

FSRA Review

FPTPA RULE BRIEFING

SUBMITTED BY:

EVELYN JACKS, PRESIDENT

Objective: To Respond to the Revised FPTP Rule as per request below:

With this Notice, FSRA is seeking public comment on the revised FPTP Rule in accordance with section 22 of the FSRA Act. Interested persons are invited to make written representations to FSRA with respect to the revised FPTP Rule by June 21, 2021.

June 21, 2021

Dear Sirs and Madam:

We appreciate the opportunity to comment further on the revised FPTP Rule in accordance with section 22 of the FSRA Act.

We are providing comments specifically to two issues:

- the proposed fee structure, which as currently anticipated, disproportionately benefits large credentialing bodies on a per-credential holder analysis and
- exemptions for programs that provide specialized studies for financial advisors and planners, who are credential holders.

Fee Structure. We are proposing an alternative structure to help you recover which provides for the same “per credential holder” fee regardless of the size of the credentialing body.

Specialization and Mastery. We are proposing an exemption for Distinguished and Master Financial Advisors credentials offered by Knowledge Bureau. The credential holders of these designations cross multiple financial industries (tax accounting and financial services) and will have met prerequisites which include minimum credentials and experience to build on their skills as specialists. They will also have met an annual attestation to Standards of Conduct that include ethical practices and ongoing continuing education to relicense their marks.

We thank you for the opportunity to provide this input.

Yours truly,

Evelyn Jacks, President

Knowledge Bureau

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SCHEDULE A - EFFECT OF FEE STRUCTURE ON SMALLER CREDENTIALING BODIES

AN ALTERNATIVE APPROACH

By reducing the \$25,000 Annual Fee to \$1000 and increasing the variable fee to \$12.62 per credential holder (from 10.62), the revenues collected will be the same, with little change in the fees paid by larger organizations, but a significantly lower fee to smaller organizations.

This alternative fee structure will enhance the opportunity for the research and development of specialized, continuing professional development beyond the minimum standards achieved by a broad base of financial advisors and planners.

Advisors who work on an inter-advisory and multi-stakeholder wealth management approach to family finances will have the opportunity to specialize in highly technical and cross-disciplinary education, being recognized, in the case of Knowledge Bureau graduates, as Distinguished and/or Master Financial Advisors.

Example:

Variables														
Assume # Credential Holder	81100													
Assume # CBs	7													
Fixed Fee	\$1,000													
# Credentials	10													
ANNUAL CB FEE (From FSRA Documents)														
(Fixed and Variable)														
CB	# Cred Holders	Annual Fees			Start Up Fee		Application Fee			Total App Fees	Tot App Fee/ Cred Holder	Total First Year Fees	Total Fees/ Cred Holder	
		Fixed CB Fee	Variable CB Fee	Estimated Total Fee (Year 1)	Ann Fee/ Cred Holder	Total Start Fee	Start Fee/ Cred Holder	CB Fee	# Credential Fees					3
CB 1	100	\$25,000	\$1,050	\$26,050	\$260.50	\$760	\$7.60	\$10,000	\$5,000	\$15,000	\$150.00	\$41,810	\$418.10	
CB 2	1,000	\$25,000	\$10,600	\$35,600	\$35.60	\$7,640	\$7.64	\$10,000	\$5,000	\$15,000	\$15.00	\$58,240	\$58.24	
CB 3	5,000	\$25,000	\$53,100	\$78,100	\$15.62	\$38,200	\$7.64	\$10,000	\$5,000	\$15,000	\$3.00	\$131,300	\$26.26	
CB 4	10,000	\$25,000	\$106,200	\$131,200	\$13.12	\$76,400	\$7.64	\$10,000	\$5,000	\$15,000	\$1.50	\$222,600	\$22.26	
CB 5	15,000	\$25,000	\$159,300	\$184,300	\$12.29	\$114,600	\$7.64	\$10,000	\$5,000	\$15,000	\$1.00	\$313,900	\$20.93	
CB 6	20,000	\$25,000	\$212,500	\$237,500	\$11.88	\$152,800	\$7.64	\$10,000	\$10,000	\$20,000	\$1.00	\$410,300	\$20.52	
CB 7	30,000	\$25,000	\$318,700	\$343,700	\$11.46	\$229,200	\$7.64	\$10,000		\$15,000	\$25,000	\$0.83	\$597,900	\$19.93
Total Fees		\$175,000	\$861,282	\$1,036,282		\$619,604.00		\$70,000	\$25,000	\$10,000	\$15,000	\$120,000	\$1.48	
Per Cred Holder		\$2.16	\$10.62	\$12.78								\$1,775,886	\$21.90	
Calculator Proposal														
(Fixed and Variable)														
CB	# Cred Holders	Annual Fees			Start Up Fee		Application Fee			Total App Fees	Tot App Fee/ Cred Holder	Total First Year Fees	Total Fees/ Cred Holder	
		Fixed CB Fee	Variable CB Fee	Estimated Total Fee (Year 1)	Ann Fee/ Cred Holder	Total Start Fee	Start Fee/ Cred Holder	CB Fee	# Credential Fees					3
CB 1	100	\$1,000	\$1,269	\$2,269	\$22.69	\$760	\$7.60	\$10,000	\$5,000	\$10,000	\$150.00	\$18,029	\$180.29	
CB 2	1,000	\$1,000	\$12,692	\$13,692	\$13.69	\$7,640	\$7.64	\$10,000	\$5,000	\$15,000	\$15.00	\$36,332	\$36.33	
CB 3	5,000	\$1,000	\$63,458	\$64,458	\$12.89	\$38,200	\$7.64	\$10,000	\$5,000	\$15,000	\$3.00	\$117,658	\$23.53	
CB 4	10,000	\$1,000	\$126,915	\$127,915	\$12.79	\$76,400	\$7.64	\$10,000	\$5,000	\$15,000	\$1.50	\$219,315	\$21.93	
CB 5	15,000	\$1,000	\$190,373	\$191,373	\$12.76	\$114,600	\$7.64	\$10,000	\$5,000	\$15,000	\$1.00	\$320,973	\$21.40	
CB 6	20,000	\$1,000	\$253,830	\$254,830	\$12.74	\$152,800	\$7.64	\$10,000	\$10,000	\$20,000	\$1.00	\$427,630	\$21.38	
CB 7	30,000	\$1,000	\$380,745	\$381,745	\$12.72	\$229,200	\$7.64	\$10,000		\$15,000	\$25,000	\$0.83	\$635,945	\$21.20
Total Fees		\$7,000	\$1,029,282	\$1,036,282		\$619,604		\$70,000	\$25,000	\$10,000	\$15,000	\$120,000	\$1.48	
Per Cred Holder		\$0.09	\$12.69	\$12.78								\$1,775,886	\$21.90	

SCHEDULE B

Exemption for Distinguished and Master Financial Advisors

We believe the public will not be well served if they cannot distinguish a specialist from a generalist; or, to use a medical analogy, a brain surgeon from an obstetrician.

Further, credential holders in the marketplace should not be forced to give up the credentials they have previously earned. An MBA would not be asked to give up these credentials having earned them in university; a CPA may continue to list additional credentials earned in a long career of professional services and continuing education: FCPA, FCA, CFP, TEP

To that end, we would like to advocate that the graduates of the following designation programs continue to list their prior academic accomplishments providing their annual recertification and attestation to the meeting of Standards of Conduct are met:

- The RWM (Real Wealth Manager)
- The MFA-Pension, Retirement, Estate and/or Succession Services Specialist
- The MFA-Business Services Specialist (Corporate Tax for Owner-Managers)
- The MFA-Business Growth Specialist
- The DFA-Tax Services Specialist (Personal and Trust Taxation)
- The DFA-Bookkeeping Services Specialist
- The MFA-P (Strategic Philanthropic Services)



Further, we wish to request that these titles be considered exempt, as they are not confusing with the titles financial advisor and financial planner.

Evelyn Jacks, President

Knowledge Bureau

APPENDIX A – KNOWLEDGE BUREAU EDUCATION MAP AND PROFICIENCY GUIDE FOR DESIGNATION PROGRAMS




ONLINE LEARNING PROGRAMS: FOR INDIVIDUALS AND BUSINESS TRAINING NEEDS

INDUSTRY REQUIREMENT	CREDENTIALS: CE/CPD & PRACTITIONERS	CREDENTIALS: SPECIALISTS
TWO OPTIONS		
A. CERTIFICATE, CE/CPD REQUIREMENTS	ANY INDIVIDUAL CERTIFICATE COURSE, CE SUMMIT OR DAC	SEE COURSES/EVENTS SITES
B. PROFESSIONAL CREDENTIALS	DIPLOMA (3 courses – Max. 9 months)	DESIGNATION (3 more courses- Max. 9 months)
<p><u>DFA-TAX SERVICES SPECIALIST™</u> <u>PERSONAL TAX SERVICES</u></p>  <p>Overview</p> <p>With your specialization in personal tax, you'll provide sound guidance on how to save money on a broad range taxpayer profiles, helping families with their tax filings and their goals to accumulate, grow, preserve and transition wealth with tax-efficiency.</p>	<p>CERTIFIED PERSONAL TAX PRACTITIONER</p>  <p>3 Certificate Courses Required:</p> <p><u>Professional Income Tax Course - Entry Level</u></p> <p><u>Professional Income Tax Course - Advanced Level</u></p> <p><u>Filing Proprietorship Returns</u></p>	<p>DFA-TAX SERVICES SPECIALIST™</p>  <p>3 Certificate Courses Required:</p> <p><u>Filing Final Returns at Death</u></p> <p><u>Filing T3 Returns</u></p> <p><u>Canada - U.S. Cross Border Taxation</u></p>
<p>PROFICIENCIES</p> <p>Perfect for individuals who want to achieve the credentials needed to file income tax returns professionally out of their home or office or start a new career working for income tax preparation, accounting or financial services firms. This is also the right tax training program for firms needing to staff in growing tax, bookkeeping, financial or accounting offices. Graduates are thoroughly trained on the latest personal income tax changes using professional tax software in a case study approach.</p>	<p>MARKET DEMAND</p> <p>With your specialization in personal taxation, you'll provide sound advice and prepare a broad range of returns—from simple to complex—and then help families accumulate, grow, preserve and transition wealth with tax-efficiency. The ability to offer year-round counsel tailored to your clients' specific financial goals is increasingly needed as more clients look for professionals with both the technical specialization and the soft skills.</p>	<p>EARNINGS RANGES</p> <p>Self-Employment: The graduate can provide personal tax filing services Client base: one to thousands*</p> <p>Employment:</p> <p>Tax Accountant (Junior) : \$45-81K Tax Accountant (Senior): \$79-\$131K Tax Services (Junior): \$53-83K Tax Services (Senior): \$71-\$124K Tax Services (Manager): \$93-\$114K</p> <p>Also see MFA-Business Growth Specialist Program</p>

*Robert Half Annual Compensation Survey


<p align="center"><u>DFA-BOOKKEEPING SERVICES</u> <u>SPECIALIST™</u></p> <p>BOOKKEEPING & PAYROLL SERVICES</p>  <p align="center">Overview</p> <p>This program is designed for the bookkeeper who wants to move beyond data entry services to provide sound professional advice on the flow of financial transactions – from banking to financial statement preparation and tax reporting – to help build enterprises that are scalable because they encompass both compliance and tax planning for owners and their employees</p>	<p align="center">Certified Bookkeeping Practitioner</p>  <p align="center"><u>Bookkeeping in a Digital World</u></p> <p align="center"><u>Advanced Payroll for Small Business</u></p> <p align="center"><u>Pandemic Relief Provisions</u></p>	<p align="center">DFA-BOOKKEEPING SERVICES SPECIALIST™</p>  <p align="center"><u>Budgeting and Forecasting for Small Business</u></p> <p align="center"><u>Accounting for Multiple Business Profiles</u></p> <p align="center"><u>Advising for Business Growth and Transition</u></p>
<p align="center">PROFICIENCIES</p> <p>The financial intermediary who can integrate advice on all aspects of a financial transaction – from banking to tax reporting - will be well positioned to help both new market entrants and older clients with tax problems it's high value advice that crosses all demographics, particularly in light of family business tax changes and new technology advancements at the CRA.</p>	<p align="center">MARKET DEMAND</p> <p>New public accounting trends point to the emerging need for qualified bookkeepers, payroll and tax professionals in the small business market who need help with new and onerous compliance deadlines and filing requirements. Banking, lending and investment industries all need the services of bookkeeping specialists to help manage their own risk in working with the small business client</p>	<p align="center">EARNINGS RANGES</p> <p align="center">Self-Employment: The graduate can provide personal tax filing services Client base: one to many.</p> <p align="center">Employment: Accounting Clerk: \$36-\$56K Bookkeeper: \$41-\$64K Full Charge Bookkeeper: \$45-\$76K Payroll Admin: \$50-\$79K Payroll Manager: \$67-\$126,000K</p>

<p><u>MFA™-BUSINESS SERVICES SPECIALIST</u> CORPORATE TAX SERVICES</p>  <p>Overview</p> <p>Help clients understand why incorporation may provide tax and wealth management benefits and the assist with their corporate tax filing requirements. This specialized training will help you contribute to decision-making about business structure, remuneration strategies, and investment planning both inside and outside the corporation.</p>	<p>Certified Corporate Tax Practitioner</p>  <p><u>Corporate Tax Filing Fundamentals</u></p> <p><u>Bookkeeping in a Digital World</u></p> <p><u>Incorporated Professionals</u></p>	<p>MFA™ BUSINESS SERVICES SPECIALIST</p>  <p><u>Tax Planning for Corporate Owner-Managers</u></p> <p><u>Understanding Business Valuation</u></p> <p><u>Advising Family Business</u></p>
<p>PROFICIENCIES</p> <p>Be equipped to handle the tax returns and tax strategies for business to optimize tax-efficiency and reduce audit potential.</p> <p>Graduates will assist micro and small business corporations with T2 filings, bookkeeping and remuneration planning as well as providing guidance on the growth and value of the enterprise for future planning purposes, including income splitting and business succession.</p>	<p>MARKET DEMAND</p> <p>Senior accountants, risk analysts and internal auditors are instrumental in guiding businesses to improve cash flow and helping navigate an uncertain future. Payroll administrators make sure staff are paid on time and companies comply with evolving regulatory guidelines.</p>	<p>EARNINGS RANGES</p> <p>Self-Employment: The graduate can provide personal tax filing services Client base: one to many</p> <p>Employment:</p> <p>Tax Accountant (Junior) : \$45-81K Tax Accountant (Senior): \$79-\$131K Tax Services (Junior): \$53-83K Tax Services (Senior): \$71-\$124K Tax Services (Manager): \$93-\$114K</p>

<p><u>MFA™-PENSION & ESTATE SERVICES SPECIALIST</u> RETIREMENT SERVICES</p>  <p>Overview</p> <p>Assist clients with strategic retirement and late-life planning, applying tax-efficiencies to the creation of income in retirement and the transfer of assets at end of life. Planning for couples and families is emphasized.</p>	<p>Certified Retirement Services Practitioner</p>  <p><u>Personal Pension Planning</u></p> <p><u>Investment Tax Strategies</u></p> <p><u>Tax Efficient Retirement Income Planning</u></p>	<p>MFA™ PENSION & ESTATE SERVICES SPECIALIST</p>  <p><u>Succession Planning for Owner-Managers</u></p> <p><u>Behavioural Finance in Risk Management</u></p> <p><u>Planning with Trusts</u></p>
<p>PROFICIENCIES</p> <p>Provide better financial coaching to GenX and Boomers with significant life event decision in transition to retirement. Assist clients with late-life planning, applying tax-efficiencies to the creation of income in retirement and the transfer of assets at end of life.</p>	<p>MARKET DEMAND</p> <p>Emerging factors will impact retirement plans for many Canadians during and after the Pandemic. They need the advice of qualified professionals that delivers reassurance that with the right strategic plan, they'll live with financial security through retirement.</p>	<p>EARNINGS RANGES</p> <p>Self-Employment: The graduate can provide retirement income planning services Client base: one to many</p> <p>Employment:</p> <p>Manager, Financial Planning & Analysis: \$102-167K Portfolio Manager: \$115-\$173K</p>

<p><u>MFA™-BUSINESS GROWTH SPECIALIST</u> SMALL BUSINESS SERVICES</p>  <p>Provide the complex financial guidance required by new business owners including successors to an established business, with highly specialized planning tools. Any advisor who wants to build their own business with scalability and help other business owners do the same should take this program.</p>	<p>Certified Business Growth Practitioner</p>  <p><u>Leading Teams</u> <u>Building Business Plans</u> <u>Scaling Business Operations</u></p>	<p>MFA™ BUSINESS GROWTH SPECIALIST</p>  <p><u>Employment and Contract Law</u> <u>Building Your Brand</u> <u>Business Valuation</u></p>
<p>PROFICIENCIES</p> <p>Truly valuable advice for clients with new business growth aspirations takes more time, is broader and deeper. To do it well requires the skills and talents of a highly trained business growth specialist. Any advisor who wants to build their own business with scalability and help other business owners do the same should take this program.</p>	<p>MARKET DEMAND</p> <p>There is a strong demand for financial professionals who can help identify ways for small business owners to grow new revenues and provide strategic advance in a new post-pandemic environment. These business strategists also can help traditional businesses move to a digital and remote workplace.</p>	<p>EARNINGS RANGES</p> <p>Self-employed advisors in the tax, bookkeeping and financial services will charge hourly or annual rates commensurate with the level of services provided.</p> <p>Salary ranges:</p> <p>Management Consulting: \$64K+</p>

<p style="text-align: center;"><u>REAL WEALTH MANAGER™</u> <u>PROGRAM</u></p> <p style="text-align: center;">WEALTH MANAGEMENT SERVICES</p>  <p>The most trusted financial advisor is the strategist who leads all the other specialists in the execution of the clients’ strategic financial plan. Offer a new value proposition and build strong, inter-generational, multi-advisory relationships with a new approach: Real Wealth Management.</p>	<p>This is a 12 module program the outlines a practice management approach to providing a framework for holistic Real Wealth Management services with skills-based case studies to accompany 15 sophisticated software tools that guide decision-making for specific client trigger questions about life, financial and economic events around which the client wishes to make financial decisions.</p>	<p style="text-align: center;">RWM™ <u>RWM™ – Real Wealth Manager</u></p>  <p style="text-align: center;">For detailed description of curriculum and practice management approach see link above.</p>
<p style="text-align: center;">PROFICIENCIES</p> <p>The RWM™ (Real Wealth Manager) is the highly trained strategist whose main role is to co-ordinate the decision-making by all the stakeholders (client and professionals) to accumulate, grow, preserve and transition tax efficient family wealth. Real Wealth Managers provide fully integrated, multi-generational advice by developing one strategic plan and process using three common analysis tools: The Net Worth Statement, the tax return and the financial plan. They also use a defined process to manage client relationships and solve financial problems and obstacles</p>	<p style="text-align: center;">MARKET DEMAND</p> <p>With the dramatic increase in online transactions and digital solutions, clients require more frequent professional communications, improved collaboration between their financial professionals and more efficient processes in building wealth with all family stakeholders who can understand the reasons for making financial decisions in a highly complex tax and investment environment.</p>	<p style="text-align: center;">EARNINGS RANGES</p> <p>The RWM™ practices in one of the specialized services in the tax, bookkeeping or financial services. The strategic income and capital analysis, and collaborations between family and professional stakeholders is generally billed on an hourly fee basis but may be part of annual review services.</p> <p>Salary and fee structures vary for:</p> <ul style="list-style-type: none"> • Financial Planners • Wealth Managers • Insurance Advisors • Financial Advisors • Charity Management • Tax Accounting • Legal and Paralegal Services

<p><u>MFA-P™, PHILANTHROPY PROGRAM</u> STRATEGIC PHILANTHROPIC SERVICES</p>  <p>Learn how to develop giving plans for individuals and families interested in strategic philanthropy. This is an investment trend that is increasingly important to investors of all ages. By tapping into client’s philanthropic goals, advisors will increase opportunities to build trust by better understanding the clients’ values and critical personal causes, work together with charities and other financial professionals – legal, financial and tax accounting – and forge a pathway to retirement and estate planning, too.</p>	<p>Strategic Philanthropy</p> <p>This is a three-course program that covers the following in depth:</p> <p><u>Introduction to Strategic Philanthropy</u></p> <p><u>Understanding the Charitable Sector</u></p> <p><u>Integrating Gift Planning</u></p> <p>These courses teach advisors and their clients the following:</p> <ul style="list-style-type: none"> • How to incorporate philanthropy into their practice in pragmatic terms • How to focus on gift planning strategies and vehicles that are relevant to client’s goals • Practical experience with numerous working case studies that allow advisors to apply that knowledge. 	<p>MFA-P™ <u>MFA-P™, PHILANTHROPY</u></p> <p>The MFA-P™ practices in one of the specialized services in the tax, bookkeeping or financial services. The strategic philanthropic planning services provided prepares individuals and family members for community giving through public or family foundations or gifting vehicles like DAFs. These specialized services enhance retirement, legacy and estate planning discussions. Collaboration between family, charity and professional stakeholders is generally billed on an hourly fee basis but may be part of annual review services. Adding strategic giving to professional credentials brings value in assisting clients of professionals practicing in the tax and financial services.</p>
<p>PROFICIENCIES</p> <p>Clients values professionals with a combination of technical skill training, and exceptional soft skills, including the ability to provide reassurance during uncertain times. Strategic gift planning places emphasis on both.</p>	<p>MARKET DEMAND</p> <p>There is an opportunity to have more meaningful conversations with clients with a focus on strategic gift planning.</p>	<p>EARNINGS RANGES</p> <p>Adding strategic giving to professional credentials provides greater value in assisting clients of professionals in the following fields.</p> <p>Salary and fee structures vary for:</p> <ul style="list-style-type: none"> • Financial Planners • Wealth Managers • Insurance Advisors • Financial Advisors • Charity Management • Tax Accounting • Legal Services

BACKGROUND

In the 2019 Ontario Budget, the government announced that it would introduce legislation to limit the use of the titles of “financial planner” and “financial advisor” in Ontario to individuals who have obtained a credential from a credentialing body approved by FSRA. The new title protection framework will take a measured approach to enhance consumer protection without introducing unnecessary regulatory burden.

The *Financial Professionals Title Protection Act, 2019* (FPTPA) received Royal Assent in May 2019. It has not been proclaimed into force.

FSRA was granted rule-making authority under the FPTPA to design the FP/FA Title Protection Framework, including:

- approval criteria for credentialing bodies and credentials;
- applications by prospective credentialing bodies;
- application fees; and
- transition periods for existing FP/FA title users.

The proposed FPTP Application Guidance includes an outline of the type of information FSRA would expect in an application for approval of a credentialing body, as well as approval of FP or FA credentials.

The proposed **FPTP Supervision Guidance** outlines FSRA’s supervision approach for approved credentialing bodies, and FP and FA titles users without an approved credential.

The proposed FPTP Rule outlines the parameters for the implementation of the FP/FA title protection framework and establishes:

- approval criteria for credentialing bodies to ensure the effective administration of a credentialing program and that only qualified individuals are issued a credential;
- approval criteria for a credentialing body to issue FP and FA credentials in order to establish a consistent minimum standard for title users;
- the application process; and
- a transition period for individuals already using the FP and FA titles.

On August 13, 2020, FSRA posted for a 90-day comment period a Notice and Request for Comment on the proposed FFTP Rule (the **Original Notice**). Based on comments received, FSRA is proposing amendments to the proposed FFTP Rule, as set out in this Notice and the revised FFTP Rule (Appendix)

With this Notice, FSRA is seeking public comment on the revised FFTP Rule in accordance with section 22 of the FSRA Act. Interested persons are invited to make written representations to FSRA with respect to the revised FFTP Rule by June 21, 2021.

Submissions should be submitted through the submission system FSRA's website.

Under the FSRA Act, FSRA is required to make all written representations publicly available. As a result, all submissions received will be posted on FSRA's website in a timely manner.

SUMMARY OF CHANGES

FSRA proposes to make two amendments to the proposed FFTP Rule.

- 1. Shorten the transition period available for individuals who used an FP or FA title immediately prior to January 1, 2020, and up to the date the proposed FFTP Rule comes into force.**

FSRA is proposing to shorten the transition periods to four years for FP title users and two years for FA title users.

Transitional Matters

7. (1) Subject to subsections (2) and (3), an individual who, immediately prior to January 1, 2020 and up to the date this rule comes into force, used in Ontario the title (a) "Financial Planner" or "planificateur financier", an abbreviation of that title, an equivalent in another language or a title that could reasonably be confused with that title; or (b) "Financial Advisor" or "conseiller financier", an abbreviation of that title, an equivalent in another language or a title that could reasonably be confused with that title, may continue to use that same title.

(2) An individual may continue to use a title pursuant to clause (1) (a) until the earlier of, (a) the date on which the individual complies with section 2 of the Act, or (b) the fourth anniversary of the date this rule comes into force.

(3) An individual may continue to use a title pursuant to clause (1) (b) until the earlier of, either (a) the date on which the individual complies with section 3 of the Act, or (b) the second anniversary of the date this rule comes into force.

2. **Add a new subsection 4(5) to require approved credentialing bodies to provide the CEO with the information posted on their websites pursuant to subsection 4(4). Requiring approved credentialing bodies to provide the information posted on their websites would permit FSRA to develop a consolidated public registry, addressing several comments raised during the consultation period.**

The proposed change also aligns with the findings from FSRA's consumer research survey (see above), in which 60% of individuals who participated stated that they would prefer to have a single source to verify whether individuals are qualified to use the FP and FA titles in Ontario. FSRA's view is that a consolidated public registry would provide enhanced consumer confidence in the title protection framework.

FSRA has also posted for public comment proposed guidance with respect to FSRA's supervision approach (IN APPENDIX B) and its approach to administering applications under the FPTPA (IN APPENDIX C).

APPLICATION FEES

FSRA has included an overview of the proposed structure for the collection and remittance of FP/FA fees, as outlined in Appendix B of this Notice. **FSRA will issue a separate consultation on the proposed fee structure in the coming months.**

FSRA is proposing the following elements with regard to fees under the FP/FA title protection framework:

APPLICATION FEES

- **FSRA will require a fee to be paid upon the submission of an application for the approval of a CB and an FP/FA credential, to recover the direct costs associated with reviewing an application under the FPTPA.**
- **FSRA is proposing application fees as follows:**
 - **\$10,000 for an application for approval of a CB**
 - **\$5,000 for each application for approval of an FP/FA credential**

ANNUAL ASSESSMENT

FSRA anticipates that it will cost approximately \$1.1 million annually to oversee the FP/FA sector (approximately \$600,000 in direct costs and \$500,000 in common costs).

Each individual CB's portion of costs will vary depending on the total number of CBs and credential holders under the framework.

FSRA will also need to recover costs incurred to design and implement the title protection framework up to March 31, 2022 (“start-up costs”).

As outlined in its 2020/21 and proposed 2021/22 annual budgets, FSRA has estimated its start-up costs at approximately \$3.1 million. Timing of implementation will impact the estimated start-up costs.

FSRA proposes to recover these costs through an annual assessment that would include:

- A fixed annual fee;
- A variable annual fee based on a CB’s number of credential holders; and
- An amount to enable FSRA to recover its start-up costs.

ANNUAL CB FEE (FIXED)

- In order to recover costs directly related to FSRA’s regulatory activities (i.e., direct costs), FSRA will impose a fixed annual fee.
- Direct costs include costs with respect to monitoring and supervision of approved CBs, complaints handling, etc. This includes labour and non-labour costs directly associated with the sector.
- Regardless of their size or complexity, all approved CBs will require a minimum level of oversight from FSRA. The ongoing fixed fee is intended to recover a portion of FSRA’s budgeted direct costs through a minimum annual contribution.
- FSRA is proposing \$25,000 for the annual CB fee.

Comment: This fixed annual fee disproportionately affects smaller credentialing bodies and for these reasons is unfair. The annual fee should be apportioned out based on enrolment.

VARIABLE ANNUAL CB FEE

In addition to the fixed annual CB fee, FSRA will implement a variable annual fee to recover the remaining budgeted costs associated with oversight of the FP/FA sector. This includes:

- Direct costs for the assessment period that are not otherwise recovered from a fixed fee.
- FSRA costs not directly related to regulatory oversight of the sector (i.e., FSRA common costs), to be allocated among approved CBs in proportion to their share of the total number of credential holders in the sector.
- The number of credential holders is a suitable proxy to establish the benefit received from an effective title protection framework, as it accrues equally to all credential holders.
- Costs will support FSRA's infrastructure for oversight of CBs and the monitoring of individuals who use the FP/FA title without an approved credential.
- FSRA common costs include a sector's share of cross-sectoral costs, such as facilities, Human Resources, Information Technology, Finance, etc.

FSRA proposes to assess approved CBs based on the following formula:

$$(A - B) \times (C / D)$$

A: Total costs allocated to FP/FA sector in FSRA budget

B: Budgeted fixed fees expected to be collected during assessment period

C: Total credential holders of the approved CB [as at date]

D: Total credential holders in the sector [as at date]

CBs could expect to pay within the following range:

CB	Number of Credential Holders	Ongoing Fixed Fee	Variable Portion of Annual Costs	Estimated Total Fee (Year 1)	CB
CB 1	100	\$25,000	\$1,050	\$26,050	CB 1
CB 2	1,000	\$25,000	\$10,600	\$35,600	CB 2
CB 3	5,000	\$25,000	\$53,100	\$78,100	CB 3
CB 4	10,000	\$25,000	\$106,200	\$131,200	CB 4
CB 5	15,000	\$25,000	\$159,300	\$184,300	CB 5
CB 6	20,000	\$25,000	\$212,500	\$237,500	CB 6
CB 7	30,000	\$25,000	\$318,700	\$343,700	CB 7

Comment: This fee should be raised by \$2 per credential holder to compensate for the reduction in the \$25,000 flat fee.

TIME-LIMITED ANNUAL FEE TO RECOVER START-UP COSTS

- FSRA is proposing to allocate start-up costs among approved CBs in proportion to their share of the total number of credential holders in the sector. This approach will result in CBs with a larger number of credential holders paying a higher portion of the start-up costs.
- FSRA proposes to amortize start-up costs over a 5-year period.
- Should a new CB enter the framework during the 5-year amortization period, it would pay a retroactive pro rata share of the start-up costs.
- The proposed approach would support FSRA's principles, as the activities related to the design and implementation of the framework benefit all credential holders in the same manner.
- The proposed retroactive approach to recovering start-up costs would also support these principles, as the existing CBs funding the start-up costs would need to be repaid.

- Approved CBs will be assessed each year for 5 years based on the unrecovered amount.
- FSRA proposes to assess approved CBs based on the following formula:

$$(A / B) \times (C / D)$$

A: Unrecovered start-up costs at time of assessment

B: Remaining amortization period

C: Total credential holders of the approved CB [as at date]

D: Total credential holders in the sector [as at date]

CBs could expect to pay within the following range

CB	Number of Credential Holders	Estimated Portion of Start-up Cost(Year 1)	CB	Number of Credential Holders
CB 1	100	\$760	CB 1	100
CB 2	1,000	\$7,640	CB 2	1,000
CB 3	5,000	\$38,200	CB 3	5,000
CB 4	10,000	\$76,400	CB 4	10,000
CB 5	15,000	\$114,600	CB 5	15,000
CB 6	20,000	\$152,800	CB 6	20,000
CB 7	30,000	\$229,200	CB 7	30,000

Comment. This appears to be a fair assessment.

RESEARCH AND FEEDBACK: RELEVANT FINDINGS

Support for regulating the FP/FA titles

- 86% of consumers agree that there is a need for **minimum standards** for the use of FA and FP titles in Ontario.

Comment: The Master Financial Advisor (MFA), MFA-P (Philanthropy), the Distinguished Financial Advisor (DFA-Tax and Bookkeeping Services Specialist) as well as the Real Wealth Manager (RWM) titles are not confusing with those minimum standards.

Awareness and comprehension

- Only 31% of consumers are confident that they can explain the difference between FPs and FAs, and only 6% are completely confident.

- 56% of consumers assume that FP and FA title users hold credentials which are regulated by a government regulator, and 46% believe that the individuals themselves are regulated by the government.

Public registry

- 60% of consumers say that they would prefer having a single source to verify whether individuals are qualified to use the FA and FP titles in Ontario.

Comment. Educational qualifications can be monitored by credentialing bodies. However, we are concerned that specific investment activities of credential holders cannot be adequately monitored by their educational providers; rather this should come from other professional bodies who have the power to judge and remove the advisor. Credentialing bodies should be notified in this case to also remove titles.

Decision making / hiring a professional

- 81% of consumers consider ongoing / up-to-date training and specific education in finance as most important in their final decision when hiring an FP or FA.
- 78% of consumers think it is important to know about the FP/FA's financial services credentials, with 56% saying it is very important to know about this information.
- The top three services that FP clients expect from their FP are investment advice (77%), retirement planning advice (72%) and wealth management (53%).
- The top three services that FA clients expect from their FA are investment advice (76%), retirement planning advice (57%) and wealth management (49%).

Disclosure of financial licence/designation

- 45% of FP clients and 40% of FA clients say their FP/FA disclosed the licence/credential they hold during the first engagement.
- Outlined below is a list of stakeholders that provided written comments on the proposed FP/FA title protection framework.

SUMMARY OF WRITTEN COMMENTS RECEIVED

FSRA received 43 written submissions on the proposed FPTP Rule during the 90-day comment period. A list of those who provided comments is outlined in Appendix D .

At a high level, stakeholders provided comments on the following topics:

- Regulatory Effectiveness and Efficiency – concerns about the potential for the framework to introduce additional burden and duplicative oversight, particularly in relation to the monitoring activity that will be undertaken by credentialing bodies.
- Transition Periods – concerns with respect to the proposed transition periods being too long and the level of oversight of individuals who would benefit from them.
- CB Approval Criteria and Ongoing Duties – comments about FSRA’s approach to approving multiple CBs and concerns about conflicts a CB may have in its role supervising title users and its other functions (e.g., lobbying, advocacy, etc.).
- FP/FA Baseline Competency Profiles – concerns that the profiles do not provide sufficient direction or guidance on which credentials will be approved for title usage.
- Disclosure – support for title users to disclose the approved credential which grants them permission to use the FP/FA titles.
- Titles That Could Reasonably be Confused with FP/FA – concerns that FSRA’s approach in relation to title regulation is too limited in scope and should include titles such as “wealth manager” and “financial consultant”.
- Harmonization with Other Canadian Jurisdictions – FSRA should work with other jurisdictions to ensure a harmonized title protection framework is implemented across Canada.
- Enforcement – concerns that FSRA’s enforcement powers under the FPTPA are not sufficient.
- **Exemptions** – some comments that exemptions should be made available for certain groups of individuals, such as those registered with the Investment Industry Regulatory Organization of Canada (IIROC) and the Mutual Fund Dealers Association of Canada (MFDA). Alternatively, several stakeholders recommended that exemptions not be made available for both FP and FA title use.

Comment: We wish to advocate the exemption of Knowledge Bureau credentials as described above.

- Fees – requests for further detail on the proposed fee framework and concerns that fees will be too high.
- Consumer Education – strong support for greater educational material and consistent messaging, both of which are seen as being key to the success of the framework.
- Public Registry – a number of suggestions that FSRA house a public registry of approved credential holders in Ontario.
- Additional comments relating to conduct oversight, fiduciary standards and technology.

COMMENTERS

Consumer/Investor advocates

FAIR Canada

FSRA [Consumer Advisory Panel](#)

Investor Protection Clinic at Osgoode Hall Law School

Kenmar Associates

OSC Investor Advisory Panel

Industry/Trade associations

Canadian Bankers Association

Canadian Credit Union Association

Canadian Life and Health Insurance Association

Consumers Council of Canada

Federation of Mutual Fund Dealers

Financial Planning Association of Canada

Independent Financial Brokers of Canada

Investment Funds Institute of Canada

Investment Industry Association of Canada

Ontario Bar Association

Portfolio Management Association of Canada

Professional/Designation bodies and education providers

Advocis

Canadian Institute of Financial Planning

Canadian Securities Institute

CFA Institute / CFA Societies Canada

CPA Ontario

FP Canada

Institute of Advanced Financial Planners

Knowledge Bureau

Insurers

Co-operators

Primerica Financial Services Limited

Self-Regulatory Organizations

Investment Industry Regulatory Organization of Canada

Mutual Fund Dealers Association of Canada

Other submissions

Andrew Teasdale

Business Career College Corp

Charles A. Mccrudden

Curtis Findlay

David Wagg – Olympia Financial Inc.

Edward Jones

Financial Horizons Group

Harold Geller

HighView Asset Management

Kawartha Credit Union

Krystyn Schilling

Lisa Moretto – Masters Life Insurance Agency

Matthew Sanger

Steve McQueen

Strategic Wealth Protection Partners, Inc.

APPENDIX A- FINANCIAL PROFESSIONALS TITLE PROTECTION ACT, 2019 GENERAL RULE

Credentialing Bodies – Application 2. A person or entity who wishes to apply for approval as a credentialing body shall submit an application to the CEO that demonstrates compliance with the requirements of subsection 4 (1).

Credentialing Bodies – Criteria and Duties 4. (1) An application by a person or entity for approval as a credentialing body must demonstrate that the applicant has

- (a) an effective governance structure and administrative policies and procedures that serve the public interest,
- (b) the necessary expertise, resources, policies, procedures and administrative practices to effectively administer and maintain a credentialing program,
- (c) a code of ethics and professional standards for its officers, directors and employees that serve the public interest, and
- (d) the necessary expertise, resources, policies, procedures and administrative practices to effectively oversee the conduct of individuals holding approved credentials it has issued.

(2) An approved credentialing body shall regularly review its educational curriculum to ensure that it is up to date having regard to issues such as industry best practices, legal requirements and developments in the economy and the financial services sector.

(3) An approved credentialing body shall maintain effective processes to

- (a) respond to complaints from the public related to individuals holding approved credentials it has issued, and
- (b) adjudicate complaints and enforce discipline in a transparent and impartial manner.

(4) An approved credentialing body shall maintain and make public on its website:

1. A current list of individuals holding approved credentials it has issued, including the type of credential issued to each individual.
2. Information with respect to disciplinary action taken against individuals who currently hold or previously held approved credentials it has issued.

(5) An approved credentialing body shall provide to the CEO, within the time and in the form that the CEO specifies, the information described in paragraphs 4 (4) 1 and 2.

(6) An approved credentialing body shall effectively monitor and enforce the requirements of subsections 5 (3) and 6 (3).

Credentials – Application 3. (1) An approved credentialing body that wishes to apply for approval of a financial planning credential shall submit an application to the CEO that demonstrates compliance with the requirements of subsection 5 (1). (2) An approved credentialing body that wishes to apply for approval of a financial advising credential shall submit an application to the CEO that demonstrates compliance with the requirements of subsection 6 (1).

Credential Criteria – Financial Planning

5. (1) Any financial planning credential offered by an approved credentialing body shall be

(a) based on a program designed and administered to ensure that an individual using the credential will be required to deal with the individual’s clients competently, professionally, fairly, honestly and in good faith, and

(b) subject to such educational requirements related to financial planning and associated matters that provide the technical knowledge, professional skills and competencies that would reasonably be expected of an individual providing financial planning recommendations and preparing financial plans, including, without limitation, educational requirements related to:

1. The Canadian financial services marketplace and regulatory environment.
2. Estate planning, tax planning, retirement planning, investment planning, finance management and insurance/risk management.
3. Ethical practices and professional conduct.
4. Dealing with conflicts of interest.
5. Collecting personal and financial information.
6. Identifying client objectives, needs and priorities.
7. Providing suitable financial planning and investment recommendations to a client.
8. Developing and presenting an integrated financial plan for a client.

(2) An approved credentialing body shall not issue an approved financial planning credential to an individual unless the individual has passed a documented examination process that adequately tests all components of the educational curriculum established pursuant to clause (1) (b).

(3) An approved credentialing body shall require that any individual to whom it has issued an approved financial planning credential must comply with (a) a code of ethics and professional standards that is consistent with the standard of care described in clause (1) (a), and (b) continuing education requirements that reinforce the requirements described in clause (1) (b).

(4) For the purpose of section 2 of the Act, an individual’s approved financial planning credential is in “good standing” if the individual continues to hold the credential and has satisfied the on-going requirements of the approved credentialing body including, without limitation, the requirements established pursuant to subsection (3). Credential Criteria –

Financial Advising

6. (1) Any financial advising credential offered by an approved credentialing body shall be

(a) based on a program designed and administered to ensure that an individual using the credential will be required to deal with the individual's clients competently, professionally, fairly, honestly and in good faith, and

(b) subject to such educational requirements related to financial advising and associated matters that provide the technical knowledge, professional skills and competencies that would reasonably be expected of an individual providing financial advice, including, without limitation, educational requirements related to:

1. The Canadian financial services marketplace and regulatory environment.
2. The products and services provided by the individual.
3. Ethical practices and professional conduct.
4. Dealing with conflicts of interest.
5. Collecting personal and financial information.
6. Identifying client objectives, needs and priorities.
7. Providing suitable financial and investment recommendations to a client.

(2) An approved credentialing body shall not issue an approved financial advising credential to an individual unless the individual has passed a documented examination process that adequately tests all components of the educational curriculum established pursuant to clause (1) (b).

(3) An approved credentialing body shall require that any individual to whom it has issued an approved financial advising credential must comply with

(a) a code of ethics and professional standards that is consistent with the standard of care described in clause (1) (a), and (b) continuing education requirements that reinforce the requirements described in clause (1) (b).

(4) For the purpose of section 3 of the Act, an individual's approved financial advising credential is in "good standing" if the individual continues to hold the credential and has satisfied the on-going requirements of the approved credentialing body including, without limitation, the requirements established pursuant to subsection (3).

APPENDIX B - FSRA'S SUPERVISION APPROACH

PURPOSE AND SCOPE

This guidance sets out how the Financial Services Regulatory Authority of Ontario (FSRA) approaches supervision under the *Financial Professionals Title Protection Act, 2019* (FPTPA) and the provisions of Rule 2020-001 – Financial Professionals Title Protection (“FPTP Rule”) under the FPTPA (Title Protection Framework).

This guidance affects the following entities:

- approved credentialing bodies
- individuals who use the Financial Planner/Financial Advisor (FP/FA) titles without an approved credential
- entities that are or appear to be representing themselves to the public to be an approved credentialing body without FSRA approval
- entities that are or appear to be purporting to offer an approved credential without FSRA approval of the credential

RATIONALE

One of the goals of the FPTPA is to **mitigate confusion** regarding the wide array of titles and credentials used by individuals in the financial services marketplace. The intent of the title protection framework is to **instill confidence** in consumers and investors that the financial planner (FP) or financial advisor (FA) with whom they are dealing **with meets minimum standards of knowledge and expertise** when providing financial planning or advisory services. Consumers and investors will be protected by ensuring that title users have appropriate credentials and education. FSRA's *Monitoring and Supervision* framework will act as a deterrent for non-compliance and promote proper marketplace conduct.

The title protection framework requires entities who wish to offer an FP/FA credential to obtain approval from FSRA to become a credentialing body. **The framework also requires individuals who wish to use the FP or FA titles to obtain an approved credential from a FSRA-approved credentialing body.**

FSRA will enforce these requirements as outlined under Monitoring and Supervision, below. FSRA will adopt a principle-based supervision approach and work closely with credential bodies for this purpose.

In the administration of the title protection framework, FSRA is not overseeing the conduct or activities of individual title users. Approved credentialing bodies are responsible for overseeing the conduct of their credential holders.

FSRA is administering the title protection framework to ensure that only qualified individuals can use the FP/FA titles.

GENERAL FRAMEWORK OF THE SUPERVISORY APPROACH

FSRA recognizes existing licensing and professional designation frameworks administered by credentialing bodies approved by FSRA. Individuals holding approved credentials from approved designation bodies, licensing organizations and statutory regulators will have the right to use the FP or FA titles, subject to their primary regulators' statutory rules.

PRINCIPLES

FSRA's supervisory approach is based on the following principles:

- Promote high standards of conduct by approved credentialing bodies.
- Promote public education and consumer understanding about the sector.
- Flexible and responsive to a constantly changing industry landscape.
- Transparent and simple to understand for industry and consumers.
- Contribute to public confidence by collecting information and dealing with those who are using the FA/FP titles without an approved credential.
- Co-operate and collaborate with other regulators and credentialing bodies with respect to the FPTPA.

MONITORING AND SUPERVISION

APPROVED CREDENTIALING BODIES

FSRA's supervisory approach with respect to approved credentialing bodies consists of a supervision program based on monitoring and compliance. The program is designed to monitor credentialing bodies to ensure they remain in compliance with the FPTP Rule, the FPTPA, and the terms and conditions of their approval.

As part of the supervision program, FSRA will conduct annual compliance reviews, based on required information returns. These reviews will allow FSRA to monitor the compliance of

approved credentialing bodies to ensure their credentialing program continues to meet the minimum standards outlined in the FPTP Rule, and the terms and conditions of their approval. If required, FSRA may conduct on-site reviews.

The annual compliance review will focus on the credentialing body's requirements under the FPTPA and FPTP Rule and the terms and conditions of their approval, as outlined in the Terms of Approval document between FSRA and the approved credentialing body such as:

- an effective governance structure and administrative policies and procedures that serve the public interest such as executives with clearly defined roles and responsibilities and an appropriate risk oversight system;
- the necessary expertise, resources, policies, procedures and administrative practices to effectively administer and maintain a credentialing program;
- a code of ethics and professional standards for its officers, directors and employees that serve the public interest; and
- the necessary expertise, resources, policies, procedures and administrative practices to effectively oversee the conduct of individuals holding approved credentials it has issued.

As part of the annual compliance review, credentialing bodies will be required to provide FSRA with data reports with respect to complaints and enforcement activity. FSRA will require credentialing bodies to provide information on how they continue to carry out their ongoing responsibilities as approved credentialing bodies.

COMPLAINTS

FSRA's supervisory approach will include complaints-based monitoring. This would include the review and assessment of complaints submitted to FSRA in relation to approved credentialing bodies, title usage and individuals using a title without an approved credential.

Credentialing bodies are required to submit complaints data to FSRA on an annual basis. FSRA will use this information to help inform its monitoring approach.

FSRA will review complaints it receives with respect to approved credentialing bodies and will also review complaints in connection with inappropriate usage of FA/FP titles.

Complaints about credentialing bodies or individuals using an approved credential without authorization can be made by submitting the [Business Activity Complaint form](#).

PUBLIC REGISTRY

To effectively administer and enforce the FPTPA, FSRA intends to establish a public registry as part of the FP/FA title protection framework.

The registry will contain a list of individuals who hold an approved FP or FA credential in Ontario and the granter(s) of such credential(s). The registry will assist consumers in verifying if the financial advisor or planner they are considering or already working with, holds an approved credential, the credential body from where the credential was obtained and could also include links to additional information on credential holders that will be maintained by approved credentialing bodies.

USE OF THE FP/FA TITLES

The FPTPA grants FSRA enforcement authority over individuals who use the FP/FA titles without an approved credential. FSRA will review and investigate complaints about individuals using the titles without an approved credential. Approved credentialing bodies will report to FSRA cases where an approved credentialing body has determined that an individual is using the FP/FA title without an approved credential.

FSRA will review and investigate complaints in a timely manner and take appropriate action, if warranted. Such action could include FSRA issuing a compliance order with respect to the matter.

Titles that could reasonably be confused with FP/FA

The title restrictions under sections 2 and 3 of the FPTPA extend to the use of the FP and FA titles in another language, an abbreviation, or a title that “could reasonably be confused with” the FP or FA title.

Appendix 1 of this guidance identifies a list of illustrative examples of titles that could reasonably be confused with the FP or FA titles, and illustrative examples of titles that would not likely be confused with FP and FA titles.

FSRA will review any concerns or complaints brought forward about the use of titles that could reasonably be confused with the FP or FA titles, subject to the specific facts and circumstances

of such use, on a case-by-case basis. In making a determination, FSRA will consider the goal of increasing consumer confidence in individuals who provide financial planning and advising services and ensuring that only qualified individuals use the FP/FA titles.

MISREPRESENTATION AS A CREDENTIALING BODY OR OFFERING AN FP/FA CREDENTIAL

FSRA will review and investigate all allegations of misrepresentation regarding an entity claiming to be an approved credentialing body or offering an approved credential that is not FSRA-approved.

ENFORCEMENT

FSRA has authority to take enforcement action for breaches of the FPTPA in various circumstances, including:

- if an approved credentialing body fails to comply with the FPTPA, the FPTP Rule or any terms and conditions associated with its approval;
- if an individual uses the FP/FA title without an approved credential;
- if an entity is or appears to be representing as an approved credentialing body without valid approval;
- if an entity is or appears to be representing that it can offer an approved FP/FA credential without FSRA approval of the credential; and
- utilizing a title that could reasonably be confused with FP/FA.

If warranted and if efforts of remediation fail, FSRA has the authority to revoke a credentialing body's approval to offer an approved FP/FA credential.

FSRA's disciplinary processes for approved credentialing bodies and individuals may include warning and caution letters, remediation plans, compliance orders and revocation of approval.

Should FSRA issue a compliance order it will be posted on the FSRA website. Publishing this information will create awareness for consumers, credentialing bodies and other regulatory bodies regarding FSRA's actions with respect to non-compliance with the FPTPA. It will also facilitate proactive monitoring of financial services representatives to ensure that FSRA disciplinary history is considered by other entities when determining suitability of a potential credential holder or licensee.

OUTCOMES

For consumers – FSRA’s supervisory and monitoring approach will provide consumers assurance that:

- only qualified individuals can use the FP/FA titles, and that they will act in accordance with minimum standards and be subject to ongoing conduct review including complaints and disciplinary processes;
- only FSRA-approved credentialing bodies operate under the FPTPA;
- FSRA-approved credentialing bodies have effective governance structures, and policies and procedures to manage conflicts
- FSRA-approved credentialing bodies have adequate resources to oversee their credentialed individuals and also ensure that minimum standards are adhered to; and
- FSRA’s FP/FA public registry will confirm the credentials of FP/FA title users.

For industry – FSRA’s supervisory and monitoring approach will:

- encourage high standards of conduct to be followed by approved credentialing bodies
- ensure minimum standards related to education both upon entry and through continuing educational requirements that include suitability, ethics and financial services competencies.
- mitigate burden by relying on the oversight practices of existing regulatory bodies; and
- leverage the discipline regimes of other approved credentialing bodies.

Titles that could reasonably be confused with financial planner (FP) and financial advisor (FA)

Please note, the following table provides examples of titles that FSRA considers could reasonably be confused with the FP or FA titles, and illustrative examples of titles that would not likely be confused with FP and FA titles.

In making a determination, FSRA will consider the goal of increasing consumer confidence in individuals who provide financial planning and advising services and ensuring that only qualified individuals use the FP/FA titles.

Examples of titles that could reasonably be confused with the FP title

- Any variation in spelling or abbreviation of Financial Planner (e.g. FP)
- _____ Financial Planner (e.g. Senior Financial Planner, Qualified Financial Planner, etc.)
- Financial _____ Planner (e.g. Financial Wealth Planner, Financial Investments Planner, etc.)
- Financial Planner _____ (e.g. Financial Planner Investments)
- Financial Planning _____ (Advisor, Adviser, Coach, Consultant, Counsellor, Guru, Manager, etc.)
- Any variation of the above titles in another language

Examples of titles that likely would not reasonably be confused with FP and FA

- Portfolio Manager
- Portfolio Consultant
- Wealth Manager
- Wealth Coach
- Wealth Consultant
- Wealth Guru
- Wealth Counsellor
- Money Coach
- Money Consultant
- Money Guru
- Money Counsellor
- Money Manager
- Retirement Coach
- Retirement Consultant
- Retirement Guru
- Retirement Counsellor
- Retirement Manager
- Asset Coach
- Asset Consultant
- Asset Guru
- Asset Counsellor
- Asset Manager
- Investment Coach

Examples of titles that could reasonably be confused with the FP title

Examples of titles that likely would not reasonably be confused with FP and FA

- Investment Guru
- Investment Counsellor
- Investment Manager
- Financial Consultant

Examples of titles that could reasonably be confused with the FA title

- Any variation of spelling or abbreviation of Financial Advisor (e.g. Financial Adviser, FA)
- _____ Financial Advisor (e.g. Senior Financial Advisor, Qualified Financial Advisor, etc.)
- Financial _____ Advisor/Adviser (e.g. Financial Wealth Advisor/Adviser, Financial Investments Advisor/Adviser, etc.)
- Financial Advisor _____ (e.g. Financial Advisor Investments)
- Financial Advising _____ (Coach, Consultant, Counsellor, Guru, Manager, etc.)
- Any variation of the above titles in another language

APPENDIX C - APPROACH TO ADMINISTERING APPLICATIONS UNDER THE FPTPA

CREDENTIALING BODIES – APPLICATION

In order to obtain FSRA approval as a credentialing body, a person or entity must submit an application to FSRA. The application is available on the FSRA website.

FSRA will review the application and supporting documents against the prescribed standards in subsection 4(1) of the FPTP Rule and the guidance outlined in this document.

The submission for approval of a credentialing body must include:

- the legal name of the applicant, a description of its mandate and objects, organizational structure (including names and addresses of management and directors), and constating documents (e.g., articles, charter, by-laws);
- the name and contact information of the individual who will respond on behalf of the applicant to any requests for information by FSRA for the purposes of reviewing the application;
- the type of credential the applicant is seeking to get approved under the FPTPA;
- an overview of the applicant's experience as a credentialing body and/or offering a financial services licence/designation;
- details of how the CB will meet the requirements in the FPTP Rule (in particular subsection 4(1)) (please refer to the "Credentialing Bodies – Criteria and Duties" section of this guidance document for additional information);
- a summary of, and a copy of, policies and procedures relating to the administration and operation of the proposed credentialing program;
- a summary of, and copy of, policies and procedures relating to the credentialing body's approach for the regular review of its education curriculum for approved credentials;
- a summary of, and a copy of, policies and procedures relating to the granting of credentials, including an outline of the processes for acceptance into the credentialing program; and granting / recertification of credentials;

- explanation of any education exemptions / alternative pathways with respect to obtaining a credential that may be granted or considered by the credentialing body;
- an overview of the complaints process;
- an outline of the disciplinary review process, including staff accountabilities and the scope of issues to be adjudicated;
- details and description of historical disciplinary actions;
- a summary of the credentialing body's approach to investigation and enforcement;
- a summary of, and a copy of, written policies and procedures relating to the monitoring and supervision of credential holders; and
- a link to any current public listing, maintained by the credentialing body, of individuals holding a designation or credential issued by the credentialing body.

DELIVERY OF DOCUMENTS

Applications can be submitted electronically to the e-mail address identified on the FSRA website. FSRA will accept alternative methods of application if an applicant requires accommodation under the Accessibility for Ontarians with Disabilities Act, 2005.

Timeline for approval

FSRA will communicate its decision to the applicant within 60 calendar days after receipt of all required documentation.

TERMS AND CONDITIONS

Subsection 4(3) of the FPTPA provides the Chief Executive Officer of FSRA (CEO) with the authority to impose terms and conditions on the approval of a credentialing body at any time, including at the time of approval or at any point in time during which a person or entity is acting as an approved credentialing body.

For example, in reviewing an application, FSRA could identify that a potential credentialing body's enforcement framework may not be sufficiently robust. In this instance, FSRA may approve the application with a condition that the credentialing body must make amendments to its enforcement framework, provide regular progress reports for a specified period of time, and meet specified performance measures.

When a credentialing body is approved, FSRA may impose terms and conditions on a credentialing body as necessary to give effect to the Title Protection Framework. These could include, for example, requiring a compliance or governance review, implementation of stronger controls, and/or restrictions or a temporary prohibition on the issuance of new credentials.

TERMS OF APPROVAL

Upon approval, the credentialing body will enter into Terms of Approval with FSRA, which will, in addition to the FPTPA and FPTP Rule requirements, outline FSRA's terms of approval, the credentialing body's ongoing requirements, and any conditions for the approval, if applicable.

Approved credentialing bodies and credentials

A list of FSRA-approved credentialing bodies and credentials will be posted on the FSRA website. The list will be updated as credentialing bodies and their relevant credentials are approved. In addition, any terms and conditions with respect to the approval of a credentialing body or credential would be noted on the FSRA website.

Credentialing bodies are required under subsection 4(4) of the FPTP Rule to make public a current list of individuals holding approved credentials it has issued and the type of credential issued to each individual. Pursuant to subsection 4(5) of the FPTP Rule, FSRA will use this information to establish and administer a FSRA public registry.

FP AND FA CREDENTIALS – APPLICATION

Applications for the approval of an FP or FA credential can be submitted at the same time as an application for approval of a credentialing body, it will consider the application for approval of the relevant FP or FA credential. The credential application submitted to FSRA, must demonstrate compliance with the requirements in subsection 5(1) and/or subsection 6(1) of the FPTP Rule and take into account the guidance outlined in this document. The application is available on the FSRA website.

FSRA will review the application and supporting documents against the prescribed standards in subsections 5(1) and/or 6(1) of the FPTP Rule and the guidance outlined in this document.

For more information on the information required, please see the "Approval Criteria for a Financial Planning or Advising Credential" section of this guidance document.

DELIVERY OF DOCUMENTS

Should an applicant wish to apply for approval of more than one credential, only one application for approval of a credentialing body is required to be submitted but must include separate assessments for each credential approval being sought.

Applications can be submitted electronically to the e-mail address identified on the FSRA website. FSRA will accept alternative methods of application if an applicant requires accommodation under the Accessibility for Ontarians with Disabilities Act, 2005.

REVOCAION OF CREDENTIALING BODY APPROVAL

The FPTPA and the FPTP Rule permit the CEO to revoke a credentialing body's approval if it is not in compliance with the terms and conditions of its approval, the FPTPA or the FPTP Rule.

FSRA will post credentialing body approval revocations on its website.

CREDENTIALING BODIES – CRITERIA AND DUTIES

Section 4 of the FPTP Rule sets out the prescribed standards for entities to obtain approval as a credentialing body under the FPTPA, as well as the ongoing requirements with which a credentialing body must comply.

Governance and administration

Credentialing bodies must demonstrate an effective governance structure, administrative policies and procedures, and how they serve the public interest. FSRA will evaluate whether the applicant can protect its certification process from undue or improper influence, and sustain the integrity of its credentialing program, so that only qualified individuals are granted a credential.

A credentialing body's application should describe its systems, policies and procedures in place to achieve compliance with the Title Protection Framework. For example:

- how the credentialing body will ensure ongoing compliance with the Title Protection Framework including, without limitation, any terms and conditions of approval; and
- how the credentialing body will adapt its credentialing program, should there be any future amendments to the Title Protection Framework, relevant FSRA guidance on such framework, or additional terms, conditions or other requirements from FSRA.

To demonstrate effective governance and administration that serves the public interest, a credentialing body's application should describe:

- how it is overseen by a board of directors or other appropriate governance body that is accountable for setting expectations for the operation of the credentialing program and overseeing senior leadership and the execution of such program;
- its financial resources necessary to operate its credentialing program;
- its arrangements in place to manage liability risk (for example, by maintaining insurance for professional liabilities);
- its records retention policy and how it will maintain records accessible to FSRA in relation to the operation of its credentialing program in accordance with applicable legislation, or as required by other contractual arrangements or legal requirements;
- policies and procedures in place to identify, manage and address real or perceived conflicts of interest with respect to the structure, operations, credential holder oversight and/or credentialing decisions of the organization, which reinforce the commitment to serve the public interest;
- its safety and security measures, which ensure that information technology systems and electronic data are protected; and
- its processes and procedures in place to mitigate any disruption to the operation.

PERSONNEL AND RESOURCES

Credentialing bodies must demonstrate in their application the necessary expertise and resources to effectively administer and maintain a credentialing program, including that they have an adequate number of individuals delivering curriculum content and examinations, conducting oversight and supervision, investigating and resolving complaints and conducting disciplinary proceedings, all of whom are qualified, competent subject matter experts with the skills and experience to discharge such responsibilities, or under the management of those who have such qualifications, skills and experience.

PROFESSIONAL STANDARDS FOR CREDENTIALING BODY EMPLOYEES

A credentialing body's application must describe its code of ethics and professional standards for its officers, directors and employees that serves the public interest.

Ensuring only qualified individuals are granted a credential

A credentialing body's application must demonstrate robust controls to ensure that only qualified and competent individuals are granted and allowed to hold a credential.

The application should show that an applicant's credentialing process is fair and is not designed or applied in a manner that would inhibit or prevent any individual, or any group or class of individuals, from seeking admittance into the credentialing program, other than on the basis of competence and the ability to serve the public interest.

The application should also show that the applicant has a process in place to assess the suitability of a prospective credential holder, should disciplinary or enforcement action be taken by another approved CB or regulatory body, to ensure that the individual is appropriately qualified to obtain an approved credential.

CONDUCT OVERSIGHT OF CREDENTIAL HOLDERS

A credentialing body's application should demonstrate that it has policies, procedures and administrative practices to effectively oversee the conduct of and otherwise supervise individuals holding approved credentials it has issued. This should address:

- investigating any consumer complaints or allegations of potential or actual non-compliance with its code of ethics or professional standards;
- monitoring for any disciplinary or enforcement action taken by another approved CB or regulatory body against one of its credential holders;
- assessing the suitability of a credential holder should disciplinary or enforcement action be taken by another approved CB or regulatory body to ensure that the individual is still appropriately qualified to hold an approved credential;
- how the CB would notify a regulatory body of complaints received about the conduct of a credential holder that is also a registrant and/or licensee with that regulatory body, as per applicable privacy legislation or information sharing arrangements^[1]; and
- notifying other approved CBs or regulatory bodies of disciplinary or enforcement action it has taken against one of its credential holders.

COURSE CONTENT

A credentialing body's application should describe how it will keep its course content up to date to address key changes and developments in the financial services sector and any regulatory requirements or legislative changes, where applicable.

PROCESS FOR REVIEW AND ADJUDICATION OF COMPLAINTS

A credentialing body's application should show how it will effectively respond to complaints from the public related to individuals holding approved credentials it has issued and how it will maintain effective processes to transparently and fairly adjudicate and publicly report on complaints, including:

- defined service standards for reviewing and adjudicating complaints;
- a demonstrated, risk-based approach to escalate complaints as required;
- a demonstrated procedure to triage its review of complaints (e.g., by volume, cause and potential public harm) and to communicate outcomes for each complaint; and
- a documented, publicly accessible complaints process.

PUBLICLY AVAILABLE INFORMATION

A credentialing body's application should explain how it will maintain a current, publicly accessible list of individuals holding approved credentials, as well as to make information available to the public regarding disciplinary action taken against current and former credential holders.

The application should also demonstrate that the credentialing body has a mechanism in place to share this data with FSRA, as per subsection 4(5) of the FPTP Rule, in order to facilitate the development of a consolidated public registry.

OUTSOURCING ARRANGEMENTS

If a credentialing body outsources a component of its credentialing program, its application should describe the legally enforceable agreement in place with the third party, the roles and responsibilities of each party, as well as procedures for the identification and management of any conflicts of interest, should they arise, and the applicant's processes to ensure the competence and performance of any third party retained.

APPROVAL CRITERIA FOR A FINANCIAL PLANNING OR ADVISING CREDENTIAL

Sections 5 and 6 of the FPTP Rule sets out the prescribed standards that approved credentialing bodies must demonstrate in order to obtain approval of an FP or FA credential.

CREDENTIALING PROGRAM

A credentialing body's application for approval of a financial planning/advising credential must include:

- details of how the FP/FA credential requirements in the FPTP Rule (in particular sections 5 and/or 6) will be met;
- an overview of the various competencies the credential will instill and test;
- a detailed explanation of how the design and administration of the curriculum will satisfy the standards set out in clauses 5(1)a or 6(1)a of the FPTP Rule, and how students will be educated and tested on the standard of care;
- a description of, or copy of a code of ethics and professional expectations for a credential holder that is consistent with the standard of care set out in clauses 5(1)a or 6(1)a and how it would be communicated and enforced;
- a description of educational requirements related to financial planning, advising, investments, or associated matters to provide the technical knowledge, professional skills and competencies required to hold each credential set out in clauses 5(1)b and 6(1)b;
- a copy of the course curriculum for the relevant credential;
- a description of the policies and procedures for exam administration set out in subsections 5(2) and 6(2)
- a template/sample examination;
- the educational requirements, format and frequency of the continuing education (CE) program to be imposed by the approved credentialing body (CE educational requirements should be consistent with the educational requirements outlined below to ensure the continued qualification of credential holders for FP/FA title use);
- a description of how it intends to ensure compliance with its code of ethics and continuing education requirements; and
- a description of the requirements to maintain "good standing", as well as how standing will be monitored, supervised and enforced by the approved credentialing body.

EDUCATIONAL REQUIREMENTS

CBs are expected to provide a description of the educational requirements related to financial planning, advising, investments, or associated matters to provide the technical knowledge, professional skills and competencies required to hold each credential.