3.2

Réglementation

3.2 RÉGLEMENTATION

3.2.1 Consultation

Erratum

Consultation réglementaire sur les règles de gouvernance et de gestion des cabinets, des sociétés autonomes et des représentants autonomes et les fonctions du dirigeant responsable

Veuillez prendre note qu'une erreur s'est glissée dans la version anglaise de l'avis de consultation lors de la publication de la C*onsultation réglementaire sur les règles de gouvernance et de gestion des cabinets, des sociétés autonomes et des représentants autonomes et les fonctions du dirigeant responsable* qui a été publiée dans la section 3.2.1 du bulletin du 9 avril 2026 (vol. 23, n° 14).

Dans la section *Outsourcing the tasks of the responsible officer*, la phrase suivante aurait dû se lire ainsi :

> For purposes of consistency and oversight, such tasks could be outsourced to only one third party, except for tasks related to information security, which could be outsourced to a second third party.

Vous trouverez ci-dessous le texte révisé de l'avis de consultation en version anglaise.

Le 14 mai 2026.

Regulatory project

Act respecting the distribution of financial products and services
(chapter D-9.2, ss. 200 pars. (1) and (5.1), 202.1 par. (2), 205, and 223 pars. (1), (4), (5), (11) and (13.1))

Regulatory consultation on the governance and management rules for firms, independent partnerships and independent representatives, and the duties of responsible officers

Notice is hereby given by the Autorité des marchés financiers (**AMF**) that, in accordance with section 217 of the *Act respecting the distribution of financial products and services*, CQLR, c. D-9.2 (**Distribution Act**), the following regulations, the texts of which are published hereunder, may be made by the AMF and subsequently submitted to the Québec Minister of Finance for approval, with or without amendment, after a minimum of 30 days have elapsed since their publication in the Bulletin of the AMF:

- *Regulation respecting representatives acting as responsible officer* (**Regulation respecting responsible officers**)
- *Regulation to amend the Regulation respecting firms, independent representatives and independent partnerships* (**Regulation respecting firms**)
- *Regulation to amend the Regulation respecting the pursuit of activities as a representative* (**Regulation respecting the pursuit of activities**)
- *Regulation to amend the Regulation respecting the compulsory professional development of mortgage brokers*
- *Regulation to amend the Regulation respecting the registration of firms, representatives and independent partnerships* (**Regulation respecting registration**)

The consultation period for this regulatory project is 90 days.

This regulatory project (**Project**) is also available on the homepage of the AMF website, in the "Public Consultations" section. For ease of reading, the AMF is also providing an administrative version of the complete texts of the regulations, including the proposed amendments.

Background

The AMF is seeking input from interested stakeholders on a regulatory proposal intended to **clarify the governance and management requirements to ensure consistent compliance by persons authorized** (firms, independent partnerships and independent representatives) to offer financial products and services in the sectors governed by the Distribution Act (**registrants**). The aim of this Project is to help ensure that consumers are better protected, no matter the type or size of the registrant with whom they do business.

Several factors have prompted the AMFs to initiate dialogue on this Project over the last few years, including a desire to:

- Ensure consistency of the regulatory framework with international principles applicable to all sectors regulated by the AMF and to the framework already in place in Québec in sectors such as securities and mortgage brokerage;

- Entrench in regulation the expectations formulated since 2018 by the AMF in its *Governance and Compliance Guide* (**Governance Guide**);
- Take formal note of recent court decisions with respect to the governance of registrants;
- Act on input received from the financial products and services distribution sector as part of an informal consultation on compliance burden optimization that supported, in particular, clarifying the AMF's expectations for registrants' responsible officers;
- Reflect changes in business models in the Québec and Canadian financial products and services distribution sector;
- Take formal note of regulatory amendments by other Canadian regulators in the financial products and services distribution sector with respect to the roles and responsibilities of the individual players in the sector; and
- Initiate a discussion around the increased need for labour mobility given the current geopolitical environment.

As the government has clarified, through *An Act to amend various provisions mainly with respect to the financial sector* (better known as "Bill 92"), that the AMF may determine by regulation the management rules of registrants, including those concerning governance, this regulatory consultation will help continue this dialogue.

The AMF is seeking stakeholder input on the best way to further develop the framework and build on the AMF's two primary mandates: to protect consumers and enhance their experience and to act to maintain a financial sector in Québec that is dynamic and operates with integrity. The AMF, aware that the proposed changes are structural, has planned a long consultation period so that more detailed discussions may be held on the full spectrum of proposals with all stakeholders concerned.

Moreover, the AMF undertakes to provide transitional measures allowing for gradual adaptation by the financial products and services distribution sector and to support the sector throughout the process, including by developing accompanying tools. There will also be an opportunity to continue the dialogue on other elements that the sector would like to put forward with a view to easing registrants' administrative burden.

General obligation

The current framework requires registrants to ensure that their executive officers, employees and representatives comply with the Distribution Act and its regulations but does not clarify how to do this.

The Project sets out the measures registrants would have to implement to exercise good governance and sound management of the risks associated with pursuing their activities. It draws from the good practices outlined in the Governance Guide, which are already being applied by registrants and have, over time, been recognized by case law.

Proposed amendments

Registrant governance, compliance and risk management (sections 11.1 to 11.4 and 11.7 and 11.8 of the Regulation respecting firms)

As establishing policies and procedures is key to registrants' good governance, the Project specifically requires all registrants to establish, maintain (i.e., keep current) and ensure the application of written policies and procedures pertaining to the conduct of their business and tailored to align with the nature, size and complexity of their activities.

Such policies and procedures would elaborate on registrants' guidelines, established control and supervision measures and, where failures to comply are identified, the corrective actions that must be taken. They would aim to ensure that registrants and, where applicable, their executive officers, representatives and employees comply with the Distribution Act and its regulations and with their contractual obligations.

The AMF has determined the topics on which registrants would be required to establish policies and procedures and clarified the items such policies and procedures would need to address. The topics addressed in the registrant's policies would depend on the registrant's activities. If a registrant does not pursue an activity covered by one of the topics listed, it would not have to establish any policy on that topic. For example, a registrant that requires representatives acting on its behalf to pursue their activities from a base in Québec would not need to adopt a policy on the pursuit of activities from a base outside Québec. Also, registrants would be responsible for deciding how many policies to establish and how they are named. For example, a registrant could establish a single policy covering all of its activities or one policy for each topic that concerns it.

To support compliance with the new rules, the AMF would offer assistance and could make policy templates available.

- **Registrants with an additional role in the distribution of financial products and services (general agents, banners and wholesalers)**

Some registrants are entrusted by lenders, financial institutions or insurers (**manufacturers**), or other registrants, with responsibilities connected with the distribution of financial products and services. For example, some act as intermediaries between a manufacturer and a registrant. Such is the case of registrants acting as general agents, wholesalers or banners. The AMF understands that these three types of entities do not play the same role in the financial sector and that there are various models for such entities and their activities.

In insurance of persons (life and health insurance), general agents play a specific role in governance and compliance. In that sector, manufacturers, general agents and registrants (and their representatives) participate in the process of offering products and services.

The AMF is an integrated regulator that regulates both insurers and distribution networks. The activities of insurers are governed by the *Insurers Act*, while registrants operate according to a set of standards that are specific to them and set out in the Distribution Act and its regulations.

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However, as general agents are themselves registrants to whom insurers outsource activities, formally recognizing them in Québec law would not increase consumer protection and, instead, would potentially diffuse the accountability of insurers and registrants. As a registrant, a general agent must comply with the Distribution Act. When an insurer outsources activities to a registrant, the registrant undertakes to comply with the framework of the *Insurers Act*.

However, the Project allows general agents to position themselves between insurers and other registrants in terms of the services they offer in that capacity.

The Project is also an opportunity to remind firms that their obligations extend beyond their attached representatives to include all their activities and their relationships with other registrants (see the explanations in the section of this notice entitled **Selecting and managing business relationships**).

Consequently, a registrant that decides to have a business relationship with an independent representative would have to check whether the independent representative is compliant with the regulations and meets the standards expected of an independent representative. Among other things, the registrant would have to conduct a background check before entering into the relationship.

Moreover, the implementation of the new rules and the possibility for a registrant to outsource the responsible officer's tasks could lead to the role of general agents, wholesalers and banners becoming enshrined, depending on their activities in the financial products distribution and services sector (see the explanations in the section of this notice entitled **Selecting and managing business relationships - Outsourcing**).

- **Training and proficiency of representatives**

Representatives are required to know the provisions of the Distribution Act and its regulations applicable to the pursuit of their activities, the policies and procedures established by their firm and the duties of the firm's responsible officer.

They must know, understand and be able to explain the products and services they offer, implying that they are expected to have taken appropriate training on any product or service they are authorized to offer.

With this in mind, it is proposed that registrants ensure that the representatives acting on their behalf are competent, know the applicable standards and the products they are offering and have completed any training pertaining to their obligations where such training exists.

In addition, registrants would have to adjust their proficiency requirements according to the complexity of the situation. For example, when a representative recommends a complex strategy that involves, for example, investments or taxation aspects, they would have to possess the appropriate experience and level of knowledge. Registrants would therefore need to also ensure that clients with sophisticated needs are assigned to representatives possessing the commensurate level of knowledge, expertise and proficiency.

Responsible officer (sections 11.5 to 11.7 of the Regulation respecting firms / sections 1 and 7 to 11 of the Regulation respecting responsible officers)

The Project clarifies the duties of the responsible officer in the light of AMF expectations and court decisions.

Accordingly, the person acting as a responsible officer would be responsible for ensuring that the activities of a firm or independent partnership are carried out in accordance with the Act. This would also be the case for independent representatives in respect of their own activities.

Where an obligation is provided for, an entity to which the obligation applies would be responsible for proving that it is complying with it. The AMF clarifies that it is important for the entity to keep proof of compliance. For this reason, the AMF recommends recording, keeping a trail and noting down the details of conversations that take place and actions that are carried out.

The Project also sets out the conditions under which a person may be appointed and act as a responsible officer.

- **Conditions for acting as a responsible officer (sections 2 and 7 to 11 of the Regulation respecting responsible officers)**

A responsible officer's certificate must not carry any restrictions or conditions that would alter their capacity to act as a responsible officer.

Responsible officers would, like independent representatives before their registration, be expected to pass an examination on the competencies that they must possess to be appointed as such. This examination would have to be passed in the two years preceding their appointment as a responsible officer if they have not acted as a responsible officer for at least 24 of the 36 months preceding their appointment or registration.

Responsible officers, like independent representatives, would need to satisfy, for each reference period, professional development requirements enabling them to accumulate six professional development units specific to the duties of a responsible officer.

Responsible officers could be assisted by staff in performing their duties but would remain solely responsible for the duties incumbent upon them and for compliance with the specified obligations.

If a responsible officer were absent or otherwise unable to act as a responsible officer for more than 12 weeks, they would have to be replaced by a new responsible officer. If, in the interval, the responsible officer was absent or otherwise unable to act for a long or indefinite period of time, another person would have to be appointed on an interim basis to carry out the responsible officer's duties.

***Reminder - If, during the term of registration, a change arises in the circumstances that affects the accuracy of the information and documents provided, the registration holder is required to notify the AMF in writing within 30 days of such a change (section 9 of the Regulation respecting registration).

- **Duties of the responsible officer (sections 3 to 6 of the Regulation respecting responsible officers)**

Responsible officers are the guardians of compliance.

They are responsible for ensuring that the registrant's policies and procedures are implemented, disseminated and complied with. However, the legislation provides that another executive officer may be responsible for the policies and procedures relating to business continuity, information security and the use of artificial intelligence.

They must monitor and assess compliance of the activities of the registrant, and of its executive officers, representatives and employees, with the Distribution Act and its regulations.

Under the Project, responsible officers would be required to document the monitoring measures and controls applied by them and periodically review client records.

To this end, they must consider, in particular, the nature of the products and services offered, the experience of the representatives concerned, the conduct of their activities and certain specific risks.

They would also have to bring any recurrent failure to comply in pursuing activities, or such failure that may cause injury to a client, to the attention of the directors and the other executive officers of the firm, or of the other partners of the independent partnership, and submit an annual activity compliance report to the directors and the other executive officers of the firm, or to the other partners of an independent partnership. Independent representatives must also prepare an annual report on the issues related to their own compliance.

Some or all of the responsible officer's duties could be outsourced to a single third party. For more details, refer to the section **Selecting and managing business relationships - Outsourcing**.

Recruitment (sections 11.9 to 11.11 of the Regulation respecting firms)

Recruitment is an important process enabling registrants to select employees or representatives.

A registrant that recruits a new representative (or trainee) or employee would need to establish a way to manage recruitment and would have to conduct background, proficiency and experience checks on candidates prior to their employment or attachment.

If a registrant has a recruitment system in which its representatives or employees participate, the system would have to carry specific conditions that take the aforementioned elements into account.

Furthermore, if employees or representatives receive a reward for referrals, the form or amount of the reward would have to be set and known in advance to the employees and representatives.

Lastly, registrants would be able to pay remuneration to a representative following recruitment only if the representative provides onboarding coaching to the recruit. The remuneration then paid would have to be contingent on and proportional to the onboardng coaching provided and be time-limited (maximum of one year). In other words, a representative would not be allowed to receive remuneration—in excess of the expected reward—merely for having recruited another representative.

These elements would have to be specified in the policy.

Selecting and managing business relationships (section 11.12 to 11.17 of the Regulation respecting firms)

Every registrant is responsible for its acts and must comply with its obligations when pursuing its activities. Registrants would also be required to perform ongoing due diligence on third parties they do business with.

- **For a sound and compliant financial sector**

There are certain requirements already set out in the Distribution Act that need to be met to ensure all stakeholders participate in making Québec's financial sector as healthy and compliant as possible. For example:

- In no case may a firm or its executive officers help or, by encouragement, advice, or consent, or by an authorization or order, induce another registrant to infringe any provision of the Distribution Act or the regulations (section 87 of the Distribution Act);

- A firm that terminates its association with a representative for reasons relating to the representative's activities must inform the AMF of those reasons (section 104 of the Distribution Act); and

- A registrant that ceases to do business with another registrant for reasons relating to the other registrant's activities must also inform the AMF of those reasons (sections 105 and 146 of the Distribution Act).

In the last two cases, the firm that informs the AMF of such reasons will incur no civil liability for doing so.

Likewise, the AMF would require a registrant that decides to do business with third parties to conduct due diligence checks before entering arrangements with them. Consequently, any arrangement entered with a third party, including a representative or registrant, for the provision, commercial or strategic, of goods or services would be subject to this section. However, arrangements with clients and employment or attachment contracts would be excluded.

In concrete terms, a firm that acts as a general agent, wholesaler or banner would be required to check the quality of the registrants with which it decides to do business.

- **Outsourcing**

A registrant's' business relationships may include third parties to which it outsources activities.

Outsourcing is where a registrant delegates the performance of an activity or one of its obligations under the Distribution Act or one of the regulations thereunder to a third party. The outsourcing arrangement would have to be set out in a written arrangement covering a defined term.

Registrants may outsource some of their activities or obligations. However, they are not allowed to outsource activities that are reserved for or exclusive to them under the law, such as the registration requirement or the offering of financial products and services.

Registrants may, for example, outsource the keeping of records and registers and, in this case, the drafting of the policies and procedures it is required to establish. Each of the obligations may be outsourced to a different third party qualified in the area to which the requirement relates.

Outsourcing offers registrants flexibility in organizing their activities, but it does not relieve them of their obligations or responsibilities. Registrants are still wholly responsible for ensuring that the outsourced activities are compliant. They would therefore have to take the necessary steps to manage and monitor the outsourced activities. These steps could be specified in their policies and procedures or in the outsourcing arrangements they enter.

- **Outsourcing the tasks of the responsible officer**

As with their other obligations, registrants would be able to outsource the tasks of the responsible officer to a third party.

For purposes of consistency and oversight, such tasks could be outsourced to only one third party, except for tasks related to information security, which could be outsourced to a second third party. Furthermore, the third party could not, in turn, outsource these tasks to others.

However, the registrant could decide to outsource only some of the responsible officer's tasks.

The AMF would have to be informed as to what obligations are being outsourced and to whom. The AMF could, under certain circumstances, exercise supervision over the third party.

In other words, the registrant could mandate one or more third parties to draft its policies and procedures. It is normal and even encouraged to use specialists, if necessary, to help build a compliance program. For example, a lawyer could draft a registrant's policies and a cybersecurity specialist could draft the information security policy.

However, only one third party could be mandated by the registrant to perform the responsible officer's tasks relating to the application of the policies and procedures pertaining to the matters contemplated in section 11.4, except for information security, which could be outsourced to a separate third party.

Identifying and preventing conflicts of interest (section 11.18 of the Regulation respecting firms)

Representatives must avoid placing themselves in a conflict of interest. The same applies to registrants. Registrants must help their representatives identify and avoid conflicts of interest. The Project provides clarifications in this regard.

Conflicts of interest arise where the client's interests are subordinated to those of the registrant or representative. Each situation has its unique characteristics, and facts differ from one situation to the next. It is important for registrants to be aware of the role they are required to play in identifying and managing their own and their representatives' conflict-of-interest risks.

No situation must ever have influence the performance of a registrant's or representative's obligations to the detriment of a client. The registrant must always ensure compliance with the Act and its regulations, no matter the circumstances.

In particular, a product or service, when it is offered, must be suited to the client's situation and needs, and the client must receive appropriate advice from the representative.

Incentives (section 11.19 of the Regulation respecting firms)

The term "incentives" is broad and covers any incentive, monetary or non-monetary, offered to encourage the attainment of performance targets or criteria. It can include any form of remuneration, such as commissions, bonuses, salaries, rewards and privileges.

An incentive should not have influence a representative to the detriment of a client. Representatives must act with independence in respect of their clients and in their clients' best interests.

Any registrant that introduces an incentive would be subject to the proposed provisions, regardless of whom the incentive is intended for. If, for example, a general agent establishes an incentive for the registrants it does business with, it would have to institute a policy that includes the rules set out in the provisions.

Gifts to clients (sections 11.20 to 11.22 of the Regulation respecting firms)

Offering gifts to clients is not prohibited. Registrants that institute a practice to reward or attract clients would have to develop a related policy describing the benefit offered and the circumstances and period in which it may be offered. Gifts of small value, such as promotional items (a pen, cup, etc.), would not need to be covered by the policy.

A gift would have to be offered in an objective manner, where the conditions set out in the policy are met. Registrants and representatives should not use such a practice to pressure a client into purchasing a financial product or service. The gift must also not be akin to, or used to circumvent, commission sharing or premium rebating, which is a prohibited practice.

The registrant would be required to keep a register of the gifts offered and the clients to whom they are offered.

Fees charged to clients (section 11.23 of the Regulation respecting firms)

The registrant is responsible for the conduct of its representatives and employees with respect to fees and charges (the law uses the term "compensation") required from clients.

The Project specifies that the compensation must be justified and the amount of compensation must be proportional to the service offered. If a representative or registrant is already receiving remuneration for the product offered or service rendered, it might not be appropriate to charge additional fees.

In addition, clients must know how much is being claimed from them and the circumstances or conditions under which it will be claimed, and they would have to consent to it. For them to be able to give their consent, they need to receive the explanations required to clearly understand what they are consenting to.

Business continuity (sections 11.24 and 11.25 of the Regulation respecting firms)

Registrants would have to establish a mechanism or action plan to ensure that clients continue to be served even when events occur that disrupt, slow down or interrupt the registrant's activities. They would have to define procedures and determine the resources needed to maintain and restore their activities in the event of an interruption.

For example, an independent representative would have to have an arrangement with another registrant to have that registrant take over from the independent representative if the latter is not able to act.

The AMF reminds registrants that clients are entitled to receive service related to a sold product or rendered service throughout the product's or service's life cycle. The registrant has an obligation to provide service to the client on an ongoing basis. A procedure would have to be established to ensure compliance with this obligation.

The registrant would also have to ensure service continuity after the relationship between it and the client ends, regardless of the reason why it ended. See the Notice relating to obligations of representatives and insurers with respect to service offered to clients under insurance of persons contract − Orphan clients.

Activities pursued from a base outside Québec (sections 5.6 and 5.7 of the Regulation respecting the pursuit of activities and 11.26 to11.28 of the Regulation respecting firms)

Representatives must pursue activities from a base in Québec.

However, under section 205 of the Distribution Act, the AMF may authorize representatives to pursue their activities from a base outside Québec and establish the conditions for such authorization. These conditions are proposed in new sections 5.6 and 5.7 of the Regulation respecting the pursuit of activities.

In all cases, the registrant would first have to give its authorization to the representative and would be able to set conditions. It would be required, despite the distance, to ensure that the representative was complying at all times with the rules set out in the Distribution Act and its regulations. These rules are neither altered nor lessened by the fact that activities are being pursued from a base outside Québec. Clients would have to be notified that the representative is pursuing activities from a base in another province or territory and a note to this effect would have to be placed in their records.

In addition, the AMF specifies that a representative could pursue activities from a base outside Canada, but only for a period not exceeding three consecutive or non-consecutive months per year. The representative would not be allowed to do this for two full periods in a row. In other words, a representative could not pursue activities from a base outside Canada for more than three months per year or for more than three consecutive months.

After analyzing the risks to which the situation exposes it, the registrant may give its consent, set its conditions, determine the acts the representative would be allowed to perform from the location where the activities are to be pursued and determine the length of time of this authorization.

Furthermore, clients would have to consent to the situation. Clients would have to be informed in writing that the representative is operating from a base outside Canada and told where that base is located and consent to it in writing. The representative would need to be transparent, allow clients to ask any questions they consider important and provide them with objective information.

The registrant would bear all the risks associated with pursuing activities from a base outside Canada and would be required to take appropriate measures to ensure compliance with the framework. For example, it would have to ensure that an insurance contract covers its and the representative's liability and that client information is protected.

Information security and use of artificial intelligence (sections 11.29 to 11.31 of the Regulation respecting firms)

The registrant is responsible for protecting the digital and non-digital information it uses in pursuing its activities. As such, the registrant would be required to appoint a person responsible for information security.

The registrant would have to implement measures to ensure the security of its premises, computer equipment (i.e., computers, physical servers, etc.) and computer systems (e.g., software, applications and networks) in order to provide bulwarks to protect the information its collects, processes, uses, communicates, stores, destroys and creates in the course of its activities.

The registrant would be required to implement appropriate security measures to ensure the availability of data and of the equipment and computer systems containing data, prevent or mitigate risks to data integrity or confidentiality, and be prepared to respond if such risks materialize.

It would have to assess the risks associated with the use of technology on an ongoing basis and establish a policy that addresses them. Furthermore, if it allows its managers, representatives or employees to use generative artificial intelligence, the registrant would be required to provide them with guidance on such use in its policy and procedures and ensure that they are aware of the risks involved and understand and comply with its policy. In particular, it would have to ensure that no client information is fed into a tool that uses generative artificial intelligence unless robust measures are put in place to ensure privacy.

Transition phase

The AMF wants to understand and is seeking insight into the issues that stakeholders may encounter in terms of the time required to implement the adjustments proposed by the Project.

In particular, the AMF would like to allow any individual acting as a responsible officer when the Project comes into force to continue to do so. Once the new provisions come into force, that individual would have to meet the conditions relating to professional development for responsible officers, but they would be given a period of one year, for example, to pass the examinations pertaining to the competencies required of a responsible officer. This would also apply to anyone registered as an independent representative at the time the provisions come into force.

The AMF is seeking to know and understand the other timeframes that would be necessary for registrants to implement the proposed new provisions.

Conclusion

As mentioned, the AMF is aware that this Project is transformative. This consultation is an opportunity to share your views on how to clarify the governance requirements in order to ensure consistent compliance of registrants under the Distribution Act. The AMF will undertake various initiatives to encourage interested parties to participate in this dialogue.

Consultation

Comments regarding the above may be made in writing before **July 8, 2026,** to:

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

Further information

Further information is available from:

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April 9, 2026

3.2.2 Publication

Aucune information.