

# **REGULATION RESPECTING THE COMPULSORY PROFESSIONAL DEVELOPMENT OF MORTGAGE BROKERS**

Act respecting the distribution of financial products and services  
(chapter D-9.2, s. 202.1, par. (2))

## **CHAPTER I SCOPE, PURPOSE AND INTERPRETATION**

**1.** This Regulation applies to all representatives who hold a certificate issued by the Autorité des marchés financiers authorizing them to practise in the sector of mortgage brokerage.

**2.** The purpose of professional development activities is to enable representatives to acquire, maintain, update, improve and expand knowledge, competencies and skills associated with the subjects referred to in Division I of Chapter II.

**3.** In this Regulation:

“PDU” means a professional development unit consisting of one hour of training activity that is recognized by the Authority;

“reference period” means any 24-month period beginning on 1 May of an even-numbered year;

“responsible officer” means:

(1) in the case of a firm, the officer responsible for its principal establishment in Québec;

(2) in the case of an independent partnership, the partner responsible for its principal establishment;

“trainer” means a natural person who acts as an instructor, speaker or facilitator and provides a training activity.

## **CHAPTER II TRAINING**

### **DIVISION I TRAINING PERIOD, FREQUENCY AND CONTENT**

**4.** A representative must, for any reference period, take part in professional development activities recognized by the Authority and accumulate at least 24 PDUs as follows:

(1) 21 PDUs related to training activities included among the following subjects:

(a) the legislative and regulatory framework for the pursuit of activities as a mortgage broker;

(b) ethics, professional conduct and professional practice of mortgage brokers;

(c) keeping of records and registers;

(d) developments in the mortgage market;

(e) financing products secured by immovable hypothec or the underwriting standards for such products;

(f) mortgage brokerage;

(g) personal and business accounting;

(h) individual and business credit;

(i) hypothecary loan insurance;

(j) risk management;

(k) prevention of fraud or money laundering;

(l) new technologies associated with mortgage brokerage, financial services or financial technologies;

(m) firm start-up and management;

(n) management of human, material, information or financial resources.

(2) 3 PDUs related to training activities pertaining to compliance with standards, ethics and professional conduct or professional practice pertaining to mortgage brokerage.

**5.** A mortgage broker who acts as the responsible officer of a firm or independent partnership registered in the sector of mortgage brokerage or who is registered as an independent representative in the sector must, for any reference period, in addition to taking part in the recognized professional development activities and accumulating the PDUs referred to in section 4 of this Regulation, take part in professional development activities recognized by the Authority and accumulate at least 6 PDUs related to training activities included among the following subjects:

(1) compliance with standards;

(2) ethics and professional practice;

(3) keeping of records and registers;

(4) risk management;

(5) prevention of fraud or money laundering;

(6) firm start-up and management.

## **DIVISION II**

### **VARIATIONS IN THE TRAINING REQUIREMENT AND EXEMPTIONS**

**6.** A representative who is issued a certificate by the Authority during a reference period that has already begun must accumulate, according to the apportionment in section 4, a number of PDUs equal to the proportion that the number of full months for which the certificate has been held is to a reference period. In computing such proportion, the number of PDUs is rounded up to the nearest unit.

**7.** For purposes of section 5 of this Regulation, a mortgage broker who becomes the responsible officer of a firm or independent partnership registered in the sector of mortgage brokerage or registers as an independent representative in the sector during a reference period that has already begun must accumulate a number of PDUs equal to the proportion that the

number of full months for which he has acted in such capacity or has been registered in such sector is to a reference period. In computing such proportion, the number of PDUs is rounded up to the nearest unit.

**8.** A representative who is issued a certificate by the Authority for the first time is exempt from complying with the professional development requirements with respect to the PDUs referred to in paragraph 1 of section 4 for a period of 12 months from the date of issuance of the certificate.

After this period, in respect of the PDUs listed in paragraph 1 of section 4, he must accumulate a number of PDUs equal to the proportion that the number of full months not elapsed during the reference period then in progress is to a reference period. In computing such proportion, the number of PDUs is rounded up to the nearest unit.

**9.** A representative is exempted from his professional development obligations set out in section 4 if he is absent or on leave during a period of at least 4 consecutive weeks owing, in particular, to sickness or an accident or for family or parental reasons. For purposes of this section, the causes and terms of an absence or leave are those set out in Divisions V.0.1 and V.1 of Chapter IV of the Act respecting labour standards (chapter N-1.1).

A representative may obtain an exemption in accordance with the first paragraph if he submits a written application to the Authority setting out the reasons for the exemption, together with an explanatory document or medical certificate in support of the alleged situation.

Before refusing an application for an exemption in whole or in part, the Authority must give the representative written notice of his right to submit written observations within the time limit indicated by it.

**10.** The representative must notify the Authority in writing as soon as the situation giving rise to the exemption ceases to exist. He must then comply with the requirements set out in this Regulation and accumulate a number of PDUs equal to the proportion that the number of full months, elapsed or not, during which he was not exempted from the requirements during a reference period is to that reference period. In computing such proportion, the number of PDUs is rounded up to the nearest unit.

**11.** A representative whose certificate has been suspended or includes conditions or restrictions is not exempted from the requirements set out in this Regulation.

However, a representative whose certificate has been suspended for a period of more than one year is exempted from these requirements for the portion of the period that exceeds one year.

### **DIVISION III**

#### **ACCUMULATION AND CARRY OVER OF PDUS**

**12.** A representative who acts as a trainer for a professional development activity recognized by the Authority is entitled, only once for the activity, to twice the number of PDUs awarded for the activity.

**13.** A representative may not accumulate the PDUs attributable to a given training activity more than once within the same reference period.

**14.** When, during a reference period, a representative accumulates more PDUs than the required number for the subjects referred to in paragraph 1 of section 4, a maximum of 6 excess PDUs may be carried over to the following reference period, but only in those subjects.

### **DIVISION IV**

#### **NOTICE FROM THE AUTHORITY**

**15.** No later than the 30th day preceding the end of a reference period, the Authority must send a notice to each representative who has not accumulated the number of PDUs required under section 4, informing him of the consequences set out in the second paragraph of section 218 of the Act respecting the distribution of financial products and services (chapter D-9.2) and in sections 57 and 63 of the Regulation respecting the issuance and renewal of representatives' certificates (chapter D-9.2, r. 7) and the means of remedying the situation in the event of non-compliance.

**16.** Within 15 days following the end of a reference period, the Authority must send a notice to each representative who has not accumulated the number of PDUs required under section 4, informing him of the consequences set out in the second paragraph of section 218 of the Act respecting the distribution of financial products and services (chapter D-9.2) and in sections 57 and 63 of the Regulation respecting the issuance and renewal of representatives' certificates (chapter D-9.2, r. 7) and the means of remedying the situation.

## **DIVISION V**

### **KEEPING AND SENDING OF DOCUMENTS**

**17.** A representative must keep, for a period of 24 months following the end of a reference period during which the training activity was given, the certificates of participation and other supporting documents relating to each recognized professional development activity in which he took part, including the certificates of exam or test results and the transcripts.

**18.** When requested by the Authority for the purpose of verifying the accuracy of the data provided to it by the recognized provider of professional development activities, the representative must provide the Authority with a copy of the supporting documents regarding the recognized training activities in which he has taken part.

In such an event, a copy of the supporting documents must be sent to the Authority within 15 days of the date indicated in the request.

If the representative fails to send the Authority a copy of the requested supporting documents within the required time, the PDUs for the recognized activities in question will not to be considered valid for purposes of the professional development requirements set out in this Regulation.

## **CHAPTER III**

### **RECOGNITION OF PROFESSIONAL DEVELOPMENT ACTIVITIES**

**19.** The following professional development activities are recognized by the Authority:

(1) training activities that are given by the Authority or a provider of professional development activities recognized in an agreement entered into for such purpose with the Authority and that are available in a list on the Authority's website;

(2) training activities recognized pursuant to an application submitted by a representative under section 20.

The professional development-related fees required by the Authority under the Regulation respecting fees and contributions (chapter D-9.2, r. 9) must be paid, where applicable;

**20.** A representative may submit an application for recognition of a training activity in which he has taken part that is not in the list available on the Authority's website in accordance with paragraph 1 of section 19. The recognition decision rendered pursuant to such an application is valid only for the representative in question and only for the reference period during which he took part in the training.

**21.** The Authority establishes the eligible duration of a training activity for calculating the PDUs relating thereto.

#### **CHAPTER IV**

#### **TRANSITIONAL AND FINAL PROVISIONS**

**22.** For the reference period beginning on 1 May 2020, the holder of a mortgage broker's licence referred to in section 490 and the holder of a real estate broker's licence referred to in the second paragraph of section 493 of An Act mainly to improve the regulation of the financial sector, the protection of deposits of money and the operation of financial institutions (2018, chapter 23) must accumulate, in addition to the PDUs required under section 4 of this Regulation, a number of PDUs corresponding to the missing number of continuing education units ("CEUs"), if any, that he needs to satisfy the requirements of the Mandatory Continuing Education Program established by the Organisme d'autoréglementation du courtage immobilier du Québec (the "Organization") pursuant to the Regulation respecting the issue of broker's and agency licences (chapter C-73.2, r. 3), for the reference period beginning on 1 May 2019.

**23.** For the reference period beginning on 1 May 2020, the responsible officer of a firm or independent partnership registered in the sector of mortgage brokerage who, on 30 April 2020, was an executive officer of an agency licence holder referred to in section 491 or in the second paragraph of section 493 of An Act mainly to improve the regulation of the financial section, the protection of deposits of money and the operation of financial institutions (2018, chapter 23), must accumulate, in addition to the PDUs that he must accumulate under section 5 of this Regulation, a number of PDUs corresponding to the missing number of CEUs, if any, that he needs to satisfy the requirements of the Organization's Mandatory Continuing Education Program applicable to the responsible officer of such a holder for the reference period beginning on 1 May 2019.

However, where the responsible officer has been wholly or partially exempted from his professional development obligations by the Organization for this reference period, he will have the exemption recognized by the Authority.

**24.** For the reference period beginning on 1 May 2020, the holder of a real estate broker's licence referred to in section 493 of An Act mainly to improve the regulation of the financial sector, the protection of deposits of money and the operation of financial institutions (2018, chapter 23) who obtained his licence before 1 May 2010 must accumulate, in addition to the PDUs that he must accumulate under section 4, an additional 6 PDUs related to the subject referred to in subparagraph *f* of paragraph 1 of section 4.

**25.** Section 8 does not apply to the holder of a mortgage broker's licence referred to in section 490 or the holder of a real estate broker's licence referred to in the second paragraph of section 493 of An Act mainly to improve the regulation of the financial sector, the protection of deposits of money and the operation of financial institutions (2018, chapter 23).

**26.** The holder of a mortgage broker's licence referred to in section 490 or the holder of a real estate broker's licence referred to in the second paragraph of section 493 of An Act mainly to improve the regulation of the financial sector, the protection of deposits of money and the operation of financial institutions (2018, chapter 23) who was wholly or partially exempted from his professional development obligations by the Organization for the reference period beginning on 1 May 2019 will have the exemption recognized by the Authority for the reference period beginning on 1 May 2020.

**27.** This Regulation comes into force on 1 May 2020.