

Financial Planner / Financial Advisor (FP/FA) Title Protection Framework

FSRA

Financial Services Regulatory
Authority of Ontario

Date: April 21, 2022

Speakers:



Ontario



Agenda

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Background and Overview

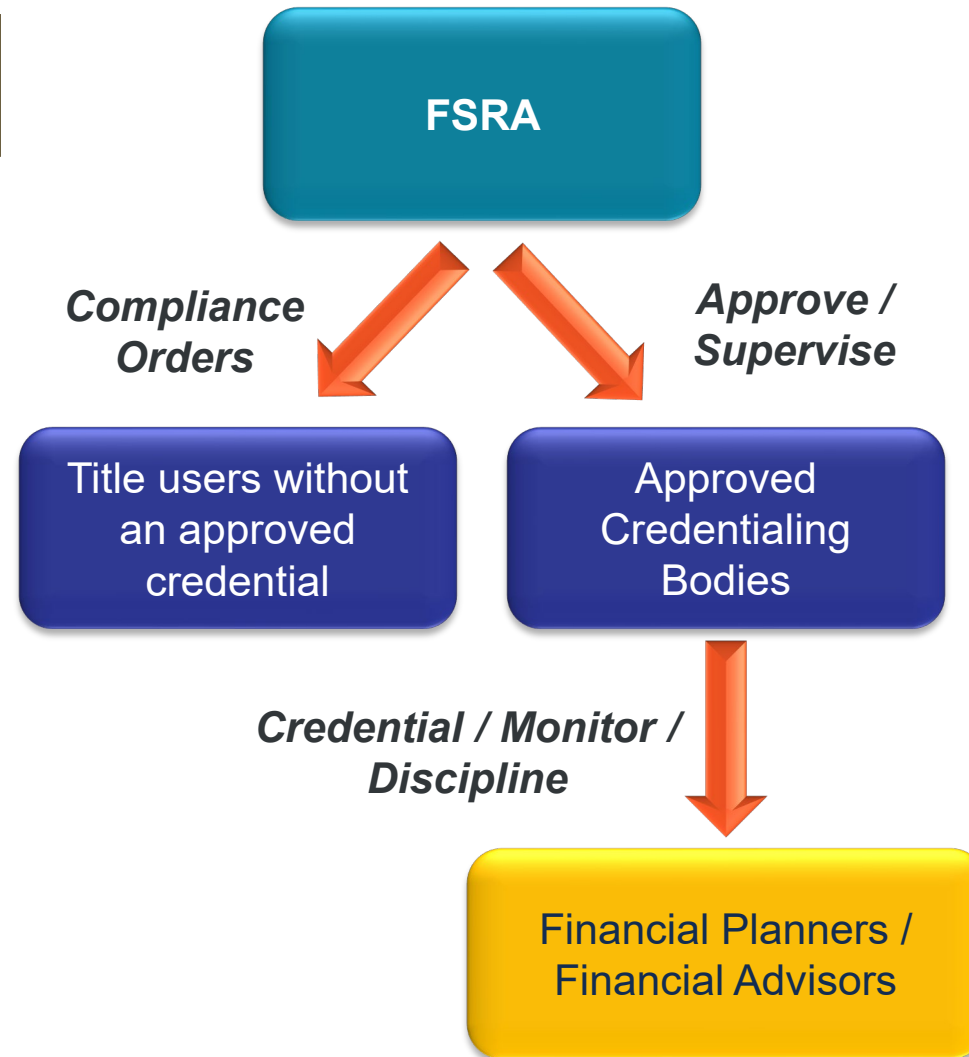
Title Protection Framework

- On March 28, 2022, the *Financial Professionals Title Protection Act, 2019* (FPTPA) was proclaimed into force and we are now beginning to implement the Financial Planner / Financial Advisor Title Protection Framework.
- This Framework establishes:
 - Minimum educational requirements for individuals using the Financial Planner and Financial Advisor titles.
 - Professional expectations which require credential holders to put their client's interests first.

Title Protection Roles and Responsibilities

FSRA oversight & powers

- Approve credentialing body applications and their FP/FA credentials
- Transitional matters
- Implement consumer protection standards as the framework evolves
- Enforcement powers, including:
 - ability to revoke credentialing body approval and issue compliance orders
 - ability to issue compliance orders for non-compliant title users to require them to cease use



Credentialing bodies oversight & powers

- Direct oversight of their FP/FA title users, including:
 - Granting credentials, and thereby title use
 - Requirements for maintaining credentials (e.g., continuing education)
 - Monitoring of conduct
 - Disciplinary action for breaches of its code of ethics/conduct



Value of the Framework

Value of the Framework: Consumers

- Consumers who work with Financial Planners and Financial Advisors will have confidence that they are dealing with an individual who:
 - Has a minimum standard of education;
 - Is being actively supervised; and
 - Is subject to a complaints and discipline process.
- Consumers can also have confidence that a title user is required to abide by a code of conduct and professional ethics that requires them to put the client's interests first.
- Title users are required to disclose their credential so that consumers will know where to go if they experience issues.
- Title protection will reduce confusion around the wide array of titles and credentials being used in the financial services marketplace.

Value of the Framework: Industry

- Officially being able to use the Financial Planner or Financial Advisor title will make it easier for financial services professionals to communicate their value to consumers and validate their education and expertise.
- Establishing minimum education, conduct and supervision standards helps promote consistency, professionalism, and confidence among those individuals using the titles.
- The Financial Professionals Title Protection Framework provides credibility to those using these titles, as there will be minimum educational requirements and active supervision to help weed out bad actors.
- Credentialing bodies will share information with each other on disciplinary and enforcement proceedings so that inadequate performance by a title user will be widely known throughout the sector.



Value of the Framework: National Harmonization

- Issues around title confusion and minimum standards to protect consumers exist throughout Canada (with the exception of Quebec for Financial Planners), and Ontario's Title Protection Framework could be adopted nationally and benefit consumers across Canada.
- Other Canadian jurisdictions, such as Saskatchewan and New Brunswick, are adopting similar frameworks, and we are consulting with them and discussing opportunities for harmonization.
- This will benefit credentialing bodies that operate nationally, as it will aim to harmonize compliance standards and create efficiencies in the application process.



Approved Credentialing Bodies and Credentials

Approved Credentialing Bodies and Credentials

- On April 11, 2022, FSRA approved the following credentials and credentialing bodies under the Financial Professionals Title Protection Framework:

FP Canada	
Approved Credential	Approved Title Use
Certified Financial Planner (CFP®)	Financial Planner (FP)
Qualified Associate Financial Planner (QAFP™)	

Institute of Advanced Financial Education (IAFE), a division of Advocis	
Approved Credential	Approved Title Use
Chartered Life Underwriter (CLU®)	Financial Planner (FP)
Professional Financial Advisor (PFA™)	Financial Advisor (FA)

- To assist title users and consumers in identifying credentials granting the right of title use, FSRA has a list of [approved credentials and credentialing bodies](#) on its website.



Transition Period

Transition Period

- The Financial Planner / Financial Advisor title protection framework will be phased in over time.
- During the early stages of our rollout, through the balance of 2022:
 - FSRA’s resources will be focused on approving credentialing bodies and assisting them with the implementation of the title protection regime.
 - FSRA’s enforcement activities against non-compliant title-users will focus on responding to consumer complaints and protecting consumers from harm by requesting non-compliant title users to voluntarily cease title use within 30 days.
 - FSRA will continue to work with interested parties wishing to seek approval as credentialing bodies in accordance with [FSRA’s Application Guidance](#).
- For those who were using the Financial Planner or Financial Advisor titles on or before January 1, 2020 the transition period will be:
 - Four years for Financial Planners
 - Two years for Financial Advisors



Transition Period (cont'd)

- It is each title user's obligation to monitor whether they are part of a designation granting or licensing body that has been approved as a credentialing body, and whether the designation or licence they hold with that body has been approved to grant the continuing right of title use.
- It is also the title user's obligation, if they do not have the right of title use as a result of a current designation or licence, to take steps before the end of the transition period to become credentialed by an approved credentialing body. Failure to do so will result in loss of the right to use a protected title and possibly lead to sanctions.
- Those who started using the Financial Planner or Financial Advisor titles after January 1, 2020 are only permitted to use these titles once they hold a FSRA-approved designation or licence that grants the right of title use. They will have to obtain appropriate credentials in order to use the titles.
- FSRA's implementation approach leverages existing frameworks for licensing and designating financial professionals.



Similar Titles to FP/FA



Similar titles to FP/FA

- The title restrictions under sections 2 and 3 of the FPTPA extend to the use of the Financial Planner and Financial Advisor titles in another language, an abbreviation, or a title that “could reasonably be confused with” the Financial Planner or Financial Advisor title.
- Appendix 1 of [FSRA’s Supervision Guidance](#) outlines illustrative examples of titles that FSRA considers could reasonably be confused with Financial Planner / Financial Advisor.
- FSRA will review on a case-by-case basis any concerns or complaints brought forward about the use of titles that could reasonably be confused with the Financial Planner or Financial Advisor titles.

Examples of titles that could reasonably be confused with Financial Planner / Financial Advisor

Any variation in spelling, abbreviation or language of the Financial Planner and Financial Advisor titles (e.g., Financial Adviser, FP, FA)

A title using Financial Planner/Planning in combination with another term (e.g., Financial Wealth Planner, Financial Planning Advisor)

A title using Financial Advisor/Advising in combination with another term (e.g., Senior Financial Advisor, Financial Advising Coach)



Next Steps



Next Steps

Credentialing Bodies and Credentials

- FSRA is actively reviewing applications and will announce additional credentialing bodies and credentials as they become approved.

Education Campaigns

- FSRA will continue to work with credentialing bodies, title users, and industry to ensure they have the tools to successfully implement the Financial Planner / Financial Advisor framework.
- FSRA is developing an industry education campaign and would like to get your feedback on the most effective ways to reach financial services professionals.
- FSRA is also developing a consumer education campaign anticipated for Fall 2022 launch.

Public Registry

- FSRA will work with approved credentialing bodies to develop a public registry of individuals who hold an approved credential in Ontario.



Your Questions Answered

For more information and any enquiries please email:

FPFAapprovals@fsrao.ca