



Financial Services Regulatory Authority (FSRA)  
5160 Yonge Street, 16th Floor  
Toronto, Ontario  
M2N 6L9

Attn: Tim Miflin, Senior Manager, Policy  
Joel Gorlick, Director, Policy

Re: Financial Services Regulatory Authority of Ontario  
Notice of Proposed Rule and Request for Comment  
Proposed Rule [2020-001] Financial Professionals Title Protection

The Federation of Mutual Fund Dealers (“Federation”) has been, since 1996, Canada’s only dedicated voice of mutual fund dealers. We currently represent dealer firms with over \$124 billion of assets under administration and greater than 24 thousand licensed advisors that provide financial services to over 3.8 million Canadians and their families. As such we have a keen interest in all that impacts the dealer community, its advisors, and their clients.

The Federation is pleased to provide comments on the captioned Proposed Rule.

## **General**

1. The Proposal states “stakeholders have raised concerns about the potential for the title protection framework to lead to duplicative oversight and/or regulatory burden for market participants”. We share that concern and believe there is no benefit to adding yet another tier of oversight with an additional fee structure. As the Proposal acknowledges, costs may be passed through to consumers by FP and FA title users to offset fees charged to them by credentialing bodies”. We would suggest they most certainly will be passed through to consumers. We would urge you to ensure the most efficient structure possible.
2. There is no discussion around whether the individuals we are discussing are registrants in the financial services industry. During the Fair Dealing Model discussions, the fact that any regulation or rule would not protect the public from the activities of non-registrants who merely claim to be a financial planner seemed lacking. We are not talking about existing fee only financial planners who are credentialed, are held to a fiduciary duty, and are subject to some oversight. We are talking about those who think it is a good idea one day and hang out a ‘financial planner’ shingle. The position then was that those individuals were not within their jurisdiction. Is it the same now?
3. The definitions section of the Proposed Rule should be expanded to include “credential” and “credentialing body”, “financial planner” and “financial advisor”.

## **Disclosure**

4. Once achieved, common practice would be to use an earned title so they will know what title their advisor is using. We see no benefit to clients to receiving any background information on how their planner/advisor came by the title. Clients, everyone would agree, already receive excessive volumes of disclosure.

#### Fees and Assessments

5. The credentialing bodies should not be collecting the FSRA's fees; they should be submitted directly to the FSRA.

6. We're also concerned about the potential duplication of fees should an individual want both the FA and FP title.

#### Transition Periods

FSRA is proposing that the transition period for both Titles would start January 1, 2020.

7. The start date should be no earlier than the date the Proposed Rule is finalized; a standard should not be retroactively applied.

8. The transition period should be eliminated or minimized to accommodate those 'right on the cusp' of completing their qualifying designation. We do not see benefit in holding oneself out with a restricted title while unqualified.

#### Summary

We believe that this Rule and the administrative structure being proposed is a regulatory burden and should be reviewed with a view to stripping out of it all duplicative functions performed by existing regulatory bodies.

While the FSRA assumes responsibility for the approval of credentialing bodies, compliance and enforcement should be performed by existing regulators who are familiar with their members and approved persons. This should contribute to a reduction in the proposed fees.

We look forward to continuing this consultation.

Respectfully,



**MATTHEW T. LATIMER**  
Executive Director

matthew.latimer@fmfd.ca