



VIA EMAIL

March 15, 2022

Mr. Louis Morisset
Chair, Canadian Securities Administrators, and
President and Chief Executive Officer
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and

Stan Magidson
Chair, Integrated Working Committee, and
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Alberta Securities Commission
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Dear Messrs. Morisset and Magidson:

Re: Ontario's Financial Professionals Title Protection ("FPTP") Framework

I am writing to bring to your attention the proposal by the Financial Services Regulatory Authority ("FSRA") to regulate the use of Financial Planner ("FP") and Financial Advisor ("FA") titles in the province of Ontario. As you may know, the FSRA recently released guidance detailing how they will administer the Financial Professionals Title Protection Act, which is currently before the Ontario Minister of Finance and expected to be approved by May of this year.

The IIAC and our 117 member firms fully support the need to regulate unlicensed individuals who provide financial advice to investors. However, the FPTP framework will also require individuals subject to Canadian Securities Administrators ("CSA") and self-regulatory organization ("SRO") oversight to obtain approval from an FSRA approved credentialing body before they can use the FP or FA title. As the CSA

and SROs already provide a comprehensive title licensing framework for registrants, there is no additional benefit from the FPTP framework for investors who are serviced by these security licenced professionals. The resulting unintended consequences of increased regulatory burden and investor confusion will add regulatory complexity and costs without providing any corresponding additional investor protection.

The IIAC has raised these concerns with the Ontario Minister of Finance and with the FSRA directly. We asked that the FPTP framework be amended to include an exemption for individuals providing financial advice who are subject to CSA or SRO oversight. The Ministers office indicated that while they heard our concerns, an exemption would not be provided.

Providing an exemption from the FPTP framework is critical for the efficient and effective regulation of financial advice in Ontario. Similarly, in 2021 the IIAC responded to FCNB and FCAA consultations on FP and FA title regulation proposals, advocating for the same exemption for CSA and SRO registrants in these provinces to avoid duplication of regulatory oversight roles and reduce confusion for Canadian investors.

We believe there should be a consistent, national approach to title regulation for all individuals subject to CSA or SRO oversight. In this regard, the IIAC supports the CSA's initiative to create a single SRO that harmonizes existing SRO rules, introduces more nuanced proficiency-based registration and leverages CSA consultations on titles beyond the requirements introduced by the Client Focused Reforms. The efficiencies and benefits from a single, harmonized regulatory regime on titles are greatly diminished if individual provinces have their own standards and approval processes.

As the proposals in Ontario, New Brunswick and Saskatchewan introduce new and unnecessary regulations for the FP and FA titles, we encourage the CSA and the New SRO to work with each of these provinces to obtain an exemption for CSA and SRO registrants. A fragmented regulatory regime does not serve the public interest for individuals already subject to a comprehensive registration framework.

The IIAC would be pleased to meet with you and your staff to discuss this issue in more detail.

Yours truly,

Investment Industry Association of Canada (IIAC)



cc:

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