



September 13, 2019

Delivered By Email

Mr. Dean Murrison
Director, Securities Division
Financial and Consumer Affairs Authority of Saskatchewan
1919 Saskatchewan Drive, Suite 601
Regina, SK S4P 4H2
finplannerconsult@gov.csk.ca

Dear Sir:

RE: Regulation of Financial Planners and Financial Advisors in Saskatchewan

I am writing on behalf of the members of The Investment Funds Institute of Canada (**IFIC**) with respect to the Financial and Consumer Affairs Authority of Saskatchewan's (**FCAA**) consultation on the regulation of financial planners and financial advisors in Saskatchewan.

IFIC is the voice of Canada's investment funds industry. IFIC brings together 150 organizations, including fund managers, distributors and industry service organizations to foster a strong, stable investment sector where investors can realize their financial goals.

Regulation of Financial Planning

IFIC supports the regulation of financial planners to strengthen consumer protection. IFIC, in previous stakeholder consultations and in our submissions to the Government of Ontario's consultations on financial planning, has consistently supported regulating the use of the "Financial Planner" title to those individuals who hold a recognized financial planning credential.

Regulation of financial planning will require a clear definition of financial planning activity to avoid inadvertently including activities that are already well-regulated by securities and insurance regulators. A clear definition is also necessary to ensure similar titles are not used to mislead consumers into reasonably believing that an individual is a financial planner.

Standardized proficiency and credential requirements for financial planners would improve consumer protection and result in greater harmonization between the services provided by financial planners regulated under existing regulatory regimes and those who are not currently regulated.

A National Approach to Regulation of Titles

In regulating financial planning activity, it is important that there be harmonization given that many financial planners are already regulated within the investment and securities industry. These financial planners should not be subject to duplicative regulation or regulatory oversight. A harmonized approach will alleviate any potential for added regulatory burden on individuals who hold themselves out as financial planners, have a recognized financial planning credential and are regulated under securities legislation.

In support of a national approach to title reform, IFIC submitted a proposal for securities registrants to members of the Canadian Securities Administrators. Our proposal, attached as Appendix A, is based on the following guiding principles:

1. Functional title: A title should reasonably reflect the functions of the person rendering the service.
2. The provision of advice is properly reflected: The concept of advice should be reflected in the title where appropriate.
3. The title is understandable by the average investor: Proposed titles must avoid technical jargon that may not be understandable by the average investor. Titles must also avoid using terms that are misleading or too vague.

IFIC urges the FCAA to work in concert with other provinces in reviewing the use of titles within the financial services sector. The use of titles such as "Financial Advisor" in particular should be part of a broader discussion on title reform across the financial services industry. A coordinated national approach across financial services would better achieve the objective of lessening consumer confusion and improving consumer protection. This will provide consumers with the same level of protection regardless of where they live.

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Thank you for the opportunity to provide comments on the regulation of financial planning and financial advisors in Saskatchewan. We would be pleased to provide further information or answer any questions you may have. Please feel free to contact me by email at mupadhyaya@ific.ca or, by phone 416-309-2314.

Yours sincerely,

THE INVESTMENT FUNDS INSTITUTE OF CANADA



By: Minal Upadhyaya
Vice-President, Policy and General Counsel

Attachment:
IFIC Title Reform Proposal (September 14, 2019)

APPENDIX A IFIC Title Reform Proposal

September 14, 2018

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Debra Foubert
Director, Compliance and Registrant Regulation
Ontario Securities Commission
dfoubert@osc.gov.on.ca

Sophie Jean
Directrice de l'encadrement des intermédiaires
Autorité des marchés financiers
Sophie.jean@lautorite.qc.ca

Dears Ms. Foubert, Ms. Jean,

RE: IFIC Proposal on Title Reform

We are writing on behalf of members of The Investment Funds Institute of Canada (IFIC) with an industry proposal on title reform for securities registrants. We appreciate the opportunity to present our proposals as the Canadian Securities Administrators (CSA) begins its review of titles. We hope that these proposals will be helpful to the CSA.

Guiding principles

IFIC's proposal is guided by the following key principles, which seek to improve the current use of titles within the industry:

1. Functional title: A title should reasonably reflect the functions of the person rendering the service.
2. The provision of advice is properly reflected: The concept of advice should be reflected in the title where appropriate. For example, the current mandatory title for mutual fund dealing representatives in Quebec is "Mutual Fund Representative" or "Mutual Fund Dealer Representative" which does not adequately reflect the advice provided to investors by such dealing representatives.
3. The title is understandable by the average investor: Proposed titles must avoid technical jargon that may not be understandable by the average investor. Titles must also avoid using terms that are misleading or too vague.

Proposed titles for securities registrants

We propose the following titles for retail, client-facing registered representatives only. This would include mass market and high net worth clients, but exclude permitted clients. The proposed permitted titles assume the years of experience that are required to be fully registered under securities legislation have been met. Otherwise, the permitted title would include "Associate" in front of the title.

Securities Law Registration Category	Recognized Financial Planning Credentials	Dealer firm provides financial planning services	Proposed Permitted Titles
Investment Dealer	Yes	Yes	Securities Advisor and Financial Planner
	Yes	No	Securities Advisor
	No	Yes	Securities Advisor
Mutual Fund Dealer	Yes	Yes	Investment Funds Advisor and Financial Planner
	Yes	No	Investment Funds Advisor
	No	Yes	Investment Funds Advisor
Portfolio Manager Investment Dealer - Portfolio Manager	Yes	Yes	Portfolio Manager and Financial Planner
	Yes	No	Portfolio Manager
	No	Yes	Portfolio Manager

For the Mutual Fund Dealer, the title of Investment Funds Advisor (rather than Mutual Funds Advisor) is proposed as this would capture both conventional mutual funds, exchange traded funds, and in the future, alternative funds available to retail investors.

CSA's latest proposals

IFIC supports the CSA's recent proposals, as part of the Client Focused Reforms, to ban registered individuals from using a title, designation, award, or recognition that is based partly or entirely on that registrant's sales activity or revenue generation or the use of a corporate officer title unless their sponsoring firm has appointed that registrant to that corporate office pursuant to applicable corporate law.

Consumer testing

We recommend that the CSA do consumer testing to ensure that any titles that are proposed can be readily understood by retail investors.

Coherence across the financial industry

Finally, we continue to advocate for titles that are coherent across the financial services industry. Registrants may also provide other financial services, either through the registered firm or a separate legal entity. This creates complexities given the different regulatory regimes that apply. However, we believe that consistent titles across the financial services sector are attainable and will result in consumers having a better understanding of the services provided by the individuals with whom they work. We wish to extend our support for CSA discussions with regulators responsible for insurance and banking services to that end.

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If you require further information, do not hesitate to contact me at mupadhyaya@ific.ca or 416-309-2314 or Kia Rassekh, Regional Director, Quebec, at krassekh@ific.ca or 514-985-7025.

Yours sincerely,

THE INVESTMENT FUNDS INSTITUTE OF CANADA



By: Minal Upadhyaya
Vice-President, Policy and General Counsel

CC: François Vaillancourt
Analyste expert en réglementation – pratiques de distribution
Direction de l'encadrement des intermédiaires
Autorité des marchés financiers
francois.vaillancourt@lautorite.qc.ca