AUTORITÉ
DES MARCHÉS
FINANCIERS

SOUND COMMERCIAL PRACTICES GUIDELINE

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November 2022

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~~1~~1. Commercial practices and the fair treatment of clients

Financial institutions have a legal obligation to adhere to sound commercial practices~~.[1]~~.[1]

The commercial practices, or conduct of business, of financial ~~institutions[2]~~institutions[2] reflect their behaviour in their relationships with clients~~,[3]~~,[3] from before a contract is entered into until all the institution's obligations under thecontract are fulfilled. ~~Commercial practices incorporate all stages of the life cycle of a product, from product design to after-sale service.~~

Sound commercial practices help ensure, in particular, that ~~an~~a product offer ~~of products[4]~~ [4] is fair~~, effective~~ and transparent. Conversely, unsound commercial practices expose clients to risks or situations that could negatively impact them. Adhering to sound commercial practices entails treating clients fairly.

The fair treatment of clients (FTC) is based on core principles and guidance published by various international bodies~~.[5]~~.[5] It encompasses concepts such as ethical behaviour, acting in good faith and the prohibition of abusive practices. FTC manifests itself at every stage of a product's life cycle and involves, among other things:

- Developing, marketing and offering products in a way that pays due regard to the needs and interests ~~and needs~~ ofclients
- Providing clients with accurate, clear and sufficient information, before, when and after a product is offered, allowing them to make an informed decision
- Minimizing the risk ~~of sales~~ that ~~are~~the product offered is not suited to the ~~clients'~~client's needs and circumstances
- Examining client claims and complaints in a fair and timely manner
- Protecting the privacy of client information

[1] Insurers Act, CQLR, c. A-32.1, sections 50 and 51
Act respecting financial services cooperatives, CQLR, c. C-67.3, sections 66.1and 66.2 Trust Companies and Savings Companies Act, CQLR, c. S-29-02, sections 34 and 35 Deposit Institutions and DepositProtection Act, CQLR, c. I-13.2.2, sections 28.11 and 28.12

[2] ~~The generic~~ In this guideline, the terms "institution" and "financial institution" ~~and "institution"~~ refer to ~~all~~ the ~~entities~~financial

institutions that are subject to the legal obligation to adhere to sound commercial practices~~.~~ in accordance with the statutes listed in Note 1. Consequently, these terms donot ~~refer to~~include a federation of mutual insurance associations.

3 Although the enabling statutes (supra note 1) refer specifically to the notion of "clientele," the terms "client" and "clients" are also in this guideline. These broad notions cover both current and potential clients of the financial institution and may also include,for example, a person with an interest in the product sold, such as the beneficiary of an insurance policy, where appropriate for the context.

4 ~~The generic expression "offer of products" used in~~ In this guideline ~~refers both to~~, the term "product ~~and~~" also includes,

5 The Organisation for Economic Co-operation and Development, the International Financial Consumer Protection Organisation Financial Stability Board, the International Association of Insurance Supervisors, the Basel Committee on Banking Supervision, the International Organization of Securities Commissions.

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~~2~~2. Business culture

Business culture is one of the main vectors of staff behaviour within an institution. It refers to the common values (e.g., ethics and integrity) and standards that characterize a business and influence the mindset~~, behaviour~~ and actions of its entire staff. It informs ~~decision-making for both~~the institution's strategic decisions and ~~decisions made by~~the conduct of client-facing staff.

An FTC-centric business culture creates an environment that fosters client confidence and long-term client relationships. Conversely, a deficient business culture can cause serious harm to clients and damage the reputation of the ~~business~~institution to the point of compromising its solvency.

~~An~~A financial institution with an FTC-centric business culture:

- Places clients' interests at the centre of its decisions and the conduct of its business
- Recognizes and manages risks that could compromise FTC
- Ensures that ~~results demonstrate,~~FTC outcomes are demonstrated, including through indicators~~, that staff are acting ethicallyand with integrity in their dealings with clients~~ developed for this purpose
- Communicates FTC outcomes ~~across~~to the persons concerned at all levels of the organization

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~~3 Stakeholder accountability~~

~~In providing products, the financial institution, upon first contact with the client, makes a commitment to them and holds it throughout the life cycle of the product, whether or not its distribution channel is independent. With this in mind, the institution adopts commercialpractices ensuring FTC at all stages of the relationship with the client. The institution consequently monitors the product offering process to ensure compliance.~~

~~The fact that ultimate responsibility lies with the institution does not relieve intermediaries[6] of their own obligations to clients.~~

3. Responsibility of the financial institution

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The AMF expects financial institutions to fulfill their FTC obligation at all stages of the product life cycle.

A financial institution's FTC obligation continues to apply even though some intermediaries[6] involved in offering the financial institution's products may have their own obligations.

Financial institutions therefore obtain reasonable assurance that the actions of intermediaries and any other persons acting on its behalf who are involved in offering their products enable them to discharge their FTC obligation.

Moreover, financial institutions remain fully responsible for any activities that may be outsourced by them. [7]

[6] Intermediaries are the individuals and firms authorized to offer financial products and services pursuant to the Act respecting the distribution of financial products and services, CQLR, c. D-9.2.

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[7] Autorité des marchés financiers, Outsourcing Risk Management Guideline, April 2010.

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44. Financial institutions' relationships with intermediaries

~~In managing their~~

The AMF expects financial institutions to establish business relationships with intermediaries that enable them to discharge their FTC obligation.

As part of financial institutions' relationships with intermediaries, ~~financial institutions are expected~~the AMF expects:

Criteria for selecting Intermediaries to~~:~~

- ~~Implement due diligence controls providing, from intermediary selection on, assurance that~~ enable the identification of intermediaries ~~are authorized~~with the authorization to act~~, where~~ and the appropriate~~, and have the appropriate knowledge~~ competencies and ~~ability to conduct business~~resources, and follow-up to be performed to ensure the criteriaare maintained

~~Enter~~

- Agreements entered into ~~written agreements that~~ to clearly set out ~~intermediaries' responsibilities in order to ensure~~ the financial institution's expectations for intermediaries with regard to FTC~~, and reporting~~

- Reporting, indicators and controls ~~for obtaining~~put in place to be adjusted based on the risks specific to and characteristics of each intermediary[8] and to allow the financial institution to obtain reasonable assurancethat ~~they are fulfilling them. These agreements must not hinder the financial institutions and intermediaries in fulfilling their obligations to clients~~the intermediary is meeting its expectations with regard to FTC

~~Ensure~~Among other things, the financial institution:

- Ensures that ~~intermediaries are providing~~the intermediary has the means to provide clients with timely information necessary for enlightened decision-making
- ~~Ensure that intermediaries have appropriate controls in place to detect unsuitable sales and practices and take the necessary corrective action~~

~~Implement~~

- Provides for the implementation of measures ~~necessary to ensure that~~guaranteeing clients ~~receive~~ an appropriate level of service afterthey enter into a contract

~~Obtain~~

- Considers the controls put in place by the intermediary sufficient to identify inappropriate sales, transactions and practices in respect of clients and is satisfied with any corrective action, where required
- Obtains relevant information from ~~intermediaries in order~~the intermediary enabling it to review, if necessary, ~~their~~its product designs, target client group definitions or distribution strategies

~~Obtain~~

- Obtains relevant information from ~~intermediaries~~the intermediary about the complaints ~~they~~it has received regarding~~its products or their distribution~~ so ~~as to develop~~the financial institution can obtain a complete picture of the client experience and identify any FTC-related issues
- ~~Identify any issues to be addressed and discuss remedial actions or any other matters related to client relationships~~

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~~5 Financial institutions' relationships with service providers~~

~~When functions related to commercial practices are outsourced,[7] the service provider performs such functions in compliance with the laws, regulations and guidelines applicableto the institution's activities.~~

~~In managing their relationships with service providers, institutions are expected to:~~

- ~~Deal only with service providers that have high ethical and professional standards~~
- ~~Develop outsourcing agreements that do not compromise the quality of services or adversely affect their ability to fulfill FTC-related obligations~~
- ~~Reassess their existing arrangements with service providers, upon renewal or as required, to ensure that they continue to contribute to the achievement of FTC outcomes~~

~~7 The expectations expressed in this guideline provide additional details regarding commercial practiceswhile complementing those contained in the *Outsourcing Risk Management Guideline*, December 2010.~~

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~~6 Expected outcomes for clients~~

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[8] For example, reporting, indicators and controls include the insurer's liability with respect to a distributor (s. 65 of the Insurers Act).

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5. Expected FTC outcomes

~~6.1~~5.1 Governance

~~The AMF expects financial institutions' decision-making bodies to make a firm commitment to, and exercise strong leadership in, making FTC a core component of their business culture.~~

The AMF expects financial institutions' decision-making bodies to exercise strong leadership in making FTC a core component of their business culture.

Since ~~the~~ risks ~~resulting from~~of inappropriate practices with clients are harder to quantify and monitor using standard compliance tools, it is important to establish an FTC-centric business culture.

~~Senior management and the~~ The board of directors ~~are~~is responsible for ~~ensuring, on~~promoting an ~~ongoing basis, that the institution's~~ FTC-centric business culture and sound commercial practices, and ~~culture are strengthened~~senior management is responsible for ensuring that that culture and those practices are reflected in ~~its~~ the financial institution's risk management ~~approach and risk appetite~~framework.

Roles and responsibilities of the board of ~~directors[8]~~directors[9]

- Ensure that committees are established to monitor changes in the business culture and the risks of inappropriate practices that could adversely affect FTC
- Ensure that ~~monetary~~compensation and ~~non-monetary~~performance management programs, including incentives granted by the financial institution to staff, intermediaries or ~~any~~ other ~~person~~persons acting on behalf of the institution who ~~is~~are involved in offering its products, take FTC into account
- Ensure that the institution's code of ethics preserves and strengthens the business culture and enables ongoing adherence to high standards of ethics and integrity from recruitment onward
- Review the institution's FTC performance on set objectives and strategies and, if necessary, ensure that the required remedial action is taken

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[9] Insurers Act, CQLR, c. A-32.1, section 94
Deposit Institutions and Deposit Protection Act, CQLR, c. I-13.2.2, section 28.38 Trust Companies and Savings Companies Act, CQLR, c-S-29.02, section 75.

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Roles and responsibilities of senior management

- Ensure the development of objectives, strategies, policies, processes and procedures that are consistent with the institution's values and enable ~~the~~ achievement of the expected FTC outcomes

~~Implement~~

- Ensure the implementation of controls to:
  - Identify and address any departure from the institution's objectives, strategies, policies, processes andprocedures
  - Ensure that staff conduct is consistent with the institution's FTC-related values~~and commercial practices~~
  - Identify and react promptly to any risks or situations likely to adversely affect FTC
  - Generate information for the board of directors that supports the monitoring and ~~measurement~~[9]measurement[10] of theinstitution's performance and a process for its continuing improvement in FTC
- Ensure that staff members who offer products receive ~~ongoing~~ training, periodically and as needed, on ~~the~~establishedFTC-related policies, ~~procedures and~~ processes ~~established in this regard~~and procedures
- Ensure that the institution's integrated risk management takes into account risks and commercial practices that could adversely affect FTC
  - ~~Ensure the establishment of a robust and transparent policy and set of processes for determining the consequences of staff non-compliance with the applicableobligations~~

~~9 In~~

- Ensure that appropriate action is taken to correct staff member practices that are contrary to FTC

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[10] ~~Accordingly, in~~ addition to the client satisfaction rate or the number of complaints received, the indicators used by should make it possible to measure the achievement of expected FTC outcomes ~~over the entire life cycle~~at every stage of

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~~6.2~~5.2 Handling conflicts of interest

~~The AMF expects any real or potential conflicts of interest to be avoided or managed in a manner that ensures FTC.~~

~~Major sources of conflicts~~

The AMF expects any real or potential conflicts of interest to be avoided or managed in a manner that ensures FTC.

A conflict of interest ~~include monetary and non-monetary incentives that~~situation may arise from~~:~~

- ~~Established~~ , among other things, the compensation and performance management programs
- ~~Financial institutions'~~ put in place or the relationships ~~with intermediaries or~~ established between the financial institution and theintermediary and any other person acting on ~~their~~its behalf who is involved in offering ~~their~~its products.

A conflict of interest situation could result in an inappropriate sale, transaction or practice or have an impact on the quality of services provided~~. It could also affect the~~ or advice given to clients, as applicable.

The institution should therefore ~~ensure that every situation is assessed to prevent a~~regularly identify and assess the risks of practices with a potentially adverseimpact on FTC that may result from conflict of interest ~~or ensure that it is managed in a way that ensures FTC~~situations.

Expectations to achieve this outcome

- Put clients' interests first
- Take all reasonable steps to identify and avoid or manage real or potential conflicts of interest
- ~~Put clients' interests first~~
- Avoid any real or potential conflict of interest that cannot be managed in a way that ensures FTC~~. The financial institution is able to demonstrate~~
- Demonstrate that ~~it has put~~ controls have been put in place to ensure that ~~the conflict~~conflicts of interest can be managed in away that ensures FTC
- Disclose in writing to the client concerned any real or potential conflict of interest that might reasonably have an impact, given the circumstances, on the offer of products or the client's decisions. This disclosure is made in a timely manner, ~~i.e., made before or at the time the product is offered,~~ and it is not sufficient in and of itself for the conflict of interest to be consideredto have been properly managed
  - When relying on, among other things, ~~on~~ disclosure of a conflict of interest, ensure that such disclosure ~~does not place an unreasonable burden on the client:~~
  - ~~It~~ allows the client to assess the nature and scope of the conflict of interest, its potential impact on the services provided, the potential risk it could pose for him or her and the way it is managed

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~~It is disclosed in a timely manner, i.e., before or when the product is offered or~~

- Notify the client of any significant change that occurs regarding the previously disclosed ~~conflicts~~conflict of
- Document each conflict of interest situation that arises and how the institution managed it. The information collected should provide a basis for ~~assessing~~illustrating the extent of the harm that may be caused to the such a conflict of ~~interest~~[10]interest

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~~6.3~~5.3 Product design

~~The AMF expects the needs and interests of the various target client groups to be taken into account when designing new insurance products or significantly altering existing products.~~

~~Not~~

The AMF expects financial institutions to take the common needs and interests of the various target client groups into account when designing products.

Designing products includes developing new products and significantly altering existing ones. For the financial institution, not taking the common needs and interests of the various target client groups into account when designing ~~new~~ products ~~or making significant adaptations to existing products increases~~could increase the ~~likelihood~~risk of ~~unsuitable~~inappropriate offers ~~or negative impacts for clients, particularly with complexand risky products~~.

Expectations to achieve this outcome

- Product ~~development~~design relies on the use of adequate information enabling the identification of client needs and interests.

~~When developing a new product~~

- Product design, including ~~selecting a product~~the selection of products originating from ~~a~~ third ~~party, the~~ parties, involves an appropriateassessment of the main features of the ~~product[11] and~~ product[11] and the disclosure documents provided to clients ~~are thoroughly assessed by individuals from the~~by institution staff who have the ~~skills~~competencies to perform such an ~~assessment[12]~~assessment.[12]
- The process for approving a ~~new~~ product enables the institution to:
  - Define the target client group that the product is likely to be appropriate for
  - Offer a product that delivers the benefits and features reasonably expected by the target client group
  - Identify~~, monitor or reduce~~ and manage any risks that the product might present for the target ~~clients~~client group
  - Take into account applicable statutory and regulatory amendments, technological developments orchanges in market conditions
- Defining the target client group involves identifying the common needs~~,~~ and interests~~, characteristics[13] and objectives~~ of the members of the group.
- The level of detail of the criteria used by the institution to identify a target client group is based onthe type of product (e.g., nature, features, complexity, level of risk ~~profile~~) and enables the institution to determine which clients belong to the group~~:~~ and those for whom the product may not be appropriate
  - ~~For commonly used, low-risk products, the target client group may be less precisely defined because the product more often than not suits the needs andinterests of a wide range of clients~~

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11 For example, for deposit products, the assessment of the product's features could take into account criteria such as accessibility, yield and security.

12 For example, type, compliance, integrated risk management, finance, sales, taxation, actuarial services, legal affairs.

~~13 For example, preferences, financial capacity, known types of behaviour.~~

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- Product monitoring~~:~~[14] [13]

  - Ensures, by relying on sufficient, relevant, clear information, that the product's main features ~~always meet clients' needs~~[15]continue tosuit the target client group's needs and interests[14]

  - Enables ~~remedial~~ action to be taken, if necessary, to:

    - Tailor the product to ~~clients'~~the target client group's changing ~~needs~~[16]needs and interests[15]
    - Ensure that clients understand the product and its main features
    - Revisit the definition of the target client group ~~when the control shows that the product is not or is no longer suited to the target group's needs,interests, objectives and characteristics~~

~~14~~

[13] Also applies to products no longer offered but still held by clients (e.g., investments in certain segregated funds). Product monitoring helps ensure that clients receive ongoing information supporting informed decision-making.

~~15~~ [14] For example, regular information from employees and intermediaries offering the product; information from the quality control department, the claims examination department, the complaint processing department, the analysis of competing products and client satisfaction assessment methods. Moreover, some insurance industry indicators such as a high claim denial rate or a low

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claim rate may indicate that the product is not suited to the needs and interests of the target client group.

~~16~~15 For example, ensure that the exclusions in the insurance contract are still relevant and drafted in a way that is clear to clients. Consider economic conditions ~~(e.g., take~~in taking into account changes in clients' level of indebtedness~~)~~.

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~~6.4~~5.4 Product marketing

~~The AMF expects distribution methods to take into account the needs and interests of the target client groups and to be tailored to the products.~~

~~The financial~~

The AMF expects financial institutions' distribution strategies to take into account the needs and interests of the target client groups and to be tailored to the products.

Financial institutions ~~act as guarantors of~~ are responsible for the distribution ~~methods~~strategies they use for their products and ~~provide~~strategy oversight.

Expectations to achieve this outcome

~~are ultimately responsible for overseeing all aspects of the~~ The distribution ~~process.~~

~~**Expectations to achieve this outcome**~~

- ~~The distribution methods~~strategies for a product are chosen using appropriate information to assess the target client group's needs and ~~taking into account~~interests and are tailored to the level of complexity of the product ~~and its potential impact on clients' financial situation~~
- Staff, intermediaries or ~~any person~~other persons acting on behalf of the institution who ~~is~~are involved in offering its products receive relevant information and appropriate training on the products. They have an adequate grasp of the product's features and the target client ~~group~~groups
- The indicators used and controls applied with respect to distribution ~~methods~~strategies make it possible to:
  - Assess the performance of the various distribution ~~methods~~strategies in terms of expected FTC outcomes and totake any ~~necessary~~ remedial action, as required
  - Ensure that the distribution ~~methods~~strategies used for a product continue to meet the target client group's needs~~at all times~~ and would not adversely affect clients' interests

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~~6.5~~5.5 Product advertising

~~The AMF expects product advertising materials to be accurate, clear and not misleading.~~

The AMF expects product advertising materials to be accurate, clear and not misleading.

Before using advertising material, financial institutions should take the necessary steps to ensure that it is accurate, clear and not misleading.

Expectations to achieve this outcome

- Prior to being disseminated, product advertising materials are reviewed by ~~a unit that is independent from the one that~~persons other than those who prepared or designed them
- Advertising materials:
  - Are easy to understand
  - Clearly identify the financial institution ~~in accordance with the law~~
  - Adequately convey the benefits that the target client group may reasonably expect from the product
  - Highlight information or key elements ~~that could affect a client's~~required for informed decision-making by clients
  - Provide a clear understanding of the product and does not cause confusion
- Advertising materials are presented in a format that is easy to read and understand
- The statistics used are relevant to the product. The sources of the statistics used are indicated, if applicable
- Testimonials used are authentic, and, if paid for, mention is made of that fact
- If the institution notes that advertising material is inaccurate, ~~unclear or~~ misleading or is causing confusion, itwithdraws it ~~immediately and~~ promptly ~~notifies everyone it is able~~and takes any other actions required to ~~identify who relies on~~remedy the ~~information contained in the material~~situation

~~6.6~~5.6 Disclosure to clients before or when a product is offered

~~The AMF expects client to have information, before or when a product is offered, that allows them to be properly informed with a view to making an enlightened decision.~~

The AMF expects clients to have information, before or when a product is offered, that allows them to be properly informed in order to make an enlightened decision.

Such disclosure should enable clients to understand the product and its main features and help them determine whether the product ~~meets~~suits their needs and interests.

The level of detail of disclosure will vary depending on, among other things, the nature and complexity of the product ~~or other specific requirements that could apply to the product.~~

Expectations to achieve this outcome

~~**Expectations to achieve this outcome**~~

- Disclosure to clients:
  - Is up-to-date and ~~available on paper or any other durable medium~~readily accessible
    - Is drafted in clear and plain language ~~and~~, in a manner that is not ~~misleading~~[17]
  - ~~Is~~misleading,[16] and is presented in a formatthat facilitates reading and comprehension
  - Focuses on information quality, not quantity
  - Clearly identifies the name of the institution~~, in accordance with the law,~~ and provides its contact details
  - Gives prominence to and explains the main features of the product ~~18~~[17] that are important for finalizing orperforming the contract, including the consequences for the client of not complying with the terms of thecontract
  - Sets out the client's rights and obligations, including any right of cancellation or rescission
    - ~~Discloses conflicts of interest, if any~~[19]
  - Gives the contact details for the claims examination and settlement ~~department~~[20]department[18]
  - Gives the contact details for the complaint processing and dispute resolution department and the stepsfor accessing the summary of the complaint processing and dispute resolution policy

~~17~~

[16] When technical, complex or hard-to-understand language cannot be avoided, make tools or other ~~support available~~means help them ~~to~~ clearly understand the information~~, or give them the institution's contact information for obtaining further~~

~~18~~[17] Examples: For insurance products, the type of contract, the coverages offered, eligibility requirements, perils covered, restrictions, limitations, deductible, premium. For credit products, the interest rate, fees and charges, total cost, term, repayment terms, type of security required, etc.

~~19 In order to further highlight information regarding conflicts of interest, Institutions should consider using a separate and succinct conflict disclosure document.~~

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~~6.7 Offering a product to a client[21]~~

~~The AMF expects the client's needs and situation to be taken into account when a product is offered.~~

5.7 Offers of product by deposit institutions[19]

The AMF expects deposit institutions to assess whether the product that is offered is appropriate for the client.

The deposit institution's policies, processes, procedures and controls should ensure that the product that is offered is ~~suitable~~appropriate for the client.~~[22]~~, having regard for their circumstances, including their financial needs.[20]

~~Expectations to achieve this outcome~~

Expectations to achieve this outcome

- The ~~client's needs and situation are taken into account using~~ nature of the information ~~relevant to~~collected varies depending on the client's circumstances[21] and the type of product ~~involved~~that is offered[22]
   - ~~When assessing the client's situation, factors such as the person's goals, current financial position, ability to repay, risk tolerance, investment horizon, other personalcommitments and the financial products already held are taken into account~~
- The Know Your Client (KYC) information ~~provided to~~that is collected is analyzed to understand the client'scircumstances and assess the ~~client takes into account~~ appropriateness of the ~~client's knowledge andpersonal experience and assists the client in making enlightened decisions~~product that is offered

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[19] Financial services cooperatives, trust companies and other authorized deposit institutions.

[20] For example, the policies, processes, procedures, controls and information systems relating to the granting of credit should enable the identification, control and mitigation of major risks to clients, including those related to mis-sold credit products, and to prevent, insofar as possible, repayment problems and what they logically lead to, i.e., debt overload.

as the client's objectives, financial situation, repayment ability, risk tolerance, investment horizon and other commitments.

[22] Features, charges, risks and benefits for clients.

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~~6.8~~5.8 Disclosure to clients after a product is purchased

The AMF expects clients to have information allowing them to be properly informed, in a timely manner, in order to make enlightened decisions about the products they hold.

Disclosure to clients after a product is purchased is timely and enables clients to determine whether the product they hold is still suited to their needs and interests.

Expectations to achieve this outcome

~~The AMF expects clients to have information allowing them to be properly informed, in a timely manner, with a view to making enlightened decisions about the products they hold.~~

~~A lack of communication with clients increases the risk of harm being caused to them.~~

Disclosure to clients:

Is drafted~~Expectations to achieve this outcome~~

~~Information is communicated to clients to:~~[23]

- ~~Remind them,~~ in ~~a timely manner, of~~clear and simple language so as not to cause misunderstanding and is presented in a formatthat is easy to read and understand
- Reminds them about the options ~~that~~they can ~~be exercised by them~~exercise

~~Inform~~

- Informs them~~, when applicable, of the impact~~ of changes to the ~~features of their~~ contract ~~and~~or changes related to the performance of their contract, the impactof the changes, and their rights and obligations, and ~~to obtaintheir consent,~~ when necessary, obtains their consent

~~Provide for the timely disclosure to~~

- Notifies clients of events such as:
  - ~~Any relevant information depending on product type, including any changes tothe contract terms~~
  - ~~Renewal~~ Date of renewal or automatic renewal ~~of the product~~
  - Expiry of a promotional period

~~Likelihood that they~~

  - Payment due date after which time fees will be ~~required to incur fees~~charged
  - Replacement of the product or early termination of the contract
  - A portfolio transfer
  - ~~Any significant change in already provided information regarding thedisclosure of conflicts of interest~~
  - Amendments to applicable legislation or changes in market conditions that could affect the product'smain features
  - Any organizational or operational change by the institution that could have an impact on the ~~client~~

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~~and the~~ productsheld by and the services ~~offered~~provided to the ~~client~~[24]client[23]

their personal situation to ensure that the product is still appropriate for them.

The institution therefore takes the necessary steps to ensure that clients receive ongoing and adequate service.

procedures in place facilitate such transactions.

[23] For example, if branches or automated teller machines are closed or converted, the financial institution contacts its clients within a reasonable period of time and informs them of available alternatives.

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~~6.9~~5.9 Claims examination and ~~settlement~~[25]settlement[24]

~~The AMF expects claims to be examined diligently and settled fairly following a process that is simple and accessible for clients.~~

The AMF expects claims to be examined diligently and settled fairly following a process that is simple and readily accessible for clients.

Claims examination and settlement are key steps in an insurer's relationship with its clients.

Expectations to achieve this outcome

When ~~**Expectations to achieve this outcome**~~

- ~~Clients are informed when~~ filing a claim, the client is informed of the main steps in the ~~claims~~ examination ~~process and~~ of the ~~formalities~~claim and of the expected timeframes~~, which may be extended inexceptional cases~~[26] for settlement of the claim[25]

~~Clients are updated on their claim's status~~

- The client is informed in a timely and appropriate manner of the claim's status

- Additional requests for information from the institution related to the examination of ~~claims~~a claim are commensurate with the perils covered and do not hinder or delay the examination process

~~When~~

- The client is informed, when the ~~claims examination process~~claim cannot be ~~completed~~examined within the expected timeframe, ~~clients are told~~ why additionaltime is required and when the process will be completed

- Claim-determinative factors (e.g., depreciation, negligence) and, when applicable, the reasons why the claim was wholly or partially denied are carefully and clearly explained to ~~clients~~the client. Everything is confirmed in writing to the client, who is offered the opportunity to request a review of the decision

- Claim decisions take clients' interests into account and are made in an objective and consistent manner

- The claim decision review ~~takes into account the legitimate interests of the client. It~~ process is ~~a~~ simple ~~process~~, without any red tape

- Clients are informed that they may contact the complaint processing and dispute resolution department if they are dissatisfied with the way their claim has been handled

- ~~Insurance contract provisions are interpreted in a consistent manner~~

- ~~The claims examination and settlement process is free of conflicts of interest~~

- Staff responsible for claims examination and settlement:

  - Are familiar and comply with the institution's claims examination and settlement process. They are able to provide appropriate information to clients and properly assist them in making a claim and throughoutthe examination process

- Possess the necessary competencies depending on the type of product

[24] Applicable only to insurers authorized under the ~~insurance sector~~Insurers Act.

~~[26]~~ [25] Where applicable, a damage insurer's procedure creates a favourable environment for a claims adjuster to meet the obligations out in the Act respecting the distribution of financial products and services~~, CQLR, c. D-9.2~~.

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~~6.10~~5.10 Complaint processing and dispute resolution

~~The AMF expects complaints to be processed fairly and diligently following a process that is simple and accessible for clients.~~

The AMF expects complaints to be processed fairly and diligently following a process that is simple and readily accessible for clients.

The complaints received by a financial institution and the handling of those complaints are, among other things, key elements to consider in assessing the financial institution's FTC performance.

The various laws administered by the ~~AMF[27]~~AMF require financial institutions to do such things as keep a complaints register and adopt a policy for complaint processing ~~complaints and resolving disputes that complies with the established obligations.[28]~~and dispute resolution.[26]

Expectations to achieve this outcome

- ~~A summary of the policy, describing the main steps in the~~ The complaint process~~, the formalities to be completed~~ takes into account clients' interests and ~~the processing timeframes, is made available to clients on the website~~ensures that complaints are handled in an objective and consistent manner
- The institution designates a complaints officer who has the authority and competence to perform the function and ensures, among other things, that the complaint processing and dispute resolution policy is implemented, disseminated ~~by any other appropriate means to reach them~~and complied with within the institution
- Staff responsible for processing complaints have the necessary competencies to process the complaints assigned to them
- Clients receive proper assistance throughout the processing of their complaint and are informed in a timely manner of the status of their complaint

Clients are not faced with constraints or administrative ~~barriers[29] when they want to file a complaint~~barriers and any need

- ~~The institution designates a complaints officer who, in particular:~~
    - ~~Has the authority and competence to perform the function~~
- ~~Ensures that~~ the ~~policy is implemented and complied with~~institution has for additional information does not hinder or delay the complaint process

~~Develops~~

- The institution develops an overall picture of the complaints received ~~(e.g., number, reasons, causes)~~ in order to identify common causes and ~~address~~ the issues ~~they raise for clients~~to be resolved to ensure FTC
    - ~~Acts as official respondent with clients and, where applicable, with the AMF on complaint records sent to the AMF~~

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[26] Companies and Savings Companies Act, ~~CQLR, c. S-29.02,~~ sections 34, 36 to 42 Deposit Institutions and Deposit

[28] ~~Draft Regulation respecting complaint processing and dispute resolution in the financial sector in public~~

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~~6.11~~5.11 Protection of personal information

~~The AMF expects the privacy policy and procedures to ensure compliance with the *Act respecting the protection of personal information in the private sector*[30] and reflect best practices in this area.~~

~~Theft, loss or inappropriate use of personal information obtained from clients represents a risk to clients and a threat to the reputation of the institution.~~

~~The protection of personal information is a key issue for an institution.~~

The AMF expects financial institutions to establish and put in place measures enabling them to comply with their obligations with respect to the protection of personal information ("privacy obligations").

A financial institution is responsible for protecting the personal information it holds.

The sustainability of its operations depends, among other things, on its clients' trust in this respect. ~~They~~, and clients expect ~~their~~personal information about them held by the financial institution or another person acting onthe institution's behalf to remain ~~confidential~~private and ~~to be handled~~protected accordingly.

~~**Expectations to achieve this outcome**~~

- ~~The board of directors and senior management are informed of~~Accordingly, the ~~challenges pertaining~~institution's policies, processes and procedures relating to the protection of ~~clients'~~ personal information

~~The policies and procedures concerning~~ draw on best practices and enable it to discharge its privacy obligations, including those underthe Act respecting the protection ~~and use~~ of personal ~~and financial information establish safeguards against the misuse of information, improper access to information or the unauthorized disclosure of personal information contained in files~~information in the private sector.[27]

- ~~The~~ The AMF also expects the financial institution ~~ensures that service providers with access to personal information onthe institution's clients have appropriate policies and procedures in place to ensurecompliance with the *Act respecting the protection of personal information in the private sector*~~

~~The institution assesses~~to assess the potential effects of new or emerging risks that could threaten the ~~confidentiality~~privacy of the personal information it holds and ~~takes~~to take appropriate action to mitigate ~~them~~suchrisks.

- ~~The institution identifies the actions that may need to be taken to respond to failuresto comply with its obligations relating to the protection of personal information, including reporting any information security incident to the regulators and any persons affected, including clients~~

27 CQLR, c. P-39.1

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