

November 7, 2025

Submitted via Portal

To: The Autorité des Marchés Financiers (AMF)

Mesdames et Messieurs:

RE: CONSULTATION – GUIDELINE FOR THE USE OF ARTIFICIAL INTELLIGENCE (AI GUIDELINE)

The Forum Canadien des Marchés Financiers (FCMFi)/ Canadian Forum for Financial Markets (CFFiM) is dedicated to moving forward proposals to demonstrably grow healthy, competitive financial markets in Canada for the greater good.

We are a mission-first, values-driven, purposeful, and reform-minded organization committed to Canada's broader economic interests.

We offer the below constructive analysis, as a solutions partner, to stimulate regulatory modernization and inclusive growth for the economic competitiveness needed to meet the next decade's challenges.

EXECUTIVE SUMMARY

We commend the AMF for its initiative-taking approach and share its goal of managing AI risks to protect consumers and system stability.

However, we ask that the AMF reconsider the timing and scope of its proposed AI Guidance. AI risks are now covered by existing technology-neutral regulatory frameworks from AMF, federal, and pan-Canadian bodies.

In addition to unnecessary duplication, the proposed AI Guidance includes overly prescriptive requirements that unduly burden firms.

A 'pause and reset' is recommended in favour of a harmonized, technology-neutral, risk based, proportionate approach which promotes each of innovation, growth and sound oversight in Quebec's financial sector.

A. INTRODUCTION

We recognize and appreciate the AMF's proactive approach to addressing emerging technological risks, including those associated with artificial intelligence systems (AISs).

We also share the objective of ensuring that organizations manage AI-related risks effectively, protecting consumers and the stability of the financial system.

While we support the AMF's intention to ensure that regulated firms manage AI-driven risks responsibly, the AI Guideline merits reconsideration. In particular, the risks the AI Guideline targets are addressed under existing technology-neutral AMF, federal and pan-Canadian frameworks, including very recent frameworks and reviews.

Given the current overlap and changing regulatory landscape, a dedicated AI Guideline at this time raises questions of both duplication and inconsistency. By issuing a specialized guideline, the AMF is implicitly stating that existing technology-neutral frameworks, deemed and/or proven effective, are not sufficient for AI risk.

A "pause and reset" allows the AMF to consider the principled approach it should take in its oversight of AI systems through its existing frameworks. This achieves a more harmonized, efficient, and proportional approach that avoids layering additional compliance encumbrances.

In the interests of regulatory coherence, proportionality, and the avoidance of duplication, we respectfully submit the observations that follow.

B. EXISTING FRAMEWORKS THAT ADDRESS AI-RELATED RISKS

AI-related risks are addressed in a series of existing technology-neutral frameworks. Collectively, these frameworks mandate governance, risk assessment, documentation, and monitoring for AI systems, making a separate AI-specific guideline duplicative:

i) **AMF**

- **AMF INFORMATION AND COMMUNICATIONS TECHNOLOGY (ICT) RISK MANAGEMENT GUIDELINE**

An AI system is at its core an ICT system (a machine-based system, data inputs → outputs). The governance, change-management, data integrity, vendor/outsourcing oversight that the ICT guideline demands therefore apply equally to AISs.

- **AMF INTEGRATED RISK MANAGEMENT GUIDELINE**

This guideline sets the expectation that financial institutions embed holistic risk-management framework across all material risk types including technology.

- **AMF MODEL RISK MANAGEMENT GUIDELINE (DRAFT)**

This guideline sets out expectations for institutions to manage model risk throughout the lifecycle (design, development, use, monitoring, decommissioning), which includes AI driven models.

- **AMF OPERATIONAL RISK MANAGEMENT GUIDELINE**

This guideline discusses system/process failures including new technologies.

- **AMF INFORMATION SECURITY INCIDENT MANAGEMENT**

The Regulation & Guideline on “Information Security Incident Management” (Regulation respecting the management and reporting of information security incidents) came into force April 2025.

- **AMF THIRD PARTY RISK MANAGEMENT GUIDELINE (DRAFT)**

This was published October 1, 2025 to replace the [Outsourcing Risk Management Guideline](#). This applies if AI systems are outsourced.

In addition, existing frameworks of consumer protection, including disclosure responsibilities, address client-fair treatment concerns of AI such as bias, explainability, and transparency:

- **AMF SOUND COMMERCIAL PRACTICES GUIDELINE**

Financial institutions are expected to embed “fair treatment of clients” as a core element of their corporate culture.

- **SECTOR SPECIFIC LEGISLATION**

- Example: [Insurer's Act](#), [AMF RIGHT TO PRACTICE](#): reviews whether the applicant adheres to fair treatment of its clientele.
- Example: [Act Respecting the Distribution of Financial Products and Services](#) and its regulations also require intermediaries to act with due skill, care and diligence when dealing with clients.

ii) **FEDERALLY**

- **OFSI GUIDELINE E-23 - MODEL RISK MANAGEMENT**

OSFI's Guideline E-23 (Model Risk Management) revised version was released September 11, 2025, to take effect May 1, 2027. It sets expectations for model risk across the enterprise-wide lifecycle (inventory, development, validation, deployment, monitoring, decommissioning) and explicitly acknowledges AI. Many AI systems used by financial institutions will qualify as "models" under E-23 (i.e., systems producing predictive or decision outputs). The E-23 framework requires model inventory, risk rating, governance, documentation, change management (re-training, drift), vendor model controls, covering core risks of AISs.

- **OFSI OPERATIONAL RISK MANAGEMENT AND RESILIENCE GUIDELINE E-21**

OSFI Guideline E-21 sets expectations for federally regulated financial institutions to manage operational risk and ensure operational resilience. Its principles on operational risk and resilience provide a strong framework for safe AI adoption. Institutions must embed AI risk management into governance, operational risk frameworks, data controls, vendor oversight, and resilience planning.

- **CSA STAFF NOTICE AND CONSULTATION 11-348 APPLICABILITY OF CANADIAN SECURITIES LAWS AND THE USE OF ARTIFICIAL INTELLIGENCE SYSTEMS**

Within the capital-markets context, regulated entities are required to manage their AI systems under existing law. CSA Staff Notice 11-348 (December 5, 2024) provides interpretive guidance on how extensive securities regulation, policy and legislation applies to AI systems in capital-markets activities. It supports a technology neutral approach.

C. AMF'S COMMITMENT TO A PRINCIPLES AND RISK BASED APPROACH

In reviewing [AI in the financial sector](#), the AMF expressed a commitment to "adoption of a principles- and risk-based approach" and harmonization of domestic frameworks. A principle-based approach is proportionate, flexible and outcomes-based. In contrast, the AI Guideline has various prescriptive elements such as mandatory 'AI managers' for all systems, annual risk review of all AI systems, detailed documentation and audit requirements and granular competency standards. An application of a principled-based approach to specific sections results in the following suggestions:

- **Governance & Accountability:** Oversight should be proportionate to risk. Boards and management should focus on material AI risks, not every AI system.
- **Inventory of AI Systems:** Maintain inventory only for material/high-risk AI systems, with documentation sufficient to demonstrate effective risk management.
- **Risk Assessment & Classification:** Apply risk-based oversight principles rather than assigning a detailed risk rating to each AI system.
- **Lifecycle Management:** Limit granular requirements (e.g., documenting training data origin, centralized registries) to high-risk AI systems.
- **Vendor/Third Party Oversight:** Manage third-party risk relative to the materiality of the AI system.

- **Transparency & Predictability:** Apply requirements to high-risk or client-facing AI systems only.
- **Bias, Fairness, and Data Governance:** Manage bias and fairness risks proportionate to impact, documenting as needed.
- **Monitoring & Reporting:** Focus monitoring on material/high-risk AI systems.
- **Documentation & Recordkeeping:** Ensure documentation is sufficient and scalable to the materiality of the AI system.

D. PAUSE AND RESET

A “pause and reset” allows the AMF to consider its principled approach in its oversight of AI systems through its existing frameworks. A ‘pause and reset’ is recommended for the following reasons:

Harmonization

Expectations should always be harmonized across federal and provincial regulators (OSFI, CSA, AMF). Financial institutions often operate across federal/provincial regimes.

Duplication

The AI Guideline overlaps with other integrated risk frameworks.

Technology-Neutral Principle

By creating a separate “AI” guideline, the AMF fragments regulation by technology type. Regulated institutions should be expected to manage risks based on the nature and impact of the activity or system, not the underlying technology.

CONCLUSION

We commend the AMF for bearing in mind the evolving technology risk environment and for seeking to clarify oversight of AI systems in the financial sector. At the same time, we submit that AI-system risk is already captured under established, technology-neutral frameworks.

The existence of multiple frameworks within and outside of the AMF creates duplication and increased compliance incumbrances, particularly for institutions subject to multiple regulators, including provincial and federal and/or cross-jurisdiction operations.

A principled based approach, wherever possible within current frameworks, is more supportive of growth and innovation.

We appreciate your consideration of these comments

Respectfully submitted,

Forum Canadien des Marchés Financiers (FCMFi)