



NATIONAL ASSEMBLY OF QUÉBEC

SECOND SESSION

FORTY-SECOND LEGISLATURE

Bill 3

**An Act to amend various legislative
provisions mainly with respect to the
financial sector**

Introduction

**Introduced by
Mr. Eric Girard
Minister of Finance**

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EXPLANATORY NOTES

This bill amends various legislative measures concerning mainly the financial sector.

The Automobile Insurance Act is amended to prescribe the liability insurance rules applicable to enterprises when persons whose services have been retained by them use their own motor vehicle for the purposes of the persons' work. The bill also allows the communication to firms registered in damage insurance of information concerning the insurers' automobile insurance experience as well as the automobile driving experience of the persons insured.

The Insurers Act is amended mainly in order

(1) to allow a reciprocal union to be formed of parties that do not have juridical personality;

(2) to provide that a client may not cancel a travel insurance contract if the trip covered has started; and

(3) to allow an insurer to acquire and hold contributed capital securities in a firm registered in damage insurance in excess of the limits prescribed by the Insurers Act if that insurer, its financial group or the legal persons that are related to the insurer or financial group comply with the limits prescribed by the Act respecting the distribution of financial products and services.

The Act respecting financial services cooperatives is amended to update the rules relating to the audit of a financial services cooperative's or security fund's financial statements. The bill provides that the limits on a federation's investments do not apply if the federation acquires or holds contributed capital securities issued by its participating auxiliary members.

The Real Estate Brokerage Act is amended to provide that a person authorized under an Act of a legislative authority other than Québec to engage in a brokerage transaction for the sale, purchase or lease of an immovable must now hold a broker's or agency licence issued in Québec or a special authorization from the Organisme d'autoréglementation du courtage immobilier du Québec in order to engage in a real estate brokerage transaction for the lease of an immovable in Québec.

The Act respecting the distribution of financial products and services is amended, in particular

(1) to prescribe the obligations specific to mortgage brokers;

(2) to adjust the obligations of damage insurance brokerage firms and damage insurance agencies to disclose business relationships and the form of such a disclosure; and

(3) to prescribe the independence criteria for the directors of the Chambre de la sécurité financière and the Chambre de l'assurance de dommages.

The Act respecting the regulation of the financial sector is amended in order, among other things, to create a board of directors within the Autorité des marchés financiers and to abolish the Conseil consultatif de régie administrative. The bill makes the Autorité des marchés financiers subject to the Act respecting the governance of state-owned enterprises.

The Deposit Institutions and Deposit Protection Act is amended to withdraw the possibility for the Autorité des marchés financiers to cancel the shares issued by a deposit institution belonging to the cooperative group or write off any part of the negotiable and transferable unsecured debts.

Under the bill, a notice concerning an operation that requires a review of an authorization by the Autorité des marchés financiers, under the Insurers Act, the Deposit Institutions and Deposit Protection Act and the Trust Companies and Savings Companies Act, must be published in its bulletin not later than 30 days before the date set for the operation.

The bill also provides that certain obligations of, or certain prohibitions applicable to, a financial institution may apply to anyone controlled by the institution or anyone acting on its behalf.

Lastly, various relief measures applicable from 1 April 2021 to 31 March 2022 to persons with student debt under the loans and bursaries program are proposed. The bill also makes technical corrections and contains consequential provisions and transitional provisions.

LEGISLATION AMENDED BY THIS BILL:

- Automobile Insurance Act (chapter A-25);
- Insurers Act (chapter A-32.1);
- Act respecting financial services cooperatives (chapter C-67.3);
- Real Estate Brokerage Act (chapter C-73.2);
- Act respecting the distribution of financial products and services (chapter D-9.2);
- Act respecting the regulation of the financial sector (chapter E-6.1);
- Act respecting the governance of state-owned enterprises (chapter G-1.02);
- Deposit Institutions and Deposit Protection Act (chapter I-13.2.2);
- Voluntary Retirement Savings Plans Act (chapter R-17.0.1);
- Trust Companies and Savings Companies Act (chapter S-29.02);
- Act respecting remunerated passenger transportation by automobile (chapter T-11.2);
- Credit Assessment Agents Act (2020, chapter 21).

REGULATIONS AMENDED BY THIS BILL:

- Regulation respecting the classes of negotiable and transferable unsecured debts and the issuance of such debts and of shares (chapter I-13.2.2, r. 3);
- Regulation respecting the indemnification plan applicable pursuant to certain resolution operations (chapter I-13.2.2, r. 4).

Bill 3

AN ACT TO AMEND VARIOUS LEGISLATIVE PROVISIONS MAINLY WITH RESPECT TO THE FINANCIAL SECTOR

THE PARLIAMENT OF QUÉBEC ENACTS AS FOLLOWS:

CHAPTER I

PROVISIONS CONCERNING MAINLY THE FINANCIAL SECTOR

AUTOMOBILE INSURANCE ACT

1. Section 84 of the Automobile Insurance Act (chapter A-25) is amended by adding the following paragraphs at the end:

“The operator of a transportation system governed by the Act respecting remunerated passenger transportation by automobile (chapter T-11.2) must also have a contract referred to in the first paragraph guaranteeing compensation for property damage caused by the automobiles used by the drivers registered with the operator and of which the operator is not the owner.

Similarly, an enterprise whose activities consist, in particular, in delivering goods may have a contract referred to in the first paragraph guaranteeing compensation for property damage caused by the automobiles of which the enterprise is not the owner, but which are used by its employees for that delivery.

An operator or an enterprise referred to in the second or third paragraph is considered an owner for the purposes of this Title.”

2. Section 178 of the Act is amended by striking out the third paragraph.

3. Section 179.1 of the Act is amended

(1) by inserting “or firm registered for the damage insurance sector” after “insurer” in the introductory clause of the first paragraph;

(2) by inserting “or firm registered for the damage insurance sector” after “insurer” in the second paragraph.

4. Section 179.2 of the Act is amended by inserting “or firm registered for the damage insurance sector” after “insurer”.

INSURERS ACT

5. Sections 7 and 21 of the Insurers Act (chapter A-32.1) are amended by replacing “persons” by “parties”.

6. Section 27 of the Act is amended, in the first paragraph,

(1) by replacing “a person who” and “it gives an undertaking to another person” in subparagraph 2 by “anyone who” and “it gives an undertaking to another party”, respectively;

(2) by replacing “persons” in subparagraph 5 by “parties”.

7. Section 31 of the Act is amended by replacing “to which each person in the union is a party” in the second paragraph by “binding each of the parties in the union”.

8. Section 36 of the Act is amended by replacing “persons” in the first paragraph by “parties”.

9. Section 42 of the Act is amended

(1) by replacing “the persons” in the first paragraph by “the parties”;

(2) by replacing “reinsure persons” in the second paragraph by “reinsure parties”.

10. The heading of Chapter III of Title II of the Act is amended by replacing “LEGAL PERSONS” by “THIRD PERSONS”.

11. Section 64 of the Act is amended by inserting “or, in the case of a travel insurance contract, unless a trip that falls under the coverage has already started” at the end of the first paragraph.

12. The Act is amended by inserting the following section after section 64:

“64.1. Despite section 64, no one may cancel an insurance contract if doing so causes the client or an insured to be in default of being covered by such a contract where the law requires it.”

13. Section 71 of the Act is amended

(1) in the first paragraph,

(a) by replacing “approved” by “determined”;

(b) by adding the following sentence at the end: “If those policies concern a contract to be entered into by an operator or enterprise referred to in the second or third paragraph of section 84 of the Automobile Insurance Act (chapter A-25) or if those riders are attached to such a contract, the Authority must send them to the Minister 15 days before they are determined.”;

(2) in the second paragraph,

(a) by replacing “approved” in the introductory clause by “determined”;

(b) by inserting “and, in the case of a rider attached to a contract to be entered into by an operator or enterprise referred to in the second or third paragraph of section 84 of the Automobile Insurance Act, to the Minister” at the end of subparagraph 2;

(3) by adding the following paragraph at the end:

“The Authority may attach conditions or restrictions to a rider attached to a contract to be entered into by an operator or enterprise referred to in the second or third paragraph of section 84 of the Automobile Insurance Act. It must send the conditions or restrictions to the Minister 15 days before attaching them to such a rider.”

14. Section 85 of the Act is amended

(1) by inserting “or, in the case of a share of a right of ownership in an immovable, at least 50% of that right,” after “acquisition” in the first paragraph;

(2) by inserting the following paragraph after the first paragraph:

“Similarly, section 84 does not apply where an authorized Québec insurer acquires and holds contributed capital securities in a firm registered for the damage insurance sector to the extent that the insurer, its financial group or the legal persons that are related to the insurer or financial group comply with the limits prescribed by section 150 of the Act respecting the distribution of financial products and services (chapter D-9.2).”

15. Section 137 of the Act is amended by replacing “persons” in the second paragraph by “parties”.

16. Section 138 of the Act is amended by replacing “person” in the first paragraph by “party”.

17. Section 155 of the Act is amended by replacing “from an authorized insurer of a notice of intention to carry out one or more operations giving rise to a review mentioned in section 146 and, if applicable, the required documents, costs and fees” in the first paragraph by “of a notice referred to in the first paragraph of section 148 or, if the Authority receives it before the expiry of the time limit specified in that section, not later than the 30th day before an operation provided for in the first paragraph of that section”.

18. Section 179 of the Act is amended by striking out “to an insurance company” in paragraph 3.

19. Section 180 of the Act is amended by adding the following paragraph at the end:

“Likewise, the communication to the Authority of information protected by professional secrecy, by litigation privilege or by another communication restriction under the rules of evidence does not entail a waiver of the protection conferred on that information.”

20. Section 188 of the Act is amended, in the first paragraph,

(1) by replacing “to which each person in the union is a party” in the introductory clause by “binding each of the parties in the union”;

(2) by replacing all occurrences of “persons” by “parties”.

21. Sections 189, 191 to 193 and 195 of the Act are amended by replacing all occurrences of “persons” by “parties”.

22. Section 330 of the Act is amended by inserting “or, in the case of a short-form amalgamation within the meaning of the Business Corporations Act, the resolutions of the boards of directors of the amalgamating companies authorizing such an amalgamation” at the end of paragraph 3.

23. The Act is amended by inserting the following section after section 378:

“378.1. Chapter XII of Title II applies to federations, with the necessary modifications.”

24. Section 465 of the Act is amended

(1) by replacing “a legal person” in the second paragraph by “a third person”;

(2) by replacing “to the contravener in writing” in the third paragraph by “in writing to the contravener and, if the contravener is a third person acting on behalf of an authorized insurer, to that insurer”.

25. Section 466 of the Act is amended by replacing “the groups or persons” in the first paragraph by “those”.

26. Section 467 of the Act is amended

(1) by replacing “the person concerned” in the first paragraph by “whoever the order concerns”;

(2) by replacing “the person concerned. The latter” in the second paragraph by “whoever it concerns. The latter”.

27. Section 491 of the Act is amended by inserting “or fails to send the Authority the list of the contracts with respect to which a distributor will be dealing with clients or participants or any change to that list” at the end of subparagraph *b* of subparagraph 1 of the first paragraph.

ACT RESPECTING FINANCIAL SERVICES COOPERATIVES

28. The heading of Division IV of Chapter I of the Act respecting financial services cooperatives (chapter C-67.3) is amended by replacing “LEGAL PERSONS” by “THIRD PERSONS”.

29. Section 135 of the Act is amended

(1) by striking out “and the combined financial statements” in the second paragraph;

(2) by striking out “; the combined financial statements present, in a combined form, the financial position of the credit unions that are members of the federation” in the third paragraph.

30. Section 139 of the Act is amended by striking out “; the combined financial statements must nonetheless be audited” in the second paragraph.

31. Section 141 of the Act is amended by striking out the second paragraph.

32. Section 144 of the Act is amended by replacing “combined financial statements” and “of a credit union that is a member of the federation that appointed him or her” in the second paragraph by “consolidated financial statements of the financial group to which a federation belongs” and “of a member of the financial group to which the federation that appointed him or her belongs, including, if applicable, an auxiliary member that is a cooperative established under an Act of a jurisdiction other than Québec and that has a mission similar to that of a credit union within the meaning of this Act, but whose principal establishment is located outside Québec”, respectively.

33. Section 148 of the Act is replaced by the following section:

“148. The financial services cooperative is required to see that its officers, managers and employees send an auditor who requests it in the course of his or her functions the information or documents regarding the cooperative, the groups of which the cooperative is the holder of control and any other group whose financial information is consolidated with its own.

The financial services cooperative is also required to see that persons having custody of such documents do so as well.”

34. Section 149 of the Act is amended

(1) by striking out the second paragraph;

(2) by replacing “combined financial statements” and “of a credit union that is a member of the federation” in the third paragraph by “consolidated financial statements of the financial group to which a federation belongs” and “of a member of the financial group to which the federation belongs, including, if applicable, an auxiliary member that is a cooperative established under an Act of a jurisdiction other than Québec and that has a mission similar to that of a credit union within the meaning of this Act, but whose principal establishment is located outside Québec”, respectively.

35. Section 150 of the Act is amended by striking out the second paragraph.

36. Section 152 of the Act is amended

(1) by striking out “; the auditor shall also forward a copy of the written report to the federation, if the auditor is responsible for auditing the combined financial statements” in the first paragraph;

(2) by striking out the fifth paragraph.

37. Section 154 of the Act is amended by striking out the third paragraph.

38. Section 155 of the Act is amended by striking out the second paragraph.

39. Section 158 of the Act is amended by replacing “The auditor responsible for auditing the combined financial statements shall submit a report on the audit. They shall transmit their reports” by “The auditor shall transmit his or her report”.

40. Section 159 of the Act is amended by striking out the second paragraph.

41. Section 162 of the Act is amended by adding the following paragraph at the end:

“If the cooperative is a federation, its financial statements referred to in subparagraph 4 of the first paragraph are the consolidated financial statements of the financial group to which the federation belongs. For the purposes of this paragraph, any auxiliary member that is a cooperative established under an Act of a jurisdiction other than Québec and that has a mission similar to that of a credit union within the meaning of this Act, but whose principal establishment is located outside Québec belongs to that financial group.”

42. Section 163 of the Act is amended by striking out “and the combined financial statements” in the first paragraph.

43. Section 366.1 of the Act is amended by striking out “and the combined financial statements provided for in the second paragraph of section 135” in the first paragraph.

44. Section 427 of the Act is amended

(1) by replacing “its consolidated financial statements to the Authority, accompanied with” in the first paragraph by “to the Authority”;

(2) by replacing the second paragraph by the following paragraph:

“For the purposes of the first paragraph, the federation’s consolidated financial statements are those of the financial group to which it belongs. For the purposes of this paragraph, any auxiliary member that is a cooperative established under an Act of a jurisdiction other than Québec and that has a mission similar to that of a credit union within the meaning of this Act, but whose principal establishment is located outside Québec belongs to that financial group.”

45. The Act is amended by inserting the following section after section 474:

“474.1. Sections 473 and 474 do not apply to a federation if it acquires or holds contributed capital securities issued by its participating auxiliary members.”

46. Section 523 of the Act is repealed.

47. Section 524 of the Act is repealed.

48. Section 525 of the Act is amended by striking out paragraph 4.

49. Section 530 of the Act is amended by striking out “and be accompanied with the auditor’s report to the Authority attesting the scope of the auditor’s audit and the auditor’s opinion on the financial position of the fund”.

50. Section 564.2 of the Act is amended by replacing “to a cooperative” in paragraph 3 by “to the cooperative”.

51. Section 564.3 of the Act is amended by adding the following paragraph at the end:

“Likewise, the communication to the Authority of information protected by professional secrecy, by litigation privilege or by another communication restriction under the rules of evidence does not entail a waiver of the protection conferred on that information.”

52. Section 567 of the Act is amended by replacing “a legal person” in the third paragraph by “a third person”.

53. Section 569.1 of the Act is amended by inserting “as well as, if the contravener is a third person who acts on behalf of a financial services cooperative or a security fund, to that cooperative or fund” after “of which the contravener is a member” in the first paragraph.

54. Section 571 of the Act is amended

(1) by replacing “the person concerned” in the first paragraph by “whoever the order concerns”;

(2) by replacing “the person concerned. The latter” in the second paragraph by “whoever it concerns. The latter”.

REAL ESTATE BROKERAGE ACT

55. Section 2 of the Real Estate Brokerage Act (chapter C-73.2) is amended

(1) by inserting “or, in the case of a person authorized under an Act of a jurisdiction other than Québec to engage in a brokerage transaction described in section 1 outside of Québec, for the lease of an immovable” after “purchase of an immovable” in the first paragraph;

(2) by inserting “, other than the person referred to in the first paragraph and authorized under an Act of a jurisdiction other than Québec, that is a” after “Consequently, the intermediary” in the second paragraph.

ACT RESPECTING THE DISTRIBUTION OF FINANCIAL PRODUCTS AND SERVICES

56. Section 11.2 of the Act respecting the distribution of financial products and services (chapter D-9.2) is amended, in the first paragraph,

(1) by replacing “a hypothecary creditor, provided they engage in such a transaction in the course of their principal occupation and only for that creditor” in subparagraph 3 by “or acting for a hypothecary creditor, provided they engage in such a transaction only for that creditor or for a financial institution that belongs to the same financial group as that creditor”;

(2) by striking out subparagraph 4.

57. Section 12 of the Act is amended by replacing “a financial institution may” and “invite” in the second paragraph by “a person may, without holding such a certificate, act on behalf of a financial institution to enable it” and “to invite”, respectively.

58. Section 30 of the Act is repealed.

59. Section 31 of the Act is amended by striking out “on those insurers”.

60. The Act is amended by inserting the following division after Division IV of Chapter II of Title I:

“DIVISION V

“MORTGAGE BROKERS

“58.1. Mortgage brokers must inquire into their clients’ situation to assess their needs, be sure to appropriately advise their clients and, if they can, propose to their clients a loan that meets their needs.

“58.2. Mortgage brokers must describe to the client the loan offered to him or her in relation to the needs identified and specify the conditions of the loan offered and the nature of the hypothec before the client enters into a loan agreement.

“58.3. Mortgage brokers must, before proposing a loan to their client, disclose to him or her, in the manner determined by regulation, the names of lenders with whom their clients have entered into a loan agreement, together with the other information prescribed by regulation.

“58.4. Mortgage brokers must, when they have, or when the independent partnership or firm for which they act has, a business relationship with the lender who offers a loan to their client, disclose that relationship to their client.

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

61. Section 71 of the Act is amended by adding the following sentence at the end of the first paragraph: “However, a financial institution may, by giving out brochures or flyers or using direct mail or any other form of publicity, invite the public to purchase insurance products.”

62. Section 83.1 of the Act is replaced by the following section:

“83.1. A damage insurance brokerage agency that offers directly to the public insurance products that belong to a class prescribed by the regulation made for the purposes of section 38 must disclose on its website the names of the insurers for which it offers insurance products. It must also, in its written communications by which it invites the public to purchase such products, disclose the names of at least three of those insurers and indicate how to obtain the complete list of them.

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

(1) the name of the legal person that holds an interest representing more than 20% of the value of the firm's equity capital or, if that legal person belongs to a financial group within the meaning assigned to that expression by section 147, the name under which the group is known; and

(2) the name of the insurer to which are paid more than 60% of the premiums stipulated in the contracts entered into by the firm for all of the classes prescribed by the regulation made for the purposes of section 38.

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

A damage insurance firm must disclose, in the manner provided for in the first paragraph, the name of the insurer to which it is bound by an exclusive contract."

63. Section 86.0.1 of the Act is amended by replacing "and 39" in the first paragraph by ", 39 and 58.1 to 58.4".

64. Section 115.2 of the Act is amended by replacing both occurrences of "or 103.1" in the first paragraph by ", 103.1 or 103.7".

65. Section 128 of the Act is amended by replacing "Insurance representatives in insurance of persons and group insurance representatives, other than those referred to in section 32, damage insurance brokers, financial planners, claims adjusters and mortgage brokers" in the first paragraph by "Representatives".

66. Section 146 of the Act is amended

(1) in the first paragraph,

(a) by inserting "83.1," after "79,";

(b) by replacing ", 125.1, 126 and" by "and 125.1 to";

(2) in the second paragraph,

(a) by inserting "83.1," after "82,";

(b) by replacing ", 125.1, 126 and" by "and 125.1 to".

67. Section 146.1 of the Act is amended

(1) by inserting "as well as the second paragraph of section 115.9.2" after "to 115.9";

(2) by inserting “103.7,” after “103.1,”;

(3) by replacing “by regulation” by “under this Act or the regulations”.

68. Section 155 of the Act is amended by replacing “148” in the first paragraph by “150”.

69. Section 207 of the Act is amended by inserting “or 58.4” after “section 26”.

70. Section 208 of the Act is amended by adding the following paragraph at the end:

“Likewise, the Authority may, by regulation, determine the information that must be disclosed by mortgage brokers and firms that engage in mortgage brokerage transactions to their client as well as the terms relating to the disclosure they must make to the client concerning the lenders with whom their other clients have entered into a loan contract.”

71. Section 235 of the Act is amended

(1) by inserting “and provide the information the agency or firm must disclose under the second or fourth paragraph of section 83.1” at the end of the second paragraph;

(2) by striking out the third paragraph.

72. Section 290 of the Act is amended

(1) by replacing “on a recommendation of” in the first paragraph by “after consulting”;

(2) by replacing the second and third paragraphs by the following paragraphs:

“Board members qualify as independent members if they have no direct or indirect relations or interests, for example of a financial, commercial, professional or philanthropic nature, that are likely to interfere with the quality of their decisions as regards the interests of the Chamber.

A director is deemed not to be independent if the director

(1) is a personnel member of or holds a position at the Ministère des Finances or the Autorité des marchés financiers;

(2) is, or was in the three years preceding the date of the director’s appointment, in the employ or elected as director of that Chamber;

(3) is or was a member of the Chamber in the two years preceding the date of the director’s appointment;

(4) works or worked, in the year preceding the date of the director's appointment, in the industry in which the representatives who are members of the Chamber pursue their activities; or

(5) has an immediate family member who is a senior officer of the Chamber.

For the purposes of subparagraph 5 of the second paragraph, "immediate family member" means a person's spouse or child, the spouse's child, the person's father, mother, brother or sister, the spouse of the person's father or mother, the father or mother of the person's spouse or the spouse of the person's child."

73. Section 425 of the Act is amended by inserting ", a bank, an authorized foreign bank" after "deposit institution" in the first paragraph.

74. Sections 463 and 464 of the Act are amended by replacing "without being a representative" by "in contravention of this Act".

75. Section 470 of the Act is amended by replacing "without being a representative, offers an insurance product that may only be offered" by "in contravention of this Act, offers an insurance product or proposes a loan secured by immovable hypothec that may only be offered or proposed".

76. The Act is amended by inserting the following section after section 470.1:

"470.2. Every person who does not give the notices under sections 19, 22 and 93 although required to do so is guilty of an offence."

77. Section 486 of the Act is amended by inserting "470.2," after "464," in the first paragraph.

78. Sections 492 and 494 of the Act are amended by replacing "sections 461 to 483" in the first paragraph by "the sections of this Title".

ACT RESPECTING THE REGULATION OF THE FINANCIAL SECTOR

79. Section 5 of the Act respecting the regulation of the financial sector (chapter E-6.1) is repealed.

80. Section 6 of the Act is amended by replacing "other directorate and any other administrative structure" by "administrative structure".

81. Section 16 of the Act is amended by replacing "No" and "the person is authorized to do so" in the first paragraph by "No member of a board or" and "the board member or person is authorized to do so", respectively.

82. The Act is amended by inserting the following after the heading of Chapter IV:

“DIVISION I

“BOARD OF DIRECTORS

“19.18. The Authority shall be administered by a board of directors composed of 11 to 13 members appointed by the Government, including the chair of the board and the President and Chief Executive Officer.

All the members of the board of directors, excluding the President and Chief Executive Officer, must qualify as independent directors in the opinion of the Government.

“19.19. The members of the board of directors, other than the chair of the board and the President and Chief Executive Officer, are appointed by the Government taking into consideration the expertise and experience profiles approved by the board. Their terms of office may not exceed four years.

“19.20. The chair of the board of directors is appointed by the Government. The chair’s term of office may not exceed five years.

“19.21. The President and Chief Executive Officer is appointed by the Government, on the recommendation of the board of directors, taking into consideration the expertise and experience profiles approved by the board. The President and Chief Executive Officer’s term of office may not exceed five years.

“19.22. The Government shall fix the remuneration, social benefits and the other conditions of employment of the President and Chief Executive Officer.

The other members of the board of directors are remunerated by the Authority, on the conditions and to the extent determined by the Government.

In addition, the members of the board are entitled to the reimbursement of expenses incurred in the exercise of their functions, on the conditions and to the extent determined by the Government.

“19.23. The composition of the board of directors must tend towards gender parity.

“19.24. A person may not be appointed as or remain a member of the board of directors if

(1) the person is subject to an Act referred to in section 7 or is a director or officer of an entity subject to such an Act;

(2) the person was found guilty of an offence under any of the Acts referred to in section 7 during the five years prior to appointment or at any time while in the office of director, to the extent that the offence is incompatible with the office of director, unless the person has been pardoned;

(3) the person did not file a return, certificate, attestation or report that ought to have been filed under an Act referred to in section 7 on the date determined by that Act, though the person was required to do so; or

(4) the person owes an amount exigible under any of the Acts referred to in section 7, unless the person has entered into an agreement for the payment of the amount and complies with it, or the recovery of the amount has been suspended legally.

Subparagraph 1 of the first paragraph does not apply to the appointment of the President and Chief Executive Officer.

“19.25. On the expiry of their term, the members of the board of directors remain in office until they are replaced or reappointed.

“19.26. A vacancy on the board of directors shall be filled in accordance with the rules of appointment to the board.

Non-attendance at a number of board meetings determined by the board, in the cases and circumstances it specifies, constitutes a vacancy.

“19.27. The chair of the board shall call board meetings.

“19.28. The quorum at meetings of the board of directors is the majority of its members, including the President and Chief Executive Officer or the chair of the board.

“19.29. If the members of the board of directors take part in a board meeting by means of equipment enabling all participants to communicate directly with one another, they may hold a vote by any means of communication enabling votes to be cast in a way that both allows them to be verified afterwards and protects the secrecy of the vote, where such a ballot has been requested.

“19.30. The functions of the board include, in particular,

(1) approving the Authority’s investment policies and multi-year budget estimates;

(2) approving the by-law that establishes the Authority’s staffing plan;

(3) ensuring that the board committees exercise their functions properly;

(4) appointing, on the recommendation of the President and Chief Executive Officer, the superintendents and other officers of the Authority, other than the President and Chief Executive Officer, that are under the President and Chief Executive Officer's immediate authority;

(5) approving the information technology investment plan and an information resource management and security policy; and

(6) determining the delegation and subdelegation of powers and signing authority in all matters connected with the board's functions and powers.

The board shall also report to the Minister on any matter submitted to it by the latter and make recommendations to the Minister concerning the efficient use of Authority resources.

“19.31. In no case may the board of directors or any of its members, other than the President and Chief Executive Officer, exercise the functions and powers described in section 24.

No information may be communicated to the board of directors or one of its members, other than the President and Chief Executive Officer, that, even indirectly, reveals the identity of a person or entity that is subject to the application of an Act referred to in section 7.

“19.32. Subject to section 24.1, no deed, document or writing binds the Authority, or may be attributed to it, unless it is signed by a person authorized to do so by by-law of the board of directors.

The by-law may allow the signature of a person referred to in the first paragraph to be affixed by means of an automatic device on the documents specified in the by-law.

“19.33. The minutes of board meetings, approved by the board and certified true by the chair or by another member of the board authorized to do so by the board, are authentic.

“DIVISION II

“PRESIDENT AND CHIEF EXECUTIVE OFFICER”.

83. Section 20 of the Act is repealed.

84. Section 21 of the Act is replaced by the following section:

“21. The President and Chief Executive Officer shall exercise the functions and powers relating to the application of an Act referred to in section 7 regarding any person or entity subject to that application. The office of president and chief executive officer is a full-time position.”

85. Section 22 of the Act is amended

(1) by replacing the first sentence by the following sentence: “If the President and Chief Executive Officer is absent or unable to act, the board of directors may designate a member of the Authority’s staff to perform the President and Chief Executive Officer’s functions.”;

(2) by replacing “President and Chief Executive Officer” in the last sentence by “chair of the board”.

86. Section 23 of the Act is amended

(1) by replacing “shall appoint” and “activities and operations of the five directions of the Authority referred to in section 5” in the first paragraph by “shall recommend to the board of directors the appointment of” and “of the Authority’s activities and operations”, respectively;

(2) by replacing “shall also appoint” in the third paragraph by “shall also recommend to the board of directors the appointment of”.

87. Section 24 of the Act is amended by striking out the last sentence of the first paragraph.

88. The Act is amended by inserting the following section after section 24:

“24.1. With respect to the functions and powers referred to in sections 21 and 24, no deed, document or writing binds the Authority, or may be attributed to it, unless it is signed by the President and Chief Executive Officer or, within the limits of his or her duties within the administrative unit under his or her responsibility or to which he or she is attached, by a member of the Authority’s staff authorized by the President and Chief Executive Officer.

The President and Chief Executive Officer may, in his or her authorization, allow the signature of a person referred to in the first paragraph to be affixed by means of an automatic device on the documents he or she determines.

The instrument of authorization shall be posted on the Authority’s website and comes into force on the date of publication of a notice to that effect in the *Gazette officielle du Québec* or on any other subsequent date indicated in the notice.”

89. Section 25 of the Act is amended

(1) by replacing “The decisions made by the Authority” by “A document or copy of a document from the Authority or forming part of its records”;

(2) by striking out the second sentence.

90. Section 25.1 of the Act is repealed.

91. The Act is amended by inserting the following before section 26:

“DIVISION III

“HUMAN RESOURCES”.

92. Section 28 of the Act is replaced by the following section:

“28. The code of ethics applicable to the members of the Authority’s board of directors and the code applicable to its staff members must prescribe special rules and sanctions applicable to transactions carried out by staff members on securities governed by the Securities Act (chapter V-1.1).”

93. Sections 32.1 and 32.2 of the Act are amended by striking out all occurrences of “the President and Chief Executive Officer,”.

94. Section 42 of the Act is amended

(1) by replacing “a report on its activities” in the first paragraph by “an annual management report”;

(2) by replacing “activity report” in the second paragraph by “annual management report”;

(3) by replacing “activity report” and “activity reports” in the third paragraph by “annual management report” and “annual management reports”, respectively.

95. Section 43 of the Act is amended by replacing “activity” by “annual management”.

96. Section 44 of the Act is amended by replacing “activity” in the second paragraph by “annual management”.

97. Section 45 of the Act is repealed.

98. Section 46 of the Act is repealed.

99. Title II of the Act, comprising sections 48 to 58, is repealed.

100. The heading of Title II.1 of the Act is amended by replacing “COMITÉ” by “CONSEIL”.

101. Section 58.1 of the Act is amended by replacing “Comité” and “the Committee” by “Conseil” and “the Council”, respectively.

102. Section 58.2 of the Act is replaced by the following section:

“58.2. The Council is composed of not fewer than five or more than nine members appointed by the board of directors, after consultation with the President and Chief Executive Officer. The board of directors shall designate the chair of the Council from among them.

Members of the Council are appointed for a term of up to three years and may only be reappointed twice for a consecutive term.

On the expiry of their term, the members of the Council remain in office until they are reappointed or replaced.”

103. Section 58.3 of the Act is amended

(1) by replacing “the chair of the Committee, after consultation with the Council” in the first paragraph by “the board of directors, on the recommendation of the President and Chief Executive Officer”;

(2) by replacing all occurrences of “Committee” in the second paragraph by “Council”.

104. Sections 58.4 to 58.6, 58.8 and 58.9 of the Act are amended by replacing “Committee” by “Council”.

105. Section 58.10 of the Act is amended

(1) by replacing all occurrences of “Committee” by “Council”;

(2) by adding the following paragraph at the end:

“No member of the Council may use, for his or her own profit or that of a third person, information thus obtained.”

106. Section 58.11 of the Act is amended by replacing “Committee” by “Conseil”.

107. Section 58.12 of the Act is amended by replacing “Committee” and “activity” by “Council” and “annual management”, respectively.

108. The Act is amended by inserting the following section after section 106:

“106.1. For the purposes of this Title, the use of any appropriate technological means available to both the parties and the Tribunal should be considered, where circumstances permit, taking into account the technological environment in place to support the business of the Tribunal.

The Tribunal, even on its own initiative, may use such means or, if it considers it appropriate given the circumstances, order that such means be used by the parties; if it considers it necessary, the Tribunal may also, despite an agreement between the parties, require a person to appear in person at a hearing or a conference.”

ACT RESPECTING THE GOVERNANCE OF STATE-OWNED ENTERPRISES

109. Schedule I to the Act respecting the governance of state-owned enterprises (chapter G-1.02) is amended by inserting “Autorité des marchés financiers” in alphabetical order.

DEPOSIT INSTITUTIONS AND DEPOSIT PROTECTION ACT

110. The heading of Chapter V of Title II of the Deposit Institutions and Deposit Protection Act (chapter I-13.2.2) is amended by replacing “LEGAL PERSONS” by “THIRD PERSONS”.

111. Section 30.7 of the Act is amended by replacing “from an authorized deposit institution of a notice of intention to carry out one or more operations giving rise to a review mentioned in section 29 and, if applicable, the required documents” in the first paragraph by “of a notice referred to in the first paragraph of section 30.1 or, if the Authority receives it before the expiry of the period specified in that section, not later than 30 days before an operation provided for in that paragraph”.

112. Section 32.12 of the Act is amended by striking out “to a Québec savings company” in paragraph 3.

113. Section 32.13 of the Act is amended by adding the following paragraph at the end:

“Likewise, the communication to the Authority of information protected by professional secrecy, by litigation privilege or by another communication restriction under the rules of evidence does not entail a waiver of the protection conferred on that information.”

114. The heading of subdivision VI of subdivision 4 of Division II of Chapter III of Title III of the Act is amended by striking out “, *cancellation*”.

115. Section 40.50 of the Act is amended

(1) by replacing “cancel any part of the shares issued by a deposit institution belonging to the cooperative group. It may also convert such shares” in the first paragraph by “convert any part of the shares issued by a deposit institution belonging to the cooperative group”;

(2) by replacing “write off” and “Authority. It may also convert them” in the second paragraph by “convert” and “Authority,” respectively.

116. Section 41 of the Act is amended

(1) in the first paragraph,

(a) by inserting “, other than a financial services cooperative, authorized insurer or authorized trust company” after “authorized deposit institution”;

(b) by inserting “and, in the case of an institution that is not a credit union that is a member of a federation, accompanied by the financial statements made in the form prescribed by regulation and bearing the certificate of the institution’s auditor” at the end;

(2) by striking out the second paragraph.

117. Section 42 of the Act is replaced by the following section:

“42. The frequency of an inspection of the internal affairs and the activities of an authorized deposit institution, other than a financial services cooperative, authorized insurer or authorized trust company, is at least once a year.”

118. Section 42.4 of the Act is amended

(1) by replacing “a legal person” in the second paragraph by “a third person”;

(2) by inserting “and, if the contravener is a third person acting on behalf of an authorized deposit institution, to that deposit institution” after “to the contravener” in the third paragraph.

119. Section 42.5 of the Act is amended by replacing “the groups or persons” in the first paragraph by “those”.

120. Section 42.6 of the Act is amended

(1) by replacing “the person concerned” in the first paragraph by “whoever the order concerns”;

(2) by replacing “the person concerned. That person” in the second paragraph by “whoever it concerns. The latter”.

121. Section 43 of the Act is amended

(1) by striking out “written off or” in paragraph s.2;

(2) by striking out “cancelled or” and “written off or” in paragraph s.3.

VOLUNTARY RETIREMENT SAVINGS PLANS ACT

122. Section 42 of the Voluntary Retirement Savings Plans Act (chapter R-17.0.1) is amended by inserting the following paragraph after the second paragraph:

“Despite the second paragraph, an insurer may offer such a plan to an employer through a group insurance representative who is authorized to provide only group annuities within the meaning of the Act respecting the distribution of financial products and services or through a representative in insurance of persons referred to in section 3 of that Act, if the offer is not intended to replace a voluntary retirement savings plan to which the employer is already subscribed.”

123. Section 139 of the Act is repealed.

TRUST COMPANIES AND SAVINGS COMPANIES ACT

124. The heading of Chapter III of Title II of the Trust Companies and Savings Companies Act (chapter S-29.02) is amended by replacing “LEGAL PERSONS” by “THIRD PERSONS”.

125. Section 134 of the Act is amended by replacing “from an authorized trust company of a notice of intention to carry out one or more operations giving rise to a review referred to in section 126 and, if applicable, the required documents, costs and fees” in the first paragraph by “of a notice referred to in the first paragraph of section 128 or, if the Authority receives it before the expiry of the period specified in that section, not later than 30 days before an operation provided for in that paragraph”.

126. Section 157 of the Act is amended by replacing “Act to an authorized trust company” in paragraph 3 by “Act”.

127. Section 158 of the Act is amended by adding the following paragraph at the end:

“Similarly, the communication to the Authority of information protected by professional secrecy, by litigation privilege or by another communication restriction under the rules of evidence does not entail a waiver of the protection conferred by those contexts or rules.”

128. Section 239 of the Act is amended by inserting “or in the case of a short-form amalgamation within the meaning of the Business Corporations Act, the resolutions of the boards of directors of the amalgamating corporations authorizing such an amalgamation” at the end of paragraph 3.

129. Section 256 of the Act is amended

(1) by replacing “a legal person” in the second paragraph by “a third person”;

(2) by replacing “to the contravener” in the third paragraph by “to the contravener and, if the contravener is a third person acting on behalf of an authorized trust company, to that company”.

130. Section 257 of the Act is amended by replacing “of the groups or all the persons” in the first paragraph by “those”.

131. Section 258 of the Act is amended

(1) by replacing “the person concerned” in the first paragraph by “whoever the order concerns”;

(2) by replacing “the person concerned. The latter” in the second paragraph by “whoever it concerns. The latter”.

ACT RESPECTING REMUNERATED PASSENGER TRANSPORTATION BY AUTOMOBILE

132. Section 39 of the Act respecting remunerated passenger transportation by automobile (chapter T-11.2) is repealed.

CREDIT ASSESSMENT AGENTS ACT

133. Section 108 of the Credit Assessment Agents Act (2020, chapter 21), amended by section 172 of chapter 25 of the statutes of 2021, is again amended by inserting “for the purposes of the same entering into a contract or the same credit increase for which a request had been made to the agent having sent the notice of the existence of the freeze” at the end of the section 8.4 that it enacts.

REGULATION RESPECTING THE CLASSES OF NEGOTIABLE AND TRANSFERABLE UNSECURED DEBTS AND THE ISSUANCE OF SUCH DEBTS AND OF SHARES

134. Section 6 of the Regulation respecting the classes of negotiable and transferable unsecured debts and the issuance of such debts and of shares (chapter I-13.2.2, r. 3) is amended by striking out “Cancellation, Write-off and” in the second paragraph.

REGULATION RESPECTING THE INDEMNIFICATION PLAN APPLICABLE PURSUANT TO CERTAIN RESOLUTION OPERATIONS

135. Section 2 of the Regulation respecting the indemnification plan applicable pursuant to certain resolution operations (chapter I-13.2.2, r. 4) is amended by striking out “or have been written off in accordance with said paragraph” in paragraph 2.

CHAPTER II

PROVISIONS REGARDING INTEREST ON REPAYMENT OF FINANCIAL ASSISTANCE FOR EDUCATION EXPENSES

136. Despite any inconsistent provision, the interest rate prescribed in section 73 of the Regulation respecting financial assistance for education expenses (chapter A-13.3, r. 1) applicable to the interest to be paid by a person referred to in section 42.1 of the Act respecting financial assistance for education expenses (chapter A-13.3), as well as the interest to be paid by the borrower in default referred to in section 80 of that regulation and by a person referred to in section 101 of that regulation is 0% for the period from 1 April 2021 to 31 March 2022.

In addition, the interest rate applicable with respect to an amount of financial assistance for education expenses received without entitlement before 1 May 2004 that a person must repay to the Minister of Higher Education, Research, Science and Technology is also 0% for the period specified in the first paragraph.

For the purposes of this section, the borrower or the person may, not later than 31 March 2022, request from their financial institution or the Minister, as applicable, that any payment made during the period referred to in the first paragraph be reduced by the difference between the amount of interest the borrower or person should have paid on a payment had it not been for the application of this section and the amount of interest determined under this section for that payment. In the absence of such a request, the difference between the amounts of interest is deducted from the balance of the principal of the borrower's loan or of any amount payable by the person.

137. The Minister of Higher Education, Research, Science and Technology pays to the financial institution, for the borrower, the interest, accrued from 1 April 2021 to 31 March 2022, on the balance, including the capitalized interest, of the loan granted to the borrower under the Act respecting financial assistance for education expenses and according to the terms prescribed by the Regulation respecting financial assistance for education expenses, made by Order in Council 844-90 dated 20 June 1990 (1990, G.O. 2, 1685), as amended from time to time, at the rate prescribed by section 68 of that regulation.

For the purposes of this section, the borrower may, not later than 31 March 2022, request from his or her financial institution that any payment made during the period referred to in the first paragraph be reduced by the amount of interest paid by the Minister. In the absence of such a request, the amount of interest is deducted from the balance of the principal of the borrower's loan.

138. The Minister of Higher Education, Research, Science and Technology renounces payment of the interest payable by the borrower, accrued from 1 April 2021 to 31 March 2022, on the balance, including the capitalized interest, of the loan granted to the borrower under the Student Loans and

Scholarships Act (chapter P-21) or the Act respecting financial assistance for education expenses and in accordance with the terms prescribed by the Regulation respecting financial assistance for education expenses, made by Order in Council 844-90 dated 20 June 1990, as amended from time to time, regarding which judicial proceedings were instituted and ended by a judgment rendered or by an agreement confirming that the balance is payable.

For the purposes of this section, the borrower may, not later than 31 March 2022, request from the Minister that any payment made during the period referred to in the first paragraph be reduced by the amount of interest renounced by the Minister for that payment. In the absence of such a request, the amount of interest is deducted from the balance of the principal of the borrower's loan.

CHAPTER III

TRANSITIONAL AND FINAL PROVISIONS

139. Despite the first paragraph of section 19.18 of the Act respecting the regulation of the financial sector (chapter E-6.1), enacted by section 82, the board of directors of the Autorité des marchés financiers may, until (*insert the date that is two years after the date of assent to this Act*), be composed of 7 to 13 members.

140. The President and Chief Executive Officer of the Autorité des marchés financiers in office on (*insert the date of assent to this Act*) continues to exercise his or her functions, on the same conditions and for the remainder of the term, or until he or she is replaced or reappointed.

The chair of the Conseil consultatif de régie administrative in office on (*insert the date of assent to this Act*) exercises the functions of chair of the board of directors, on the same conditions and for the remainder of the term, or until he or she is replaced or reappointed.

The other members of that council in office on (*insert the date of assent to this Act*) continue in office, on the same conditions, as members of the board of directors for the remainder of their term.

141. The number of terms a member of the board of directors served as a member of the Conseil consultatif de régie administrative before (*insert the date of assent to this Act*) must be considered for the renewal of any term after that date.

142. The Government may, in accordance with the Act respecting the governance of state-owned enterprises (chapter G-1.02), determine that a member of the Conseil consultatif de régie administrative in office on (*insert the date of assent to this Act*) has the status of independent director.

143. The expertise and experience profiles referred to in paragraph 5 of section 15 of the Act respecting the governance of state-owned enterprises must be approved by the board of directors of the Autorité des marchés financiers and sent to the Minister of Finance before *(insert the latter of 1 July 2022 and the date that is six months after the date of assent to this Act)*.

144. The board of directors of the Autorité des marchés financiers must, not later than *(insert the latter of 1 April 2022 and the date that is three months after the date of assent to this Act)*, establish the committees referred to in section 19 of the Act respecting the governance of state-owned enterprises.

Despite the second paragraph of that section, a member of the board of directors may be a member of a committee even if he or she is not considered an independent director, until all the members of the board of directors qualify as such.

Until those committees are established, the board of directors designates, according to its priorities, one of its members, other than the President and Chief Executive Officer, to replace the chair of the board if the latter is absent or unable to act.

145. A policy or regulation of the Autorité des marchés financiers in force on *(insert the date of assent to this Act)* that concerns a matter under the jurisdiction of the Authority's board of directors continues to apply until it is amended, replaced or repealed by the board or, if applicable, until the policy or regulation, or an amendment of it, is submitted for government approval.

146. The instrument of delegation referred to in section 24 of the Act respecting the regulation of the financial sector, amended by section 87, which authorizes a staff member of the Autorité des marchés financiers to sign a deed, document or writing that binds the Authority, continues to apply to that member until the date of coming into force of the instrument of authorization referred to in section 24.1 of the Act respecting the regulation of the financial sector, enacted by section 88, which may not be later than *(insert the date that is one year after the date of assent to this Act)*.

147. Section 17 of the Act respecting the governance of state-owned enterprises applies to the Autorité des marchés financiers as of the fiscal year beginning on 1 April 2022. The board of directors must, before the end of that fiscal year, approve the financial disclosure policy referred to in that section.

148. The strategic plan of the Autorité des marchés financiers in force on *(insert the date of assent to this Act)* continues to apply until the date it expires even if it does not meet the requirements set out in sections 34 and 35 of the Act respecting the governance of state-owned enterprises.

149. Sections 36, 38 and 39 of the Act respecting the governance of state-owned enterprises apply to the Autorité des marchés financiers as of the fiscal year beginning on 1 April 2022.

150. This Act comes into force on (*insert the date of assent to this Act*).

