

# Chapter 1

## Notices / News Releases

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### 1.1 Notices

#### 1.1.1 Notice of Co-operation Agreement Concerning Innovative FinTech Businesses with the France Autorité des Marchés Financiers

#### NOTICE OF CO-OPERATION AGREEMENT CONCERNING INNOVATIVE FINTECH BUSINESSES WITH THE FRANCE AUTORITÉ DES MARCHÉS FINANCIERS

**December 14, 2017**

The Ontario Securities Commission, together with the Québec Autorité des Marchés Financiers, British Columbia Securities Commission, the Alberta Securities Commission, the Financial and Consumer Affairs Authority of Saskatchewan, the Manitoba Securities Commission, the Financial and Consumer Services Commission (New Brunswick) and the Nova Scotia Securities Commission, have recently entered into a Co-operation Agreement (“the Agreement”) with the France Autorité des Marchés Financiers (“AMF France”) concerning co-operation and information sharing between authorities regarding their respective innovation functions. The Agreement provides a comprehensive framework for co-operation and information sharing and referrals related to the innovation functions which were established through the CSA Regulatory Sandbox initiative and by AMF France.

The Agreement is subject to the approval of the Minister of Finance. The Agreement was delivered to the Minister of Finance on December 14, 2017.

Questions may be referred to:

Jean-Paul Bureaud  
Director  
Office of Domestic and International Affairs  
Tel: 416-593-8131  
E-mail: [jbureaud@osc.gov.on.ca](mailto:jbureaud@osc.gov.on.ca)

Pat Chaukos  
Chief  
OSC Launchpad  
Tel: 416-593-2373  
E-mail: [pchaukos@osc.gov.on.ca](mailto:pchaukos@osc.gov.on.ca)

**Co-operation Agreement  
regarding co-operation for innovation in the financial sector**

**between**

<b>the France Autorité des marchés financiers  (AMF France)</b>	<b>the Québec Autorité des marchés financiers</b>
<b>the Ontario Securities Commission</b>	<b>the Alberta Securities Commission</b>
<b>The British Columbia Securities Commission</b>	<b>the Financial and Consumer Affairs Authority of Saskatchewan</b>
<b>the Manitoba Securities Commission</b>	<b>the Nova Scotia Securities Commission</b>
<b>the Financial and Consumer Services Commission (New Brunswick)</b>	

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### Article 1 Definitions

For the purpose of this Co-operation Agreement:

1. **“Authorisation”** means the process of licensing, registering, approving, authorising, granting exemptive relief, or otherwise bringing an entity under an Authority’s supervisory remit so that it is authorised to carry on business in providing a financial service or issuing a financial product in the relevant Authority’s jurisdiction, and “Authorised” has a corresponding meaning.
2. **“Authority”** means AMF France or the Canadian Authority (and, collectively, “the Authorities”).
3. **“Canadian Authority”** means a securities regulatory authority established in Canada under provincial or territorial statute that is a signatory to this Co-operation Agreement as described in Article 9;
4. **“Confidential Information”** means any non-public information obtained by an Authority pursuant to this Co-operation Agreement.
5. **“Criteria for Support”** means the criteria of a Referring Authority that an Innovator business is required to meet before the Referring Authority refers the Innovator Business to a Receiving Authority;
6. **“Innovator Business”** means any entity which provides or intends to provide Innovative Financial Services in any Authorities’ jurisdictions and that has been offered support from an Authority through its Innovative Function, or would qualify for such support.
7. **“FinTech”** means any innovative financial technology that will be used or is intended to be used by Financial Innovators including, but not limited to, funding platforms, blockchain, DLT and Big Data.
8. **“Innovation Function”** means the dedicated function established by an Authority to support innovation in financial services in their respective markets.
9. **“Innovative Financial Services”** means any services that are provided by means of FinTech.
10. **“Receiving Authority”** means
  - (a) Where the Referring Authority is the AMF France, any Canadian Authority to which a referral is made under the agreement; and
  - (b) Where the Referring Authority is a Canadian Authority, the AMF France;
11. **“Referring Authority”** means the Authority that is referring an Innovator Business to the Receiving Authority; and

12. “Regulations” means any regulation, regulatory requirement or guidelines applicable in the jurisdiction of an Authority;

## **Article 2 Purpose of the Co-operation Agreement**

1. The Authorities intend to co-operate with the aim of encouraging and enabling innovation in their respective financial services industries and of supporting Innovator Businesses in meeting the Regulations in each other’s jurisdictions as may be required to offer Innovative Financial Services in their respective financial markets. To this end, each of the Authorities established, in their respective financial markets, a specific FinTech-friendly environment and specific FinTech Innovation Functions.
2. The Authorities believe that by co-operating with each other, innovation in financial services, investor protection and subsequently competitiveness will be enhanced in their respective markets.
3. Enhanced co-operation between the Authorities will facilitate Innovator Businesses to enter and provide Innovative Financial Services in the other jurisdictions and promote knowledge sharing.

## **Article 3 FinTech Innovation functions provided by the Authorities**

1. In June 2016, the AMF France has created a new division named “Fintech, Innovation, Competitiveness” (the “FIC”) dedicated to welcome startups and projects holders and help them navigate the regulatory system, providing them advice in their pre-authorization phase. Building on these numerous meetings, the FIC division assesses the impact of FinTech and more broadly of the digitalization of financial services and analyzes both the opportunities and risks associated with these new business models. Ultimately the FIC division makes some recommendations to adjust where necessary the regulatory framework and supervisory practices.
2. On February 23, 2017, all the Canadian securities regulatory authorities launched the CSA Regulatory Sandbox, an initiative that supports innovative businesses across Canada through its Innovation Function. The Regulatory Sandbox helps in developing an in-depth understanding of new securities-related business models that use technology solutions.

## **Article 4 Principles for co-operation**

1. The Authorities agree to cooperate for the purpose and within the scope of this Co-operation Agreement.
2. This Co-operation Agreement is a statement of intent of the Authorities and accordingly does neither create any enforceable rights nor is it intended to create any binding legal obligations, or to fetter the discretion of the Authorities in any way in the discharge of their functions. This Co-operation Agreement is subject to the domestic laws and Regulations of each Authority and does not modify or supersede any laws or regulatory requirements in force or applicable in France or in any Canadian Authority.
3. This Co-operation Agreement is intended to complement, but not affect or alter the terms and conditions of any other multilateral or bilateral arrangements concluded between the Authorities or between the Authorities and third parties.
4. This Co-operation Agreement is a bilateral arrangement between each Canadian Authority and the AMF France and should not be considered a bilateral agreement between any Canadian Authority.

## **Article 5 Scope of co-operation**

### *1. Information sharing*

The Authorities intend, as appropriate, to exchange information, where appropriate, about:

- a) Innovator Businesses;
- b) Regulatory and policy issues on Innovative Financial Services;
- c) Emerging market trends and developments; and
- d) Any other relevant issues on FinTech.

2. Support to Financial Innovators

Each Authority will provide Innovator Businesses originating from the AMF France or from a Canadian Authority with the same level of support that it provides to Innovator Businesses originating from its own jurisdiction. The support offered by the Authorities to Innovator Business may include:

- a) A dedicated team and/or a dedicated contact for Innovator Business;
- b) Help for Innovator Businesses to understand the Regulations in the relevant Authority's jurisdiction, and how they apply to them;
- c) Assistance during the pre-Authorisation application phase to:
  - i. Discuss the Authorisation application process and any Regulations issues that the Innovator Business has identified; and
  - ii. Ensure the Innovator Business understands the relevant Authority's Regulations regime and what it means for them.
- d) Support during the Authorisation process, including the allocation of Authorisation staff who are knowledgeable about FinTech and financial innovation in their respective markets.
- e) A dedicated contact person after an Innovator Business is Authorised as and when circumstances require it.

3. *Referral mechanism*

- a) The Authorities, through their Innovation Functions, will refer to each other Authorised Innovator Businesses that would like to operate in the other's jurisdiction.
- b) Referrals will be made in writing, and should include relevant information demonstrating that the Innovator Business seeking to operate in the Receiving Authority's jurisdiction meets the Referring Authority's criteria for support. The criteria for support should include the following:
  - i. The Innovator Business should offer innovative financial products or services that benefit the consumer, investor and/or the industry;
  - ii. The Innovator Business should demonstrate that it has conducted sufficient background research on Regulations as it might apply to it; and
- c) Following referral, and provided the Innovator Business meets the Criteria for Support, the Receiving Authority's Innovation Function may offer support to the Innovator Business in accordance with Article 5.2. above.
- d) The Referring Authority acknowledges that when a Receiving Authority provides assistance to an Innovator Business, the Receiving Authority is not expressing an opinion about whether an Innovator Business will ultimately meet the requirements for Authorisation in its jurisdiction.

**Article 6 Confidentiality & Permissible Uses**

1. The Authorities confirm that all persons dealing with, or having access to, Confidential Information are bound by the obligation of professional or official secrecy.
2. Information about an Innovator Business included in a referral under paragraph 5.1. should be sent to a Receiving Authority only if the Innovator Business consents to that disclosure in writing and provides such consent to both AMF France and to the Canadian Authority. Such consent can be withdrawn by the Innovator Business at any time.
3. The Authorities agree to use Confidential Information disclosed to it by the other Authority only for the purposes for which the Confidential Information was disclosed.
4. If an Authority intends to use or disclose any Confidential Information provided to it by the other Authority for purposes other than those for which such Confidential Information was provided, the Authority should seek prior written consent from the other Authority, which provided the information.

5. If any Canadian Authority is required by law to disclose any Confidential Information provided to it by the AMF France or if AMF France is required to disclose any information provided to it by any Canadian Authority pursuant to a requirement of law, such Authority should notify the other Authority prior to complying with such a requirement and should assert all appropriate legal exemptions or privileges with respect to such information as may be available.

#### **Article 7 Contact points**

To facilitate co-operation under this Co-operation Agreement, each Authority will designate a contact point as specified in Appendix A.

#### **Article 8 Entry into force, amendments and termination**

1. This Co-operation Agreement takes effect from the date of execution for all parties, or on the date determined in accordance with each Authority's applicable legislation.
2. This Co-operation Agreement may be amended in writing if all Authorities agree in writing to do so.
3. Any Authority may terminate the Co-operation Agreement by giving 30 days' advance written notice to the other Authorities.
4. In the event of termination, Confidential Information obtained under this Co-operation Agreement should continue to be treated in accordance with Article 6.

#### **Article 9 Review clause**

In view of the rapid technological developments in the Fintech environment both in France and Canada and the regulatory changes incurred, the Authorities shall review this agreement within a period of two years following the date of entry into force.

#### **Article 10 Additional Parties to the Agreement**

Any Authority may become a party to this Agreement by executing a counterpart hereof together with the AMF France and providing notice to the other signatories which are parties to this Co-operation Agreement.

#### **Executed by the Authorities:**

This Co-operation Agreement will be effective from the date of its signing or on the date determined in accordance with each Authority's applicable legislation.

For the AMF France

*"Robert Ophele"*

Robert Ophele  
President

Date

For the Ontario Securities Commission

*"Maureen Jensen"*

Name: Maureen Jensen  
Chair and CEO

Date

For the AMF Québec

*"Louis Morisset"*

Louis Morisset  
President and CEO

Date

For the British Columbia Securities Commission

*"Brenda Leong"*

Name: Brenda M. Leong  
Chair and CEO

Date

For the Alberta Securities Commission

*"Stan Magidson"*

Name: Stan Magidson  
Chair and CEO

Date

For the Manitoba Securities Commission

*"Donald Murray"*

Name: Donald Murray  
Chair

Date:

For the Nova Scotia Securities Commission

*"Paul Radford"*

Name: Paul Radford  
Chair

Date

For the Financial and Consumer Affairs Authority of  
Saskatchewan

*"Roger Sobotkiewicz"*

Name: Roger Sobotkiewicz  
Chair and CEO

Date

For the Financial and Consumer Services  
Commission (New Brunswick)

*"Rick Hancox"*

Name: Rick Hancox  
CEO

Date:

**Appendix A**

**Designated Innovation Functions Contact Points**

**For the AMF Québec**

Autorité des marchés financiers  
To: Director, Fintech and Innovation  
800, Square-Victoria, 22e étage  
Montréal (Québec) H4Z 1G3  
[fintech@lautorite.qc.ca](mailto:fintech@lautorite.qc.ca)

**Ontario Securities Commission**

OSC LaunchPad Co-operation Requests:  
Tel.: (416) 596-4266  
Email: [osclaunchpad@osc.gov.on.ca](mailto:osclaunchpad@osc.gov.on.ca)

**Alberta Securities Commission**

Colin McDonald  
Corporate Secretary & Senior Legal Counsel  
Suite 600  
250-5<sup>th</sup> Street SW  
Calgary (Alberta) T2P 0R4  
Tel.: 403 355-4477  
Fax: 403 355-4479  
Email: [Colin.McDonald@asc.ca](mailto:Colin.McDonald@asc.ca)

**Manitoba Securities Commission**

Chris Besko  
Director, General Counsel  
500-400 St. Mary Avenue  
Winnipeg (Manitoba) R3C 4K5  
Tel.: 204 945-2561  
Fax: 204 945-0330  
Toll free: 1 800 655-5244  
Email: [Chris.Besko@gov.mb.ca](mailto:Chris.Besko@gov.mb.ca)

**For the AMF France**

Autorité des marchés financiers  
Fintech, Innovation and Competiveness  
Unit 17 place de la Bourse  
75082 PARIS Cedex 02  
[fic@amf-france.org](mailto:fic@amf-france.org)  
Tel: +33 1 53 45 63 82

**British Columbia Securities Commission**

BCSC Tech Team  
701 West Georgia Street  
P.O. Bx 10142 Pacific Centre  
Vancouver (British Columbia) V7Y 1L2  
Tel: 604 899-6854  
Email: [TechTeam@bcsc.bc.ca](mailto:TechTeam@bcsc.bc.ca)

**Financial and Consumer Affairs Authority of Saskatchewan**

Sonne Udemgba  
Deputy Director  
601-1919 Saskatchewan Drive  
Regina (SK) S4P 4H2  
Office: 306 787-5879  
Fax: 306 787-5899  
Email: [sonne.udemgba@gov.sk.ca](mailto:sonne.udemgba@gov.sk.ca)

**Financial & Consumer Services Commission (New Brunswick)**

Deputy Director, Securities Division  
[Registration-inscription@fcnb.ca](mailto:Registration-inscription@fcnb.ca)  
Tel.: 506 658-3060

**Nova Scotia Securities Commission**

Executive Director  
Suite 400, Duke Tower  
5251 Duke Street  
Halifax (NS) B3J 1P3  
Tel.: 902 424-7768  
Email: [nsscexemptions@novascotia.ca](mailto:nsscexemptions@novascotia.ca)