



**AUTORITÉ
DES MARCHÉS
FINANCIERS**

LATEST EXPERIENCES AND DEVELOPMENTS IN REGULATORY AND SUPERVISORY APPROACHES TO TACKLING FINANCIAL SCAMS AND FRAUDS

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LATEST EXPERIENCES AND DEVELOPMENTS IN REGULATORY AND SUPERVISORY APPROACHES TO TACKLING FINANCIAL SCAMS AND FRAUDS IN QUÉBEC, CANADA





LATEST EXPERIENCES



[Affinity groups and family member in distress](#)



[International investments](#)



[Recovery scams](#)



[Classified ads](#)



[Mortgages](#)



[Romance scams](#)



[Cryptoasset and ICO](#)



[Phishing and telemarketing](#)



[RRSP](#)



[Deepfake](#)



[Ponzi and pyramid investment](#)



[Work-from-home](#)



[Identity fraud](#)



[Pump and dump and Trash and cash](#)



[Internal fraud by an employee](#)



[Insurance](#)



[On-line trading platforms](#)

<https://lautorite.qc.ca/en/general-public/fraud-prevention/types-of-fraud>



REGULATORY DEVELOPMENTS

Existing Guidelines

Sound Commercial Practices Guideline
Last update : January 2022

Financial Crime Risk Management Guideline
June 2012
To be updated

Developments planned

Crypto and the digitization of money

Regulation respecting the management and reporting of information security incidents by certain financial institutions and by credit assessment agents

Guidance on responsible use of AI in the financial sector

REGULATORY
TOOLS



DEVELOPMENT IN SUPERVISORY APPROACH

1. Supervisory activities

Perform supervisory activity in the industry or for a targeted institution

Hold discussions with financial institutions on fraudulent practices with a Fair Treatment of Customers view

Apply corrective measures (e.g. sanctions) for persistent practices

Provide support in resolving problematic situations or situations not complying with regulatory requirements

Monitoring this issue and prioritizing/ assessing the nature of the work that could be done over the next year (e.g. risk-based prioritization, scope of work, products targeted)

Obtaining and analyzing information on complaints received by the AMF and by the industry

2. Emerging risks

Monitoring of emerging risks

Identify major trends that could lead to an increase in the number of frauds among seniors (e.g. technological developments that may facilitate fraud)

3. Financial education

Development of an awareness strategy

Involvement in the government action plan to counter elder abuse

Implementation of a strategic and complementary partnerships to boost awareness (e.g. with police forces and associations)

Enhancement of the AMF website



DEVELOPMENT IN SUPERVISORY APPROACH

Thematic	Examples of recommendations issued to the financial institution
Financial crime management framework	<ul style="list-style-type: none">• Formalize and document a financial crime management framework• Document the roles and responsibilities of all stakeholders involved in financial crime risk management• Designate a Financial Crime Officer by the Board of Directors• Document the reporting process to provide an overall picture of financial crime risk management
Financial crime reporting mechanism	<ul style="list-style-type: none">• Set up a whistle-blowing hotline through which any officer or employee can report, anonymously, actions contrary to regulatory frameworks relating to financial information (accounting, internal controls, auditing), actions contrary to ethics and professional conduct, and breaches of respect for people, through an independent external firm• Implement measures to periodically ensure that all staff are aware of the reporting mechanism
Financial crime risk management framework	<ul style="list-style-type: none">• Include in the financial institution's risk management program a financial crime risk management framework that, among other things, makes it possible to:<ul style="list-style-type: none">• identify, assess and quantify the financial crime and fraud risks to which the financial institution is exposed• implement mitigation measures to effectively prevent and detect financial crime and fraud, so as to reduce their likelihood and potential impact
Management of communications and e-mail boxes	<ul style="list-style-type: none">• Manage personal information and its retention periods. Disseminate this information to employees, officers and other appropriate persons, and implement controls to ensure proper application of this framework• Warn customers that e-mail is an unsecured mode of communication and that it should be used for the transmission of non-confidential information only

QUESTIONS

