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MEDIA RELEASE

Investment Industry Calls for Regulation of All Financial Planners

TORONTO, ON, September 21, 2015 – Two leading investment industry associations, The Investment Funds Institute of Canada (IFIC) and the Investment Industry Association of Canada (IIAC) have called on the Ontario government to enact a general legislative framework for financial planners. In a [joint submission](#) responding to the Ontario government's *Consultation on Financial Advisory and Financial Planning Policy Alternatives*, IFIC and the IIAC laid out a framework for accreditation of those who use the title of "financial planner", as well as regulation and oversight of individuals who use that title or provide comprehensive financial plans and who are not currently subject to oversight by an existing regulatory body.

"IFIC members fully support providing investors with enhanced protection and the comfort of knowing that the financial planning service providers and advisors they work with are subject to similar levels of registration, oversight and enforcement," said Jon Cockerline, Director of Research, IFIC.

"Securities and insurance advisory services and planning that are ancillary to product recommendations are already well-regulated in Ontario, but there are gaps in non-product-related financial planning that need to be addressed for the benefit of investors," noted Michelle Alexander, Vice President, IIAC.

The joint IFIC/IIAC submission recommends that the government establish common standards for those individuals providing comprehensive financial plans to clients and/or using the title "financial planner" (or a similar title).

Specifically, IFIC and the IIAC propose:

- **A General Legal Framework for Financial Planners** – developed by the Ministry of Finance in consultation with the Financial Services Commission of Ontario (FSCO), the Ontario Securities Commission (OSC) and the Financial Planning Authority (see bullet below) that includes clear definitions and harmonized standards for financial planners and financial plans, as well as criteria for approving accreditation bodies.
- **Creation of the Financial Planning Authority (FPA)** – This proposed new entity, mandated by the Ontario government, will develop rules for the regulation of individuals providing comprehensive financial plans to clients and/or using the title of "financial planner", and **who currently operate outside of regulated channels**. For individuals falling under its purview, the FPA would be responsible for registration, compliance exams, enforcement and client complaint-handling.
- **Establishment of accreditation bodies with limited authority** – The accreditation bodies will only have authority over individual financial planners with respect to granting and withdrawal of financial planning designations.
- **Respect for the authority of existing regulators** – The FSCO and the OSC would be required to incorporate the General Legal Framework for Financial Planners into their existing rules. They, and only they, would continue to regulate dealers or managing general agents and their respective businesses and agents operating within the insurance and securities channels. The Mutual Fund Dealers Association and the Investment Industry Regulatory Organization of Canada would be responsible for creating appropriate rules applying to financial planning activities of their members.

The joint submission cautions the Ontario government against creating a framework that would make firms and individuals accountable to multiple regulators, noting that such an approach would create inefficiency, fragmentation, and confusion for clients. The Associations urge the Ontario government to work with other provinces and territories to harmonize regulation of financial planners across all Canadian jurisdictions and to ensure that sanctions and expulsions of a financial planner or advisor levied in one jurisdiction are automatically recognized by all other jurisdictions.

About The IFIC

The Investment Funds Institute of Canada is the voice of Canada's investment funds industry. IFIC brings together 150 organizations, including fund managers, distributors and industry service organizations, to foster a strong, stable investment sector where investors can realize their financial goals. By connecting Canada's savers to Canada's economy, our industry contributes significantly to Canadian economic growth and job creation. The organization is proud to have served Canada's mutual fund industry and its investors for more than 50 years. For more information, please visit www.ific.ca.

About The IIAC

The Investment Industry Association of Canada (IIAC) is the national association representing the investment industry's position on securities regulation, public policy and industry issues on behalf of our 148 IIROC-regulated investment dealer member firms in the Canadian securities industry. These dealer firms are the key intermediaries in Canadian capital markets, accounting for the vast majority of financial advisory services, securities trading and underwriting in public and private markets for governments and corporations. The IIAC provides leadership for the Canadian securities industry with a commitment to a vibrant, prosperous investment industry driven by strong and efficient capital markets. For more information, please visit www.iiac.ca.

– 30 –

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