

# Adapting regulations for an automated reading system

submitted by the *Autorité des Marchés Financiers*

The mandate of the *Autorité des Marchés Financiers* (AMF) is to develop and monitor the application of financial sector regulations for Québec companies and foreign companies offering their financial products in Québec. These regulations are available on the AMF web site. As an example, here are the regulations for securities.

<https://lautorite.qc.ca/en/professionals/regulations-and-obligations/securities/>

These regulations have a structure similar to that of a piece of legislation and include in particular: (1) definitions of varied entities (for instance the definition of “derivative”); (2) some articles; (3) regulations and guidance; (4) references to other regulations or legislative pieces.

In order to abide by the regulations, the financial sector companies are invited to understand the regulations so as to ensure that they are correctly applied to their specific cases. At the present time this understanding exercise is mostly “manual,” whether one is looking for the relevant sections or ensuring that the company is complying with the law. Within each financial sector company there is a compliance department, which ensures that the company complies with all the regulations (whether the AMF regulations or those of other relevant institutions).

With the goal of lightening the regulatory burden, several projects have been launched in other countries by organizations similar to the AMF, in order to adapt regulations for an automated reading system. Here are two examples, from the United States and the United Kingdom (respectively).

<http://www.finra.org/industry/special-notice-073018>

<https://www.finextra.com/pressarticle/70869/corlytics-helps-create-intelligent-rule-book-for-fca>