



Chambre
de la sécurité
financière

Code of ethics

of the Chambre de la sécurité financière

RLRQ, c D-9.2, r 3

For representatives pursuing
their activities in the following
sectors:

- insurance of persons
- group insurance
- financial planning*

DIVISION I

General provisions

- 1** This Regulation aims at promoting the protection of the public and the honest and competent practice of representatives.
- 2** This Regulation applies to all representatives in insurance of persons, all group insurance representatives and all financial planners regardless of the classes of sectors in which they practise.
- 3** A representative must ensure that his employees or mandataries comply with the provisions of this Regulation, and those of the Act respecting the distribution of financial products and services (chapter D-9.2) and the regulations thereunder.

DIVISION II

Duties and obligations towards the public

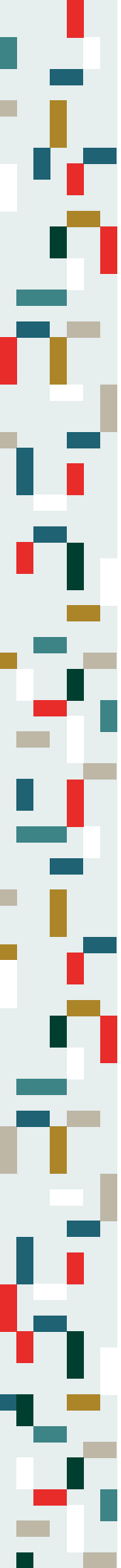
- 4** A representative must promote improvement of the quality and availability of the services that he offers to the public.
- 5** A representative must promote measures designed to provide education and information in the field in which he practises.
- 6** The conduct of a representative must be characterized by dignity, discretion, objectivity and moderation.
- 7** A representative must refrain from practising in conditions or in a state liable to compromise the quality of his services.
- 8** A representative must refrain from persistently or repeatedly urging a person to use his professional services or purchase a product.

DIVISION III

Duties and obligations towards client

- 9** In the practice of his profession, a representative must take into account the limits of his knowledge and the means available to him. He must not undertake or continue a mandate for which he is not sufficiently prepared without obtaining the necessary assistance.
- 10** A representative must not make any false representations as to his level of competence or the quality of his services, or those of his firm or his independent partnership.
- 11** A representative must practise with integrity.
- 12** A representative must act towards his client or any potential client with integrity and as a conscientious adviser, giving him all the information that may be necessary or useful. He must take reasonable steps so as to advise his client properly.

* Unless they are members of a professional order that has an agreement with the Autorité des marchés financiers, such as the Ordre des administrateurs agréés du Québec and the Ordre des comptables professionnels agréés du Québec.



13 A representative must fully and objectively explain to his client or any potential client the type, advantages and disadvantages of the product or service that he is proposing to him and must refrain from giving information that may be inaccurate or incomplete.

14 A representative must provide his client or any potential client with the explanations the client needs to understand and evaluate the product or services that he is proposing or that he provides to the client.

15 Before providing information or making a recommendation to his client or to any potential client, a representative must seek to have a complete understanding of the facts.

16 No representative may, by whatever means, make statements that are incomplete, false, deceptive or liable to mislead.

17 A representative may not appropriate, for personal purposes, sums of money entrusted to him or securities belonging to his clients or to any other individual and of which he has custody.

18 A representative must, in the practice of his profession, always remain independent and avoid any conflict of interest.

19 A representative must subordinate his personal interests to those of his client or any potential client. Without limiting the generality of the foregoing, the representative:

- (1) may not advise a client to invest in a legal person, partnership or property in which he has, directly or indirectly, a significant interest;
- (2) may not conduct any transaction or enter into any agreement or contract whatsoever with a client who, manifestly, is unable to manage his affairs, unless the decisions to conduct these transactions or enter into these agreements or contracts are made by persons who may legally decide in lieu of this client;
- (3) may not conduct any transaction or enter into any agreement or contract whatsoever in the capacity of representative with respect to a client for whom he acts as dative tutor, curator or adviser within the meaning of the Civil Code.

20 A representative must be objective when his client or any potential client asks him for information. He must express opinions and make recommendations objectively and impartially, without considering his personal interest.

21 A representative must ignore any intervention by a third party that could influence the way in which he performs the duties related to his practice to the detriment of his client or any potential client.

22 A representative must not pay or undertake to pay to a person who is not a representative any compensation, any remuneration or any other advantage, except where permitted by the Act respecting the distribution of financial products and services (chapter D-9.2).

23 A representative must demonstrate availability and diligence with respect to his client or any potential client.

24 A representative must report to his client on any mandate given to him and must carry out the mandate diligently.

25 In the practice of his profession, a representative must not, through dishonesty, fraud, trickery or other deceitful means, avoid or attempt to avoid his professional civil liability or that of the firm or independent partnership in which he practises.

26 A representative must respect the secrecy of any personal information that he obtains about a client and only use that information for the purposes for which it was obtained, unless he is relieved of that obligation by a provision of a law or by order of a competent court.

27 A representative must not disclose personal or confidential information that he obtained, except in accordance with the provisions of the Act, and must not use that information to the detriment of his client or to obtain an advantage for himself or for another person.

28 A representative must not dissuade his client or any potential client from consulting another representative or another person of his choosing.

29 A representative must promptly give to his client, or to any person his client designates, the books and documents belonging to the client, even though the latter owes him sums of money.

DIVISION IV

Duties and obligations towards other representatives, firms, independent partnerships, insurers and financial institutions

30 A representative must not, directly or indirectly, make comments of any kind which are false, inaccurate or incomplete about another representative, a firm, an independent partnership, an insurer, a financial institution or one of their representatives, products or services.

31 A representative must use fair methods of competition and solicitation.

32 A representative must not denigrate, belittle or discredit another representative, a firm, an independent partnership, an insurer or a financial institution.

DIVISION V

Duties and obligations towards insurers

33 A representative must not fail to pay an insurer, upon request or within the prescribed time, the sums of money that he has collected on its behalf.

34 A representative must give insurers the information that it is common practice for him to provide.

DIVISION VI

Duties and obligations towards the profession

35 A representative must not practise dishonestly or negligently.

36 A representative must not, directly or indirectly, without the knowledge of the insurer, give a discount on a premium stipulated in an insurance contract or agree to a premium payment method different from the one provided for in the contract.

37 A representative must not, directly or indirectly, pay a person to act in the capacity of representative if that person does not hold a certificate.

38 A representative must not accept payment from a person who does not hold a certificate and who acts or attempts to act as a representative through a representative who holds a certificate.

39 Subject to the provisions of the Act, a representative must not receive or arrange to receive payment from a person other than the person who retained his services.

40 A representative must not share his commission, except within the limits permitted by the Act.

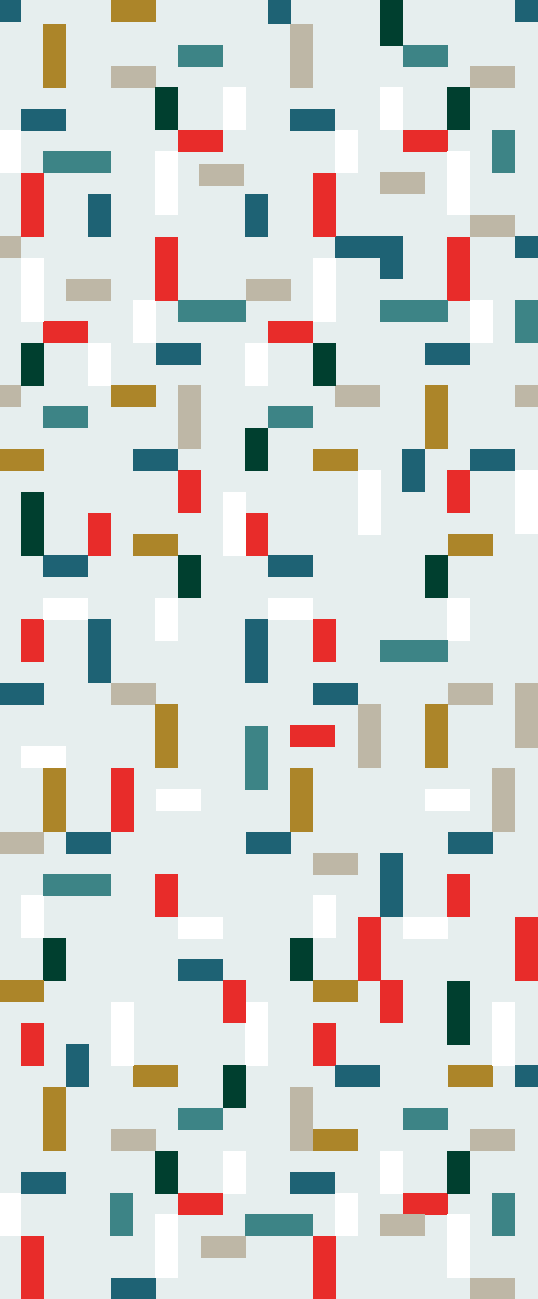
41 A representative must not promise or pay compensation, in any form whatsoever, for his services to be retained.

42 A representative must, without delay, reply in full and courteously to any correspondence from the syndic, the co-syndic, an assistant of the syndic, an assistant of the co-syndic or a member of their staff acting in their capacity.

43 A representative must, in particular, appear before the syndic, the co-syndic, an assistant of the syndic, an assistant of the co-syndic or a member of their staff as soon as he is required to do so.

44 A representative must not interfere with the work of the Autorité des marchés financiers, the Chamber or one of its committees, the syndic, an assistant of the syndic, the co-syndic, an assistant of the co-syndic or a member of their staff or an officer of the Chamber.

45 A representative must inform the Authority when he has reasonable grounds to believe that another representative is unfit to practise in this capacity, is practising incompetently or dishonestly, or is contravening the provisions of the Act and its regulations.

- 
- 46** A representative who is informed that the syndic, the co-syndic, an assistant of the syndic or an assistant of the co-syndic is conducting an inquiry into his professional competence or conduct, or that a disciplinary complaint has been notified to him pursuant to section 132 of the Professional Code (chapter C-26) must not communicate with the person who requested the holding of the inquiry nor with the witnesses who have been summoned for the complainant in accordance with section 146 of that Code, except with prior written permission from the syndic, the co-syndic, an assistant of the syndic or an assistant of the co-syndic.

DIVISION VII

Graphic symbol

- 47** If a representative uses the graphic symbol of the Chamber for publications or advertisements of any kind, he must make sure that it is in conformity with the original held by the secretary of the Chamber.
- 48** Where a representative uses the graphic symbol of the Chamber for advertising purposes, other than on a business card, he shall include the following warning in the advertisement: “This advertisement does not originate from the Chambre de la sécurité financière and does not commit its liability”.

DIVISION VIII

Specific provisions applicable to financial planners

- 49** This Division applies only to a representative who is entitled to use the title of financial planner or a similar title in accordance with the Act respecting the distribution of financial products and services (chapter D-9.2) and its regulations.
- 50** When soliciting clients, a representative must avoid using methods that would have the effect, in particular, of emphasizing a specific aspect of financial planning in order to unduly attract the attention of a potential client.
- 51** A representative must refrain from:
- (1) out of malice, making an unfounded accusation against another representative, a firm or an independent partnership;
 - (2) directly or indirectly paying a person who is not legally entitled to use the title of financial planner to act in that capacity or to use that title;
 - (3) directly or indirectly accepting or receiving payment from a person who is not legally authorized to use the title of financial planner and who acts or attempts to act in that capacity;
 - (4) not informing his client as soon as he is aware of a problem that will prevent him from continuing with his mandate.

- 52** (Omitted).

REFERENCES

O.C. 1039-99, 1999 G.O. 2, 2930

Chambre de la sécurité financière
2000, McGill College Avenue, 12th floor
Montréal, QC H3A 3H3
Phone: 514 282-5777

Toll free: 1 800 361-9989
Fax: 514 282-2225

renseignements@chambresf.com
www.chambresf.com