

Draft Regulation

Act respecting the distribution of financial products and services
(chapter D-9.2, s. 200, pars. (1), (3), (5) and (9), s. 203, par. (3) and s. 216)

Regulatory consultation on the rules respecting career entry and in particular probationary period rules

Notice is hereby given by the Autorité des marchés financiers (the “**AMF**” or the “**Authority**”) that, in accordance with section 217 of the *Act respecting the distribution of financial products and services*, CQLR, c. D-9.2 (the “**Distribution Act**”), the following draft regulation, the text of which is published hereunder, may be made by the Authority and subsequently submitted to the Québec Minister of Finance for approval, with or without amendment, after 60 days have elapsed since its publication in the Bulletin of the Authority:

- *Regulation to amend the Regulation respecting the issuance and renewal of representatives’ certificates*

The draft regulation is also available under “[Public consultations](#)” on the AMF’s website at www.lautorite.qc.ca. For ease of reading, the Authority also offers an administrative version of the complete text of the regulation, including the proposed amendments.

Probationary period (Chapter II, Division IV, sections 29 to 50 of the *Regulation respecting the issuance and renewal of representatives’ certificates* (the “Regulation”))

The probationary period is a key step in a future representative’s career. It is often the first contact they have with the industry and a unique opportunity for them to learn, practise and consolidate their skills and understanding with the help and guidance of a supervisor.

The probationary period adds an important layer of protection for the public by ensuring that prospective representatives undergo a period of supervised integration.

The draft regulation modernizes the rules regarding the probationary period for the sectors governed by the Distribution Act and gives trainees and the industry greater flexibility in order to facilitate recruitment and coaching, while preserving the protection of the public.

The draft regulation also reduces compliance burden by eliminating certain constraints or irritants. In particular, the draft regulation:

1. Eliminates the minimum number of hours per week, currently set at 28 hours, and replaces it with a “cap” on the number of hours per week and the number of weeks;
2. Provides additional flexibility in terms of the number of hours required to complete the probationary period by setting only a minimum number of hours;

3. Eliminates the disclosures related to vacations, absences and probationary period extensions, which are creating an administrative burden; and
4. For supervisors primarily engaged in probationary period supervision, increases the limit on the number of trainees per supervisor from five to ten.

The draft regulation also clarifies and implements initiatives designed to better regulate probationary periods by building upon qualitative criteria for learning outcomes and value-added activities for trainees.

In particular, the draft regulation:

- Requires that specific competencies be developed during the probationary period based on the profiles established by the AMF; and
- Makes supervisors and the entities for which they act more accountable for achievement of the objectives of the probationary period.

Other amendments

Amendments are proposed to update certain provisions to reflect changes that have occurred in the way they are applied in practice.

Proposed wording changes enable certain time requirements to be calculated in a manner consistent with their application. For example, the experience required under section 16 for candidates who have not completed collegial studies will be counted in months without such experience having to be acquired on a continuous basis.

The draft regulation also proposes limiting the number of attempts to pass an exam in insurance of persons (and group insurance of persons) under the Life Licence Qualification Program (LLQP) to four and requiring a candidate to wait one year as of a failed fourth attempt to retake the initial exam, which is in line with the policy adopted by the Canadian Insurance Services Regulatory Organizations (CISRO) in July 2023 (section 26.1 of the Regulation). The same rule would apply in mortgage brokerage (section 26.3 of the Regulation).

Section 26.2 of the Regulation would be revoked, as the content is covered by the other sections: in all cases, the minimum qualifications must be valid at the time of registration for an exam. Once the waiting period for retaking an exam after a failed third retake has elapsed, a candidate must complete the minimum qualifications again.

The number of attempts to pass an exam in the damage insurance and claims adjustments sectors is already limited to four and the waiting period is two years, but there are no mandatory specific minimum qualifications in these sectors.

Section 27 of the Regulation would be amended in order to include instructions other than those given during the examination session. General instructions would be given on the Authority's website.

Section 32 of the Regulation, which sets out the acts that may be performed by a trainee, would be adjusted to reflect amendments made to the Distribution Act in 2020

and the new nomenclature for activities that are exclusive to representatives. For example, the simple gathering of information is no longer an activity reserved for representatives and would therefore be removed from the list.

Section 53 of the Regulation would be amended for candidates from another Canadian province or territory.

As currently worded, the section requires the authorization issued by a competent authority of another province to have been in effect in the year prior to the candidate's application. This condition would be removed.

Moreover, candidates who were authorized to act in another province for at least 24 of the past 36 months must pass the exam prescribed by the Authority to demonstrate that they have the required competencies to comply with the legislation applicable to the pursuit of activities as a representative, but amendments are proposed to exempt them from the probationary period requirement.

As is already the case, the minimum qualifications for this exam must be valid in order to register for it.

Lastly, section 55.1 of the Regulation is adjusted to ensure that the probationary certificate remains valid while the Authority processes the candidate's certificate application, which would prevent interruptions.

Comments

Comments regarding the regulatory amendments may be made in writing before **September 10, 2024** to:

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Unless otherwise noted, comments will be posted on the Authority's website at www.lautorite.qc.ca. Please do not include personal information directly in comments to be published and state on whose behalf you are making the comments.

Additional Information

Additional information may be obtained from:

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