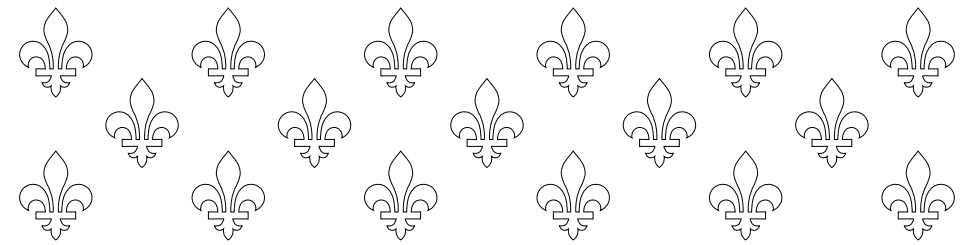

NATIONAL ASSEMBLY

FIRST SESSION THIRTY-EIGHTH LEGISLATURE

Bill 19

An Act to amend the Securities Act and other legislative provisions

Introduction

Introduced by
Madam Monique Jérôme-Forget
Minister of Finance

Québec Official Publisher
2007

EXPLANATORY NOTES

This bill amends the Securities Act to introduce a special civil remedy so that investors in the secondary securities market may bring actions for damages if issuers release documents or statements containing a misrepresentation or fail to disclose a material change. The bill identifies the parties against whom such actions may be brought and determines the plaintiff's burden of proof.

In addition, the bill determines the defences available to defendants, the maximum amount of damages that defendants may be ordered to pay and the procedure for bringing actions, including the requirement to obtain the prior authorization of the court. The bill also makes the amendments necessary to include the remedy in the Securities Act.

Moreover, the bill amends the Deposit Insurance Act to raise the guarantee limit to $100,000, the Act respecting the Autorité des marchés financiers to clarify privative clauses designed to protect the Authority, and the Act respecting the distribution of financial products and services to allow the Autorité des marchés financiers to suspend the certificate of a representative who has not complied with professional development requirements. Lastly, the bill contains consequential amendments.

LEGISLATION AMENDED BY THIS BILL:

– Deposit Insurance Act (R.S.Q., chapter A-26);

– Act respecting the Autorité des marchés financiers (R.S.Q., chapter A-33.2);

– Act respecting the distribution of financial products and services (R.S.Q., chapter D-9.2);

– Act respecting trust companies and savings companies (R.S.Q., chapter S-29.01);

– Securities Act (R.S.Q., chapter V-1.1).

Bill 19

AN ACT TO AMEND THE SECURITIES ACT AND OTHER LEGISLATIVE PROVISIONS

THE PARLIAMENT OF QUÉBEC ENACTS AS FOLLOWS:

1. Section 73 of the Securities Act (R.S.Q., chapter V-1.1) is amended by replacing "statement of material change" in the third paragraph by "material change report".

2. The Act is amended by replacing "annual information statement" in the heading of Chapter III of Title III, section 84 and subparagraph 1 of the second paragraph of section 85 by "annual information form".

3. The Act is amended by inserting the following section after the heading of Title VIII:

"**213.1.** This Title sets rules applicable to certain actions for rescission, for revision of the price or for damages. It also sets rules applicable when privileged information is used in contravention of certain provisions concerning insiders, and rules applicable when this Act or a regulation made under this Act is contravened in connection with a take-over bid or issuer bid.

More particularly, Chapters I and II of this Title establish rules relating to actions for damages resulting from the subscription, acquisition or disposition of securities to which this Title applies. They do not prevent an action for damages from being brought under ordinary civil liability rules."

4. The heading of Chapter II of Title VIII of the Act is amended by striking out "TRANSACTIONS EFFECTED WITH DOCUMENTS CONTAINING A".

5. Section 215 of the Act, amended by section 67 of chapter 50 of the statutes of 2006, is again amended by replacing "transferred" and "transfer" in the first paragraph by "disposed of" and "disposal" respectively.

6. The Act is amended by inserting the following section after section 215:

"**215.1.** The plaintiff in an action for damages is not required to prove that the plaintiff subscribed for, acquired or disposed of securities because the distribution, take-over bid or issuer bid was made without a prospectus or without a circular, or because the plaintiff did not receive a prospectus or a circular that the plaintiff was entitled to receive."

7. Section 222 of the Act is amended

(1) by replacing "transferred" in the first paragraph by "disposed of";

(2) by replacing "transfer" by "disposal" wherever it appears.

8. Section 224 of the Act is amended by replacing "transfer" in paragraph 2 by "disposal".

9. The Act is amended by inserting the following heading after the heading of Chapter II of Title VIII:

"**DIVISION I**

"PRIMARY MARKET AND TAKE-OVER OR ISSUER BIDS".

10. The Act is amended by inserting the following sections after section 225:

"**225.0.1.** A defendant may defeat an action based on a misrepresentation in forward-looking information by proving that

(1) the document containing the forward-looking information contained, proximate to that information,

(*a*) reasonable cautionary language identifying the forward-looking information as such, and identifying material factors that could cause actual results to differ materially from a conclusion, forecast or projection in the forward-looking information; and

(*b*) a statement of the material factors or assumptions that were applied in drawing a conclusion or making a forecast or projection; and

(2) the defendant had a reasonable basis for drawing the conclusions or making the forecasts or projections set out in the forward-looking information.

This section does not apply to forward-looking information in a financial statement required to be filed under this Act or the regulations or in a document released in connection with an initial public offering.

"**225.0.2.** The plaintiff is not required to prove that the plaintiff relied on the document containing a misrepresentation when the plaintiff subscribed for, acquired or disposed of a security."

11. The Act is amended by inserting the following before Chapter III of Title VIII:

"**DIVISION II**

"SECONDARY MARKET

"§1. — *Scope and interpretation*

"**225.2.** This division applies to any person who acquires or disposes of a security of a reporting issuer or of any issuer closely connected to Québec whose securities are publicly traded.

However, this division does not apply to a person that subscribes for or acquires a security during the period of a distribution of securities made with a prospectus or, unless otherwise provided by regulation, under a prospectus exemption granted by this Act, a regulation made under this Act or a decision of the Authority; nor does it apply to a person that acquires or disposes of a security in connection with or pursuant to a take-over bid or issuer bid, unless otherwise provided by regulation, or to a person that makes any other transaction determined by regulation.

"**225.3.** In this division, unless the context indicates otherwise,

"core document" means a prospectus, a take-over bid circular, an issuer bid circular, a directors' circular, a notice of change or variation in respect of a take-over bid circular, issuer bid circular or directors' circular, a rights offering circular, management's discussion and analysis, an annual information form, a proxy solicitation circular, the issuer's annual and interim financial statements and any other document determined by regulation, and a material change report, but only where used in relation to the issuer or the investment fund manager and their officers;

"document" means any writing that is filed or required to be filed with the Authority, with a government or an agency of a government under applicable securities or corporate law, or with a stock exchange or quotation and trade reporting system under its by-laws, or the content of which would reasonably be expected to affect the market price or value of a security of the issuer;

"expert" means a person whose profession gives authority to a statement made in a professional capacity by the person, including an accountant, actuary, appraiser, auditor, engineer, financial analyst, geologist, advocate or notary, but not including an entity that is an approved rating organization defined by regulation;

"influential person" means, in respect of an issuer, a control person, investment fund manager or promoter, or an insider who is not a director or officer of the issuer;

"issuer's security" means a security of an issuer and includes a security the market price or value of which, or payment obligations under which, are derived from or based on a security of the issuer and which is created by a person acting on behalf of the issuer or is guaranteed by the issuer;

"management's discussion and analysis" means the section of an annual information form, annual report or other document that contains management's discussion and analysis of the financial situation and operating results of an issuer as required under this Act or the regulations;

"public oral statement" means an oral statement made in circumstances in which a reasonable person would believe that information contained in the statement will become generally disclosed; and

"release" means, with respect to information or a document, to file with a stock exchange, the Authority or an extra-provincial securities commission within the meaning of section 305.1, or to otherwise make available to the public.

"§2. — *Actions for damages and burden of proof*

"I. — *Prior authorization and other general conditions*

"**225.4.** No action for damages may be brought under this division without the prior authorization of the court.

The request for authorization must state the facts giving rise to the action. It must be filed together with the projected statement of claim and be notified by bailiff to the parties concerned, with a notice of at least 10 days of the date of presentation.

The court grants authorization if it deems that the action is in good faith and there is a reasonable possibility that it will be resolved in favour of the plaintiff.

"**225.5.** On filing the request for authorization with the court, the plaintiff must send a copy to the Authority.

If authorization is granted by the court, the plaintiff must promptly issue a press release disclosing that fact. Within seven days after authorization is granted, the plaintiff must send a written notice to the Authority, together with a copy of the press release. In addition, on filing the statement of claim with the court, the plaintiff must send a copy to the Authority.

"**225.6.** Any interested party may request that the court declare an authorization perempted if the plaintiff does not commence the action within three months after authorization is granted.

Such a request must be served on the parties together with a notice of at least 30 days of the date of presentation.

"**225.7.** An action may not be abandoned or settled except on the terms set by the court, including terms as to costs.

When setting the terms, the court considers whether there are any other actions outstanding under this division or under comparable provisions of extra-provincial securities laws within the meaning of section 305.1 in respect of the same misrepresentation or failure to make timely disclosure.

"II. — *Persons liable to action*

"**225.8.** A person that acquires or disposes of an issuer's security during the period between the time when the issuer or a mandatary or other representative of the issuer released a document containing a misrepresentation and the time when the misrepresentation was publicly corrected may bring an action against

(1) the issuer, each director of the issuer at the time the document was released, and each officer of the issuer who authorized, permitted or acquiesced in the release of the document;

(2) each influential person, and each director and officer of an influential person, who knowingly influenced the issuer or a mandatary or other representative of the issuer to release the document or a director or officer of the issuer to authorize, permit or acquiesce in the release of the document; and

(3) each expert whose report, statement or opinion containing the misrepresentation was included, summarized or quoted from in the document and, if the document was released by a person other than the expert, who consented in writing to the use of the report, statement or opinion in the document.

"**225.9.** A person that acquires or disposes of an issuer's security during the period between the time when a mandatary or other representative of the issuer made a public oral statement relating to the issuer and containing a misrepresentation and the time when the misrepresentation was publicly corrected may bring an action against

(1) the issuer and each director and officer of the issuer who authorized, permitted or acquiesced in the making of the public oral statement;

(2) the person who made the public oral statement;

(3) each influential person, and each director and officer of an influential person, who knowingly influenced the person who made the public oral statement to make the public oral statement or a director or officer of the issuer to authorize, permit or acquiesce in the making of the public oral statement; and

(4) each expert whose report, statement or opinion containing the misrepresentation was included, summarized or quoted from in the public oral statement and, if the public oral statement was made by a person other than the expert, who consented in writing to the use of the report, statement or opinion in the public oral statement.

"**225.10.** A person that acquires or disposes of an issuer's security during the period between the time when an influential person or a mandatary or other representative of the influential person released a document or made a public oral statement relating to the issuer and containing a misrepresentation and the time when the misrepresentation was publicly corrected may bring an action against

(1) the issuer, if a director or officer of the issuer or the investment fund manager authorized, permitted or acquiesced in the release of the document or the making of the public oral statement;

(2) the person who made the public oral statement;

(3) each director and officer of the issuer who authorized, permitted or acquiesced in the release of the document or the making of the public oral statement;

(4) the influential person and each director and officer of the influential person who authorized, permitted or acquiesced in the release of the document or the making of the public oral statement; and

(5) each expert whose report, statement or opinion containing the misrepresentation was included, summarized or quoted from in the document or public oral statement and, if the document was released or the public oral statement was made by a person other than the expert, who consented in writing to the use of the report, statement or opinion in the document or public oral statement.

"**225.11.** A person that acquires or disposes of an issuer's security during the period between the time when the issuer failed to make timely disclosure of a material change and the time when the material change was disclosed in the manner required under this Act or the regulations may bring an action against

(1) the issuer and each director and officer of the issuer who authorized, permitted or acquiesced in the failure to make timely disclosure; and

(2) each influential person, and each director and officer of an influential person, who knowingly influenced the issuer or a mandatary or other representative of the issuer in the failure to make timely disclosure or a director or officer of the issuer to authorize, permit or acquiesce in the failure to make timely disclosure.

"III. — *Plaintiff's burden of proof*

"**225.12.** The plaintiff is not required to prove that the plaintiff relied on the document or public oral statement containing a misrepresentation or on the issuer having complied with its timely disclosure obligations when the plaintiff acquired or disposed of the issuer's security.

"**225.13.** For the purposes of sections 225.8 to 225.10, unless the defendant is an expert or the misrepresentation was contained in a core document, the plaintiff must prove that the defendant

(1) knew, at the time that the document was released or the public oral statement was made, that the document or public oral statement contained a misrepresentation or deliberately avoided acquiring such knowledge at or before that time; or

(2) was guilty of a gross fault in connection with the release of the document or the making of the public oral statement.

"**225.14.** For the purposes of section 225.11, unless the defendant is the issuer, the investment fund manager or an officer of the issuer or the investment fund manager, the plaintiff must prove that the defendant

(1) knew, at the time that a material change report should have been filed, of the change and that the change was a material change, or deliberately avoided acquiring such knowledge at or before that time; or

(2) was guilty of a gross fault in connection with the failure to make timely disclosure.

"**225.15.** In determining whether a gross fault was committed, the court must consider all relevant circumstances, including

(1) the nature of the issuer;

(2) the knowledge, experience and function of the defendant;

(3) the office held, if the defendant was an officer;

(4) the presence or absence of another relationship with the issuer, if the defendant was a director;

(5) the existence and the nature of any system designed to ensure that the issuer meets its continuous disclosure obligations, and the reasonableness of reliance by the defendant on that system;

(6) the reasonableness of reliance by the defendant on the issuer's officers and employees and on others whose duties would in the ordinary course have given them knowledge of the relevant facts;

(7) the period within which disclosure was required to be made under this Act or the regulations;

(8) in respect of a report, statement or opinion of an expert, any standards, rules or practices applicable to the expert;

(9) the extent to which the defendant knew, or should reasonably have known, the content and medium of dissemination of the document or public oral statement;

(10) the role and responsibility of the defendant in the preparation and release of the document or the making of the public oral statement containing the misrepresentation or in the ascertaining of the facts contained in that document or public oral statement; and

(11) the role and responsibility of the defendant in the decision not to disclose the material change.

"**225.16.** The court seized of the action may decide that multiple misrepresentations having common subject matter or content may be treated as a single misrepresentation or that multiple instances of failure to make timely disclosure concerning common subject matter may be treated as a single failure to make timely disclosure.

"IV. — *Defendant's burden of proof*

"**225.17.** A defendant may defeat an action by proving that, at the time of the transaction, the plaintiff knew that the document or public oral statement contained a misrepresentation or was aware of the material change that should have been disclosed.

An action may also be defeated by proving that the defendant conducted or caused to be conducted a reasonable investigation and had no reasonable grounds to believe that the document or public oral statement would contain a misrepresentation or that the failure to make timely disclosure would occur.

"**225.18.** In determining whether an investigation was reasonable under the second paragraph of section 225.17, the court must consider all relevant circumstances, including those listed in paragraphs 1 to 11 of section 225.15.

"**225.19.** A defendant may defeat an action by proving that

(1) the misrepresentation was also contained in a document filed by or on behalf of a third person, other than the issuer, with the Authority or an extra-provincial securities commission within the meaning of section 305.1 or a stock exchange, and was not corrected in another document filed by or on behalf of that third person with the Authority, commission or stock exchange before the issuer or the mandatary or other representative of the issuer released the document or made the public oral statement;

(2) the document or public oral statement contained a reference identifying the document that was the source of the misrepresentation; and

(3) when the document was released or the public oral statement was made, the defendant did not know and had no reasonable grounds to believe that the document or public oral statement contained a misrepresentation.

"**225.20.** A defendant, other than the issuer, may defeat an action by proving that

(1) the document was released, the public oral statement was made or the failure to make timely disclosure occurred without the defendant's knowledge or consent; and

(2) after the defendant became aware of the misrepresentation or the failure to make timely disclosure but before the misrepresentation was corrected or the material change was disclosed in the manner required under this Act or the regulations,

(*a*) the defendant promptly notified the board of directors of the issuer of the misrepresentation or the failure to make timely disclosure; and

(*b*) if no correction of the misrepresentation or no subsequent disclosure of the material change in the manner required under this Act or the regulations was made by the issuer within two business days after the notification under subparagraph *a*, the defendant, unless prohibited by law or by professional confidentiality rules, promptly notified the Authority, in writing, of the misrepresentation in the document or public oral statement or failure to make timely disclosure.

"**225.21.** For the purposes of sections 225.9 and 225.10, a defendant other than the person who made the public oral statement may defeat an action by proving that the defendant did not become, or should not reasonably have become, aware of the misrepresentation before the plaintiff acquired or disposed of the issuer's securities and by proving that the person who made the public oral statement had no authority other than apparent authority to do so.

"**225.22.** A defendant may defeat an action for a misrepresentation in forward-looking information in a document or a public oral statement by proving that

(1) the document or public oral statement containing the forward-looking information contained, proximate to that information,

(*a*) reasonable cautionary language clearly identifying the forward-looking information as such, and identifying material factors that could cause actual results to differ materially from a conclusion, forecast or projection in the forward-looking information; and

(*b*) a statement of the material factors or assumptions that were applied in drawing a conclusion or making a forecast or projection; and

(2) the defendant had a reasonable basis for drawing the conclusions or making the forecasts or projections set out in the forward-looking information.

This section does not apply to forward-looking information in a financial statement required to be filed under this Act or the regulations or in a document released in connection with an initial public offering.

"**225.23.** A defendant is deemed to have satisfied the requirements of subparagraph 1 of the first paragraph of section 225.22 with respect to a public oral statement containing forward-looking information if the person who made the public oral statement

(1) made a cautionary statement that the public oral statement contains forward-looking information;

(2) stated that the actual results could differ materially from a conclusion, forecast or projection in the forward-looking information and that certain material factors or assumptions were applied in drawing a conclusion or making a forecast or projection as reflected in the forward-looking information; and

(3) stated that additional information about the material factors that could cause actual results to differ materially from the conclusion, forecast or projection in the forward-looking information and about the material factors or assumptions applied in drawing a conclusion or making a forecast or projection as reflected in the forward-looking information is contained in a readily-available document, and has identified that document.

For the purposes of subparagraph 3 of the first paragraph, a document filed with the Authority, or otherwise generally disclosed, is deemed to be readily available.

"**225.24.** A defendant, other than an expert, may defeat an action for a misrepresentation in a document or public oral statement that includes, summarizes or quotes from a report, statement or opinion made by the expert, with the expert's written consent to the use of the report, statement or opinion, if the consent had not been withdrawn in writing before the document was released or the public oral statement was made, by proving that

(1) the defendant did not know and had no reasonable grounds to believe that there was a misrepresentation in the report, statement or opinion of the expert that was included, summarized or quoted from in the document or public oral statement; and

(2) that the report, statement or opinion of the expert was fairly represented in the document or public oral statement.

"**225.25.** An expert who is the defendant in an action may defeat the action by proving that the written consent previously provided to the use of a

report, statement or opinion made by the expert was withdrawn in writing before the document was released or the public oral statement was made.

"**225.26.** A defendant may defeat an action for a misrepresentation in a document other than a document that is required to be filed with the Authority by proving that, at the time that the document was released, the defendant did not know and had no reasonable grounds to believe that the document would be released.

"**225.27.** A defendant may defeat an action under section 225.11 by proving that

(1) the issuer, in accordance with this Act or the regulations, filed a material change report with the Authority without making the report public and the issuer had a reasonable basis to file the report on a confidential basis;

(2) if the change remains material, the issuer promptly made the material change public when the basis for confidentiality ceased to exist;

(3) the defendant or issuer did not release a document or make a public oral statement that, due to the undisclosed material change report, contained a misrepresentation; and

(4) if the material change became publicly known in a manner other than the manner required under this Act or the regulations, the issuer promptly disclosed the material change in accordance with this Act or the regulations.

"§3. — *Assessment of damages and apportionment of liability*

"**225.28.** Damages are assessed as follows in favour of a plaintiff that acquired an issuer's securities:

(1) in respect of securities that the plaintiff has not disposed of, assessed damages are to be equal to the number of securities acquired and not disposed of, multiplied by the difference between the average price paid per security (including commissions) and, if the issuer's securities trade on an organized market, the trading price of the issuer's securities on the principal market for the 10 trading days following the public correction of the misrepresentation or the disclosure of the material change in the manner required under this Act or the regulations or, if there is no organized market, the amount that the court considers just;

(2) in respect of securities that the plaintiff subsequently disposed of on or before the last of the 10 trading days referred to in paragraph 1, assessed damages are to be equal to the difference between the average price paid for those securities (including commissions) and the price received on the disposition of those securities (without deducting commissions), calculated taking into account the result of hedging or other risk limitation transactions; and

(3) in respect of securities that the plaintiff subsequently disposed of after the last of the 10 trading days referred to in paragraph 1, assessed damages are to be equal to the lesser of

(*a*) the number of those securities, multiplied by the difference determined under paragraph 1; and

(*b*) the difference determined under paragraph 2.

"**225.29.** Damages are assessed as follows in favour of a plaintiff that disposed of an issuer's securities:

(1) in respect of securities that the plaintiff has not subsequently repurchased, assessed damages are to be equal to the number of securities disposed of and not repurchased, multiplied, if the issuer's securities trade on an organized market, by the difference between the trading price of the issuer's securities on the principal market for the 10 trading days following the public correction of the misrepresentation or the disclosure of the material change in the manner required under this Act or the regulations, and the average price received per security on the disposition of those securities (deducting commissions paid determined on a per security basis) or, if there is no organized market, the amount that the court considers just;

(2) in respect of securities that the plaintiff subsequently repurchased on or before the last of the 10 trading days referred to in paragraph 1, assessed damages are to be equal to the difference between the price paid for those securities (excluding commissions) and the average price received on the disposition of those securities (deducting commissions), calculated taking into account the result of hedging or other risk limitation transactions; and

(3) in respect of securities that the plaintiff repurchased after the last of the 10 trading days referred to in paragraph 1, assessed damages are to be equal to the lesser of

(*a*) the number of those securities, multiplied by the difference determined under paragraph 1; and

(*b*) the difference determined under paragraph 2.

"**225.30.** Assessed damages are not to include any amount that the defendant proves is attributable to a change in the market price of securities that is unrelated to the misrepresentation or the failure to make timely disclosure.

"**225.31.** The court determines each defendant's responsibility for the damages assessed and orders each defendant to pay that portion of those damages that corresponds to the defendant's responsibility.

However, if the court determines that a particular defendant, other than the issuer, authorized, permitted or acquiesced in the release of the document or

making of the public oral statement containing the misrepresentation, or the failure to make timely disclosure, while knowing it to be a misrepresentation or a failure to make timely disclosure, it may order that defendant to pay the whole amount of the damages.

If two or more defendants are so determined to be responsible for all the damages assessed, they are solidarily liable for the whole amount of the damages.

"**225.32.** A defendant who is a director or officer of an influential person is not liable in that capacity if the defendant is liable as a director or officer of the issuer.

"**225.33.** Unless the plaintiff proves that the defendant, other than the issuer, authorized, permitted or acquiesced in the release of the document or making of the public oral statement containing the misrepresentation, or the failure to make timely disclosure, while knowing it to be a misrepresentation or a failure to make timely disclosure, the damages payable are the lesser of

(1) the amount determined under section 225.28 or 225.29; and

(2) the maximum amount determined under the second paragraph less any damages the defendant has been ordered to pay by a judgment that has become *res judicata* in any other actions brought against the defendant under this division or comparable provisions of extra-provincial securities laws within the meaning of section 305.1 in respect of the same misrepresentation or failure to make timely disclosure, and less any amount paid in settlement of such actions.

For the purposes of subparagraph 2 of the first paragraph, the maximum amount is,

(1) in the case of the issuer or an influential person that is not a natural person, the greater of 5% of its market capitalization and $1,000,000;

(2) in the case of a natural person other than an expert, the greater of 50% of the aggregate of that person's compensation from the issuer and its affiliates and $25,000 or, if the person is a director or officer of an influential person, the greater of 50% of the aggregate of that person's compensation from the influential person and its affiliates and $25,000; and

(3) in the case of an expert, the greater of the revenue that the expert and the affiliates of the expert earned from the issuer and its affiliates during the 12-month period preceding the misrepresentation and $1,000,000.

For the purposes of subparagraph 2 of the second paragraph, "compensation" means compensation received during the 12-month period immediately preceding the day on which the misrepresentation was made or on which the failure to make timely disclosure first occurred, together with the market value

of all deferred compensation including, without limitation, options, pension benefits and stock appreciation rights, granted during the same period, valued as of the date that such compensation is awarded."

12. Section 235 of the Act is amended by adding the following paragraph at the end:

"However, in the case of an action under Division II of Chapter II, if another action was brought under that division or under comparable provisions of extra-provincial securities laws within the meaning of section 305.1 regarding the same misrepresentation or failure to make timely disclosure, the plaintiff is deemed to have knowledge of the facts as of the date on which that other action was brought."

13. Section 236 of the Act is amended by adding the following paragraph after paragraph 2:

"(3) six months from the publication of the press release announcing that authorization has been granted by the court to bring an action under Division II of Chapter II or comparable provisions of extra-provincial securities laws within the meaning of section 305.1 regarding the same misrepresentation or failure to make timely disclosure, in the case of actions under that division."

14. Section 236.1 of the Act, amended by section 80 of chapter 50 of the statutes of 2006, is again amended by replacing "Any action under this Title or" in the first paragraph by "Any action under this Title, except an action under Division II of Chapter II, and".

15. Sections 330.3 and 330.4 of the Act are repealed.

16. Section 331.1 of the Act, amended by section 108 of chapter 50 of the statutes of 2006, is again amended

(1) by replacing "define" in paragraph 27 by "determine";

(2) by striking out paragraph 31;

(3) by inserting the following paragraphs after paragraph 32:

"(32.1) prescribe the cases in which Division II of Chapter II of Title VIII applies to a person that has subscribed for or acquired a security in a distribution of securities made under a prospectus exemption or in a take-over bid or issuer bid, or that makes any other transaction determined by regulation;

"(32.2) determine documents other than those referred to in the definition of "core document" in section 225.3 to be core documents for the purposes of that definition;".

DEPOSIT INSURANCE ACT

17. Section 33 of the Deposit Insurance Act (R.S.Q., chapter A-26) is repealed.

18. Section 33.1 of the Act is amended by replacing "$60 000" in the first paragraph by "$100,000" and by striking out the third paragraph.

19. Section 33.2 of the Act is repealed.

20. The first paragraph of section 34, the second paragraph of section 38.1, section 39 and subparagraph *a* of the first paragraph of section 57 of the Act are amended by replacing "$60 000" wherever it appears by "$100,000".

ACT RESPECTING THE AUTORITÉ DES MARCHÉS FINANCIERS

21. Section 18 of the Act respecting the Autorité des marchés financiers (R.S.Q., chapter A-33.2) is amended by replacing "against the Authority, against a self-regulatory organization or" in the first paragraph by a comma.

22. The Act is amended by inserting the following section after section 34:

"**34.1.** Except on a question of jurisdiction, no recourse under article 33 of the Code of Civil Procedure (chapter C-25) or extraordinary recourse within the meaning of that Code may be exercised, nor any injunction granted, against the Authority.

Any judge of the Court of Appeal may, on a motion, summarily annul any writ, order or injunction issued or granted contrary to the first paragraph."

23. The Act is amended by inserting the following section after section 63:

"**63.1.** Except on a question of jurisdiction, no recourse under article 33 of the Code of Civil Procedure (chapter C-25) or extraordinary recourse within the meaning of that Code may be exercised, nor any injunction granted, against a self-regulatory organization in the exercise of the powers delegated to it under this division.

Any judge of the Court of Appeal may, on a motion, summarily annul any writ, order or injunction issued or granted contrary to the first paragraph."

ACT RESPECTING THE DISTRIBUTION OF FINANCIAL PRODUCTS AND SERVICES

24. Section 218 of the Act respecting the distribution of financial products and services (R.S.Q., chapter D-9.2) is amended by adding the following paragraph at the end:

"The Authority may, in addition, suspend a certificate where the certificate holder has not complied with compulsory professional development requirements."

25. Section 228 of the Act is amended by striking out paragraph 3.

ACT RESPECTING TRUST COMPANIES AND SAVINGS COMPANIES

26. Section 329 of the Act respecting trust companies and savings companies (R.S.Q., chapter S-29.01) is amended by replacing "section 9.1 of the Act respecting the enterprise registrar (chapter R-17.1)" by "section 9 of the Act respecting the Autorité des marchés financiers (chapter A-33.2)".

TRANSITIONAL AND FINAL PROVISIONS

27. The Government may, by a regulation made before (*insert the date occurring one year after the date of assent to this Act*), adopt any other transitional provision or measure conducive to the carrying out of this Act.

A regulation under this section is not subject to the publication requirement set out in section 8 of the Regulations Act (R.S.Q., chapter R-18.1).

28. Sections 18 and 20 of this Act have effect from 23 February 2005.

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