

chapter D-9.2, r. 2

REGULATION RESPECTING FIRMS, INDEPENDENT REPRESENTATIVES AND INDEPENDENT PARTNERSHIPS

O.C. 838-99, Title; O.C. 1014-2003, s. 2.

An Act respecting the distribution of financial products and services
(chapter D-9.2, s. 196, 223 and 224)

DIVISION I **ADVERTISING, REPRESENTATIONS AND CLIENT SOLICITATION**

1. A firm, independent representative or independent partnership must, in all its advertising, representations or client solicitation pertaining to its activities, use its name or, where applicable, the other names it uses in Québec in the pursuit of its activities and may not use a trademark, slogan, symbol or any other thing that is likely to cause confusion.

Such firm, independent representative or independent partnership must also indicate the title under which it pursues activities.

O.C. 838-99, s. 1.

2. No firm, independent representative or independent partnership may, by reason of its registration with the Autorité des marchés financiers, purport in its advertising, representations or client solicitations that the actions performed by it in the pursuit of its activities are approved or recognized by the Authority.

O.C. 838-99, s. 2.

3. No firm, independent representative or independent partnership may, falsely, by any means whatsoever, in its advertising, representations or client solicitations:

(1) claim that a particular service or product is recognized by a particular organization;

(2) appear to promise results that it is unable to provide.

O.C. 838-99, s. 3.

4. The financial products sold and the financial services rendered by a firm, independent representative or independent partnership must comply with its representations and advertising.

O.C. 838-99, s. 4.

5. No firm, independent representative or independent partnership may, by any means whatsoever, make false, misleading, or deceptive representations or engage in false, misleading or deceptive advertising.

O.C. 838-99, s. 5.

6. Where a firm, an independent representative or an independent partnership uses statistics in its advertising or written representations, the source of the statistics must be clearly identified.

O.C. 838-99, s. 6.

7. Sections 238 to 240, 244 and 247 of the Regulation applying the Act respecting insurance (chapter A-32, r.1) apply, *mutatis mutandis*, to advertising and the representations made by firms, independent representatives and independent partnerships in respect of the financial products they sell.

O.C. 838-99, s. 7.

8. In all its written representations, a firm, independent representative or independent partnership must, in respect of its financial products or services, describe the service or product without emphasizing its advantages to the detriment of its disadvantages.

O.C. 838-99, s. 8.

9. In its advertising, a firm, independent representative or independent partnership may not directly or indirectly criticize the financial products, services or methods of its competitors.

O.C. 838-99, s. 9.

10. The advertisement of a financial product by a firm, an independent representative or an independent partnership requires authorization from the marketer including the insurer, in the case of insurance products.

O.C. 838-99, s. 10; M.O. 2009-06, s. 1.

11. Where, in respect of an activity not governed by the Act respecting the distribution of financial products and services (1998, c. 37), a firm or independent partnership, through a representative, engages in advertising or client solicitation for the purpose of selling a financial product or providing a financial service governed by the Act, the firm, independent representative or independent partnership must state the title that it is

authorized to use according to the relevant Autorité des marchés financiers regulation pursuant to subparagraph (13) of the first paragraph of section 223 of the Act, or the fact that it is a distributor of financial products and services.

O.C. 838-99, s. 11.

DIVISION I.1 **MANAGEMENT RULES**

§1. General provisions

11.1. In addition to the duties referred to in section 84 of the Act respecting the distribution of financial products and services (chapter D-9.2), a firm, independent representative or independent partnership must act with transparency and in accordance with the needs and interests of the client at every stage of the client relationship. ~~The firm or independent partnership may not introduce any incentives that could have an influence on the performance of the obligations of a representative to the detriment of his client.~~

~~—— A contest or promotion to sell specific products is deemed to have such influence.~~

~~—— The firm or independent partnership may however provide non-pecuniary benefits that are of a promotional nature and of low value where such benefits are not sufficiently material, in value or frequency, to have an influence on the performance of the obligations of a representative to the detriment of his client.~~

M.O. 2013-12, s. 1.

11.2. A firm, independent representative or independent partnership must establish, maintain and ensure the application of written policies and procedures pertaining to the conduct of its business that are prepared in accordance with the provisions of this division and tailored to align with the nature, scope and complexity of its activities.

Such policies and procedures must clarify the control and supervision measures in place and, where a firm, independent representative or independent partnership identifies failures to comply, the corrective actions that must be taken to ensure that the firm, independent representative or independent partnership and, where applicable, its executive officers, representatives and employees act in accordance with their obligations.

Where a policy or procedure referred to in the first paragraph is amended, the previous version of the policy or procedure, or, where the policy or procedure is no longer applicable, the most recent version, must be kept for a period of 5 years.

11.3. A firm, independent representative or independent partnership must establish one or more policies and procedures for each of the following topics relating to its activities:

(1) corporate governance and management;

- (2) recruitment of new resources;
- (3) selection of third parties and management of third-party arrangements;
- (4) identification and prevention of conflicts of interest;
- (5) incentives;
- (6) gifts to clients;
- (7) compensation required from clients;
- (8) business continuity;
- (9) pursuit of activities by representatives from a base outside Québec;
- (10) information security.

11.4. A firm or independent partnership must ensure that its representatives know the provisions of the Act respecting the distribution of financial products and services (chapter D-9.2) and its regulations that are applicable to the pursuit of their activities, the firm's or independent partnership's policies and procedures, and the duties of the representative that acts as responsible officer.

A firm or independent partnership must ensure that its representatives know and are able to explain the products that they are authorized to offer.

A firm or independent partnership must ensure that training relating to these obligations is completed by its representatives when such training is required.

§2. Responsible officer

11.5. A firm must appoint one of its executive officers as responsible officer with the duties set out in Chapter III of the Regulation respecting representatives acting as responsible officer (chapter D-9.2, r. X).

An independent partnership must appoint one of its partners as responsible officer.

A representative registered as an independent representative must act as responsible officer in pursuing his activities.

11.6. In the event of the absence or incapacity of the representative acting as responsible officer, a firm or independent partnership must designate another person to replace him. It must also do this when the representative acting as responsible officer permanently ceases to act as responsible officer.

The duration of any replacement may not exceed 12 consecutive weeks.

11.7. A firm or independent partnership must take actions to ensure that its representative acting as responsible officer is at all times able to exercise his powers and act with the independence required to perform his duties and tasks.

11.8. When failures to comply are brought to the attention of a firm or independent partnership in accordance with subparagraph 3 of section 4 of the Regulation respecting representatives acting as responsible officer (chapter D-9.2, r. X), the firm or independent partnership must take the necessary actions to remedy the failures.

An independent representative must take the necessary actions to remedy any failures to comply that are identified by him or brought to his attention.

§3. Recruitment of new resources

11.9. When recruiting a person as a representative or employee, a firm, independent representative or independent partnership must inquire into the person's competence, integrity and availability and check his solvency, judicial record and references. Where a person is being recruited as a representative, it must also inquire into the conduct of the person's activities.

11.10. A firm, independent representative or independent partnership must, when its representatives or employees participate in recruitment, determine:

- (1) the conditions for recruitment;
- (2) the recruiter's obligations;
- (3) the amount or form of reward offered to the recruiter, where applicable;
- (4) the candidate selection criteria;
- (5) the onboarding process for the new resource.

11.11. A firm or independent partnership that offers remuneration to a representative as part of an onboarding process must determine the tasks entitling the representative to remuneration and the remuneration amount.

This remuneration may be paid only for the duration of the first year of the onboarding process.

§4. Selection of third parties and management of third-party arrangements

11.12. Before entering a third-party arrangement, a firm, independent representative or independent partnership must inquire into the third party's experience and check its references.

The firm, independent representative or independent partnership, after having assessed the potential risks arising from the arrangement or termination thereof for the

conduct or continuity of its business or for information security, must determine and implement measures to mitigate such risks.

For purposes of this Regulation, “third-party arrangement” refers to any arrangement entered with a third party for the provision of goods or services and that presents risks for the conduct or continuity of its business or for information security. An agreement with a client, employment contract or attachment of a representative is not considered a third-party arrangement.

11.13. A third-party arrangement must provide for:

(1) the manner in which the information necessary to the subject matter of the contract will be shared;

(2) compliance, where applicable, with the obligations relating to the protection of client information;

(3) a review of the arrangement at least once per year.

11.14. Where a third-party arrangement involves the sharing of data, it must include, in addition to the elements specified in section 11.13, an obligation on the third party to inform the firm, independent representative or independent partnership, without delay, of any cybersecurity incident that could compromise the availability, integrity or confidentiality of such data.

11.15. Where a third-party arrangement involves outsourcing the performance or management of an activity of the firm, independent representative or independent partnership, the arrangement must provide, in addition to the elements specified in sections 11.13 and 11.14, for:

(1) reporting by the third party at least once per year;

(2) knowledge by the third party of the firm’s, independent representative’s or independent partnership’s policies and procedures relating to the outsourced activity and an undertaking by the third party to comply with those policies and procedures.

11.16. Despite section 11.15, a firm, independent representative or independent partnership may not outsource some or all of the tasks of the representative acting as responsible officer relating to the topics set out in section 11.3 to a single third party, except for the tasks pertaining to information security.

In this case, the arrangement must, in addition to the items specified in section 11.13 to 11.15:

(1) prohibit the third party from contracting out such tasks;

(2) require the third party to file an annual compliance report on the outsourced activities.

11.17. A firm, independent representative or independent partnership that entrusts the tasks of the representative acting as responsible officer to a third party in accordance with section 11.16 must notify the Authority of the third party's identity and the tasks outsourced to the third party.

§5. Identification and prevention of conflicts of interest

11.18. Firms, independent representatives and independent partnerships must avoid placing themselves in a conflict of interest.

They must also assist, where applicable, their representatives and employees in identifying and avoiding conflicts of interest. They must inform their representatives and employees of the actions to be taken when they identify a conflict of interest and must assist them in addressing the conflict of interest in the best interest of the client.

§6. Incentives

11.19. A firm, independent representative or independent partnership that implements incentives for employees, attached or unattached representatives or third parties must ensure that the incentives do not influence the performance of their obligations to the detriment of the client.

In addition, the firm, independent representative or independent partnership must determine the conditions that must be met in order for the employees, representatives or third parties referred to in the first paragraph to benefit from an incentive.

For purposes of this Regulation, an incentive, whether monetary or non-monetary, is one granted based on the attainment of performance targets and criteria and may include any form of remuneration, such as commissions, bonuses, salary, rewards and privileges.

§7. Gifts to clients

11.20. A firm, independent representative or independent partnership that offers gifts to clients, other than gifts of small value such as promotional items, must ensure that this practice does not place an employee, a representatives or the firm, independent representative or independent partnership in a conflict of interest and that it does not influence the performance of their obligations.

It must also ensure that the offer of the gift does not place undue pressure on the client to induce him to purchase a financial product or service.

11.21. A firm, independent representative or independent partnership must determine the conditions under which a gift may be offered, including the period during which it may be offered and the profiles of the clients to whom it may be offered.

11.22. A firm, independent representative or independent partnership must keep a register of the gifts that are offered, other than gifts of small value, and indicate the elements set out in section 11.21.

§8. Compensation required from clients

11.23. A firm, independent representative or independent partnership must establish the conditions that must be met in order to require compensation from a client.

It must also establish the amount of the compensation or the criteria for determining this amount.

§9. Business continuity

11.24. A firm, independent representative or independent partnership must implement a process to ensure business continuity.

11.25. A firm, independent representative or independent partnership must identify the risks that could disrupt, slow down or interrupt its activities.

To this end, it must document the following elements that could give rise to such a risk:

- (1) physical sites of its activities;
- (2) computer and telecommunications systems used;
- (3) physical assets
- (4) representatives and other staff members;
- (5) suppliers, service providers or business partners.

§10. Pursuit of activities by representatives from a base outside Québec

11.26. A firm or independent partnership that authorizes a representative to pursue activities from a base in another Canadian province or territory must establish conditions of practice for the representative so that the representative is available at all times to the Authority and the Authority has ready access the representative's client records.

11.27. In addition to the obligations set out in section 11.26, a firm or independent partnership that authorizes a representative to pursue activities from a base in a country other than Canada must, prior to granting such authorization:

(1) identify and assess any risks inherent in the location where activities would be pursued that might adversely affect the offering of financial products and services and the fair treatment of clients, including political, legal, economic or social risks;

(2) identify and assess the legal requirements in the location where the activities would be pursued;

(3) determine the acts that the representative may perform from the location where the activities would be pursued and set the length of time that activities may be pursued from that location. The length of time may not exceed three months per year or extend over a period of more than three consecutive months.

Furthermore, for each representative concerned, the firm, independent representative or independent partnership must record the granted authorization in writing and the related conditions determined under subparagraph 3 of the first paragraph.

11.28. A representative registered as an independent representative who pursues activities in Québec from a base in another Canadian province or territory must set conditions of practice so that the representative is available at all times to the Authority and the Authority has ready access to the representative's client records.

A representative registered as an independent representative who pursues activities in Québec from a base in another country must, with the necessary adjustments, comply with the obligations set out in section 11.27.

§11. Information security

11.29. A firm, independent representative or independent partnership must put in place measures to protect the information it uses in the course of its activities.

11.30. A firm, independent representative or independent partnership that uses information technology in the course of its activities must assess the risks associated with such technology, including the use of generative artificial intelligence.

11.31. A firm, independent representative or independent partnership must take the necessary actions to prevent and detect cybersecurity incidents that could compromise data availability, integrity and confidentiality.

It must also put in place measures to assess and mitigate the impact of a cybersecurity incident on its activities and clients and take actions to remedy the situation."

DIVISION II RECORDS AND REGISTERS

§1. General provisions

12. A firm, independent representative and independent partnership must keep client records in respect of each of its clients.

O.C. 838-99, s. 12.

13. A firm, independent representative or independent partnership that uses computers or any other data-processing method, must take the necessary measures to prevent loss, destruction or falsification of entries. The firm, independent representative or independent partnership must also ensure that the information contained in each client file can be provided within a reasonable time and in a precise form that is comprehensible to any person authorized under the Act to audit the records.

O.C. 838-99, s. 13.

14. To the extent permitted by the Act, a firm, independent representative or independent partnership may consolidate its client records in a single document, provided that all required information is recorded in such document and that the information can be separated.

O.C. 838-99, s. 14.

15. A firm or independent partnership may keep the information in the client records in various locations provided that the information is recorded with the firm or the independent partnership and provided that every client record can be provided within a reasonable time and in a precise form that is comprehensible to any person authorized under the Act to audit such records.

O.C. 838-99, s. 15.

16. Sections 13 to 15 apply, with the necessary modifications, to the records on representatives' outside activities referred to in subdivision 2.1 and to the commissions register prescribed in Subdivision 3 and to the complaints register prescribed in Subdivision 5.

O.C. 838-99, s. 16; M.O. 2023-05, s. 1.

§2. Client records

17. The client records that must be kept by firms, independent representatives and independent partnerships in respect of each client in connection with the pursuit of their activities, save those relating to the sector of damage insurance or mortgage brokerage, must include the following information:

- (1) the client's name;

(2) the client's address, telephone number, and facsimile number or electronic mail address, if any;

(3) where the client is a natural person, his date of birth where such information is obtained by the representative;

(4) the amount, object and nature of the product sold or service rendered, as the case may be;

(5) the policy number, contract issue dates and the date of the signature of the proposal or request for services, as the case may be;

(6) the name of the representative involved in the transaction and the method of remuneration for each product sold or service rendered to the client;

(7) the method and date of payment of the products sold or services rendered;

(8) a copy, in any medium, of the needs analysis prescribed in section 6 of the Regulation respecting the pursuit of activities as a representative (chapter D-9.2, r. 10);

(9) a copy of the form completed and signed, at the time of replacement of an insurance policy, where applicable, as prescribed in Division VII of the Regulation respecting the pursuit of activities as a representative;

(10) a copy of the documents prescribed in sections 8, 9 and 16 of the Regulation respecting the pursuit of activities as a representative;

(11) where a record is processed by a person referred to in subparagraph 3 of the second paragraph of section 10 of the Act respecting the distribution of financial products and services (chapter D-9.2), the name of the person, indicating that he is a person referred to in such section, and the name of the claims adjuster supervising the person.

All other information or documents concerning products sold or services rendered to the client and obtained from him must also be inscribed on or filed in the client's record by the firm, the independent representative or the independent partnership.

O.C. 838-99, s. 17; M.O. 2013-12, s. 2; M.O. 2020-02, s. 1; M.O. 2025-10, s. 1.

18. (Repealed).

O.C. 838-99, s. 18; M.O. 2009-06, s. 2.

19. (Repealed).

O.C. 838-99, s. 19; M.O. 2009-06, s. 2.

20. In addition to the information prescribed in section 17, the client records that must be kept by firms, independent representatives or independent partnerships registered in the sector of group insurance of persons in respect of each client in the pursuit of its activities must include the following information:

- (1) the name of the holder of the group insurance policy;
- (2) the name of the person designated as the policyholder's contact person;
- (3) the calls for tenders and the proposals submitted;
- (4) a copy of the mandate and report prescribed in sections 8.1 and 9.1 of the Regulation respecting the pursuit of activities as a representative (chapter D-9.2, r. 10).

O.C. 838-99, s. 20; M.O. 2013-12, s. 3.

21. The client records that must be kept by firms, independent representatives or independent partnerships registered in the sector of damage insurance in respect of each client in the pursuit of their activities must include the following information:

- (1) the client's name;
- (2) the amount, object and nature of the insurance coverage;
- (3) the policy or contract number and the contract issue dates and proposal signature dates, where applicable;
- (4) the method and date of payment of the insurance contact;
- (5) any list evaluating the insured's property transmitted by the insured, where applicable.

Any other information or document pertaining to the products sold or services rendered gathered from the client must also be filed or inscribed in the register.

O.C. 838-99, s. 2; M.O. 2013-12, s. 4.

21.1. The client records that must be kept by firms, independent representatives or independent partnerships registered in the sector of mortgage brokerage in respect of each of their clients in the pursuit of their activities must include the following information:

- (1) the client's name;
- (2) the client's address, telephone number and facsimile number or electronic mail address, if any;
- (3) the name of the mortgage broker involved in the transaction;

- (4) the address of the immovable to which the transaction pertains or its cadastral description if there is no address;
- (5) the date on which their services were retained;
- (6) where a document evidencing a loan application is submitted to a mortgage lender through them, a copy of the document;
- (7) where a document evidencing the acceptance or refusal of a loan is received from a mortgage lender through them, a copy of the document;
- (8) the method of payment and date of payment of the services rendered, if applicable;
- (9) a copy of:
 - (a) the receipt provided in accordance with section 28.2 of this Regulation or section 9.2 of the Regulation respecting the pursuit of activities as a representative (chapter D-9.2, r. 10), as applicable;
 - (b) the documents delivered in accordance with sections 9.3 to 9.6 of the Regulation respecting the pursuit of activities as a representative, as applicable;
 - (c) the document in which the information pertaining to the identification of the client's needs and the client's financial situation is recorded in accordance with section 9.7 of the Regulation respecting the pursuit of activities as a representative;
 - (d) the document in which the identity of the borrower is recorded in accordance with the second paragraph of section 9.8 of the Regulation respecting the pursuit of activities as a representative;
 - (e) the documents enabling the identification of the borrower, where the mortgage broker involved in the transaction was unable to meet the borrower in person;
- (10) for the withdrawal from the separate account of an amount deposited therein in accordance with paragraph 1 of section 10 of the Regulation respecting the registration of firms, representatives and independent partnerships (chapter D-9.2, r. 15) or paragraph 2 of section 4 of the Regulation respecting the pursuit of activities as a representative, a copy of the document evidencing an electronic transfer, the cheque, the other bill of exchange or the transfer slip used to make the withdrawal, and a copy of the cheque or the other bill of exchange cashed in, as the case may be.

All other information or documents concerning the services rendered to the client or obtained from him must also be inscribed on or filed in the client's record.

M.O. 2020-02, s. 2

§2.1. Records on representatives' outside activities

21.2. A firm must keep a record on the outside activities, within the meaning of section 5.1 of the Regulation respecting the pursuit of activities as a representative (chapter D-9.2., r. 10), pursued by each representative who acts on its behalf. An independent partnership must keep such a record in respect of each of its partners and each of the representatives who are employed by it. An independent representative must keep such a record in respect of his outside activities.

Such a record must include the following documents and information:

- (1) a description of the outside activity;
- (2) if applicable, the representative's declaration of pursuit of outside activity;
- (3) the start date and end date, if known, of the outside activity;

(4) the actions taken, if applicable, by the firm or independent partnership to ensure that the representative acts on its behalf in accordance with the Act respecting the distribution of financial products and services (chapter D-9.2) and the actions taken by the independent representative to ensure that he acts in accordance with the Act.

M.O. 2023-05, s. 2

§3. *Commissions register*

22. The commissions register that must be kept by firms, independent representatives and independent partnerships in the pursuit of their activities must contain the following information for each commission:

- (1) the contract number or client name, as the case may be;
- (2) the name of the client, the insurer, the mortgage lender or any other person who has paid a commission to the firm, independent representative or independent partnership;
- (3) the statement pertaining to each commission or other remuneration received by the firm, the independent representative or the independent partnership.

However, in the event that the statement provided for in subparagraph (3) of the first paragraph includes the information prescribed in subparagraphs (1) and (2) of said paragraph, the filing of the statement in the register of commissions is regarded as sufficient.

Where a firm is an insurer, the commissions register must contain, in addition to the name of the person who received payment of the commission, the information prescribed in subparagraph (1) of the first paragraph.

O.C. 838-99, s. 22; M.O. 2020-02, s. 3.

23. The commissions register that must be kept by firms, independent representatives and independent partnerships must contain the following information in respect of shared commissions:

(1) the name and business address of each person sharing the commission and the sectors, if applicable, for which they are registered with the Authority;

(2) the names of the parties to the transaction and the object and date of the transaction;

(3) the percentage of the commission or the fixed amount resulting therefrom and the manner in which the commission is allocated between the persons sharing it.

O.C. 838-99, s. 23.

§4. *Sharing of commissions and entry in the commissions register*

24. Payment of the commission to those sharing it shall not be made in cash.

O.C. 838-99, s. 24.

25. Any sharing of commission must be promptly entered in the commissions register.

O.C. 838-99, s. 25.

§5. *(Implicitly revoked; 2002, chapter 45, s. 407)*

26. *(Implicitly revoked; 2002, chapter 45, s. 407)*

O.C. 838-99, s. 26.

§6. *(Implicitly revoked; 2002, chapter 45, s. 407)*

27. *(Implicitly revoked; 2002, chapter 45, s. 407)*

O.C. 838-99, s. 27.

28. *(Implicitly revoked; 2002, chapter 45, s. 407)*

O.C. 838-99, s. 28.

§7. *Register of incentives*

28.1. A firm or independent partnership must keep a register of the incentives that it introduces.

The firm or independent partnership must provide in such register a description of the terms and conditions of each incentive introduced, including its duration, related

benefits, applicable products or services, a description of the group of representatives concerned and the names of the winners.

M.O. 2013-12, s. 5.

§8. Register of persons referred to in subparagraph 3 of the second paragraph of section 10 of the Act respecting the distribution of financial products and services

28.1.1. A firm, independent representative or independent partnership must keep a register of the persons acting under the supervision of a claims adjuster and provide in such register the following information for each person referred to in subparagraph 3 of the second paragraph of section 10 of the Act respecting the distribution of financial products and services (chapter D-9.2):

- (1) the person's name, date of birth and residential address;
- (2) the date on which the person begins and ceases to act as such a person.

M.O. 2025-10, s. 2

DIVISION II.1 RULES SPECIFIC TO MORTGAGE BROKERAGE

28.2. When firms, independent representatives or independent partnerships registered in the sector of mortgage brokerage receive or collect an amount on behalf of others in connection with their activities governed by the Act, they must give to the party from whom they receive or collect the amount a receipt indicating:

- (1) the date of receipt or collection of the amount;
- (2) the date the receipt is prepared;
- (3) the amount received or collected, the form in which the amount is received or collected and the currency the amount is in;
- (4) the name and address of the party from whom they received or collected the amount;
- (5) the name of the mortgage broker involved in the transaction;
- (6) the name and signature of a person authorized to sign the receipt for them;
- (7) that the amount received or collected has been or will be deposited in their separate account;
- (8) the purposes for which the amount is received or collected.

M.O. 2020-02, s. 4.

28.3. When firms, independent representatives or independent partnerships registered in the sector of mortgage brokerage withdraw an amount deposited in the separate account in accordance with paragraph 1 of section 10 of the Regulation respecting the registration of firms, representatives and independent partnerships (chapter D-9.2, r. 15) or paragraph 2 of section 4 of the Regulation respecting the pursuit of activities as a representative (chapter D-9.2, r. 10), the withdrawal must be made by means of electronic transfer, cheque, other bill of exchange or transfer slip.

M.O. 2020-02 s. 4.

DIVISION II.2 RULES SPECIFIC TO CLAIMS ADJUSTMENT

28.4. A firm, independent representative or independent partnership that employs a person referred to in subparagraph 3 of the second paragraph of section 10 of the Act respecting the distribution of financial products and services (chapter D-9.2) must:

- (1) determine which tasks the person may carry out;
- (2) present, in writing, the steps to follow to process a claim;
- (3) ensure that the supervisor is available for the person in a timely manner.

M.O. 2025-10, s. 3

DIVISION III PROFESSIONAL LIABILITY INSURANCE

29. The insurance contract covering the liability of an independent representative, firm or independent partnership must satisfy the following conditions:

- (1) The coverage amount must not be less than \$500,000 per claim and, for each 12-month period, not less than
 - (a) \$1,000,000 for an independent representative;
 - (b) \$1,000,000 for a firm or an independent partnership having three representatives or fewer acting on behalf of the firm or the independent partnership; and
 - © \$2,000,000 for a firm or an independent partnership having more than three representatives acting on behalf of the firm or the independent partnership;
- (2) The insurance contract may stipulate a deductible not exceeding
 - (a) \$10,000 for an independent representative;
 - (b) \$10,000 for a firm or an independent partnership having three representatives or fewer acting on behalf of the firm or the independent partnership; or

(c) \$25,000 for a firm or an independent partnership having more than three representatives acting on behalf of the firm or the independent partnership;

(3) The insurance contract must also contain provisions to the following effect:

a) in the case of a firm, that the coverage shall extend to the liability arising from the fault, including gross fault, errors, negligence, or omissions committed in the pursuit of the firm's activities and from those committed by its mandataries, its employees or the trainees of its representatives, in the performance of their duties, regardless of whether or not such persons are still so engaged on the date of the claim;

b) in the case of an independent representative, that the coverage shall extend to the liability arising from the fault, including gross fault, errors, negligence, or omissions committed in the performance of his duties and those committed by his mandataries, his employees or his trainees in the performance of their duties, regardless of whether or not such persons are still so engaged on the date of the claim;

c) in the case of an independent partnership, that the coverage shall extend to the liability arising from the fault, including gross fault, errors, negligence, or omissions committed in the pursuit of activities of his partners and the representatives in his employ and from those committed by their mandataries, their employees or the trainees of the partners and representatives in his employ, currently or in the past, in the performance of their duties, regardless of whether or not such persons are still so engaged on the date of the claim;

d) that the coverage provided in respect of the activities of a firm, an independent representative or the partners or representatives employed by an independent partnership for the period during which the contract is in effect will continue to apply beyond the insurance period provided for in the contract in respect of the activities contemplated by such coverage for a further term of five years from the time the registration of the firm, independent representative or independent partnership is revoked, cancelled or suspended, as the case may be, whether or not the firm or independent partnership has been dissolved or whether or not the person has died;

e) that the time within which an insurer must notify the Authority of its intention not to renew or its intention to cancel the contract is 30 days prior to the date of non-renewal or cancellation;

f) that the insurer must notify the Authority upon receiving notice of cancellation of an insurance contract from a firm, an independent representative or an independent partnership;

g) that the insurer must give notice to the Authority of the receipt of any claim, irrespective of whether or not the insurer decides to honour the claim.

(h) that the contract is considered to include coverage at least equal to the coverage required by the law applicable in Québec and to satisfy the conditions set out in this Regulation.

The amount of the deductible stipulated in the insurance contract may nevertheless be greater than the amount set out in subparagraphs *a* to *c* of subparagraph 2 of the first paragraph, provided that the insured maintains at all times liquid assets at least equal to the amount stipulated in the contract. “Liquid assets” means the total of cash and securities immediately convertible into cash.

O.C. 838-99, s. 29; O.C. 1014-2003, s. 29; M.O. 2023-05, s. 3.

DIVISION IV FRANCHISES

30. A firm that wishes to act as franchiser must:

(1) send the Authority a list containing the names and registration numbers of the firms to which it intends to give a franchise;

(2) advise the Authority of the trademarks, graphic symbols, logos and names that it will allow its franchisees to use.

The franchiser must also send the Authority an amended list if it grants another franchise or if a firm ceases to operate as a franchise.

O.C. 838-99, s. 30.

31. A franchisee must clearly identify itself as such in the pursuit of its activities, particularly as regards its letterhead, business cards, advertising and signs.

O.C. 838-99, s. 31.

32. Where the franchiser or the franchisee provides insurance coverage in accordance with Division IV, the insurance contract must indicate that it pursues its activities either as franchiser or franchisee.

O.C. 838-99, s. 32.

33. *(Omitted)*.

O.C. 838-99, s. 33.

SCHEDULE 1

CLASS 1: Representations

Sub-classes

- (a) general advertising
- (b) false or misleading representation
- (c) comprehension of the policyholder or securities holder
- (d) replacement of contract in the insurance of persons
- (e) conduct of the representative
- (f) tied sales
- (g) privacy and confidentiality
- (h) all other types of complaint relating to representation or sales

CLASS 2: Settlements

Sub-classes

- (a) delays
- (b) unsatisfactory settlements
- (c) refusal of an application for settlement
- (d) suspension in benefit payments
- (e) all other types of complaint relating to settlement

CLASS 3: Client Services

Sub-classes

- (a) invoicing
- (b) delays
- (c) administrative problems
- (d) all other types of complaint relating to customer services
- (e) execution of the mandate

CLASS 4: Products

Sub-classes

- (a) low initial surrender values
- (b) rate of return
- (c) pre-existing conditions, exclusions
- (d) all other types of complaint relating to products

O.C. 838-99, App. 1.

TRANSITIONAL PROVISIONS

M.O. 2023-05, s. 4

4. A professional liability insurance contract made or renewed by a firm, independent representative or independent partnership must be compliant with section 29 of the Regulation respecting firms, independent representatives and independent partnerships (chapter D-9.2, r. 2), as amended by paragraph 2 of section 3 of this Regulation:

(1) on the date that immediately follows the date that is 12 months after the making or renewal of the contract, in cases where the contract is made or renewed between 1 June 2023 and 30 September 2023; or

(2) on 1 June 2024, in all other cases.

O.C. 838-99, 1999 G.O. 2, 2092

Amendments

L.Q. 2002, c. 45, a. 407

O.C. 1014-2003, 2003 G.O. 2, 3006

M.O. 2009-06, 2009 G.O. 2, 3886A
Decision 2009-PDG-0124, 2009-09-04
Bulletin de l'Autorité: 2009-09-25, Vol. 6, n° 38

M.O. 2013-12, 2009 G.O. 2, 3257
Decision 2013-PDG-0102, 2013-06-19
Bulletin de l'Autorité: 2013-07-25, Vol. 10, n° 29

M.O. 2020-02, 2020 G.O. 2, 837
Decision 2020-PDG-0011, 2020-02-21
Bulletin de l'Autorité : 2020-04-09, Vol. 17, n° 14

M.O. 2023-05, 2023 G.O. 2, 1010
Decision 2023-PDG-0019, 2023-04-27
Bulletin de l'Autorité : 2023-06-01, Vol. 20, n° 21

M.O. 2025-10, 2025 G.O. 2, 1483
Decision 2025-PDG-0013, 2025-03-28
Bulletin de l'Autorité : 2025-05-08, Vol. 22, n° 18