

E-116

ETHICS AND PROFESSIONAL PRACTICE

Mortgage Brokerage
Qualification Program (MBQP)
Exam Preparation Manual

Addenda: June 2026



AMF financial services compensation fund

(IMPORTANT: The references to the act and regulations contained in this addendum are effective as of June 4, 2026. However, the examinations amendments related to this content will be effective as of January 5, 2027.)

This addendum specifically concerns section 6.2.1.7 Certificate renewal.)

The Fonds d'indemnisation des services financiers (financial services compensation fund) covers fraud, fraudulent tactics and embezzlement committed by a representative, trainee or firm, authorized by the AMF to act in the following sectors or sector classes:¹

- Group insurance of persons
- Damage insurance: auto insurance, home insurance, liability insurance, etc.
- Insurance of persons: segregated funds, life insurance, accident and sickness insurance, disability insurance, salary insurance, etc.
- Mortgage brokerage (Note that different eligibility criteria apply if the fraud occurred before May 1, 2020.)
- Claims adjustment
- Financial planning

For the claims adjustment sector, the fund also covers the acts of non-certified persons authorized to settle certain types of claims.

The fund also covers fraud, fraudulent tactics and embezzlement committed by representatives and firms (dealers and advisers) registered under the *Derivatives Act* and the *Securities Act* in the following categories:²

- Dealers
 - Mutual fund brokerage
 - Scholarship plans
 - Investment dealer
 - Exempt market dealer
 - Restricted dealer
 - Derivatives dealer
- Advisers
 - Portfolio managers
 - Restricted portfolio managers
 - Derivatives portfolio manager

¹ ARFS, s. 45

² ARFS, s. 45

If the financial intermediary was not authorized to act by the AMF at the time of the fraud, the claim may still be eligible if the victim meets the following two criteria:³

“(1) the victim was doing business with the person or partnership before the suspension or cancellation of their certificate or registration or before the termination of their functions; and

(2) the fraud, fraudulent tactics or embezzlement occurred within the two years after the revocation or termination of their functions or after the beginning of the suspension.”

The intermediary referred to in the claim has to have offered a financial product or service covered by an Act administered by the AMF. For a consumer to benefit from the fund’s coverage, it is not necessary for the intermediary to have offered a product or service that they were authorized to offer within the bounds of their right to practise.

How the fund is financed

The fund is financed through contributions paid by firms and persons registered with the AMF.⁴ Effective June 2029, this contribution will be adjusted based on the accumulated surplus of the fund as at March 31 of the preceding year.⁵ The contribution amounts are indexed to annual inflation.⁶

Where a representative acts in more than one sector or sector class or more than one category of registration with the same person or partnership, the contribution payable is discounted by \$75 for each additional sector, except in the case of a non-certified person authorized to settle certain types of claims or the trainee.⁷

When a victim is compensated by the fund, the AMF acquires some of the rights the victim had against the guilty firm or representative. The AMF can then sue the party at fault as if it were the victim, enabling it to sometimes recoup all or some of the amounts paid to the victim.

Eligibility of a claim

A claim submitted to the fund must meet certain conditions set out in the *Regulation respecting the eligibility of a claim submitted to the Fonds d’indemnisation des services financiers and the contribution payable*.⁸

³ ARFS, s.45

⁴ ARFS, s. 58.0.3.

⁵ *Regulation respecting the eligibility of a claim submitted to the Fonds d’indemnisation des services financiers and the contribution payable*, s. 14 to 19.

⁶ *Regulation respecting the eligibility of a claim submitted to the Fonds d’indemnisation des services financiers and the contribution payable*, s. 23.

⁷ *Regulation respecting the eligibility of a claim submitted to the Fonds d’indemnisation des services financiers and the contribution payable*, s. 22.

⁸ *Regulation respecting the eligibility of a claim submitted to the Fonds d’indemnisation des services financiers and the contribution payable*, s. 1.

Claims must be submitted to the AMF using the form available on its website.⁹ They must contain all the facts and supporting documents on which the claim is based as well as the name of the author of the alleged act and the amount claimed.¹⁰

The Regulation further requires that the claim be submitted within one year of the claimant becoming aware of the fraud, fraudulent tactic or embezzlement. The AMF may extend this time limit if the claimant, being unable to act, could not submit his claim within the required timeframe.¹¹

The maximum amount of compensation payable by the fund is limited to \$200,000 per claim.¹²

The maximum amount of compensation payable for the same event is \$75,000,000 for the totality of eligible claims.¹³ “Event” means all the facts arising from a fraud, or from a series of frauds, fraudulent tactics or embezzlements occurring within the same period that are related to each other by circumstances.”¹⁴

Note

Regulation respecting the eligibility of a claim submitted to the Fonds d'indemnisation des services financiers and the contribution payable, s. 5

“The following persons may not submit a claim to the Fonds, unless they are or would have been clients, had they not been victims of the fraud, fraudulent tactics or embezzlement:¹⁵

1° an insurer;

2° a deposit institution;

3° a trust company;

4° any other financial institution;

5° a securities dealer or securities adviser governed by the *Securities Act* (chapter V-1.1);

6° a mutual fund;

7° a firm, an independent representative or an independent partnership;

8° a representative.”

⁹*Ibid.*

¹⁰*Ibid.*

¹¹ *Regulation respecting the eligibility of a claim submitted to the Fonds d'indemnisation des services financiers and the contribution payable, s. 3.*

¹² *Regulation respecting the eligibility of a claim submitted to the Fonds d'indemnisation des services financiers and the contribution payable, s. 8.*

¹³ *Ibid.*

¹⁴ *Ibid.*

¹⁵ *Regulation respecting the eligibility of a claim submitted to the Fonds d'indemnisation des services financiers and the contribution payable, s. 5.*

Requirement to provide information

When requested by the AMF, the claimant, person or partnership concerned referred to in the second or third paragraph of section 45 of the *Act respecting the regulation of the financial sector* (chapter E-6.1) must provide all details and documents relating to the claim and produce all relevant evidence.¹⁶

Review of decision

The decision issued by the AMF is final.¹⁷ However, the claimant may request a review of the decision by completing the *Demande de révision d'une décision du Fonds d'indemnisation* (in French only) based on very specific criteria. If the claimant does not agree with the review decision, they may present an application for a judicial review before the Superior Court of Québec pursuant to section 529 of the *Code of Civil Procedure*.

¹⁶ *Regulation respecting the eligibility of a claim submitted to the Fonds d'indemnisation des services financiers and the contribution payable*, s. 6.

¹⁷ *Regulation respecting the eligibility of a claim submitted to the Fonds d'indemnisation des services financiers and the contribution payable*, s. 7.