

2023
2024

Annual Statement of Priorities

The Autorité des marchés financiers (the “AMF”) is publishing its statement of priorities to inform the industry and the general public about its key initiatives for the period from April 1, 2023 to March 31, 2024. These initiatives form part of the implementation of the organization’s [2021-2025 Strategic Plan](#) and the vision it has set for itself: “A value-added regulator for consumers and the financial sector.”

Orientation 01

A PROACTIVE REGULATOR THAT IS RELEVANT TO CONSUMERS IN AN EVER-CHANGING ENVIRONMENT

Assistance services

- The AMF will continue to leverage initiatives in order to optimize the experience of its clientele. Specifically, it will:
 - continue to consolidate the various public registers of individuals and firms authorized to practise into a single register. This register will provide more comprehensive and detailed information on the various authorizations to practise granted to individuals and firms registered with the AMF
 - provide tools to facilitate the steps to be taken by consumers wishing to file a complaint with financial sector participants
 - enhance the services offered by the AMF Information Centre by delivering faster, more personalized assistance, including by revamping the telephone menu and its options
- The AMF, further to public consultations held in 2022-2023, intends to adopt a regulation respecting complaint processing and dispute resolution. The regulation streamlines the complaint process for financial consumers and supports the fair processing of complaints within the industry. The AMF will also make tools available to assist the industry in implementing the new regulatory provisions.
- The AMF renewed its commitment under the *2022-2027 Governmental Action Plan to Counter Mistreatment of Older Adults* to combat financial mistreatment in June 2022. Over the next year, the AMF will add content on well-treatment to the document *Protecting vulnerable clients – A practical guide for the financial services industry* and will conduct work to ensure an improved knowledge and understanding of what a power of attorney is.

Financial Education

- The AMF will launch the *Québec Financial Education Strategy 2023-2026 Action Plan*, the objective of which will be to continue, with the help of the network of financial education partners, to enhance applied financial literacy in Québec. The AMF will also hold a 10th Financial Education Day in order to rally the public around this common objective and present current financial and digital literacy issues.
- The AMF will, based on the findings of a survey conducted in the fall of 2022 on Québec consumers' financial behaviours, roll out new tools to strengthen applied financial literacy in Québec. It will also analyze the projects received as part of the call for projects launched in the spring of 2022 through its *Strategic Financial Education, Outreach and Research Partnerships Program*.
- The AMF will continue to carry out public awareness and information campaigns on such topics as cryptoassets and fraud prevention.

01 A proactive regulator that is relevant to consumers in an ever-changing environment

Oversight and supervision

- The AMF will include in a report to the Québec Minister of Finance its recommendations relating to the consultations and review of the legal framework setting out insurers' obligations regarding insurance products offered by student associations.
- The AMF will continue its efforts to enhance its understanding of the digital transformation of the industry and the impact of the transformation on the protection of financial consumers. Specifically, the AMF will:
 - publish a model framework for the responsible use of artificial intelligence in the financial industry and produce educational materials for consumers
 - continue its work in connection with the issues paper *Insights into the risks and benefits of digital financial services for consumers*, published in November 2022, particularly in the areas of social media "finfluencers" and digital engagement practices
- The AMF will sustain its efforts to monitor the cryptoasset ecosystem and, in concert with the Canadian Securities Administrators (CSA), will continue its work to develop a framework for the registration of cryptoasset trading platforms that are subject to securities legislation.
- The AMF, in order to act on the recommendations contained in its fall 2022 report *Summary of specific consultations on products and services offered via the Internet and the Regulation respecting Alternative Distribution Methods*, will form consumer focus groups in order to obtain their perspective on topics raised during the consultations. The discussions will address issues on the data required for informed decision-making, advertising, mobile apps and clients' digital space experience.

Enforcement

- The AMF intends to continue to combat offers of illegal products on social media and the Internet by optimizing its approaches for detecting such activities, particularly in the cryptoasset ecosystem.
- The AMF will also continue to optimize its insider trading and market manipulation detection and investigation tools by incorporating, processing and analyzing data from such sources as exempt market distribution and insider trading reports and the Québec Enterprise Register.

Orientation 02

AN INFLUENTIAL REGULATOR SUPPORTING QUÉBEC'S FINANCIAL SECTOR

Compliance burden

- The AMF will sustain its efforts to minimize the compliance burden of its regulated clienteles while taking circumstances, areas of activity and risks for consumers into account. Specifically, the AMF will:
 - finalize the regulatory amendments related to outside activities and professional liability insurance of representatives and registrants that are subject to the *Act respecting the distribution of financial products and services* (Distribution Act)
 - continue to study possible revisions to the career entry rules and process, in addition to launching a regulatory consultation on the probationary periods for clienteles that are subject to the Distribution Act
 - assess the process by which information is collected through the maintenance of registration form in order to prepare an assessment of the information requested from the industry.
 - continue work, which will extend over the next few years, to update its damage (P&C) insurance qualification program. The AMF will participate in the activities of the Canadian Insurance Services Regulatory Organizations (CISRO) to ensure that the updated program is aligned with the national project
 - publish a call for tenders for the purpose of selecting a provider for the management of exam-taking services and consolidate the needs identified within the operational and technological units. The ultimate aim is to move to on-line exams
- The AMF will continue its initiative to leverage the use of data. Certain disclosure requests to which financial institutions are subject will be replaced with granular data collection. This new way of collecting data will reduce data handling and aggregation by the institutions under the AMF's supervision. Ultimately, the data will come directly from their source systems. The AMF will finalize the pilot project initiated in 2022-2023 with a financial institution and then analyze the potential benefits of expanding the practice to other institutions and disclosures.
- The AMF will continue to work with the CSA on various projects to streamline or ease the regulatory framework, including:
 - publication of the final regulatory amendments pertaining to access to prospectuses generally and finalization of the work on the draft regulatory amendments pertaining to access to financial statements and management's discussion and analysis. This work aims to modernize how these documents are made available to investors and enable issuers to further reduce the use of paper documents and the costs associated with them
 - finalization of the draft amendments to *Regulation 51-102 respecting Continuous Disclosure Obligations* that are intended to change the annual and interim filing requirements for issuers and improve the quality and usefulness of information provided to investors, including work on assessing functionalities of SEDAR+ that may facilitate access to documents for investors
 - publication for comment of draft amendments to *Regulation 44-102 respecting Shelf Distributions* that are intended to facilitate the access to Canadian capital markets for qualifying well-known seasoned issuers under a base shelf prospectus
 - finalization of the project to modernize the prospectus filing model in order to allow investment funds to file a new prospectus every two years instead of on an annual basis, following an analysis of comments received as part of the consultation on the proposed draft regulatory amendments
 - analysis of comments on the draft *Regulation to amend Regulation 91-507 respecting Trade Repositories and Derivatives Data Reporting*, which includes a proposal to streamline and harmonize derivatives data reporting standards as well as final publication of the proposed amendments to the regulation and its policy statement

- analysis of comments on the draft *Regulation to amend Regulation 24-101 respecting Institutional Trade Matching and Settlement* in order to facilitate the transition in Canada to a one-day (T+1), rather than a two-day (T+2), settlement cycle after the date of equity and long-term debt market trades. The objective is to ensure harmonization with the upcoming changes in the United States, while also repealing the exception reporting requirements for registered firms
 - finalization of the draft *Regulation 93-101 respecting Derivatives: Business Conduct*, which presents a regime to help protect participants in the OTC derivatives markets; reduce risks, including potential systemic risk; improve transparency; increase accountability; and promote responsible business conduct in the OTC derivatives markets. This regime also ensures that access to derivatives products will not be unduly limited for investors and customers in the Canadian OTC derivatives markets and that costs will remain competitive
- The AMF will make further improvements to its inspection approach as it continues the work begun in 2022-2023 to deploy a new inspection matrix and optimize the secure extraction of data relating to exempt market distribution reports. Ultimately, this work will enable more targeted inspections through a more efficient use of available data.

Framework

- The AMF, in collaboration with the Canadian Council of Insurance Regulators (CCIR) and the CSA, will publish a directive and a prototype disclosure document intended to harmonize disclosure to investors of all relevant information related to the total costs and performance of investment funds and segregated funds. It also intends to make a regulation to implement the guidance developed with its CCIR peers. In concert with the other regulators and the industry, the AMF will establish a committee to ensure the follow-up and work required to implement this reform.
- The AMF will, in collaboration with the CCIR and CISRO, continue its regulatory development work with respect to segregated funds, including:
 - developing guidance on upfront compensation for segregated funds
 - developing a cross-Canada guideline for segregated fund sales, after which specific work will be carried out to incorporate the developed guidance into Québec's regulatory and normative framework
 - adopting a regulation prohibiting certain fees from being charged from contract holders
- The AMF will continue to play a leadership role within CISRO by implementing the annual priorities of the organization's new 2023-2026 strategic plan with its various stakeholders. One of those priorities is to publish cybersecurity and information security incident management good practices for insurance intermediaries.
- The AMF will modify the content of its *Annual Report on Financial Institutions* in order to prospectively highlight changes in the risk landscape and the resulting work related to the regulation and supervision of financial institutions.
- The AMF will publish a new guideline entitled *Guideline on the capital and liquidity requirements for cryptoasset exposures* applicable to financial services cooperatives, trust companies, savings companies, other deposit institutions, life and health insurers and property and casualty insurers. This guideline was the subject of a consultation in 2022 and is in line with the work carried out by the Basel Committee on Banking Supervision.
- The AMF, further to the merger of the Investment Industry Regulatory Organization of Canada (IIROC) and the Mutual Fund Dealers Association of Canada (MFDA), will continue the work required for the transition of Québec mutual fund dealers to the new self-regulatory organization (SRO). This work will include implementing the vision and objectives outlined in *CSA Position Paper 25-404 – New Self-Regulatory Organization Framework* in coordination with the new SRO of Canada and the new Canadian Investor Protection Fund. Planned projects include supervising the consolidation of the regulatory functions of the previous self-regulatory organizations and developing a consolidated rule book, strengthening and harmonizing the proficiencies of approved persons, and improving the collection of data in order to maintain robust market surveillance.
- The AMF will continue to work with the CSA to review principal distributors' practices in order to determine whether amendments to *Regulation 81-105 respecting Mutual Fund Sales Practices* are needed following the ban on the sale of mutual funds with deferred sales charges and the coming into effect of Client Focused Reforms.

Fintechs, innovation and industry transformation

- The AMF will enhance its internal capabilities in order to strengthen regulation of the cryptoasset sector. It will do this by further developing its resources and by continuing to recruit and integrate new specialized resources within various sectors of activity. The goals will be to address increasingly complex authorization requests and meet regulatory framework needs, including the opportunity to regulate value-referenced cryptoassets, and to support the monitoring of developments in the cryptoasset ecosystem.
- The AMF will update its initiatives supporting innovation in the activities it regulates. It will launch targeted consultations with market participants and members of the fintech ecosystem to better understand the opportunities for and barriers to innovation in the financial sector.
- The AMF will contribute to the work of the fintech task force of the International Organization of Securities Commissions (IOSCO), which is focused on the regulation of cryptoasset markets and decentralized finance.
- The AMF will carry out cross-cutting supervisory work on the digital transformation of financial institutions, focusing on two key areas: cyber risk and cyber insurance and governance and obsolescence risk. Upon completing this work, the AMF will identify the main areas requiring vigilance, the risks and the weaknesses that will need monitoring.
- The AMF will roll out a pilot project to develop a stress testing tool for assessing the impact of a severe macroeconomic shock on the stability of major regulated financial institutions and to strengthen supervision of the sector.

Environmental, social and governance issues

- The AMF will establish a unit dedicated to the oversight and supervision of sustainable finance-related activities. Creating a specialized team dedicated to this issue will be a first for a provincial or territorial securities administrator in Canada. Having such a team will add to the capacity and expertise required to conduct local, national and international sustainable finance-related initiatives in the securities and derivatives markets sectors while strengthening thought and action leadership in the area. Specifically, the AMF will:
 - publish for comment, in concert with the CSA, draft amendments to the disclosure requirements with regard to diversity on boards and in executive officer positions and related governance issues
 - finalize, in concert with the CSA, the development of the proposed specific framework for disclosure of climate-related matters by reporting issuers
 - begin to look at how to regulate ESG ratings providers
- The AMF will continue to conduct work relating to the implementation of scenarios and stress testing exercises within financial institutions relating to physical risks and transition risks associated with climate change.
- The AMF, further to the publication in June 2022 of its *Climate Change Risks* report, will publish a new guideline on climate change-related risks that will cover prudential aspects of governance and risk management as well as sound commercial practices and disclosure to the regulator.

Orientation 03

A HIGH-PERFORMING REGULATOR IN THE PURSUIT OF ITS MISSION

Data strategy

- The AMF will continue to maximize the use of its data to enhance its operational performance. The next stages of the project will involve developing and rolling out a data management and valuation strategy, developing internal data governance and valuation policies, and implementing those policies using a data governance tool.

Risk and organizational capacity management

- The AMF will continue to enhance its integrated risk management program. In 2023-2024, the AMF will implement an enhanced risk governance framework and an improved risk management process. The objective will be to further develop the risk culture across all business sectors of the organization.
- The AMF will continue to implement and further develop its approach to organizational capacity management, particularly for the cross-cutting activities of its business sectors.
- The AMF will proceed with the planned enhancement of its data centres, including upgrades to its communication links and the addition of link redundancies. This initiative will last into 2026.

Modernization of information systems

- The AMF will continue its efforts to acquire an integrated enterprise information management solution to ensure compliance with its obligations as a public body, support inter-team collaboration and build a high-quality information environment. In 2023-2024, the AMF will complete work relating to information management governance materials and disseminate the materials in order to enhance internal user knowledge of information management best practices.
- The AMF, in concert with the CSA, will launch the next-generation System for Electronic Documents Analysis and Retrieval (SEDAR+), the new, secure web-based platform that will be used by all market participants to file, disclose and search for issuer information in Canada's capital markets. The first phase of the project involves replacing the current SEDAR, the Cease Trade Order Database and the Disciplined List. Future phases will involve replacing the System for Electronic Disclosure for Insiders (SEDI) and the National Registration Database (NRD). For its part, the Surintendance des marchés de valeurs (AMF Securities Markets) will integrate its main internal operational processes into the new SEDAR+ platform. This integration will improve the processing of filings, reports and payments made by reporting entities, in accordance with the applicable regulations.
- The AMF will continue to strive for greater operational efficiency by implementing the first phase of a human resources management solution that will ensure the replacement of its time management, payroll and employee file modules.

Orientation 04

A REGULATOR COMMITTED TO ITS HUMAN CAPITAL

Future organization of work

- The AMF will continue to implement its new hybrid work arrangement while remaining responsive to employees' needs. The hybrid work model gives employees greater flexibility and independence while keeping alignment with the needs of the organization.
- The AMF will engage in constructive dialogue with its employees, through a consultative process, in order to develop a shared vision for the organization of work and identify new mechanisms to stimulate and support both on-line and on-site collaboration across the various sectors of the organization. The vision and new mechanisms, when implemented, will enable the AMF to not only maintain but continue to build a thriving organizational culture for the benefit of its employees and mission.

Employer brand

- The AMF will secure resources that will support it in defining and implementing its employer brand. It will clarify its employee value proposition and establish and make the required efforts to implement a strategy to promote it. Ultimately, the AMF's employer brand will make the AMF an even more attractive place to work for both its current employees and future applicants.

Training and development

- The AMF will further leverage its continuous learning approach to develop the cross-cutting and sectoral expertise of its employees in order to empower them to fulfill their potential. In addition to supplementing its training catalogue and designing training plans, the AMF will develop a targeted-expertise training strategy that will be implemented under seven themes: digital transformation; data governance, data analysis and value creation; risk management; leadership development; diversity, equity and inclusion; and agility and innovation. Integrating condensed programs and courses enabling employees to apply the competencies they acquire, this strategy will be updated annually, taking into account the organizational context and the reality of the changing market. As a result, employees will benefit from greater flexibility while also having access to cutting-edge technology to develop their skills and ensure that training content is aligned with the organization's needs.

Management approaches and methods

- The AMF, in keeping with the development of its leaders' management skills, will favour enhancing its development programs so that they are adapted to the various needs of its managers. These programs, in addition to developing a sense of sharing and community, help build and strengthen its managers' competencies through various activities, including dialogue sessions, on-line and in-person training and the pooling of tools.
- The AMF will also enhance its development programs and tools for frontline managers based on the priorities decided upon and will implement the second phase of its essentials of leadership program.

Diversity, equity and inclusion

- The AMF will implement a diversity, equity and inclusion program. The program, which will seek derive maximum benefit from diverse competencies and experiences, will enable the organization to better identify and analyze cultural interactions, develop the capacity to act in a context of diversity, and promote an awareness of each person's role and responsibilities.



Toll-free: 1-877-525-0337
www.lautorite.qc.ca

Québec City

Place de la Cité, tour Cominar
2640, boulevard Laurier, bureau 400
Québec (Québec) G1V 5C1
418-525-0337

Montréal

800, rue du Square-Victoria, 22^e étage
C.P. 246, Place Victoria
Montréal (Québec) H4Z 1G3
514-395-0337