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A Strong Signal: AMF Adopts a Policy Supporting Self-Reporting and Cooperation

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The Autorité des marchés financiers (AMF), the body responsible for enforcing Québec's legislation concerning the financial sector, recently adopted a Self-Reporting and Cooperation Policy. The policy, adopted on May 20, 2025, encourages individuals and corporations that have contravened a law administered by the AMF to voluntarily self-disclose or fully cooperate with the regulator in exchange for the possibility of reduced sanctions or, in some cases, resolution of the matter without proceedings.

This initiative is a welcome one. Although comparable regimes exist in other provinces, the AMF had until now offered no clear guidance on voluntary disclosure. It had, in some cases, declined to initiate investigations or enforcement proceedings following voluntary disclosures combined with corrective action; however, experiences of parties have varied, and the lack of a framework discouraged proactive conduct.

The policy acknowledges the public interest benefits of self-disclosure and collaboration. It aims to enable market participants to make informed decisions, weigh risks and benefits, and better anticipate likely outcomes.

Eligibility Requirements: Voluntary Disclosure or Active Cooperation

The policy applies to any individual or corporation that has breached the *Act respecting the regulation of the financial sector*, the *Securities Act* or any other law administered by the AMF, and that either voluntarily discloses the breach or chooses to cooperate actively with an AMF investigation.

To benefit from sanction relief, the party must demonstrate cooperation that is timely, voluntary and of high quality. This includes the following:

- self-reporting promptly and openly to the AMF, where applicable;
- cooperating fully and transparently with AMF staff at every stage of the process, including by participating in any meetings that are requested;
- providing a complete, truthful and structured account of the facts, along with all relevant documents;
- granting access to employees, officers or directors for questioning, and disclosing any reports or analyses not protected by privilege;
- implementing prompt corrective measures (including ceasing the breach), addressing compliance gaps and reporting internal control failures to the AMF; and
- where necessary, providing or facilitating access to third-party information, including from outside Québec.

Forms of Sanction Relief: Discretionary and Adaptable

The AMF retains full discretion over the way the policy is applied and the form of sanction relief that may be granted. The outcome will depend on the nature of the case and the quality of cooperation provided.

In assessing whether sanction relief is appropriate, the AMF will consider the type, duration and seriousness of the misconduct; the financial amounts involved; the number of affected parties; and the broader market impact. It will also consider the individual's level of involvement; the risk of recurrence; and any remedial action taken, such as compensation to victims or reimbursement of investigation-related expenses. The person's background, professional status and willingness to accept responsibility may also influence the analysis.

The AMF gives particular weight to the moment when cooperation begins, whether the information provided is useful and new, and the voluntary nature of the disclosure. The AMF will also consider whether the breach has ceased, whether related self-regulatory bodies were informed and whether the cooperation resulted in procedural efficiencies.

In terms of sanction relief, the policy contemplates various outcomes. Instead of initiating proceedings, the AMF may opt for its normalization process or use non-judicial mechanisms such as letters of undertaking or warning letters. It may also choose administrative rather than penal proceedings, recommend a reduced penalty, reduce the period of liability or limit the number of breaches pursued. In exceptional cases, it may grant immunity where cooperation implicates third parties. Additional forms of relief are set out in the policy.

Limitations and Exclusions

The AMF may decline to recognize cooperation in certain circumstances, including where the person's conduct compromises the integrity of the process. This includes obstructing an ongoing investigation, continuing the breach after disclosure, breaching undertakings to the AMF, withholding material information, providing incomplete or misleading statements, or destroying or concealing relevant documents.

The AMF may also exercise its discretion to refuse to recognize the cooperation where the person has placed personal or commercial interests – whether their own or those of their company, officers or employees – ahead of their obligations to investors, markets or the public. This discretion also extends to individuals who currently benefit, or have previously benefited, from leniency in a related or prior AMF matter.

Conclusion: A Flexible, but Uncertain, Framework

As with any initiative of this nature, some uncertainty surrounds the policy's early application. This stems from the number of factors to be considered, their highly contextual nature and the considerable discretion the AMF has explicitly reserved for itself.

Over time, this uncertainty will ease as published decisions clarify how the AMF applies the policy and what factors prove decisive in practice. That said, the AMF's stated goal of providing greater predictability for market participants deserves recognition. In our view, the policy represents a meaningful and constructive step forward – both in its practical reach and in the transparency it reflects.

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