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VIA EMAIL
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Re: The Financial Planners and Financial Advisors Regulations (the "Proposed Regulations")

The Investment Industry Association of Canada (the "IIAC") appreciates the opportunity to provide input to the Financial and Consumer Affairs Authority ("FCAA") of Saskatchewan regarding its Proposed Regulations under *The Financial Planners and Financial Advisors Act* ("FPFAA").

Summary: The IIAC supports additional clarity and standardization for the provision and supervision of financial planning in the industry.

Recommendations: Some key recommendations from the IIAC include the following:

- An exemption for both FPs and FAs employed by registrants who are subject to the oversight of an SRO, especially given the announcement of the New SRO and the CSA project on titling. A harmonized and national approach will better serve Canadians and provide them with a consistent level of protection.
- While we support title users disclosing their credentials, we do not believe any additional mandated disclosure requirements are necessary and will be unduly burdensome.
- Amend the 2020 transition date to more closely align with the coming into force date in order not to exclude many registrants as we move further away from that date.

These and other recommendations are detailed below.

As outlined in previous stakeholder consultations and submissions both in Saskatchewan and Ontario, the IIAC supports additional clarity and standardization for the provision and supervision of financial planning in the industry. We recognize that there are many individuals who may hold themselves out as financial planners but may not have the necessary proficiency requirements and appropriate oversight.

Exemptions

The IIAC is pleased to see that the FCAA is still considering exemptions as part of its overall framework.

As we did in Ontario, we urge the FCAA to consider an exemption for both Investment Industry Regulatory Organization of Canada ("IIROC") and Mutual Fund Dealers Association ("MFDA") (together, the "SROs") registrants. We note the FCAA has stated that it seeks to efficiently and effectively implement an appropriate and flexible framework by leveraging existing regimes, yet by ignoring the robust regulatory oversight carried out by both IIROC and the MFDA, the FCAA will not execute an effective and efficient framework and instead, duplicate the role and responsibilities of the SROs.

The SROs, with the mandate of protecting investors and the integrity of the Canadian capital markets, have rigorous proficiency requirements and business and financial conduct oversight of their registrants. These standards are among the highest in the financial services industry.

This argument is further supported based on the Canadian Securities Administrators ("CSA") recently releasing Position Paper 25-404 – *New Self-Regulatory Organization Framework* ("the New SRO").

The CSA supports the development of a single, enhanced national self-regulatory organization for Canadian capital markets. There is broad support for one SRO system, and its recognized benefits including increased efficiencies from harmonization.

This New SRO will harmonize existing SRO rules, policies, compliance and enforcement processes. Furthermore, the New SRO will have an enhanced governance process, as well as more nuanced proficiency-based registration that would retain the high standards of professionalism in the industry. In addition to the enhancements to the titling requirements for CSA and SRO registrants pursuant to the Client Focused Reforms, the CSA has indicated that the New SRO will leverage upcoming CSA consultations on titles. Any changes to titles that the CSA implements that may require registrants to revise current titles used will be greatly complicated if consideration must be given to FSRA approved titles. This would only further confuse the investing public.

Given these recent proposals, we would urge the FCAA to reconsider an exemption for both IIROC and MFDA registrants from its titling framework.

With the CSA now moving towards greater oversight of a New SRO, the FCAA should be confident in the CSA's ability to have the appropriate mechanisms to ensure rigorous regulatory oversight of not only the New SRO but the member firms and individuals that it regulates. Furthermore, both the CSA and the New SRO have a public interest and investor protection mandate, and thus the FCAA can be satisfied that the public interest would not be harmed. This approach would create minimum standards for title usage, without creating unnecessary regulatory burden for title users. Finally, the New SRO, given its national scope would be able to approach titling from a harmonized and national approach. This is the only way that consumers can expect to receive uniform standards of service, regardless of whether the credential holder offers its services through an IIROC-registered dealer, through another regulated channel or in another province.

The IIAC strongly encourages the FCAA to meet with the CSA, IIROC and the MFDA to discuss the New SRO and how this new regulatory structure can satisfy the FCAA's concerns regarding granting an exemption from the titling requirements for SRO registrants.

Disclosure

The IIAC supports FP and FA title users disclosing their credentials, but we do not believe any additional mandated disclosure requirements are necessary. We expect licensed individuals to certainly discuss their credentials with clients at an introductory meeting, outlining the advisor's proficiency and experience.

Mandating disclosure would result in significant cost and effort. Furthermore, it is how unclear how Credentialing Bodies ("CBs") would go about implementing the requirement to disclose credentials. It is also unclear what credential holders would have to do to confirm to the CB that clients have been provided with appropriate disclosure of credentials. Additionally, it is not clear how mandatory disclosure will reduce investor confusion especially given the likelihood multiple CBs in the marketplace.

Transition Date

The IIAC supports the shortened transition periods to obtain an approval credential of four years for FP title users and two years for FA title users.

However, we have concerns with subsection 9(1) of the Proposed Regulations, which allows individuals to continue to use the FA or FP title for a transitional period, provided that immediately prior to July 3, 2020 and up to the date this rule comes into force, the individuals used that title in Saskatchewan.

We agree that a transitional period is necessary to allow individuals sufficient time to obtain an approved credential, but we are unclear as to the rationale that the individual must have been using that title on or before July 3, 2020. We believe the transitional period should apply to any

individual who was using the title immediately before the rule comes in force and the FCAA should set an "on or before" date once a proposed in force date is determined.

As currently drafted, any individual who started using the FP or FA title in 2020 or 2021 would only be permitted to continue using that title if he or she obtains a FCAA-approved FP/FA credential. The rationale for using the date of July 3, 2020 is unclear.

As we move further and further away from July 3, 2020, the Proposed Regulations, as currently drafted, would exclude a number of registrants. Further, with changes to titles under the Canadian Securities Administrators' Client Focused Reforms ("CFRs"), there may be registrants who chose (or their firms requires them) to use the FA or FP title, and given that the CFRs do not come into force under December 31, 2021, the July 3, 2020 date will impact many registrants.

We encourage the FCAA to consider amending the 2020 date contained in subsection 9(1) of the Proposed Regulations to a date that more closely aligns with the coming into force date.

Titles

As we suggested in Ontario, the FCAA should create a guidance document to clarify those titles that "could reasonably be confused with" the FP or FA title and titles that would not be considering to cause confusion. It would be helpful to indicate whether titles such as "investment advisor", "wealth advisor", "portfolio advisor", "investment funds advisor" and "securities advisor" would be captured under the Proposed Regulations. Clarity and transparency on appropriate title usage is necessary prior to the enactment of the title protection framework.

Yours sincerely,

Investment Industry Association of Canada