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QUÉBEC PLANS TO TIGHTEN UP THE REGULATION OF THE FINANCIAL SECTOR

Québec City, November 12, 2009 – “Our government has undertaken to offer Québec investors better regulation of the financial sector and it is in this spirit that we are tabling today a bill that responds to numerous concerns raised, in particular, in the wake of the international financial crisis and recent financial scandals,” noted Finance Minister Raymond Bachand when he tabled Bill 74, Act to amend various legislative provisions principally to tighten the regulation of the financial sector.

The bill specifies, notably, the application of the principle of consecutive sentences in the penal field. “In light of recent financial scandals and questioning by the courts concerning sentences, it was advisable to clarify our Code of Penal Procedure,” the Finance Minister noted.

Moreover, the bill proposes the amendment of several statutes governing the financial sector and seeks, particularly, to:

- oversee credit rating agencies that issue credit notes in respect of securities issuers;
- attribute to the Autorité des marchés financiers the same powers of intervention as the Canada Deposit Insurance Corporation in respect of registered deposit-taking institutions that encounter solvency problems;
- clarify the oversight of foreign insurers operating in Québec to protect Québec policyholders;
- impose more stringent penalties to ensure better compliance with regulations governing the financial sector;
- supervise the sale of automobile replacement guarantees and improve the rules governing the distribution of insurance products without a representative.
- modify the Code of Penal Procedure in order to codify the principle of consecutive sentences.

“The financial sector is changing constantly, which is compelling governments the world over to be constantly on the lookout and intervene promptly in order to contend with new situations. If the bill is passed, we will become the first province in Canada to act upon the deliberations of the G20 concerning the regulation of credit rating agencies,” the Finance Minister emphasized.

“Behind this bill is the desire to pursue our initiatives to bolster protection and public trust in the financial sector,” concluded the Minister.

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Source: Catherine Poulin
Press Officer
Office of the Minister of Finance
and Minister responsible for the
Montréal region
418-643-5270
514-873-5363