine the form and content of notices under sections 19 and 22 and the form and the content of forms for seeking specific consent under section 93.

History: 1998, c. 37, s. 209; 2002, c. 45, s. 499; 2004, c. 37, s. 90.

210. *(Repealed).*

History: 1998, c. 37, s. 210; 2002, c. 45, s. 499; 2004, c. 37, s. 90; 2009, c. 58, s. 63.

211. The Authority may, by regulation, determine the formalities, conditions and restrictions that apply to insurance representatives upon the replacement or renewal of an insurance or annuity contract.

History: 1998, c. 37, s. 211; 2002, c. 45, s. 499; 2004, c. 37, s. 90; 2018, c. 23, s. 560.

212. The Authority may, by regulation, determine

(1) the conditions to be met by a damage insurance broker in order to be authorized to act as a special broker, and the documents and reports that the broker must send to the Authority;

(2) the amount or method of calculating the security that the firm for which such a broker is acting must furnish to the Authority to secure the obligations of the outside insurers whose products are distributed by the broker;

(3) the information that the broker must give to clients in writing before placing a risk.

History: 1998, c. 37, s. 212; 2002, c. 45, s. 499; 2004, c. 37, s. 90.

213. The Authority may, by regulation, determine the circumstances under which a damage insurance agent or a damage insurance broker may be authorized to act as a claims adjuster and the conditions of exercise with which the agent or broker must comply.

Such a regulation may provide for rules that differ according to whether they apply to a damage insurance agent or a damage insurance broker.

History: 1998, c. 37, s. 213; 2002, c. 45, s. 499; 2004, c. 37, s. 90.

214. *(Repealed).*

History: 1998, c. 37, s. 214; 2000, c. 29, s. 640; 2002, c. 45, s. 500; 2004, c. 37, s. 90; 2009, c. 25, s. 75.

215. The Authority may, by regulation, determine the titles similar to the title of financial planner or claims adjuster, and the abbreviations, that may not be used.

History: 1998, c. 37, s. 215; 2002, c. 45, s. 499; 2004, c. 37, s. 90.

216. The Authority may, by regulation,

(1) determine special rules applicable to a natural person who, in accordance with the legislation of another province or state or of another country, acts as an insurance representative, claims adjuster or mortgage broker and applies for a certificate to act as such in Québec;

(2) determine the activities that such a person may pursue;

(3) set conditions and restrictions applicable to the pursuit of such activities.

History: 1998, c. 37, s. 216; 2002, c. 45, s. 499; 2004, c. 37, s. 90; 2018, c. 23, s. 561.

216.1. The Authority may, by regulation,

(1) determine the policy that firms must follow pursuant to section 103 or elements of such a policy;

(2) determine the policy that independent representatives must follow pursuant to the first paragraph of section 146 and section 103 or elements of such a policy; and

(3) determine the policy that independent partnerships must follow pursuant to the second paragraph of section 146 and section 103 or elements of such a policy.

History: 2018, c. 23, s. 562.

217. A regulation made by the Authority under this Act or a regulation made by a Chamber under the fourth paragraph of section 312 must be submitted to the Minister for approval with or without amendment.

However, a regulation made by the Authority under section 115.2, paragraph 2 of section 203 or any of sections 225, 226, 228, 274.1 and 278 of this Act must be submitted to the Government for approval with or without amendment.

A draft of a regulation referred to in the first paragraph may not be submitted for approval and the regulation may not be made before 30 days have elapsed since the publication of the draft. The regulation comes into force on the date of its publication in the *Gazette officielle du Québec* or on any later date specified in the regulation. Sections 4, 8, 11 and 17 to 19 of the Regulations Act (chapter R-18.1) do not apply to the regulation.

The Minister may make a regulation referred to in the first paragraph if the Authority or a Chamber fails to make such a regulation within the time determined by the Minister.

The Government may make a regulation referred to in the second paragraph if the Authority fails to make such a regulation within the time determined by the Government.

History: 1998, c. 37, s. 217; 2002, c. 45, s. 405; 2004, c. 37, s. 90; 2008, c. 7, s. 80; 2009, c. 58, s. 64; 2013, c. 18, s. 52; 2018, c. 23, s. 563.

217.1. *(Repealed).*

History: 2004, c. 37, s. 60; 2009, c. 25, s. 75.

218. The Authority may cancel, suspend or impose restrictions or conditions on a certificate where

(1) the certificate holder has made an assignment of property or has been placed under a receiving order pursuant to the Bankruptcy and Insolvency Act (R.S.C, 1985, c. B-3);

(2) the certificate holder has been convicted by a court inside or outside Canada of an act or offence which, in the opinion of the Authority, is linked to the pursuit of the activity of representative, or has pleaded guilty to such an act or offence;

(2.1) the certificate or the certificate holder's right to transact business has been cancelled or suspended, or restrictions or conditions have been imposed on it, by the discipline committee or by a body in Québec or another province or state that is responsible for supervising and monitoring persons acting as representatives;

(3) the certificate holder has been assigned a tutor, curator or adviser;

(4) the certificate holder no longer complies with an obligation prescribed by this Act or the regulations for the issue or renewal of the certificate.

The Authority may, in addition, suspend a certificate where the certificate holder has not complied with compulsory professional development requirements or the liability insurance requirements prescribed by regulation.

History: 1998, c. 37, s. 218; 2002, c. 45, s. 499; 2004, c. 37, s. 90; 2007, c. 15, s. 23; 2009, c. 25, s. 76.

219. The Authority may, for a given sector, refuse to issue or renew a certificate or impose restrictions or conditions on the certificate

(1) where the applicant's certificate or right to transact business has previously been cancelled or suspended, or where restrictions or conditions have previously been imposed on the applicant's certificate, by the discipline committee or by a body in Québec, another province or another state that is responsible for supervising and monitoring persons acting as representatives;

(2) where the applicant has previously been convicted by a court inside or outside Canada of an indictable offence or criminal act which, in the opinion of the Authority, is linked to the pursuit of the activity of representative, or has pleaded guilty to such an offence or act;

(3) where the applicant has been assigned a tutor, curator or adviser;

(4) where the applicant has made an assignment of property or has been placed under a receiving order pursuant to the Bankruptcy and Insolvency Act (R.S.C. 1985, c. B-3).

History: 1998, c. 37, s. 219; 2002, c. 45, s. 499; 2004, c. 37, s. 90; 2006, c. 50, s. 128; 2009, c. 25, s. 77.

220. The Authority may, for a given sector, refuse to issue or to renew a certificate, or impose conditions or restrictions on a certificate, where in its opinion the applicant does not possess the degree of honesty it considers necessary to pursue activities in that sector, or is in a situation it considers to be incompatible with the pursuit of activities in that sector.

History: 1998, c. 37, s. 220; 2002, c. 45, s. 499; 2004, c. 37, s. 90; 2009, c. 25, s. 78.

221. *(Repealed).*

History: 1998, c. 37, s. 221; 2002, c. 45, s. 406.

222. A certificate issued by the Authority must specify each sector or class of sectors for which the holder is authorized to act, together with the conditions and restrictions to which the holder is subject.

History: 1998, c. 37, s. 222; 2002, c. 45, s. 499; 2004, c. 37, s. 90.

223. The Authority may, by regulation, determine for each sector

(1) the rules applicable to the registration of firms, independent representatives and independent partnerships;

(2) the experience required of a representative in order to register as an independent representative or become a partner in or employee of an independent partnership;

(3) the cases in which the requirements prescribed under subparagraph 2 do not apply;

(4) the information and documents to be provided by applicants for registration;

(5) the rules relating to maintenance of registration;

(6) the rules applicable to client solicitation;

(7) the rules relating to advertisements and representations made by firms, independent representatives and independent partnerships, and the elements they may contain;

(8) the rules relating to the keeping of records and the register of commissions;

(9) the manner in which commissions are to be shared, and the rules relating to their entry in the register;

(10) *(subparagraph repealed)*;

(11) the nature, form and content of the books and other registers to be kept by firms, independent representatives and independent partnerships;

(12) the rules relating to the use, conservation and destruction of the records, books and registers to be kept by firms, independent representatives and independent partnerships;

(13) the titles and abbreviations under which a firm, an independent representative or an independent partnership may make itself known;

(13.1) other rules relating to the activities of a firm, an independent representative or an independent partnership;

(14) *(paragraph repealed)*;

(15) the procedure by which and time within which firms, independent representatives and independent partnerships must advise the Authority of any change affecting the information entered in the register in their respect.

History: 1998, c. 37, s. 223; 2002, c. 45, s. 407; 2004, c. 37, s. 90; 2006, c. 50, s. 129; 2009, c. 25, s. 79; 2018, c. 23, s. 564.

224. The Authority shall, by regulation, determine the rules applicable to franchisers and franchisees.

History: 1998, c. 37, s. 224; 2002, c. 45, s. 408; 2004, c. 37, s. 90.

224.1. *(Repealed)*.

History: 2002, c. 45, s. 409; 2004, c. 37, s. 90; 2009, c. 25, s. 80.

NOT IN FORCE – 2004, c. 37, a. 61
Will come into force on a date set by the government

224.2. The Authority shall determine by regulation based on criteria specified in the regulation, the content of the compliance program to be set up by a firm or an independent partnership, as well as the powers and mandate of the compliance supervisor and measures to ensure the compliance supervisor's independence.

A regulation under the first paragraph may prescribe different rules according to the number of representatives acting for a firm or an independent partnership; it may also prescribe that the requirements relating to the designation, powers and mandate of the compliance supervisor and to the measures to ensure the compliance supervisor's independence do not apply.

History: 2004, c. 37, s. 61.

225. The Authority shall, by regulation, determine for each sector the fees payable for registration and the annual fees payable to maintain registration. In the case of a firm or an independent partnership, the fees shall be determined on the basis of the number of establishments the firm or partnership maintains or proposes to maintain in Québec, the number of representatives through whom it pursues or proposes to pursue its activities, and any other criteria the Authority considers relevant.

History: 1998, c. 37, s. 225; 2002, c. 45, s. 410; 2004, c. 37, s. 90.

226. The Authority shall, by regulation, determine the fees payable for any formality or other measure prescribed by this Act or the regulations, and the charges for the goods and services provided by the Authority.

History: 1998, c. 37, s. 226; 2002, c. 45, s. 411; 2004, c. 37, s. 90.

227. *(Repealed).*

History: 1998, c. 37, s. 227; 2002, c. 45, s. 412; 2004, c. 37, s. 90; 2009, c. 25, s. 80.

228. The Authority shall, by regulation, determine

(1) *(paragraph repealed);*

(2) *(paragraph repealed);*

(3) *(paragraph repealed);*

(4) the conditions governing the eligibility of a claim presented to the compensation fund and the maximum amount of compensation that may be paid.

History: 1998, c. 37, s. 228; 2002, c. 45, s. 413; 2004, c. 37, s. 90; 2007, c. 15, s. 24.

228.1. *(Repealed).*

History: 2004, c. 37, s. 62; 2009, c. 25, s. 80.

228.2. *(Repealed).*

History: 2004, c. 37, s. 62; 2009, c. 25, s. 80.

229. The Authority may apply to a judge of the Superior Court for an injunction in any matter relating to this Act or the regulations.

An application for an injunction constitutes a proceeding.

The procedure provided for in the Code of Civil Procedure (chapter C-25.01) applies, except that the Authority is not required to furnish security.

History: 1998, c. 37, s. 229; 2002, c. 45, s. 499; 2004, c. 37, s. 90; I.N. 2016-01-01 (NCCP).

230. *(Repealed).*

History: 1998, c. 37, s. 230; 2002, c. 45, s. 414; 2004, c. 37, s. 90; 2011, c. 26, s. 22.

231. The Authority may, on its own initiative and without notice, intervene in any proceeding in which a question relating to this Act or a regulation under it has been raised.

History: 1998, c. 37, s. 231; 2002, c. 45, s. 499; 2004, c. 37, s. 90.

232. The Minister may request that the Authority take into account the guidelines and objectives indicated by the Minister in performing its functions.

The report on activities of the Authority must indicate the steps it has taken in that respect.

History: 1998, c. 37, s. 232; 2002, c. 45, s. 499; 2004, c. 37, s. 90.

233. *(Repealed).*

History: 1998, c. 37, s. 233; 2002, c. 45, s. 415.

CHAPTER III DOCUMENTS AND REGISTERS

234. The Authority shall keep and maintain the register of the representatives to whom it has issued a certificate.

The register shall, in the case of a representative acting for a firm, contain the representative's name, the name of each firm for which the representative acts, the address of each establishment to which the representative is attached, each sector or class of sectors for which the representative is authorized to act, the conditions or restrictions appearing on the representative's certificate and the term of the certificate.

In the case of an independent representative, the register shall contain the representative's name, the address of the representative's establishment, each sector or class of sectors for which the representative is authorized to act, the conditions or restrictions appearing on the representative's certificate and the term of the certificate.

In the case of a representative who is a partner in or employee of an independent partnership, the register shall contain the representative's name, the name of the independent partnership for which the representative acts, the address of the establishment to which the representative is attached, each sector or class of sectors for

which the representative is authorized to act, the conditions or restrictions appearing on the representative's certificate and the term of the certificate.

History: 1998, c. 37, s. 234; 2002, c. 45, s. 499; 2004, c. 37, s. 90.

235. The Authority shall keep and maintain a register of the firms, independent representatives and independent partnerships to which it grants registration.

The register shall, in the case of a firm, contain its name, the address of its head office and of each establishment it maintains in Québec, the sector or sectors for which registration is granted, and the name of each of the firm's representatives together with each sector or class of sectors in which the representative pursues activities and the establishment to which the representative is attached. Where applicable, the register shall specify whether the firm is a damage insurance agency or a damage insurance brokerage firm.

In the case of a damage insurance agency, the register shall contain the information that the agency is required to disclose under the second paragraph of section 83.1, while in the case of a damage insurance brokerage firm, the register shall contain the information that the firm is required to disclose under the third paragraph of that section.

In the case of an independent representative, the register shall contain the representative's name, the address of the representative's establishment, and the sectors and classes of sectors for which the representative is registered.

In the case of an independent partnership, the register shall contain the partnership's name, the address of all the partnership's establishments, and the names of all the partners of and representatives employed by the partnership, together with the sectors or classes of sectors in which they pursue activities and the establishments to which they are attached.

History: 1998, c. 37, s. 235; 2002, c. 45, s. 499; 2004, c. 37, s. 90; 2018, c. 23, a. 565.

235.1. *(Repealed).*

History: 2002, c. 45, s. 416; 2009, c. 25, s. 113.

236. The registers shall, in addition, contain any other information relating to representatives, firms and independent representatives and independent partnerships that the Authority considers relevant.

History: 1998, c. 37, s. 236; 2002, c. 45, s. 499; 2004, c. 37, s. 90.

237. *(Repealed).*

History: 1998, c. 37, s. 237; 2002, c. 45, s. 417.

238. Representatives, firms and independent representatives and independent partnerships shall inform the Authority, in the manner prescribed by regulation, of any change affecting the information contained in the register in their regard.

History: 1998, c. 37, s. 238; O.C. 495-2004, s. 5; 2004, c. 37, s. 90.

239. The Authority shall keep the registers available for public consultation, except the register referred to in section 240. Any person may obtain copies on payment of the fees prescribed by regulation.

History: 1998, c. 37, s. 239; 2002, c. 45, s. 499; 2004, c. 37, s. 90.

240. The Authority shall keep a register of individual life insurance policies.

The register shall contain the name and address of each insured, the name and address of the insurer that issued the policy, and any other information determined by government regulation.

History: 1998, c. 37, s. 240; 2002, c. 45, s. 499; 2004, c. 37, s. 90; 2018, c. 23, s. 566.

241. Every insurer in insurance of persons must, within the time and in the manner determined by regulation of the Authority, send the Authority the information it requires for the purposes of the register of individual life insurance policies.

The insurer must thereafter, in the same manner, send the Authority the information relating to newly-issued policies and cancelled policies.

History: 1998, c. 37, s. 241; 2002, c. 45, s. 499; 2004, c. 37, s. 90.

242. At the request of the Authority, an insurer in insurance of persons must verify whether a person whose particulars are forwarded to the insurer by the Authority is covered by an individual life insurance policy or a group insurance policy issued by the insurer.

The insurer shall send any relevant information to the Authority within the time determined by the Authority.

History: 1998, c. 37, s. 242; 2002, c. 45, s. 499; 2004, c. 37, s. 90.

243. A client who subscribed for a life insurance policy or a person whose life is insured under the policy may obtain any information recorded in the register concerning the policy from the Authority.

Upon proof of a person's death, only the following persons may obtain information from the Authority concerning the existence of an insurance policy on the deceased person's life and, if such a policy exists, have access to the information contained in the register: the liquidator of the succession, an heir, a successor or a beneficiary of the life insurance, the holder of parental authority over an heir, a successor or a beneficiary of the life insurance, and the advocates or notaries mandated by any of those persons.

The Authority shall, on payment of the fees set by government regulation, give the information contained in the register to any person who is entitled to obtain it.

History: 1998, c. 37, s. 243; 2002, c. 45, s. 499; 2004, c. 37, s. 90; 2018, c. 23, s. 567.

244. The Authority must, at the request of the Minister, forward any document or information the Minister requires concerning the Authority's activities relating to the administration of this Act.

History: 1998, c. 37, s. 244; 2002, c. 45, s. 419; 2004, c. 37, s. 90.

245. *(Repealed).*

History: 1998, c. 37, s. 245; 2002, c. 45, s. 420.

246. *(Repealed).*

History: 1998, c. 37, s. 246; 2002, c. 45, s. 420.

CHAPTER IV FINANCIAL PROVISIONS

247. *(Repealed).*

History: 1998, c. 37, s. 247; 2002, c. 45, s. 420.

248. *(Repealed).*

History: 1998, c. 37, s. 248; 2002, c. 45, s. 421; 2004, c. 37, s. 90; 2008, c. 7, s. 81.

249. The expenditure incurred by the Government for the application of this Act, as determined by the Government each year, shall be charged to the Authority.

History: 1998, c. 37, s. 249; 2002, c. 45, s. 499; 2004, c. 37, s. 90.

250. *(Repealed).*

History: 1998, c. 37, s. 250; 2002, c. 45, s. 422.

251. *(Repealed).*

History: 1998, c. 37, s. 251; 2002, c. 45, s. 422.

252. *(Repealed).*

History: 1998, c. 37, s. 252; 2002, c. 45, s. 422.

253. *(Repealed).*

History: 1998, c. 37, s. 253; 2002, c. 45, s. 422.

254. *(Repealed).*

History: 1998, c. 37, s. 254; 2002, c. 45, s. 422.

255. *(Repealed).*

History: 1998, c. 37, s. 255; 2002, c. 45, s. 422.

256. The Authority must, no later than 31 July of each year, file with the Minister a report on its activities relating to the administration of this Act for the preceding fiscal year.

The report must contain all the information required by the Minister.

The report shall mention the Authority's findings regarding the manner in which firms and independent partnerships protect the personal information they hold on their clients.

History: 1998, c. 37, s. 256; 2002, c. 45, s. 423; 2004, c. 37, s. 90; 2018, c. 23, s. 568.

257. The Minister shall lay the annual report before the National Assembly within 30 days of receiving it or, if the Assembly is not sitting, within 30 days of resumption.

History: 1998, c. 37, s. 257.

TITLE IV FINANCIAL SERVICES COMPENSATION FUND

NOTE

The amendments at section 258 has come into force on June 13, 2018 but have effect from June 12, 2015 (2018, c. 23, s. 813)

NOTE

Transitional provisions (2018, c. 23, s. 601)

Claims filed with the Authority for compensation for fraud, fraudulent tactics or embezzlement under section 258 of the Act respecting the distribution of financial products and services are governed by the legislation in force at the time of the fraud, fraudulent tactics or embezzlement.

258. A financial services compensation fund is hereby established under the name "Fonds d'indemnisation des services financiers".

The fund shall be assigned to the payment of indemnities payable to victims of fraud, fraudulent tactics or embezzlement in relation to financial products and services provided or offered by representatives, firms, independent representatives, independent partnerships, mutual fund dealers or scholarship plan dealers registered in accordance with Title V of the Securities Act (chapter V-1.1) or a representative of such dealers,

regardless of the sector or class of sectors in which they are authorized to act under their certificate or registration.

The suspension or cancellation of the certificate of a representative responsible for fraud, fraudulent tactics or embezzlement or of such a representative's right to transact business does not deprive the victim of the right to the indemnity provided for in the second paragraph if

(1) the victim was doing business with the representative before the suspension or revocation; and

(2) the fraud, fraudulent tactics or embezzlement occurred in the two years after the revocation or after the beginning of the suspension.

The same applies to the cancellation and suspension of a firm's independent representative's or independent partnership's registration.

History: 1998, c. 37, s. 258; 2002, c. 45, s. 424; 2009, c. 25, s. 81; 2018, c. 23, s. 569.

258.1. The Fonds d'indemnisation des services financiers shall be constituted of dues paid pursuant to section 278 as well as of amounts recovered under section 277.

History: 2002, c. 45, s. 425; 2009, c. 25, s. 82.

259. *(Repealed).*

History: 1998, c. 37, s. 259; 2002, c. 45, s. 426.

260. *(Repealed).*

History: 1998, c. 37, s. 260; 2002, c. 45, s. 426.

261. *(Repealed).*

History: 1998, c. 37, s. 261; 2002, c. 45, s. 426.

262. *(Repealed).*

History: 1998, c. 37, s. 262; 2002, c. 45, s. 426.

263. *(Repealed).*

History: 1998, c. 37, s. 263; 2002, c. 45, s. 426.

264. *(Repealed).*

History: 1998, c. 37, s. 264; 2002, c. 45, s. 426.

265. *(Repealed).*

History: 1998, c. 37, s. 265; 2002, c. 45, s. 426.

266. (Repealed).

History: 1998, c. 37, s. 266; 2002, c. 45, s. 426.

267. (Repealed).

History: 1998, c. 37, s. 267; 2002, c. 45, s. 426.

268. (Repealed).

History: 1998, c. 37, s. 268; 2002, c. 45, s. 426.

269. (Repealed).

History: 1998, c. 37, s. 269; 2002, c. 45, s. 426.

270. (Repealed).

History: 1998, c. 37, s. 270; 2002, c. 45, s. 426.

271. (Repealed).

History: 1998, c. 37, s. 271; 2002, c. 45, s. 426.

272. (Repealed).

History: 1998, c. 37, s. 272; 2002, c. 45, s. 426.

273. (Repealed).

History: 1998, c. 37, s. 273; 2002, c. 45, s. 426.

274. The amounts constituting the Fonds d'indemnisation des services financiers are managed by the Authority. The Authority shall keep separate books in respect of such amounts and the costs incurred for the administration and operation of the fund pursuant to this Title shall be defrayed out of the amounts constituting the fund.

The assets of the fund are not part of the assets of the Authority and may not be used for the execution of the Authority's obligations.

History: 1998, c. 37, s. 274; 2002, c. 45, s. 427; 2004, c. 37, s. 90.

274.1. The Authority, in accordance with the rules determined by regulation, shall rule on the admissibility of claims submitted to it and shall decide the amount of the indemnities to be paid.

**NOT IN FORCE – 2008, c. 7, a. 82 (Replacement)
Will come into force on a date set by the government**

274.1. An indemnity committee is established within the Authority.

The function of the committee is to rule on the eligibility of claims submitted to the Authority and decide the amount of the indemnities to be paid, in accordance with the rules determined by regulation. To that end, the committee may require any necessary document or information. Any document or information provided for that purpose remains the property of the Authority.

The committee may rule on the eligibility of a claim whether or not the perpetrator of the offence has been prosecuted or convicted.

History: 2002, c. 45, s. 427; 2004, c. 37, s. 90.

NOT IN FORCE – Addition (2018, c. 23, s. 598)
Will come into force on a date set by the government

274.1.1. The Authority may summarily dismiss any claim without a decision from the indemnity committee if the Authority considers the claim to be frivolous or clearly unfounded.

History: 2018, c. 23, s. 598.

NOT IN FORCE – 2008, c. 7, a. 82 (Addition)
Will come into force on a date set by the government

274.2. The committee is composed of three members appointed for a three-year term by the Minister, who designates a chair from among them.

At the end of their term, the committee members remain in office until they are reappointed or replaced.

A member who is absent or unable to act is replaced by a person appointed by the Minister for as long as the committee member is absent or unable to act.

Any vacancy on the committee is filled by the Minister.

History: 2008, c. 7, s. 82.

NOT IN FORCE – 2008, c. 7, a. 82 (Addition)
Will come into force on a date set by the government

274.3. The salary, fees or allowances, as the case may be, of each committee member are determined by the Minister and paid by the Authority out of the Fonds d'indemnisation des services financiers.

History: 2008, c. 7, s. 82.

NOT IN FORCE – 2008, c. 7, a. 82 (Addition)
Will come into force on a date set by the government

274.4. Committee members may not be prosecuted for acts performed in good faith in the performance of their duties.

History: 2008, c. 7, s. 82.

NOT IN FORCE – 2008, c. 7, a. 82 (Addition)
Will come into force on a date set by the government

274.5. Committee decisions are made by a majority vote of the members.

History: 2008, c. 7, s. 82.

NOT IN FORCE – 2008, c. 7, a. 82 (Addition)
Will come into force on a date set by the government

274.6. Not later than 31 July each year, the committee must report to the Minister on its activities for the previous fiscal year. The committee report is included in the activity report of the Authority.

History: 2008, c. 7, s. 82.

275. *(Repealed).*

History: 1998, c. 37, s. 275; 2002, c. 45, s. 428.

276. The Authority may determine eligibility of a claim whether or not the perpetrator of the offence has been prosecuted or convicted.

NOT IN FORCE – 2008, c. 7, a. 83 (Replacement)
Will come into force on a date set by the government

276. The Authority shall compensate a victim in accordance with the decision of the indemnity committee.”

History: 1998, c. 37, s. 276; 2002, c. 45, s. 429; 2004, c. 37, s. 90.

277. The Authority is subrogated in all the rights of a victim it compensates, up to the amount of compensation paid. The amounts so recovered shall be paid into the fund.

NOT IN FORCE – Addition at the end (2018, c. 23, s. 570)
Will come into force on a date set by the government

The filing of a claim with the Authority to obtain the indemnity referred to in the second paragraph of section 258 suspends prescription against the claimant for any right the claimant may assert with respect to the fraud, fraudulent tactics or embezzlement for which the claim is made.

The suspension lasts as long as an irrevocable decision has not been rendered with respect to the claim; the suspension may not, however, exceed two years.

History: 1998, c. 37, s. 277; 2002, c. 45, s. 430; 2004, c. 37, s. 90.

NOT IN FORCE – Addition (2018, c. 23, s. 571)
Will come into force on a date set by the government

277.1. The claimant may, within 30 days of the Authority's decision to summarily dismiss the claimant's claim or of a decision of the indemnity committee, apply to the Financial Markets Administrative Tribunal for a review. The Tribunal proceeds on the record only and may confirm or quash the initial decision and, in the latter case, render the decision that should have been rendered.

Notwithstanding section 115.16 of the Act respecting the regulation of the financial sector (chapter E-6.1), the Tribunal's decision may not be appealed.

History: 2018, c. 23, s. 571.

278. The Authority shall determine, by regulation, the amount of the contribution to be paid by each firm, independent representative, independent partnership and mutual fund dealer or scholarship plan dealer registered in accordance with Title V of the Securities Act (chapter V-1.1).

The Authority shall determine the contribution on the basis of the risk presented by each sector or class of sectors and any other criteria it considers relevant.

In the event of insufficient assets, the contribution must be determined so as to make up the insufficiency over a maximum period of five years.

History: 1998, c. 37, s. 278; 2002, c. 45, s. 431; 2004, c. 37, s. 63; 2009, c. 25, s. 83.

279. The Authority invests the sums making up the Fonds d'indemnisation des services financiers in accordance with section 38.6 of the Act respecting the regulation of the financial sector (chapter E-6.1).

History: 1998, c. 37, s. 279; 2002, c. 45, s. 432; 2004, c. 37, s. 64; 2008, c. 7, s. 84.

280. *(Repealed).*

History: 1998, c. 37, s. 280; 2002, c. 45, s. 433.

281. *(Repealed).*

History: 1998, c. 37, s. 281; 2002, c. 45, s. 433.

282. *(Repealed).*

History: 1998, c. 37, s. 282; 2002, c. 45, s. 433.

283. *(Repealed).*

History: 1998, c. 37, s. 283; 2002, c. 45, s. 433.

**TITLE V
CHAMBRE DE LA SÉCURITÉ FINANCIÈRE AND CHAMBRE DE L'ASSURANCE DE
DOMMAGES**

283.1. In this Title, the terms “mutual fund dealer representative” and “scholarship plan dealer representative” mean a person registered as such in accordance with Title V of the Securities Act (chapter V-1.1).

Furthermore, unless the context indicates otherwise, the term “representative” includes a person registered as a mutual fund dealer representative or as a scholarship plan dealer representative.

History: 2009, c. 25, s. 84.

**CHAPTER I
ESTABLISHMENT AND ORGANIZATION**

284. Two Chambers are hereby established under the names “Chambre de la sécurité financière” and “Chambre de l’assurance de dommages”.

History: 1998, c. 37, s. 284.

285. Each Chamber is a legal person.

History: 1998, c. 37, s. 285.

286. The Chambers and the Authority are subject to the Act respecting Access to documents held by public bodies and the Protection of personal information (chapter A-2.1).

History: 1998, c. 37, s. 286; 2002, c. 45, s. 499; 2004, c. 37, s. 90.

287. Each Chamber shall have its head office in Québec at the place it determines. Notice of the location of the head office, and of any change in its location, shall be published in the *Gazette officielle du Québec*.

History: 1998, c. 37, s. 287.

288. The affairs of each Chamber are administered by a board of directors consisting of 13 members.

Five members of the board must qualify as independent members, whereas the other eight members, in the case of the Chambre de la sécurité financière, must be

members of that Chamber and, in the case of the Chambre de l'assurance de dommages, must be from the industry.

History: 1998, c. 37, s. 288; 2004, c. 37, s. 65; 2011, c. 26, s. 23; 2013, c. 18, s. 53.

289. The members of the board of the Chambre de la sécurité financière who must be members of that Chamber are elected by the representatives in insurance of persons, group insurance representatives, mutual fund dealer representatives, scholarship plan dealer representatives and financial planners.

The members of the board of the Chambre de l'assurance de dommages who must be from the industry are elected by the damage insurance agents, damage insurance brokers and claims adjusters.

A Chamber's internal management by-law must set out the procedure governing the election of the members of its board.

History: 1998, c. 37, s. 289; 2009, c. 25, s. 85; 2011, c. 26, s. 24; 2013, c. 18, s. 53.

290. The board members of a Chamber who qualify as independent members shall be appointed by the Minister, on a recommendation of the board.

The situations that the board must examine in order to determine whether a board member qualifies as an independent member shall be specified in the Chamber's internal management by-law.

The board shall send the Minister any document required by the Minister for the purpose of appointing an independent member.

History: 1998, c. 37, s. 290; 2004, c. 37, s. 66; 2011, c. 26, s. 25; 2013, c. 18, s. 54.

290.1. The terms of the members of the board of a Chamber who are appointed by the Minister shall be determined by the Minister and may not exceed three years. They may be renewed consecutively twice only.

The board members' terms must be staggered so as to tend toward not more than a third of them expiring in the same year.

History: 2011, c. 26, s. 25; 2013, c. 18, s. 55.

290.2. Any member of the Chambre de la sécurité financière may, if eligible, run for a seat on the Chamber's board.

In the case of the Chambre de l'assurance de dommages, only an officer of an insurer or of a firm registered for the damage insurance or claims adjustment sector may, if eligible, run for a seat on the Chamber's board.

A member or an officer may run for one seat only.

History: 2011, c. 26, s. 25.

290.3. The eligibility requirements shall be set out in the Chamber's internal management by-law.

In the case of the *Chambre de la sécurité financière*, the elected board members must include the following persons:

- (1) two representatives in insurance of persons;
- (2) two mutual fund dealer representatives;
- (3) one group insurance representative;
- (4) one scholarship plan dealer representative; and
- (5) one financial planner.

In the case of the *Chambre de l'assurance de dommages*, the elected board members must include officers of insurers or firms from each of the following groups:

- (1) insurers that distribute their products mainly through damage insurance agents;
- (2) firms, other than insurers, that are registered for the damage insurance sector and pursue their activities through damage insurance brokers;
- (3) insurers that distribute their products mainly through damage insurance brokers; and
- (4) firms, other than insurers, that are registered for the claims adjustment sector.

The number of officers of insurers who are elected as board members under subparagraph 1 of the third paragraph by agents referred to in that subparagraph must be in the same proportion to all elected board members as those agents are to the Chamber's total membership.

The number of officers of firms who are elected as board members under subparagraph 2 of the third paragraph by brokers referred to in that subparagraph must be in the same proportion to all elected board members as those brokers are to the Chamber's total membership. At least one of those board members must be an officer of a firm comprising 15 or fewer brokers.

The number of officers of insurers or firms from those referred to in subparagraphs 3 and 4 of the third paragraph who are elected as board members by

claims adjusters must be in the same proportion to all elected board members as claims adjusters are to the Chamber's total membership.

All elected board members must hold a certificate in the damage insurance or claims adjustment sector, except one board member out of those elected under subparagraph 1 of the third paragraph, who may not be an officer holding such a certificate.

History: 2011, c. 26, s. 25; 2013, c. 18, s. 56.

291. The election of the members of the board of each Chamber shall be held by mail, in accordance with the internal management by-law of the Chamber.

The election may also be held by any other means of communication determined by the internal management by-law of the Chamber.

However, the elected member of the board of the *Chambre de la sécurité financière* who is not mentioned in the list set out in the second paragraph of section 290.3 is elected by the general meeting of the Chamber's members.

History: 1998, c. 37, s. 291; 2013, c. 18, s. 57.

292. *(Repealed).*

History: 1998, c. 37, s. 292; 2002, c. 45, s. 434.

293. All the members of a Chamber are entitled to vote.

History: 1998, c. 37, s. 293; 2002, c. 45, s. 435; 2011, c. 26, s. 26.

294. The election is held in accordance with the rules determined by the internal management by-law of the Chamber concerned.

History: 1998, c. 37, s. 294; 2002, c. 45, s. 436; 2004, c. 37, s. 67; 2009, c. 25, s. 86; 2011, c. 26, s. 27; 2013, c. 18, s. 58.

295. The Chamber shall send notice of the poll to all representatives. The Chamber shall also draw up the list of candidates, send it to the representatives, and compile the votes.

The Chamber shall then forward a list of the candidates declared elected to the Minister and to the Authority, which shall publish the list in its information bulletin.

History: 1998, c. 37, s. 295; 2002, c. 45, s. 437; 2004, c. 37, s. 90.

296. *(Repealed).*

History: 1998, c. 37, s. 296; 2002, c. 45, s. 438; 2004, c. 37, s. 68; 2009, c. 25, s. 87; 2013, c. 18, s. 59.

297. The members of the board of a Chamber shall designate a president from among their number, according to the procedure set out in the internal management by-law.

Likewise, the members of the board shall designate from among their number two vice-presidents in the case of the *Chambre de la sécurité financière*, and a single vice-president in the case of the *Chambre de l'assurance de dommages*.

History: 1998, c. 37, s. 297; 2002, c. 45, s. 439; 2004, c. 37, s. 69; 2011, c. 26, s. 28; 2013, c. 18, s. 60.

298. The term of office of the members of the board of a Chamber other than those appointed by the Minister is determined by the Chamber, according to the procedure set out in the internal management by-law.

/Notwithstanding the expiry of their terms, the members of the board shall remain in office until they are replaced or re-elected.

History: 1998, c. 37, s. 298; 2002, c. 45, s. 440; 2004, c. 37, s. 70.

299. The members of the board of the *Chambre de la sécurité financière* shall receive no remuneration. They shall, however, be entitled to an attendance allowance and to the reimbursement of expenses incurred in the performance of their duties, on the conditions and to the extent determined by the internal management by-law of the Chamber.

The same holds for the members of the board of the *Chambre de l'assurance de dommages* who are from the industry.

History: 1998, c. 37, s. 299; 2011, c. 26, s. 29.

300. Every vacancy, except a vacancy occurring among the positions held by members appointed by the Minister, shall be filled for the unexpired portion of the term of the member to be replaced.

If the unexpired portion of the term is one year or more, the position shall be filled by way of a by-election among the representatives of the sector concerned and, where required, the region concerned. If the unexpired portion of the term is less than one year, the board shall select the replacement from among the representatives concerned.

History: 1998, c. 37, s. 300; 2002, c. 45, s. 441; 2004, c. 37, s. 71.

301. Where the member to be replaced was a president or vice-president of a Chamber, the members of the board shall designate from their number a member to hold that office, after the replacement member has been elected or appointed.

History: 1998, c. 37, s. 301; 2004, c. 37, s. 72.

302. A vacancy occurs, in particular, when a member fails to attend the number of meetings determined by the internal management by-law of the Chamber, in the cases and circumstances indicated in the by-law.

History: 1998, c. 37, s. 302.

303. The president shall chair the meetings of the board and see to the proper functioning of the board, in accordance with the internal management by-law. The president shall also exercise the other responsibilities and powers assigned by the board.

When the president is absent or unable to act, the vice-president of the *Chambre de l'assurance de dommages* or, in the case of the *Chambre de la sécurité financière*, the vice-president designated by the internal management by-law, shall perform the duties of president.

History: 1998, c. 37, s. 303; 2004, c. 37, s. 73.

303.1. The board shall appoint a chief executive officer in the case of the *Chambre de la sécurité financière*, and a president and director general in the case of the *Chambre de l'assurance de dommages*.

The chief executive officer and the president and director general are responsible for the administration and management of their respective Chambers within the framework of the internal management by-law adopted by their respective Chambers.

Their remuneration and other conditions of office are determined by a contract binding them to their Chamber. They may also exercise other responsibilities and powers determined by the board.

History: 2004, c. 37, s. 74.

304. A Chamber may hold its meetings at any place in Québec.

History: 1998, c. 37, s. 304.

305. The quorum at board meetings of a Chamber is the majority of its members, unless otherwise provided in its internal management by-law.

History: 1998, c. 37, s. 305; 2004, c. 37, s. 75; 2011, c. 26, s. 30.

306. A decision by a Chamber is made on a majority vote of the members present.

Where there is a tie-vote, the member chairing the meeting shall have the casting vote.

The members may take part in a meeting using any means of communication that allows all the participants to communicate orally, such as the telephone.

History: 1998, c. 37, s. 306.

307. Where both the president and the vice-president are absent or unable to act, the members present at a meeting shall designate one of their number to chair the meeting.

History: 1998, c. 37, s. 307.

308. A decision signed by all the members of the board has the same value as a decision made at a meeting of the board.

History: 1998, c. 37, s. 308.

309. The board of each Chamber shall appoint a secretary.

Any other personnel member a Chamber needs to pursue its activities shall be appointed by the chief executive officer in the case of the *Chambre de la sécurité financière*, and by the president and director general in the case of the *Chambre de l'assurance de dommages*.

History: 1998, c. 37, s. 309; 2004, c. 37, s. 76; 2008, c. 7, s. 85; 2013, c. 18, s. 61.

310. Each Chamber shall determine, by regulation, the rules of ethics and the sanctions applicable to its board members and personnel.

History: 1998, c. 37, s. 310; 2004, c. 37, s. 77; 2008, c. 7, s. 86.

310.1. *(Repealed)*.

History: 2004, c. 37, s. 78; 2008, c. 7, s. 87.

311. On the written requisition of three members of the board, the secretary of a Chamber shall convene a special meeting.

History: 1998, c. 37, s. 311.

CHAPTER II FUNCTIONS AND POWERS

312. The mission of a Chamber shall be to ensure the protection of the public by maintaining discipline among and supervising the training and ethics of its members.

Chambers shall exercise the functions and powers provided for in this chapter, Chapter III of this Title and Chapters I and II of Title VI of this Act as recognized self-regulatory organizations to which the provisions of Title III, other than sections 62.1 to 62.4, of the Act respecting the regulation of the financial sector (chapter E-6.1) apply, with the necessary modifications.

In addition, they shall exercise any other function or power delegated to them by the Authority under section 61 of that Act.

They shall also exercise, in respect of their members, the regulatory power provided for in section 202.1, except the power provided for in paragraph 1 of that section in respect of mutual fund dealer representatives and scholarship plan dealer representatives.

The representatives referred to in the first paragraph of section 289 are members of the *Chambre de la sécurité financière* and the representatives referred to in the second paragraph of that section are members of the *Chambre de l'assurance de dommages*.

History: 1998, c. 37, s. 312; 2002, c. 45, s. 442; O.C. 1366-2003, s. 6; 2004, c. 37, s. 90; 2009, c. 25, s. 88; 2011, c. 26, s. 31; 2013, c. 18, s. 62.

313. Each Chamber shall determine, by regulation,

(1) *(subparagraph repealed)*;

(2) *(subparagraph repealed)*;

(3) the criteria, including the equivalency criteria, governing the granting or withdrawal of the titles mentioned in sections 317 and 318.

History: 1998, c. 37, s. 313; 2002, c. 45, s. 443; 2008, c. 7, s. 88.

314. A Chamber shall give its opinion on any matter submitted to it by the Authority. It may make recommendations to the Authority on any matter within the jurisdiction of the Authority.

To that end, a Chamber may establish committees composed of the persons it designates to collect all relevant information and report their findings to the Chamber together with their recommendations.

History: 1998, c. 37, s. 314; 2002, c. 45, s. 499; 2004, c. 37, s. 90.

315. A Chamber may offer services to its members, such as professional development sessions for sectors other than the financial planning sector, and advisory services in quality control and compliance with professional requirements.

The Chamber shall determine, by regulation, the fees payable for such services.

History: 1998, c. 37, s. 315; 2002, c. 45, s. 444; 2008, c. 7, s. 89.

316. A Chamber may enter into an agreement concerning the provision of compulsory upgrading and professional development sessions by any person.

History: 1998, c. 37, s. 316.

317. The *Chambre de la sécurité financière* has exclusive jurisdiction to authorize a representative in insurance of persons or a group insurance representative to use the title of “chartered life underwriter” and the abbreviation “(C.L.U.)” or the title of “registered life underwriter” and the abbreviation “(R.L.U.)”.

No person may use such a title or abbreviation unless the person holds an authorization from the Chamber and is authorized by the Authority to act as a representative in insurance of persons or a group insurance representative.

The Chamber may take all appropriate steps to prevent the unlawful use of such a title or abbreviation.

History: 1998, c. 37, s. 317; 2002, c. 45, s. 499; 2004, c. 37, s. 90.

318. The Chambre de l'assurance de dommages has exclusive jurisdiction to authorize a damage insurance broker to use the title of "chartered insurance broker" and the abbreviation "(C.I.B.)" or the title of "associate insurance broker" and the abbreviation "(A.I.B.)".

No person may use such a title or abbreviation unless the person holds an authorization from the Chamber and is authorized by the Authority to act as a damage insurance broker.

The Chamber may take all appropriate steps to prevent the unlawful use of such a title or abbreviation.

History: 1998, c. 37, s. 318; 2002, c. 45, s. 499; 2004, c. 37, s. 90.

319. The Chambre de la sécurité financière shall make recommendations to the Authority concerning the rules concerning the activities of mutual fund dealer representatives and scholarship plan dealer representatives.

History: 1998, c. 37, s. 319; 2002, c. 45, s. 500; 2004, c. 37, s. 90; 2009, c. 25, s. 89.

320. A Chamber shall, by regulation, determine the amount of the annual contribution its members must pay to it and the date before which such contribution must be paid.

The regulation shall be submitted to the members for approval.

History: 1998, c. 37, s. 320; 2002, c. 45, s. 445; 2008, c. 7, s. 90.

320.1. Each member must, within the time prescribed, pay the contribution determined pursuant to section 320 to the Chamber.

History: 2002, c. 45, s. 445.

320.2. The Chamber must notify the Authority if a member fails to pay the annual contribution.

History: 2002, c. 45, s. 445; 2004, c. 37, s. 90.

320.3. The Authority shall serve on a member who fails to pay the annual contribution to a Chamber a 15-day notice of the date on which the member's representative's certificate or registration will be suspended for failure to pay the annual contribution within the time prescribed.

Upon the expiry of the time prescribed, the Authority shall suspend the representative's certificate or registration if the member has failed to pay the amount of

the annual contribution and the applicable fees. The Authority shall then indicate in the register that the certificate or the registration has been suspended and notify the member, the Chamber and, where applicable, the firm or independent partnership for which the member is acting, that the member may no longer act as or purport to be a representative.

History: 2002, c. 45, s. 445; 2004, c. 37, s. 90; 2009, c. 25, s. 90.

320.4. A member whose representative's certificate or registration as a representative has been suspended for failure to pay the annual contribution may request that the Authority lift the suspension of the certificate or the registration after paying directly to the Authority the amount of the contribution together with the applicable fees.

Upon payment of the contribution and applicable fees, the Authority shall lift the suspension and issue a representative's certificate to the member or reinstate the member's registration, unless other grounds exist that prevent a certificate being issued to the member or the member's registration being reinstated.

The Authority shall in such case enter in the register an indication to that effect and notify the persons referred to in the second paragraph of section 320.3. The Authority shall remit the contribution received to the Chamber and retain the fees collected.

History: 2002, c. 45, s. 445; 2004, c. 37, s. 90; 2009, c. 25, s. 91.

320.5. At the request of a Chamber, the Authority shall collect the annual contributions from its members. The collection costs incurred by the Authority shall be borne by the Chamber.

History: 2002, c. 45, s. 445; 2004, c. 37, s. 90.

321. *(Repealed).*

History: 1998, c. 37, s. 321; 2002, c. 45, s. 446.

322. *(Repealed).*

History: 1998, c. 37, s. 322; 2002, c. 45, s. 446.

323. The financial year of a Chamber ends on 31 December.

History: 1998, c. 37, s. 323.

324. *(Repealed).*

History: 1998, c. 37, s. 324; 2002, c. 45, s. 447.

325. *(Repealed).*

History: 1998, c. 37, s. 325; 2002, c. 45, s. 448.

326. *(Repealed).*

History: 1998, c. 37, s. 326; 2002, c. 45, s. 449.

**CHAPTER III
SYNDICS**

327. The board of each Chamber shall appoint a syndic.

The Chamber shall fix the syndic's remuneration, employment benefits and other conditions of employment, all of which shall be borne by the Chamber.

History: 1998, c. 37, s. 327; 2002, c. 45, s. 450; 2004, c. 37, s. 79; 2013, c. 18, s. 63.

328. *(Repealed).*

History: 1998, c. 37, s. 328; 2002, c. 45, s. 451; 2004, c. 37, s. 80.

329. The duties of the syndics shall involve inquiring into matters on their own initiative or on receiving information to the effect that a representative has committed an offence under a provision of this Act, the Securities Act (chapter V-1.1) or the regulations under either of those Acts.

History: 1998, c. 37, s. 329; 2002, c. 45, s. 452; 2009, c. 25, s. 92.

330. The duties of the syndic of the Chambre de la sécurité financière shall relate to representatives in insurance of persons, group insurance representatives, financial planners, mutual fund dealer representatives and scholarship plan dealer representatives.

The duties of the syndic of the Chambre de l'assurance de dommages shall relate to damage insurance agents, damage insurance brokers and claims adjusters.

A syndic shall have jurisdiction to act in respect of a representative authorized to act in more than one sector if one of such sectors falls within the syndic's jurisdiction.

History: 1998, c. 37, s. 330; 2002, c. 45, s. 453; 2009, c. 25, s. 93.

331. The board of a Chamber may appoint assistants to assist in the performance of the duties of each syndic, and shall fix the remuneration, employment benefits and other conditions of employment of the assistants.

The remuneration of the assistants shall be borne by the Chamber.

History: 1998, c. 37, s. 331; 2002, c. 45, s. 454; 2004, c. 37, s. 81; 2013, c. 18, s. 64.

332. The assistants to a syndic shall perform their duties under the direction of the syndic.

The assistants shall have all the powers conferred on the syndic.

History: 1998, c. 37, s. 332; 2002, c. 45, s. 455.

333. Each Chamber shall appoint the personnel required to enable the activities of the syndic to be pursued.

History: 1998, c. 37, s. 333; 2002, c. 45, s. 456; 2013, c. 18, s. 65.

334. No syndic or assistant may be prosecuted by reason of acts performed in good faith in the performance of their duties.

History: 1998, c. 37, s. 334; 2002, c. 45, s. 457.

335. The syndics may exchange personal information with each other and with the Authority for the purpose of detecting or repressing offences under this Act or the regulations.

They may also obtain any information from the Authority concerning the Fonds d'indemnisation des services financiers.

History: 1998, c. 37, s. 335; 2002, c. 45, s. 458; 2004, c. 37, s. 90.

336. Upon receiving a complaint, a syndic shall immediately advise the Authority of the filing and nature of the complaint. The first paragraph of section 186.1 applies to such a complaint and, with the necessary modifications, to a complaint against a mutual fund dealer representative or a scholarship plan dealer representative.

The syndic shall also advise another syndic having jurisdiction in respect of the certificate holder as well as the certificate holder against whom the complaint is directed.

History: 1998, c. 37, s. 336; 2002, c. 45, s. 459; 2004, c. 37, s. 90; 2009, c. 25, s. 94.

337. Insurers, firms, independent partnerships and mutual fund dealers and scholarship plan dealers registered in accordance with Title V of the Securities Act (chapter V-1.1) must, at the request of a syndic, forward any required document or information concerning the activities of a representative.

History: 1998, c. 37, s. 337; 2002, c. 45, s. 460; 2009, c. 25, s. 95.

338. The syndics may conduct an inquiry into a firm or the establishment of an independent representative, an independent partnership or a mutual fund dealer or scholarship plan dealer registered in accordance with Title V of the Securities Act (chapter V-1.1).

History: 1998, c. 37, s. 338; 2002, c. 45, s. 461; 2009, c. 25, s. 96.

339. The person conducting the inquiry must produce identification and, on request, show evidence of authority issued by a syndic.

History: 1998, c. 37, s. 339; 2002, c. 45, s. 462.

340. A person conducting an inquiry may

(1) have access, at any reasonable time, to any establishment of a firm, independent representative, independent partnership or mutual fund dealer or scholarship plan dealer registered in accordance with Title V of the Securities Act (chapter V-1.1);

(2) examine and make copies of the books, registers, accounts, records and other documents of the firm, independent representative, independent partnership or mutual fund dealer or scholarship plan dealer registered in accordance with Title V of the Securities Act;

(3) require any document relating to their activities.

Every person having custody, possession or control of such books, registers, accounts, records and other documents must, at the request of the person conducting the inquiry, produce them and allow them to be examined.

History: 1998, c. 37, s. 340; 2009, c. 25, s. 97.

341. A person conducting an inquiry may verify access rights for any computer system to ensure that only authorized representatives have access to information.

History: 1998, c. 37, s. 341.

342. No person may hinder the work of a person conducting an inquiry, in particular by misleading that person.

History: 1998, c. 37, s. 342.

343. The documents, books, registers, accounts and records that a syndic or the person conducting the inquiry may require must be produced whatever their storage medium and whatever the means by which they may be accessed.

History: 1998, c. 37, s. 343; 2002, c. 45, s. 463.

344. Where a syndic has reasonable grounds to believe that an offence has been committed, a complaint shall be filed before the discipline committee against the representative concerned.

A complaint may also be filed by the Authority.

History: 1998, c. 37, s. 344; 2002, c. 45, s. 464; 2004, c. 37, s. 90.

345. A person who requests the holding of an inquiry shall be informed, in writing, by the syndic if a complaint is filed.

History: 1998, c. 37, s. 345; 2002, c. 45, s. 465.

346. A complaint may be filed against a person who is no longer the holder of a certificate issued by the Authority or no longer registered with the Authority as a mutual fund representative or a scholarship plan representative if, at the time of the alleged offence, the person was the holder of such a certificate or was so registered.

History: 1998, c. 37, s. 346; 2002, c. 45, s. 499; 2004, c. 37, s. 90; 2009, c. 25, s. 98.

347. A person who requested that an inquiry be held shall be informed, in writing, by the syndic of any decision not to file a complaint, of the reasons for the decision and of the possibility of seeking the opinion of the Authority's review committee.

In such a case, the complaint may be filed by the person.

History: 1998, c. 37, s. 347; 2002, c. 45, s. 466; 2004, c. 37, s. 90.

348. The syndics may, out of the sums granted for that purpose, retain the services of an expert.

History: 1998, c. 37, s. 348; 2002, c. 45, s. 467.

349. Where a syndic files a complaint with the discipline committee, the syndic shall conduct the proceedings.

History: 1998, c. 37, s. 349; 2002, c. 45, s. 467.

350. The syndic shall communicate the decision of the discipline committee to the person who requested the holding of the inquiry.

History: 1998, c. 37, s. 350; 2002, c. 45, s. 467.

351. The syndics shall report on their activities to the Chambers and to the Authority in the manner determined by the Authority.

History: 1998, c. 37, s. 351; 2002, c. 45, s. 468; 2004, c. 37, s. 90.

TITLE V.1 REVIEW COMMITTEE

History: 2002, c. 45, s. 469.

351.1. A review committee is hereby established within the Authority.

The purpose of the committee is to give any person who so requests an opinion concerning the decision of the syndic or syndic's assistant of one of the Chambers not to file a complaint following an inquiry held at the person's request.

The committee shall be made up of the members appointed by the Authority, whose number it shall determine.

At least two of the persons appointed shall be chosen from among the persons whose names appear on a list that the Authority may draw up for such purpose. The persons appointed in accordance with this paragraph shall be entitled, to the extent and subject to the conditions determined by the Government, to an attendance allowance and to the reimbursement of reasonable expenses incurred in the performance of their functions. The allowance and reimbursement shall be borne by the Authority.

The committee shall sit with three persons, at least one of whom shall be a member chosen in accordance with the fourth paragraph.

If the number of persons appointed so permits, the committee may sit in divisions of three persons, at least one of whom shall be a member chosen in accordance with the fourth paragraph.

History: 2002, c. 45, s. 469; 2004, c. 37, s. 90.

351.2. The person who requested the syndic to hold an inquiry may, within 30 days following the date of receipt of the decision of the syndic or syndic's assistant not to file a complaint before the discipline committee, request the opinion of the review committee.

Within 90 days following the date of receipt of a request for an opinion referred to in the first paragraph, the review committee shall render its decision in writing after examining the entire record and the evidence, which the syndic or syndic's assistant shall transmit to the committee, and after hearing the syndic or syndic's assistant as well as the person who requested the inquiry.

History: 2002, c. 45, s. 469.

351.3. In its opinion, the review committee may

(1) conclude that there is no reason to file a complaint before the discipline committee;

(2) ask the syndic or syndic's assistant to complete the inquiry; or

(3) conclude that there is reason to file a complaint before the discipline committee and suggest the name of a person who, acting in the capacity of a syndic, may file a complaint.

History: 2002, c. 45, s. 469.

TITLE VI DISCIPLINE COMMITTEES

351.3.1. In this Title, the terms “mutual fund dealer representative” and “scholarship plan dealer representative” mean a person registered as such in accordance with Title V of the Securities Act (chapter V-1.1).

Furthermore, unless the context indicates otherwise, the term “representative” includes a person registered as a mutual fund dealer representative or a scholarship plan dealer representative.

History: 2009, c. 25, s. 99.

CHAPTER I ESTABLISHMENT

352. A discipline committee is hereby established within each Chamber.

History: 1998, c. 37, s. 352.

353. A complaint made against a representative for an offence under the provisions of this Act, the Securities Act (chapter V-1.1) or a regulation under either of those Acts shall be brought before the discipline committee concerned.

History: 1998, c. 37, s. 353; 2009, c. 25, s. 100.

354. The discipline committee of the *Chambre de la sécurité financière* shall decide all complaints filed against representatives in insurance of persons, group insurance representatives and financial planners.

That discipline committee shall also decide all complaints filed against mutual fund dealer representatives and scholarship plan dealer representatives registered in accordance with Title V of the Securities Act (chapter V-1.1).

The discipline committee of the *Chambre de l'assurance de dommages* shall decide all complaints filed against damage insurance agents, damage insurance brokers and claims adjusters.

A complaint filed against a person referred to in the first or second paragraph who exercises a function provided for in this Act, including a syndic, a syndic's assistant, a person conducting an inquiry for a syndic or a member of a discipline committee, for acts engaged in the exercise of that function is inadmissible.

History: 1998, c. 37, s. 354; 2008, c. 7, s. 91; 2009, c. 25, s. 101.

355. Each discipline committee shall be composed of advocates and representatives.

History: 1998, c. 37, s. 355.

356. The business of each discipline committee shall be directed by a president appointed by the Minister, after consulting the Barreau, from among advocates having at least ten years of practice.

The Minister shall fix the remuneration, employment benefits and other conditions of employment of the president, which shall be borne by the Chamber.

History: 1998, c. 37, s. 356.

357. The Minister shall, after consulting the Barreau, appoint the vice-president from among the advocates having at least ten years of practice. The vice-president shall exercise the duties of the president when the latter is absent or unable to act.

History: 1998, c. 37, s. 357.

358. The president of each discipline committee shall, after consulting the Barreau, appoint the members, with the exception of the vice-president, who are to be chosen from among the advocates having at least ten years of practice.

The president shall prepare a list of the members and file the list with the Chamber.

History: 1998, c. 37, s. 358.

359. Each Chamber shall appoint a sufficient number of members to the discipline committee for each sector in which its members pursue activities as well as for mutual fund dealer representatives and scholarship plan dealer representatives registered in accordance with Title V of the Securities Act (chapter V-1.1), and according to three marketing sectors, chosen from among the members who are representatives.

History: 1998, c. 37, s. 359; 2002, c. 45, s. 470; 2009, c. 25, s. 102.

360. The first marketing sector is formed by the representatives who pursue activities for a firm or a mutual fund dealer or scholarship plan dealer registered in accordance with Title V of the Securities Act (chapter V-1.1) that is an authorized deposit institution, a bank, an authorized foreign bank or an authorized trust company.

History: 1998, c. 37, s. 360; 2009, c. 25, s. 103; 2018, c. 23, s. 573.

361. The second marketing sector is formed by the representatives who pursue activities for a firm or a mutual fund dealer or scholarship plan dealer registered in accordance with Title V of the Securities Act (chapter V-1.1) that is a financial institution or a person related to a financial institution, other than an authorized deposit institution, a bank, an authorized foreign bank or an authorized trust company, that is part of the same financial group or that operates a franchise authorized by such a financial group.

The expressions “financial institution”, “related person” and “financial group” have the meaning assigned in section 147, with the necessary modifications.

History: 1998, c. 37, s. 361; 2009, c. 25, s. 104; 2018, c. 23, s. 574.

362. The third marketing sector is formed by the remaining representatives.

History: 1998, c. 37, s. 362.

363. Each Chamber shall forward the list of the members appointed for each marketing sector to the president of the discipline committee.

History: 1998, c. 37, s. 363.

364. Each Chamber shall fix, by regulation, the salary and fees or other remuneration of the members of the discipline committee other than the president. The regulation shall prescribe the remuneration to be received by the vice-president when the latter replaces the president.

The regulation shall be submitted to the Government for approval with or without amendment.

History: 1998, c. 37, s. 364.

365. The term of the president shall not exceed five years and the term of the other members shall not exceed three years.

At the expiry of their term, the members of the discipline committee shall continue to serve on the committee until reappointed or replaced.

History: 1998, c. 37, s. 365.

366. Each Chamber shall appoint a secretary to its discipline committee. It shall also appoint another person to replace the secretary when the latter is absent or unable to act.

The Chamber shall also appoint the personnel required to ensure the proper functioning of the discipline committee.

History: 1998, c. 37, s. 366.

366.1. Section 124 of the Professional Code (chapter C-26) applies to members and secretaries of the discipline committees and to syndics, syndics' assistants and members of their personnel and to members of the review committee, with the necessary modifications.

History: 2002, c. 45, s. 471.

367. The secretary shall, in particular, prepare and keep the records of the committee.

The secretary shall also keep a roll of hearings which shall be made available for public consultation, and which the secretary shall post at least ten days before the date on which a hearing is to be held.

History: 1998, c. 37, s. 367.

368. A complaint made against a representative shall be served on the representative by the secretary, in the manner provided for in the Code of Civil Procedure (chapter C-25.01), at the establishment to which the representative is attached according to the register of the Authority.

History: 1998, c. 37, s. 368; 2002, c. 45, s. 499; 2004, c. 37, s. 90; I.N. 2016-01-01 (NCCP).

369. The secretary shall forward each executory decision of the discipline committee to the Authority and to the Chamber concerned.

History: 1998, c. 37, s. 369; 2002, c. 45, s. 499; 2004, c. 37, s. 90.

370. Each discipline committee shall forward an annual report on its activities to the Authority and to the Chamber concerned, on the date and in the form determined by the Chamber.

History: 1998, c. 37, s. 370; 2002, c. 45, s. 499; 2004, c. 37, s. 90.

CHAPTER II HEARINGS

371. A complaint shall be heard by three members of the discipline committee designated by the president, including an advocate who shall chair the hearing.

However, if a member of a discipline committee other than the chair becomes unable to act, the hearing may be validly continued and a valid decision made by the two remaining members.

History: 1998, c. 37, s. 371.

372. Where the president considers that, in a given sector, the number of members entered on the list for a marketing sector does not allow the members to be selected in a way that ensures impartiality, the president may correct the situation by designating any other member of the discipline committee to hear the complaint.

History: 1998, c. 37, s. 372.

373. A member of the discipline committee who is in a situation of conflict of interest must, on pain of forfeiture of office, disclose the situation to the president; that member may not hear a complaint.

Subparagraph 4 of the first paragraph of article 529 of the Code of Civil Procedure (chapter C-25.01), adapted as required, applies to an application for judicial review seeking forfeiture of office. The judgment of the court is executory and final and may not be appealed.

History: 1998, c. 37, s. 373; I.N. 2016-01-01 (NCCP).

374. A member of the discipline committee who has begun the hearing of a complaint but whose term as a member of the discipline committee has not been renewed may validly continue to hear the complaint and take part in the decision.

History: 1998, c. 37, s. 374.

375. The members of the discipline committee may not be prosecuted by reason of acts performed in good faith in the performance of their duties.

History: 1998, c. 37, s. 375.

376. The provisions of the Professional Code (chapter C-26) relating to the filing and hearing of a complaint, and to the decisions and penalties arising from the complaint, except subparagraph c of the first paragraph of section 156, apply, adapted as required, to the complaints received by the discipline committee.

The discipline committee may impose a fine of not less than \$2,000 nor more than \$50,000 for each offence. In determining the fine, the committee shall consider the damage caused to clients and the benefits derived from the commission of the offence.

History: 1998, c. 37, s. 376; 2009, c. 58, s. 65.

377. The president, or a member of the discipline committee designated by the president who is an advocate, acting alone, may hear and decide any preliminary exception.

History: 1998, c. 37, s. 377.

378. In no case may the committee, in the event of non-compliance with any of sections 18, 19, 29, 35 and 36, impose a reprimand or a fine of less than \$5,000.

History: 1998, c. 37, s. 378; 2009, c. 58, s. 66.

CHAPTER III APPEALS

379. A decision made by the discipline committee may be appealed to the Court of Québec.

However, a decision under which a penalty is to be imposed may not be appealed until the penalty has been imposed.

Sections 115.16 to 115.22 of the Act respecting the regulation of the financial sector (chapter E-6.1), adapted as required, apply to the appeal.

History: 1998, c. 37, s. 379; 2002, c. 45, s. 472; 2009, c. 58, s. 67; 2011, c. 26, s. 32.

380. *(Repealed).*

History: 1998, c. 37, s. 380; 2002, c. 45, s. 473.

381. *(Repealed).*

History: 1998, c. 37, s. 381; 2002, c. 45, s. 474; 2009, c. 58, s. 68.

382. *(Repealed).*

History: 1998, c. 37, s. 382; 2002, c. 45, s. 475; 2009, c. 58, s. 68.

383. *(Repealed).*

History: 1998, c. 37, s. 383; 2002, c. 45, s. 476; 2009, c. 58, s. 68.

384. *(Repealed).*

History: 1998, c. 37, s. 384; 2002, c. 45, s. 477.

**TITLE VII
SUPERVISION**

CHAPTER I

Repealed, 2002, c. 45, s. 478.

History: 2002, c. 45, s. 478.

385. *(Repealed).*

History: 1998, c. 37, s. 385; 2002, c. 45, s. 478.

386. *(Repealed).*

History: 1998, c. 37, s. 386; 2002, c. 45, s. 478.

387. *(Repealed).*

History: 1998, c. 37, s. 387; 2002, c. 45, s. 478.

388. *(Repealed).*

History: 1998, c. 37, s. 388; 2002, c. 45, s. 478.

389. *(Repealed).*

History: 1998, c. 37, s. 389; 2002, c. 45, s. 478.

390. *(Repealed).*

History: 1998, c. 37, s. 390; 2002, c. 45, s. 478.

391. *(Repealed).*

History: 1998, c. 37, s. 391; 2002, c. 45, s. 478.

392. *(Repealed).*

History: 1998, c. 37, s. 392; 2002, c. 45, s. 478.

393. *(Repealed).*

History: 1998, c. 37, s. 393; 2002, c. 45, s. 478.

394. *(Repealed).*

History: 1998, c. 37, s. 394; 2002, c. 45, s. 478.

CHAPTER II

Repealed, 2002, c. 45, s. 478.

History: 2002, c. 45, s. 478.

395. *(Repealed).*

History: 1998, c. 37, s. 395; 2002, c. 45, s. 478.

396. *(Repealed).*

History: 1998, c. 37, s. 396; 2002, c. 45, s. 478.

397. *(Repealed).*

History: 1998, c. 37, s. 397; 2002, c. 45, s. 478.

398. *(Repealed).*

History: 1998, c. 37, s. 398; 2002, c. 45, s. 478.

399. *(Repealed).*

History: 1998, c. 37, s. 399; 2002, c. 45, s. 478.

400. *(Repealed).*

History: 1998, c. 37, s. 400; 2002, c. 45, s. 478.

401. *(Repealed).*

History: 1998, c. 37, s. 401; 2002, c. 45, s. 478.

402. *(Repealed).*

History: 1998, c. 37, s. 402; 2002, c. 45, s. 478.

CHAPTER III

Repealed, 2011, c. 26, s. 33.

History: 2011, c. 26, s. 33.

403. *(Repealed).*

History: 1998, c. 37, s. 403; 2011, c. 26, s. 33.

404. *(Repealed).*

History: 1998, c. 37, s. 404; 2011, c. 26, s. 33.

405. *(Repealed).*

History: 1998, c. 37, s. 405; 2011, c. 26, s. 33.

406. *(Repealed).*

History: 1998, c. 37, s. 406; 2011, c. 26, s. 33.

407. *(Repealed).*

History: 1998, c. 37, s. 407; 2011, c. 26, s. 33.

TITLE VIII

DISTRIBUTION OTHER THAN THROUGH A REPRESENTATIVE

**CHAPTER I
INSURERS**

408. An insurer may, in accordance with this Title, offer insurance products through a distributor.

A distributor is a person who, in pursuing activities in a field other than insurance, offers, as an accessory, for an insurer, an insurance product which relates solely to goods sold by the person or secures a client's adhesion in respect of such an insurance product.

Only a natural person may distribute an insurance product on behalf of a distributor.

History: 1998, c. 37, s. 408; 2018, c. 23, s. 575.

408.1. The only insurance products relating to a vehicle or an immovable sold by a distributor that may be offered by the distributor are those described in section 424.

An automobile within the meaning of the Automobile Insurance Act (chapter A-25) and a vehicle to which the Act respecting off-highway vehicles (chapter V-1.2) applies are considered to be vehicles.

History: 2009, c. 58, s. 69.

409. An employee of an insurer whose principal duties consist in offering credit may act as a distributor and secure the adhesion of clients in respect of an insurance product referred to in paragraph 1 of section 426.

History: 1998, c. 37, s. 409.

410. *(Repealed).*

History: 1998, c. 37, s. 410; 2018, c. 23, s. 576.

411. *(Repealed).*

History: 1998, c. 37, s. 411; 2018, c. 23, s. 576.

412. *(Repealed).*

History: 1998, c. 37, s. 412; 2018, c. 23, s. 576.

413. *(Repealed).*

History: 1998, c. 37, s. 413; 2002, c. 45, s. 499; 2004, c. 37, s. 90; 2018, c. 23, s. 576.

414. *(Repealed).*

History: 1998, c. 37, s. 414; 2002, c. 45, s. 499; 2004, c. 37, s. 90; 2009, c. 58, s. 70; 2018, c. 23, s. 576.

415. *(Repealed).*

History: 1998, c. 37, s. 415; 2018, c. 23, s. 576.

416. *(Repealed).*

History: 1998, c. 37, s. 416; 2002, c. 45, s. 499; 2004, c. 37, s. 90; 2018, c. 23, s. 576.

417. *(Repealed).*

History: 1998, c. 37, s. 417; 2002, c. 45, s. 499; 2004, c. 37, s. 90; 2018, c. 23, s. 576.

418. *(Repealed).*

History: 1998, c. 37, s. 418; 2002, c. 45, s. 499; 2004, c. 37, s. 90; 2018, c. 23, s. 576.

419. The Authority may, if it considers that an insurer or distributor is not complying with this Title or a regulation under section 226, impose an administrative penalty not exceeding \$100,000 on the insurer or distributor.

Moreover, the Authority may order an insurer to cease distributing an insurance product through distributors.

History: 1998, c. 37, s. 419; 2002, c. 45, s. 479; 2004, c. 37, s. 90; 2009, c. 58, s. 71; 2018, c. 23, s. 577.

420. *(Repealed).*

History: 1998, c. 37, s. 420; 2018, c. 23, s. 578.

421. *(Repealed).*

History: 1998, c. 37, s. 421; 2018, c. 23, s. 578.

422. *(Repealed).*

History: 1998, c. 37, s. 422; 2002, c. 45, s. 499; 2004, c. 37, s. 90; 2018, c. 23, s. 578.

423. *(Repealed).*

History: 1998, c. 37, s. 423; 2002, c. 45, s. 499; 2004, c. 37, s. 90; 2009, c. 58, s. 72; 2018, c. 23, s. 578.

NOTE

Dispositions transitoires (2018, c. 23, a. 602)

Despite section 137 of chapter 25 of the statutes of 2009, paragraph 4 of section 424 of the Act respecting the distribution of financial products and services, enacted by section 105 of chapter 25 of the statutes of 2009, comes into force on 13 June 2018.

424. For the purposes of this Title, the following types of products are deemed to be insurance products which relate solely to goods:

- (1) travel insurance;
- (2) vehicle rental insurance, where the rental period is less than four months;
- (3) credit card and debit card insurance;

**NOT IN FORCE – Amendment (2009, c. 25, a. 105)
Will come into force on a date to be set by the Government**

- (4) funeral insurance;

(5) replacement insurance, that is, property insurance under which the insurer guarantees the replacement of the insured vehicle or insured parts and the form and conditions of which are approved by the Authority pursuant to section 71 of the Insurers Act (chapter A-32.1)..

History: 1998, c. 37, s. 424; 2009, c. 58, s. 73; 2018, c. 23, s. 579.

425. An authorized deposit institution or an authorized trust company may distribute travel insurance products. In such a case, it is deemed to act as a distributor.

An employee of an insurer may also distribute travel insurance products. In such a case, the employee is deemed to act as a distributor.

History: 1998, c. 37, s. 425; 2018, c. 23, s. 580.

426. For the purposes of this Title, the following insurance products are deemed to be insurance products which relate solely to goods and to which clients adhere:

- (1) debtor life, health and employment insurance;
- (2) investor life, health and employment insurance.

History: 1998, c. 37, s. 426; 2009, c. 58, s. 74.

427. The Government may order that an insurance product it specifies, except a product referred to in section 424 or 426, may not be offered by an insurer through a distributor.

History: 1998, c. 37, s. 427.

428. The Government may also order, after consulting the Authority, that an insurance product that cannot be offered by a distributor may be offered in accordance with Chapters I and II by any person it specifies.

The persons specified in the order are deemed to be distributors for that product.

History: 1998, c. 37, s. 428; 2002, c. 45, s. 499; 2004, c. 37, s. 90.

CHAPTER II DISTRIBUTORS

429. *(Repealed).*

History: 1998, c. 37, s. 429; 2018, c. 23, s. 581.

430. *(Repealed).*

History: 1998, c. 37, s. 430; 2018, c. 23, s. 581.

431. A person who distributes an insurance product, whether the person is a distributor or a natural person assigned that task by the distributor, must describe the product to the client and explain the nature of the guarantee.

The person distributing the product must clearly explain the exclusions under the guarantee to enable the client to decide whether the situation applying in the client's case constitutes an exclusion under the guarantee.

The person distributing the product must also, if the remuneration received by the distributor for the sale of the product exceeds 30% of its sale price, disclose that remuneration to the client.

History: 1998, c. 37, s. 431; 2018, c. 23, s. 582.

432. An insurer must, at the request of the Authority, disclose the remuneration it grants to distributors for the sale of a product.

History: 1998, c. 37, s. 432; 2002, c. 45, s. 499; 2004, c. 37, s. 90.

433. A distributor offering more than one insurance product for the same goods must disclose to the client the remuneration paid by the insurer for the sale of each insurance product.

History: 1998, c. 37, s. 433.

434. The person distributing a product must inform the client of the procedure and time limits for making a claim. The client must also be informed of the time available to the insurer to pay the insured amounts, and of the steps to be taken within a specified time limit if the insurer fails to allow the claim.

NOT IN FORCE – Repealed (2009, c. 58, a. 75)
Will come into force on a date to be set by the Government

434. *(Repealed).*

History: 1998, c. 37, s. 434.

435. *(Repealed).*

History: 1998, c. 37, s. 435; 2018, c. 23, s. 583.

436. Where a client of a distributor has not received the information required under section 431 or prescribed by a regulation made under the Insurers Act (chapter A-32.1), the distributor is liable for any resulting injury to the client.

The insurer is also liable if the distributor's non-compliance results from the insurer's failure to comply with this Title or a regulation referred to in the first paragraph.

History: 1998, c. 37, s. 436; 2009, c. 58, s. 76; 2018, c. 23, s. 584.

437. Sections 35 and 36, adapted as required, apply to a distributor who collects personal information of a medical or lifestyle-related nature from a client.

Sections 92 to 94 and 102, adapted as required, apply to distributors.

History: 1998, c. 37, s. 437.

438. A distributor who, after having been notified by an insurer of its decision to cease distributing an insurance product through the distributor, sells that product to a client is liable for any injury the client may suffer.

History: 1998, c. 37, s. 438; 2018, c. 23, s. 585.

439. A distributor may not subordinate the making of a contract to the making of an insurance contract with the insurer specified by the distributor.

The distributor may not exercise undue pressure on the client or use fraudulent tactics to induce the client to purchase a financial product or service.

History: 1998, c. 37, s. 439.

440. A distributor that, at the time a contract is made, causes the client to make an insurance contract must give the client a notice, drafted in the manner prescribed by regulation of the Authority, stating that the client may rescind the insurance contract within 10 days of signing it.

History: 1998, c. 37, s. 440; 2002, c. 45, s. 499; 2004, c. 37, s. 90; 2009, c. 25, s. 106.

441. A client may rescind an insurance contract made at the same time as another contract, within 10 days of signing it, by sending notice by registered mail.

Where such an insurance contract is rescinded, the first contract retains all its effects.

The first paragraph and section 440 do not apply to an insurance contract expiring within 10 days of its being signed.

History: 1998, c. 37, s. 441; 2009, c. 25, s. 106; I.N. 2016-01-01 (NCCP); 2018, c. 23, s. 586.

442. No contract may contain provisions allowing its amendment in the event of rescission or cancellation by the client of an insurance contract made at the same time.

However, a contract may provide that the rescission or cancellation of the insurance contract will entail, for the remainder of the term, the loss of the favourable conditions extended because more than one contract was made at the same time.

History: 1998, c. 37, s. 442; 2009, c. 25, s. 106.

443. A distributor that offers financing for the purchase of goods or services and that requires the debtor to subscribe for insurance to guarantee the reimbursement of the loan must give the debtor a notice, drawn up in the manner prescribed by regulation of the Authority, stating that the debtor may subscribe for insurance with the insurer and

representative of the debtor's choice provided that the insurance is considered satisfactory by the creditor, who may not refuse it without reasonable grounds. The distributor may not subordinate the making of the contract of credit to the making of an insurance contract with the insurer specified by the distributor.

No contract of credit may stipulate that it is made subject to the condition that the insurance contract subscribed with such an insurer remain in force until the expiry of the term, or subject to the condition that the expiry of such an insurance contract will entail forfeiture of term or the reduction of the debtor's rights.

The rights of the debtor under the contract of credit shall not be forfeited when the debtor rescinds, cancels or withdraws from the insurance contract, provided that the debtor has subscribed for insurance with another insurer that is considered satisfactory by the creditor, who may not refuse it without reasonable grounds.

History: 1998, c. 37, s. 443; 2002, c. 45, s. 499; 2004, c. 37, s. 90; 2009, c. 25, s. 106.

444. A distributor that, on granting a loan, solicits the adhesion of a client to debtor life, health or job loss insurance must provide the client with confirmation of insurance from the insurer within 30 days of the application for adhesion.

History: 1998, c. 37, s. 444.

CHAPTER III (Repealed)

History: 2018, c. 23, s. 587.

445. *(Repealed).*

History: 1998, c. 37, s. 445; 2002, c. 45, s. 499; 2004, c. 37, s. 90; 2018, c. 23, s. 587.

446. *(Repealed).*

History: 1998, c. 37, s. 446; 2018, c. 23, s. 587.

447. *(Repealed)*

History: 1998, c. 37, s. 447; 2002, c. 45, s. 499; 2004, c. 37, s. 90; 2018, c. 23, s. 587.

448. *(Repealed).*

History: 1998, c. 37, s. 448; 2018, c. 23, s. 587.

449. *(Repealed).*

History: 1998, c. 37, s. 449; 2002, c. 45, s. 480; 2004, c. 37, s. 90; 2018, c. 23, s. 587.

450. (Repealed).

History: 1998, c. 37, s. 450; 2002, c. 45, s. 499; 2004, c. 37, s. 90; 2018, c. 23, s. 587.

451. (Repealed).

History: 1998, c. 37, s. 451; 2002, c. 45, s. 499; 2004, c. 37, s. 90; 2018, c. 23, s. 587.

452. (Repealed).

History: 1998, c. 37, s. 452; 2002, c. 45, s. 499; 2004, c. 37, s. 90; 2018, c. 23, s. 587.

453. (Repealed).

History: 1998, c. 37, s. 453; 2009, c. 58, s. 77; 2018, c. 23, s. 587.

454. (Repealed).

History: 1998, c. 37, s. 454; 2002, c. 45, s. 481; 2004, c. 37, s. 90; 2018, c. 23, s. 587.

455. (Repealed).

History: 1998, c. 37, s. 455; 2002, c. 45, s. 499; 2004, c. 37, s. 90; 2009, c. 58, s. 78.

456. (Repealed).

History: 1998, c. 37, s. 456; 2002, c. 45, s. 482; 2004, c. 37, s. 90; 2009, c. 58, s. 78.

457. (Repealed).

History: 1998, c. 37, s. 457; 2002, c. 45, s. 499; 2004, c. 37, s. 90; 2018, c. 23, s. 587.

458. (Repealed).

History: 1998, c. 37, s. 458; 2002, c. 45, s. 499; 2004, c. 37, s. 90; 2018, c. 23, s. 587.

459. (Repealed).

History: 1998, c. 37, s. 459; 2002, c. 45, s. 499; 2004, c. 37, s. 90; 2018, c. 23, s. 587.

460. (Repealed)

History: 1998, c. 37, s. 460; 2002, c. 45, s. 499; 2004, c. 37, s. 90; 2018, c. 23, s. 587.

**TITLE IX
PENAL PROVISIONS**

461. Subject to the provisions of the second paragraph of section 12 and of Title VIII, every person that, without authorization from the Authority, acts as a representative, uses

the title or abbreviated title of a representative, or purports to be a representative is guilty of an offence.

History: 1998, c. 37, s. 461; 2002, c. 45, s. 499; 2004, c. 37, s. 90.

462. Every person that, without being registered with the Authority, acts as a firm in a given sector, or purports to be a registered firm, is guilty of an offence.

History: 1998, c. 37, s. 462; 2002, c. 45, s. 499; 2004, c. 37, s. 90.

462.1. Every person that offers products and services in a given sector directly to the public, without the intermediary of a natural person, is guilty of an offence, unless the person is a firm or an independent partnership registered with the Authority, or a distributor.

History: 2018, c. 23, s. 588.

463. Every person that, without being a representative, subordinates the making of a contract to a requirement that the client make an insurance contract is guilty of an offence.

History: 1998, c. 37, s. 463; 2018, c. 23, s. 589.

464. Every person that, without being a representative, exercises undue pressure on a client or uses fraudulent tactics to induce the client to purchase a financial product or service is guilty of an offence.

History: 1998, c. 37, s. 464; 2018, c. 23, s. 590.

465. Every person that, without authorization, uses titles similar to the title of claims adjuster or financial planner, as determined by regulation by the Authority, or an abbreviation of such a title, is guilty of an offence.

History: 1998, c. 37, s. 465; 2002, c. 45, s. 499; 2004, c. 37, s. 90.

466. Every person that, without being a financial planner, an independent partnership or a firm acting through a financial planner, or a firm for which a financial planner exclusively pursues his or her activities, purports to offer financial planning services is guilty of an offence.

History: 1998, c. 37, s. 466; 2018, c. 23, s. 591.

466.1. Every person that pays a commission in connection with the sale of a financial product or the provision of a financial service in contravention of section 100 or 143 is guilty of an offence.

History: 2009, c. 58, s. 79.

467. Every person that, not being a person referred to in section 100, receives a commission from a representative, an independent representative, an independent

partnership or a firm in connection with the sale of a financial product or the provision of a financial service is guilty of an offence.

History: 1998, c. 37, s. 467.

467.1. *(Repealed).*

History: 2002, c. 45, s. 483; 2008, c. 9, s. 142.

468. Every person that

(1) contravenes a decision of the Authority or the Financial Markets Administrative Tribunal,

(2) fails to provide, within the prescribed time, information or documents required under this Act or the regulations,

(3) fails to appear after summons, refuses to testify or refuses to communicate or deliver a document or thing required by the Authority or an agent appointed by it, in the course of an investigation or inspection, or

(4) attempts, in any manner, to hinder a representative of the Authority in the exercise of his or her functions in the course or for the purposes of an investigation or inspection

is guilty of an offence.

History: 1998, c. 37, s. 468; 2009, c. 58, s. 80; 2016, c. 7, s. 179.

469. *(Repealed).*

History: 1998, c. 37, s. 469; 2018, c. 23, s. 592.

469.1. Every person that in any manner makes a misrepresentation to the Authority, an insured, a client or any other person when pursuing activities governed by this Act or the regulations is guilty of an offence.

History: 2009, c. 58, s. 81.

469.2. Every representative who contravenes the trading instructions of a client or fails to execute transactions requested by a client is guilty of an offence.

History: 2009, c. 58, s. 81.

469.3. Every firm, independent representative, independent partnership or representative that grants a premium rebate that does not appear in the insurance contract issued by or on behalf of the insurer is guilty of an offence.

History: 2009, c. 58, s. 81.

470. Every person that, without being a representative, offers an insurance product that may only be offered by a representative is guilty of an offence.

History: 1998, c. 37, s. 470; 2018, c. 23, s. 593.

470.1. Every firm, independent representative or independent partnership that employs as a representative a person who does not hold a representative's certificate issued by the Authority is guilty of an offence.

History: 2009, c. 58, s. 82.

471. Every distributor that receives remuneration for the sale of an insurance product that exceeds 30% of the sale price of the product is guilty of an offence if the remuneration is not disclosed to the client by the distributor or by the person distributing the product.

History: 1998, c. 37, s. 471.

472. Every distributor that offers more than one insurance product for the same goods and that fails, when offering one of those products to a client, to disclose the remuneration paid by the insurer for the sale of each product is guilty of an offence.

History: 1998, c. 37, s. 472.

473. *(Repealed).*

History: 1998, c. 37, s. 473; 2018, c. 23, s. 594.

474. *(Repealed).*

History: 1998, c. 37, s. 474; 2002, c. 45, s. 499; 2004, c. 37, s. 90; 2018, c. 23, s. 594.

475. *(Repealed).*

History: 1998, c. 37, s. 475; 2018, c. 23, s. 594.

476. *(Repealed).*

History: 1998, c. 37, s. 476; 2002, c. 45, s. 499; 2004, c. 37, s. 90; 2018, c. 23, s. 594.

477. Every distributor that fails to comply with the provisions of one of sections 35, 36 and 92 to 94 is guilty of an offence.

History: 1998, c. 37, s. 477.

478. Every distributor that causes a client to make an insurance contract upon making another contract and fails to give the client the notice provided for in section 440 or 443 is guilty of an offence.

History: 1998, c. 37, s. 478.

479. An offence under any of sections 463, 464, 471, 472, 477 and 478 committed by a natural person to whom a distributor has entrusted the distribution of an insurance product is deemed to have been committed by the distributor.

History: 1998, c. 37, s. 479; 2018, c. 23, s. 595.

480. Every insurer that fails to comply with the provisions of section 33, 34 or 37 is guilty of an offence.

History: 1998, c. 37, s. 480.

481. *(Repealed).*

History: 1998, c. 37, s. 481; 2018, c. 23, s. 596.

482. Every insurer that helps or, by encouragement, advice or consent or by an authorization or order, induces a firm or an independent representative or independent partnership through which it offers insurance products or an executive officer, director, partner, employee or representative of such a firm or independent partnership to contravene any provision of this Act or the regulations is guilty of an offence.

The same applies to any director, executive officer, employee or mandatary of an insurer.

History: 1998, c. 37, s. 482.

483. *(Repealed).*

History: 1998, c. 37, s. 483; 2002, c. 45, s. 485; 2009, c. 58, s. 83.

484. *(Repealed).*

History: 1998, c. 37, s. 484; 2002, c. 45, s. 486.

485. Unless otherwise specially provided, every person that contravenes a provision of this Act or the regulations is guilty of an offence and is liable to a minimum fine of \$2,000 in the case of a natural person and \$3,000 in other cases, double the profit realized or one fifth of the sums entrusted to or collected by the person, whichever is the greatest amount. The maximum fine is \$150,000 in the case of a natural person and \$200,000 in other cases, four times the profit realized or half the sums entrusted to or collected by the person, whichever is the greatest amount.

In the case of an offence under section 468, 469.1 or 469.3, the minimum fine is \$5,000 or any other minimum fine determined under the first paragraph, whichever is the greatest amount.

In the case of an offence under section 469.1 or 469.3, the maximum fine is \$1,000,000 or any other maximum fine determined under the first paragraph, whichever is the greatest amount.

In the case of a second or subsequent conviction, the minimum and maximum fines are doubled.

History: 1998, c. 37, s. 485; 2008, c. 7, s. 92; 2009, c. 58, s. 84.

486. A legal person convicted of an offence under any of sections 463, 464, 477 and 478 is liable to a minimum fine of \$4,000, double the profit realized or one fifth of the sums entrusted to or collected by the legal person, whichever is the greatest amount. The maximum fine is \$200,000, four times the profit realized or half the sums entrusted to or collected by the legal person, whichever is the greatest amount.

In the case of a second or subsequent conviction, the minimum and maximum fines are doubled.

History: 1998, c. 37, s. 486; 2008, c. 7, s. 93; 2009, c. 58, s. 84.

487. An insurer convicted of an offence under section 480 or 482 is liable to a minimum fine of \$10,000, double the profit realized or one fifth of the sums entrusted to or collected by the insurer, whichever is the greatest amount. The maximum fine is \$200,000, four times the profit realized or half the sums entrusted to or collected by the insurer, whichever is the greatest amount.

In the case of a second or subsequent conviction, the minimum and maximum fines are doubled.

History: 1998, c. 37, s. 487; 2008, c. 7, s. 94; 2009, c. 58, s. 84.

488. An executive officer, director or employee of the principal offender, including a person remunerated on commission, who authorizes or permits an offence under this Act is liable to the same penalties as the principal offender.

History: 1998, c. 37, s. 488; 2008, c. 7, s. 95; 2009, c. 58, s. 84.

489. The contravention of a regulation made under this Act constitutes an offence that is subject to the same provisions as offences under this Act.

History: 1998, c. 37, s. 489; 2008, c. 7, s. 96; 2009, c. 58, s. 84.

490. *(Replaced).*

History: 1998, c. 37, s. 490; 2008, c. 7, s. 97; 2009, c. 58, s. 84.

491. A person who, by an act or omission, helps or induces another person to commit an offence is guilty of the offence as if the person had committed it. The person is liable to the same penalty as that prescribed for the commission of the offence.

The same applies to a person who, by encouragement or advice or by an order, induces another person to commit an offence.

History: 1998, c. 37, s. 491; 2009, c. 58, s. 85.

492. Proceedings for an offence under any of sections 461 to 483 may be instituted by the Authority.

When the Authority has taken charge of the prosecution, the fine imposed to punish the offence belongs to the Authority.

History: 1998, c. 37, s. 492; 2002, c. 45, s. 487; 2004, c. 37, s. 90.

493. *(Repealed)*.

History: 1998, c. 37, s. 493; 2002, c. 45, s. 488.

494. Penal proceedings for an offence under any of sections 461 to 483 are prescribed three years after the date of the opening of the record of inquiry relating to the offence. However, no proceedings may be instituted if more than five years have elapsed since the date on which the offence was committed.

A certificate from the secretary of the Authority stating the date on which the record of inquiry was opened is conclusive proof of that fact in the absence of any evidence to the contrary.

History: 1998, c. 37, s. 494; 2002, c. 45, s. 489; 2004, c. 37, s. 90; 2008, c. 7, s. 98.

TITLE IX.1 ***(Repealed)***

History: 2002, c. 45, s. 490; 2018, c. 23, s. 597.

494.1. *(Repealed)*.

History: 2002, c. 45, s. 490; 2018, c. 23, s. 597.

TITLE X **AMENDING PROVISIONS**

495. *(Amendment integrated into c. A-25, s. 93).*

History: 1998, c. 37, s. 495.

496. *(Amendment integrated into c. A-30, s. 82).*

History: 1998, c. 37, s. 496.

497. *(Amendment integrated into c. A-32, s. 1).*

History: 1998, c. 37, s. 497.

498. *(Amendment integrated into c. A-32, s. 10).*

History: 1998, c. 37, s. 498.

499. *(Amendment integrated into c. A-32, s. 57).*

History: 1998, c. 37, s. 499.

500. *(Amendment integrated into c. A-32, s. 93.79).*

History: 1998, c. 37, s. 500.

501. *(Amendment integrated into c. A-32, s. 93.86).*

History: 1998, c. 37, s. 501.

502. *(Amendment integrated into c. A-32, s. 93.160.1).*

History: 1998, c. 37, s. 502.

503. *(Amendment integrated into c. A-32, s. 93.165.1).*

History: 1998, c. 37, s. 503.

504. *(Amendment integrated into c. A-32, s. 93.214).*

History: 1998, c. 37, s. 504.

505. *(Amendment integrated into c. A-32, s. 93.226).*

History: 1998, c. 37, s. 505.

506. *(Amendment integrated into c. A-32, s. 93.229).*

History: 1998, c. 37, s. 506.

507. *(Amendment integrated into c. A-32, s. 130).*

History: 1998, c. 37, s. 507.

508. *(Amendment integrated into c. A-32, s. 174.8).*

History: 1998, c. 37, s. 508.

509. *(Amendment integrated into c. A-32, s. 204).*

History: 1998, c. 37, s. 509.

510. *(Amendment integrated into c. A-32, s. 222, English text).*

History: 1998, c. 37, s. 510.

511. *(Amendment integrated into c. A-32, s. 303).*

History: 1998, c. 37, s. 511.

512. *(Amendment integrated into c. A-32, s. 304).*

History: 1998, c. 37, s. 512.

513. *(Amendment integrated into c. A-32, s. 406.1).*

History: 1998, c. 37, s. 513.

514. *(Omitted).*

History: 1998, c. 37, s. 514.

515. *(Amendment integrated into c. A-32, s. 406.4).*

History: 1998, c. 37, s. 515.

516. *(Amendment integrated into c. B-1, s. 136).*

History: 1998, c. 37, s. 516.

517. *(Amendment integrated into c. C-4.1, s. 213).*

History: 1998, c. 37, s. 517.

518. *(Amendment integrated into c. C-4.1, s. 367.1).*

History: 1998, c. 37, s. 518.

519. *(Amendment integrated into c. C-4.1, s. 378).*

History: 1998, c. 37, s. 519.

520. *(Amendment integrated into c. C-4.1, s. 451.1).*

History: 1998, c. 37, s. 520.

521. *(Amendment integrated into c. C-4.1, s. 462).*

History: 1998, c. 37, s. 521.

522. *(Amendment integrated into c. C-73.1, s. 20).*

History: 1998, c. 37, s. 522.

523. *(Amendment integrated into c. C-73.1, s. 25).*

History: 1998, c. 37, s. 523.

524. *(Amendment integrated into c. C-73.1, s. 26).*

History: 1998, c. 37, s. 524.

525. *(Amendment integrated into c. C-73.1, ss. 27, 28).*

History: 1998, c. 37, s. 525.

526. *(Amendment integrated into c. C-73.1, s. 74).*

History: 1998, c. 37, s. 526.

527. *(Amendment integrated into c. C-73.1, s. 155).*

History: 1998, c. 37, s. 527.

528. *(Amendment integrated into c. I-11.1, Schedule I).*

History: 1998, c. 37, s. 528.

529. *(Amendment integrated into c. N-1.1, s. 77).*

History: 1998, c. 37, s. 529.

530. *(Amendment integrated into c. P-30, s. 62).*

History: 1998, c. 37, s. 530.

531. *(Amendment integrated into c. R-2.2, s. 6).*

History: 1998, c. 37, s. 531.

532. *(Amendment integrated into c. S-29.01, s. 170).*

History: 1998, c. 37, s. 532.

533. *(Amendment integrated into c. V-1.1, s. 148).*

History: 1998, c. 37, s. 533.

TITLE XI TRANSITIONAL PROVISIONS

534. A natural person who, on 18 July 1999, holds a certificate issued under the Act respecting market intermediaries (chapter I-15.1) is entitled to be issued a certificate corresponding to the certificate previously held.

Moreover, a natural person who, on 18 July 1999, holds a certificate of market intermediary in insurance of persons issued under the Act respecting market intermediaries is entitled to be issued a certificate authorizing the natural person to act both as a representative in insurance of persons and as a group insurance representative.

A natural person who, on 18 July 1999, is registered as the representative of a restricted practice broker in group savings plans, investment contracts or scholarship

plans in accordance with the Securities Act (chapter V-1.1) is entitled, subject to the same conditions and restrictions, to be issued a certificate corresponding to that registration.

History: 1998, c. 37, s. 534.

535. From 19 July 2002, every group insurance representative must, in order to obtain a certificate authorizing the pursuit of activities as a group insurance representative, possess the skills, schooling and experience determined by a regulation made by the Authority under paragraphs 1 to 4 of section 200.

History: 1998, c. 37, s. 535; 2002, c. 45, s. 499; 2004, c. 37, s. 90.

536. A person referred to in section 534 who, on 18 July 1999, is under a suspension, shall remain similarly suspended.

History: 1998, c. 37, s. 536.

537. When issuing a first certificate to a natural person referred to in section 534, the Bureau shall grant a reduction in the fees payable, calculated on a monthly basis, to offset the fees previously paid by the person that apply to the period after the certificate takes effect.

History: 1998, c. 37, s. 537.

538. A natural person referred to in paragraph 1 of section 4 of the Act respecting market intermediaries (chapter I-15.1) who, on 18 July 1999, acts as a damage insurance agent is entitled to be issued a certificate authorizing the person to act as a damage insurance agent.

History: 1998, c. 37, s. 538.

539. A damage insurance broker that, on 18 July 1999, pursues activities as a claims adjuster may, on making a first application for a certificate under this Act, include any document proving that the broker was authorized to pursue such activities on that date.

Notwithstanding section 534, where the Authority grants the application, the certificate shall indicate that the broker is authorized to act as a claims adjuster with regard to policies effected by the firm to which the broker is attached.

History: 1998, c. 37, s. 539; 2002, c. 45, s. 499; 2004, c. 37, s. 90.

540. A natural person who, on 18 July 1999, as part of that person's principal activity, pursues activities as a claims adjuster as the employee of an insurer, and who has a Bachelor's degree in administration with a major in insurance, a diploma of college studies in administrative techniques in the field of insurance, an attestation of college studies in damage insurance, or an attestation establishing passage of the examinations of the Associate of the Insurance Institute of Canada (AIIC) program, is entitled to be issued a certificate authorizing that person to act as a claims adjuster.

An employee of an insurer who, on 18 July 1999, has pursued activities as a claims adjuster for at least one year but who is not in possession of an attestation or diploma referred to in the first paragraph is entitled, on presenting a statement of his or her employer certifying that the employee has pursued such activities for at least one year, to be issued a certificate authorizing the employee to act as a claims adjuster.

An employee of an insurer who has pursued activities as a claims adjuster for less than one year but who is not in possession of such an attestation must, to obtain a certificate, pass the examination prepared by the Authority for that purpose.

History: 1998, c. 37, s. 540; 2002, c. 45, s. 499; 2004, c. 37, s. 90.

541. A natural person who, on 18 July 1999, holds a diploma in financial planning issued by the Institut québécois de planification financière is entitled to be issued a certificate authorizing the use of the title of financial planner.

History: 1998, c. 37, s. 541.

542. *(Repealed).*

History: 1998, c. 37, s. 542; 2008, c. 9, s. 141.

543. A natural person who, on 20 June 1998, holds a certificate authorizing the person to pursue activities as a market intermediary under the Act respecting market intermediaries (chapter I-15.1) and who, within two years from that date, establishes a legal person in order to act as a firm within the meaning of this Act is exempted from the payment of the fees payable for the filing of articles of constitution and for the related research report.

History: 1998, c. 37, s. 543.

544. Notwithstanding paragraph 2 of section 223, a representative referred to in section 128 who, on 18 July 1999, held a certificate issued under the Act respecting market intermediaries (chapter I-15.1) may register as an independent representative or be a partner in or employee of an independent partnership.

History: 1998, c. 37, s. 544.

545. Notwithstanding section 128 and paragraph 2 of section 223, a natural person who, on 20 June 1998, holds a certificate issued under the Act respecting market intermediaries (chapter I-15.1) authorizing that person to act as an agent in insurance of persons or a damage insurance agent may, within two years from 19 July 1999, register as an independent representative.

An insurer whose products are distributed through an independent representative referred to in the first paragraph is not required, by virtue of that fact, to register with the Authority.

History: 1998, c. 37, s. 545; 2002, c. 45, s. 499; 2004, c. 37, s. 90.

546. A person referred to in the first paragraph of section 545 whose registration is cancelled or withdrawn may not re-register as an independent representative.

History: 1998, c. 37, s. 546.

547. Persons who were employed by a market intermediary in damage insurance and who were, pursuant to the By-law of the Conseil des assurances de dommages respecting market intermediaries in damage insurance and the Regulation respecting multidisciplinary firms, declared on or before 12 June 1998 on the lists forwarded to the Inspector General of Financial Institutions or the Conseil des assurances de dommages may exercise the activities they were permitted to exercise.

History: 1998, c. 37, s. 547.

548. Notwithstanding section 224 and subject to section 97, an agreement to authorize the operation of a franchise that is in force on 20 June 1998 may continue to apply in its existing form.

History: 1998, c. 37, s. 548.

549. *(Repealed)*.

History: 1998, c. 37, s. 549; 2002, c. 45, s. 499; 2004, c. 37, s. 90; 2008, c. 9, s. 141.

550. Upon the registration of a firm that, on 18 July 1999, has paid fees to act as a market intermediary or restricted practice securities broker, the Bureau shall reduce the fees payable, calculated on a monthly basis, to offset the fees previously paid by the firm that apply to the period after the registration takes effect.

History: 1998, c. 37, s. 550.

551. The Inspector General of Financial Institutions and the Commission shall remit to the Bureau the amounts corresponding to the fee reductions granted by the Bureau in respect of previously paid fees pursuant to sections 537 and 550.

The sums required to enable the Inspector General to fulfil the requirements of the first paragraph shall be taken out of the Consolidated Revenue Fund.

History: 1998, c. 37, s. 551.

552. The Bureau may, before 1 October 1999, issue representative's certificates and restricted certificates, and register legal persons as firms, or register representatives or partnerships as independent representatives or independent partnerships. Such certificates, restricted certificates and registrations shall take effect on 1 October 1999.

History: 1998, c. 37, s. 552.

553. *(Repealed)*.

History: 1998, c. 37, s. 553; 2002, c. 45, s. 492; 2004, c. 37, s. 90; 2008, c. 9, s. 141.

554. Every insurance broker that, on 30 September 1999, is authorized to use the title of “chartered insurance broker” or “associate insurance broker” may, so long as authorized by the Authority to act as a damage insurance broker, continue to use such a title.

Every market intermediary in insurance of persons that, on 30 September 1999, is authorized to use the title of “chartered life underwriter” or the title of “registered life underwriter” may, so long as authorized by the Authority to act as an insurance representative in insurance of persons, continue to use such a title.

History: 1998, c. 37, s. 554; 2002, c. 45, s. 499; 2004, c. 37, s. 90.

555. The property, rights and obligations of the Association des intermédiaires en assurance de personnes du Québec and the Association des courtiers d’assurances de la province de Québec are transferred, respectively, to the Chambre de la sécurité financière and the Chambre de l’assurance de dommages, and the two associations are dissolved.

History: 1998, c. 37, s. 555.

556. The property, rights and obligations of the Conseil des assurances de personnes and the Conseil des assurances de dommages, established under section 58 of the Act respecting market intermediaries (chapter I-15.1), are transferred to the Bureau and the two councils are dissolved.

History: 1998, c. 37, s. 556.

557. Subject to section 562, the register of financial planners and multidisciplinary firms holding a certificate issued by the Inspector General of Financial Institutions, together with the files and other documents concerning them, in whatever the medium they are stored, shall become the register, files and documents of the Bureau.

The same applies to the register, files and other documents of the Commission relating to restricted practice brokers in group savings, investment contracts and scholarship plans, and their representatives.

History: 1998, c. 37, s. 557.

558. The property, rights and obligations of the Fonds d’indemnisation en assurance de personnes, the Fonds d’indemnisation en assurance de dommages and the Fonds d’indemnisation des planificateurs financiers, established under section 161 of the Act respecting market intermediaries (chapter I-15.1), are transferred to the Fonds d’indemnisation des services financiers, and the funds are dissolved.

The sums of money deriving from the funds shall be kept separate from the other assets of the Fonds d’indemnisation des services financiers and shall be allocated exclusively to the payment of claims arising from acts referred to in section 175 of the Act

respecting market intermediaries that occurred between 1 September 1991 and 30 September 1999 and to the payment of the amounts required for their operation.

History: 1998, c. 37, s. 558.

559. The Authority shall rule on the admissibility for payment of claims arising from acts occurring between 1 September 1991 and 30 September 1999 in accordance with section 175 and paragraph 2 of section 176 of the Act respecting market intermediaries (chapter I-15.1) as those provisions read on 30 September 1999.

History: 1998, c. 37, s. 559; 2002, c. 45, s. 493; 2004, c. 37, s. 90.

560. Should the sums of money from the Fonds d'indemnisation en assurance de personnes and the Fonds d'indemnisation en assurance de dommages prove insufficient to meet the claims made on them, the Authority shall impose a special contribution on representatives in insurance of persons or, as the case may be, on damage insurance agents, damage insurance brokers and claims adjusters.

A representative referred to in the first paragraph must, not later than 30 days after the notice of assessment is mailed, pay the special contribution.

History: 1998, c. 37, s. 560; 2002, c. 45, s. 494; 2004, c. 37, s. 90.

561. The Government may, from 1 October 2004, authorize the Authority to integrate into the Fonds d'indemnisation des services financiers the amounts deriving from the three separate funds referred to in section 558.

History: 1998, c. 37, s. 561; 2002, c. 45, s. 495; 2004, c. 37, s. 90.

562. The Inspector General may validly pursue the hearing of a case begun before 1 October 1999 concerning the holder of a certificate issued by the Inspector General, and render a decision.

The same applies to the Commission where it has begun to hear a case relating to an offence committed by a restricted practice broker in group savings, investment contracts or scholarship plans, or a representative of such a broker.

History: 1998, c. 37, s. 562.

563. *(Repealed).*

History: 1998, c. 37, s. 563; 2002, c. 45, s. 496.

564. The discipline committee referred to in section 352 is competent to hear and decide any complaint filed with a disciplinary committee referred to in section 148 of the Act respecting market intermediaries (chapter I-15.1) before 30 September 1999.

History: 1998, c. 37, s. 564.

565. The syndic may file a complaint before the discipline committee against a market intermediary who has committed an offence under the Act respecting market intermediaries (chapter I-15.1) or a regulation thereunder. The discipline committee has jurisdiction to hear the complaint.

The same applies to the co-syndic in connection with an offence under the Securities Act (chapter V-1.1) or a regulation thereunder committed by the representative of a restricted practice broker in group savings, investment contracts or scholarship plans. The discipline committee has jurisdiction to hear the complaint.

History: 1998, c. 37, s. 565.

566. The Authority has jurisdiction to cancel, suspend or impose restrictions or conditions on registration in a given sector where it considers that a firm has, before 30 September 1999, infringed a provision of the Act respecting market intermediaries (chapter I-15.1), the Securities Act (chapter V-1.1) or the Real Estate Brokerage Act (chapter C-73.1) or of a regulation under those Acts.

Sections 126 and 127 of this Act and sections 115.1 to 115.22 of the Act respecting the regulation of the financial sector (chapter E-6.1) apply to such a case heard by the Authority.

History: 1998, c. 37, s. 566; 2002, c. 45, s. 497; 2004, c. 37, s. 90; 2009, c. 58, s. 86.

567. The Authority has jurisdiction to institute or continue proceedings relating to a penal offence under Chapter X of the Act respecting market intermediaries (chapter I-15.1).

History: 1998, c. 37, s. 567; 2002, c. 45, s. 499; 2004, c. 37, s. 90.

568. The members of the first boards of directors of the *Chambre de la sécurité financière* and the *Chambre de l'assurance de dommages* shall be appointed by the Minister. They shall be appointed for a term of two and a half years.

The Minister shall designate, from among the members the Minister appoints to the board of directors of the *Chambre de la sécurité financière*, the members who are to fill the positions of president, of vice-president, insurance, and of vice-president, securities.

The Minister shall also designate, from among the members the Minister appoints to the board of the *Chambre de l'assurance de dommages*, the members who are to fill the positions of president and vice-president.

History: 1998, c. 37, s. 568; 2000, c. 29, s. 641.

568.1. *(Repealed).*

History: 2000, c. 29, s. 642; 2013, c. 18, s. 66.

569. The Minister shall determine the amount of the first dues that firms, independent representatives and independent partnerships must pay to the Bureau for the account of each Chamber. The amount shall remain applicable until a new amount is determined in accordance with section 320.

History: 1998, c. 37, s. 569.

570. The Chambre de l'assurance de dommages may, during the first two years following 20 June 1998, collect special annual contributions of \$100 from damage insurance brokers for the financing of the broker identification campaign managed by the Insurance Brokers Association of Canada.

The special contributions shall be remitted to the organization having its head office in Québec that has been authorized to receive them by the manager of the broker identification campaign.

History: 1998, c. 37, s. 570.

571. The Minister shall determine the amount of the first contribution that firms, independent representatives and independent partnerships must pay to the Bureau for the account of the compensation fund. The amount shall remain applicable until a new amount is determined in accordance with section 278.

History: 1998, c. 37, s. 571.

572. Notwithstanding section 177, the board of directors of the Bureau may appoint its personnel before adopting a by-law under that section. However, as soon as the by-law is adopted, the remuneration, employment benefits and other conditions of employment of the persons so appointed shall be revised, where necessary, in accordance with the by-law.

History: 1998, c. 37, s. 572.

573. In addition to the insurance products referred to in sections 424 and 426, a credit union may, in accordance with the provisions of Title VIII, continue to distribute the insurance products it distributed on 20 June 1998.

The Government shall, by order, identify those products.

History: 1998, c. 37, s. 573.

574. The provisions of Chapter III of Title II, adapted as required, apply to a firm acting through a representative in insurance of persons or a group insurance representative during the year following 1 October 1999.

During that period, the Bureau may, by regulation, create a class of agents and a class of brokers in the sectors of insurance of persons and group insurance of persons, and determine the requirements of each class.

A regulation made under the second paragraph shall be submitted to the Government for approval with or without amendment.

History: 1998, c. 37, s. 574.

575. When a regulation made under the second paragraph of section 574 is approved, the provisions of the first paragraph of that section shall continue to apply while the regulation remains in force.

History: 1998, c. 37, s. 575.

576. In addition to the amounts to be paid by the Bureau to the Commission pursuant to section 250, the Commission may claim from the Bureau an amount representing a share of the surplus the Commission pays into the Consolidated Revenue Fund pursuant to section 26 of the Act to amend the Securities Act (Statutes of Québec, 1997, chapter 36).

History: 1998, c. 37, s. 576.

577. In addition to the transitional provisions provided for in this Title, the Government may, in a regulation made before 1 July 1999, make any other transitional provision needed to supply any deficiency and ensure the application of this Act.

A regulation made pursuant to the first paragraph is not subject to the publication requirements prescribed by section 8 of the Regulations Act (chapter R-18.1).

History: 1998, c. 37, s. 577.

TITLE XII MISCELLANEOUS PROVISIONS

578. In Acts and the statutory instruments under them, and in contracts or other documents, unless otherwise indicated by the context,

(1) a reference to the Act respecting market intermediaries (chapter I-15.1) is a reference to this Act;

(2) the expressions “market intermediary in insurance business”, “market intermediary in damage insurance” and “market intermediary in insurance of persons” mean, respectively, “insurance representative”, “agent or broker in damage insurance or claims adjuster” and “representative in insurance of persons” within the meaning of this Act.

History: 1998, c. 37, s. 578.

579. The Government may, on the conditions and to the extent it determines, guarantee any loan contracted by the Bureau during fiscal years 1998-1999 and 1999-2000.

Where the Government guarantees such a loan, the Bureau must, at the request of the Minister, either directly or through the financial institutions with which it does business, provide the Minister with any information concerning its financial situation in the manner and within the time indicated by the Minister.

The sums required for the purposes of this section shall be taken out of the Consolidated Revenue Fund.

History: 1998, c. 37, s. 579.

NOTE

Transitional Measures – Order-in-Council 553-2019 (in force on June 13, 2019)

Despite the first paragraph of section 580 of the *Act respecting the distribution of financial products and services* (chapter D-9.2), the next report on the application of the Act must be submitted to the Government by the Minister of Finance not later than October 1, 2024 rather than October 1, 2019.

580. The Minister must, on or before 1 October 2004, and every five years thereafter, report to the Government on the application of this Act and, if need be, on the advisability of maintaining it in force or amending it.

The report shall be tabled in the National Assembly within 15 days or, if the Assembly is not sitting, within 15 days of resumption.

History: 1998, c. 37, s. 580.

580.1. The Autorité des marchés financiers is responsible for the administration of this Act.

History: 2002, c. 45, s. 498; 2004, c. 37, s. 90.

581. The Minister of Finance is responsible for the administration of this Act.

History: 1998, c. 37, s. 581.

582. *(Omitted).*

History: 1998, c. 37, s. 582.

583. *(Omitted).*

History: 1998, c. 37, s. 583.

REPEAL SCHEDULES

In accordance with section 9 of the Act respecting the consolidation of the statutes and regulations (chapter R-3), chapter 37 of the statutes of 1998, in force on 1 April 1999, is repealed, except section 583, effective from the coming into force of chapter D-9.2 of the Revised Statutes.

In accordance with section 9 of the Act respecting the consolidation of the statutes and regulations (chapter R-3), section 12, the first paragraph of section 13, sections 14 to 16, 18 to 25, 27, 29, 30, 33 to 39, 41 to 57, 60, 66 to 69, 71, 73 to 157, 186 to 188, 191, 192, 197 to 199, 218 to 222, 230, the second paragraph of section 233, sections 234 to 243, 249, 250, the third paragraph of section 256, the first and second paragraphs of section 274, sections 275 to 278, the second paragraph of section 288, sections 289 to 295, the first paragraph of section 296, the first paragraph of section 297, sections 298, 300, 301, the first paragraph of section 315, sections 317, 318, 320, 329, 330, 334 to 350, 353, 354, 359 to 363, 367 to 369, 371 to 407, the first paragraph of section 408, sections 409, 410, 415, 417 to 422, 425, 427 to 439, 441, 442, 444 to 502, 507 to 509, 511 to 542, 544 to 567, 569 to 571, the first paragraph of section 573, sections 574 to 576, 578, 580 and 582 of chapter 37 of the statutes of 1998, in force on 1 April 2000, are repealed effective from the coming into force of the updating to 1 April 2000 of chapter D-9.2 of the Revised Statutes.

In accordance with section 9 of the Act respecting the consolidation of the statutes and regulations (chapter R-3), sections 17, 26, 31 and 32 of chapter 37 of the statutes of 1998, in force on 1 April 2003, are repealed effective from the coming into force of the updating to 1 April 2003 of chapter D-9.2 of the Revised Statutes.