

September 9, 2019

Mr. Dean Murrison
Director, Securities Division
Financial and Consumer Affairs Authority of Saskatchewan
601 – 1919 Saskatchewan Drive
Regina, SK S4P 4H2

DELIVERED VIA EMAIL: finplannerconsult@gov.sk.ca

Dear Mr. Murrison,

Re: Regulation of Financial Advisor and Financial Planner Titles

On behalf of Advocis, The Financial Advisors Association of Canada, we are pleased to provide our comments to the Financial and Consumer Affairs Authority in regards to Saskatchewan's review of the regulation of the "Financial Advisor" and "Financial Planner" titles.

1. ABOUT ADVOCIS

Advocis is the association of choice for financial advisors and planners. With more than 13,000 members across the country, Advocis is the definitive voice of the profession, advocating for professionalism and consumer protection. Our members are provincially licensed to sell life, health and accident and sickness insurance, as well as by provincial securities commissions as registrants for the sale of mutual funds or other securities. Members of Advocis are primarily owners and operators of their own small businesses, creating thousands of jobs across Canada. Advocis members provide advice in several key areas, including estate and retirement planning, wealth management, risk management, tax planning, employee benefits, critical illness and disability insurance.

Professional financial advisors and planners are critical to the ongoing success of the economy, helping consumers to make sound financial decisions that ultimately lead to greater financial stability and independence both for the consumer and the country. No one spends more time with consumers than advisors and planners, educating them about financial matters and helping them to reach their financial goals. Advocis works with decision-makers and the public, stressing the value of financial advice and striving for an environment in which all Canadians have access to the advice they need.



2. OUR COMMENTS

We commend the FCAA for its decision to look into the regulation of the titles of “financial advisor” and “financial planner”. We have stated for many years that restrictions surrounding the use of these titles is overdue, simply for the fact that consumers believe that these titles are already protected and are meaningful proxies of the user’s skills, education and experience.¹ The fact that these titles are largely unregulated across Canada is a major vulnerability for financial consumers and it is time that regulation be aligned with consumers’ expectations.

As noted in the Consultation Letter, the Government of Ontario passed the *Financial Professionals Title Protection Act, 2019* (the “Act”) on May 29, 2019. The Act proposes to restrict the titles of “Financial Advisor” and “Financial Planner” to individuals holding a recognized credential from a recognized credentialing body. While many details of implementation are yet to be worked out – which will involve several rounds of consultation with the Financial Services Regulatory Authority of Ontario (“FSRA”), the new integrated financial services regulator in the province – we are optimistic that this approach is sensible, can be implemented in a relatively short timeframe, is minimally disruptive to industry and will meaningfully enhance consumer protection in that province.

For those reasons, we urge the FCAA to mirror Ontario’s approach. Mirroring the approach also has the salutary benefit of promoting harmonization across Canada. Professional regulation in Canada is a provincial matter, but to the extent possible, Canadian consumers should be able to expect the same high-quality standards from their financial professionals regardless of their province. Harmonization also makes regulation much more understandable to the end consumer which substantially increases its effectiveness as a consumer protection measure.

There is one particular aspect of Ontario’s proposal that we wish to emphasize: the Act makes clear that both of the titles of “Financial Advisor” and “Financial Planner” are to be protected. We cannot understate how important capturing both titles is to a proper consumer protection regime. Financial Advisors and Financial Planners are related, but distinct: the latter is a specialization of the former, and the educational training (and consequent designations) for both titles must be treated separately. Failing to regulate both titles would mean failing to understand how consumers access financial services professionals in the marketplace.

3. CONCLUSIONS AND NEXT STEPS

We appreciate this opportunity to provide our comments to the FCAA as it works towards implementing protection around the use of the titles of “Financial Advisor” and “Financial Planner”. We encourage the FCAA to consider mirroring Ontario’s approach, as that approach is sensible, cost-effective, minimally disruptive and quickly implementable. Should Saskatchewan

¹ For example, Advocis commissioned polls in five provinces between October 2018 and March 2019 which found that, on average, half of the respondents believe the title of “financial advisor” is protected in their province.



mirror Ontario, Saskatchewan would also be promoting the harmonization of professional standards across Canada, which would benefit all Canadian financial consumers.

In the coming months, we expect to be heavily involved in discussions with FSRA in regards to the implementation of Ontario's regime. We would be thrilled to be equally involved with the FCAA in bringing forth a very similar consumer protection regime in Saskatchewan that is uniquely tailored to the needs of the province.

Should you have any questions, please do not hesitate to contact the undersigned, or Ed Skwarek, Vice President, Legal and Regulatory Affairs at 416-342-9837 or eskwarek@advocis.ca.

Sincerely,

A handwritten signature in black ink, consisting of a stylized 'G' followed by a long horizontal line that ends in a small arrowhead.

Greg Pollock, M.Ed., LL.M., C.Dir., CFP
President and CEO