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Re: Regulation of Financial Advisor and Financial Planner Titles

Dear Ms. Lang and Mr. Sobotkiewicz:

Thank you for meeting with me last Thursday and for the extra time you afforded me to discuss the regulation of Financial Advisor (“FA”) and Financial Planner (“FP”) titles.

As discussed, the Ontario’s Financial Professionals Title Protection Act (“FPTP 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. Saskatchewan can learn from Ontario’s missteps and avoid these outcomes.

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 FA or FP in Saskatchewan. 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.
- FAs and FPs licensed by the Canadian Securities Administrators (“CSA”), the Investment Industry Regulatory Organization of Canada (“IIROC”) or the Mutual Fund Dealers Association of Canada (“MFDA”) and as of January 1, 2023, the New SRO (collectively “the SROs”), do not need to be subject to additional oversight. The resulting unintended

consequences of increased regulatory burden and investor confusion add regulatory complexity and costs without providing any corresponding additional investor protection.

- The CSA and, through their oversight, the SROs, 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 FAs and FPs 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 FPTP Act and the FCAA's proposed regulations as detailed in the July 2022 Notice of Proposed Regulations and Request for Further Comment, does not provide additional investor protection and yet adds unnecessary costs for securities licensed individuals. These additional costs and administration are ultimately borne by Saskatchewan investors and the firms choosing to do business in the province.

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 New SRO as it will harmonize existing SRO rules, introduce 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.

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

I would be pleased to discuss the regulation of titles and associated competency profile requirements further should you have any questions.

Sincerely,
Investment Industry Association of Canada