

Date: October 3, 2022

Delivered by email: Jamie.Yeamans@gnb.ca

Mr. Jamie Yeamans
Senior Policy Advisor,
Policy and Regulatory Services,
Finance and Treasury Board
Government of New Brunswick

Re: Regulation of Financial Advisor and Financial Planner Titles

Dear Mr. Yeamans:

Thank you for meeting with Laura Paglia and me to discuss the regulation of the Financial Advisor (“FA”) and Financial Planner (“FP”) titles and the impact of these regulations for investors and securities registrants. We appreciated you and your colleagues at the Ministry and the FCNB making time for this important discussion.

The Investment Industry Association of Canada (“IIAC”) is the leading national industry association who represents the vast majority of individuals and firms providing financial advice to Canadians. Our members manufacture and distribute a variety of securities such as mutual funds, exchange-traded funds, segregated fund contracts and other managed equity and fixed income funds, and provide a diverse array of portfolio management, advisory and non-advisory services.

As discussed, the Ontario’s Financial Professionals Title Protection Act has resulted in business, policy, implementation and jurisdictional concerns. It has put multiple regulators in the same space, giving rise to duplication of costs, unnecessary administration and much confusion.

In addition to the impact of and implementation concerns related to the Ontario Financial Professional Title Protection Act discussed, this letter briefly summarizes the issues surrounding FA and FP title regulations as follows:

- The IIAC fully supports the need to regulate *unlicensed* individuals who hold themselves out as a FP or FA in New Brunswick. Individuals who use these titles should be registered to provide financial advice and subject to the same proficiency standards, disclosure obligations and oversight as required of securities licensed individuals.

- FPs and FAs licensed by the Canadian Securities Administrators (“CSA”), the Investment Industry Regulatory Organization of Canada (“IIROC”) or the Mutual Fund Dealers Association of Canada (“MFDA”), do not need to be subject to additional oversight.
- The CSA and, through their oversight, IIROC and the MFDA, have long ensured that individuals must qualify to and be registered to provide financial advice and that these individuals are subject to continual and rigorous oversight.
- The CSA and SRO mandates to protect investors requires that their proficiency requirements for securities licensed individuals are appropriate. There is no systemic harm resulting from the proficiency standards required of FPs and FAs that additional title regulations would resolve.
- The base competency profiles for FAs, as established by the SROs, and approved by the CSA, are appropriate for the products and services FAs are licensed to recommend to clients.
- Ontario’s Financial Professionals Title Protection Act and the FCNB’s proposed regulations as outlined in the August 2021 Notice of Public Consultation, does not provide additional investor protection and yet adds unnecessary costs for securities licensed individuals. These additional costs and administration are ultimately borne by New Brunswick investors and the firms choosing to do business in New Brunswick

For the above reasons, the IIAC suggests that an exemption from additional title regulation should be provided for securities regulated individuals.

We kindly ask to continue discussions with the Ministry and FCNB on regulating the use of FP and FA titles.

Sincerely,

Tim Currie

Tim Currie
Managing Director
IIAC

cc: Laura Paglia, President and CEO, IIAC