



Financial Services Regulatory
Authority of Ontario

Financial Services Regulatory Authority of Ontario

Publication of Board Approved Rule on FSRA's Website Rule 2020-001 Financial Professionals Title Protection

Introduction

Please find enclosed herein the materials required to satisfy the requirements prescribed by paragraphs (1)-(5) of s. 23(2) of the *Financial Services Regulatory Authority of Ontario Act, 2016* (the **FSRA Act**) for Rule 2020-001- Financial Professionals Title Protection (the **Board Approved Rule**) made under the *Financial Professionals Title Protection Act, 2019* (the **FPTPA**). The materials herein have been compiled by the Financial Services Regulatory Authority of Ontario (**FSRA**), following the most recent public consultation, which launched on May 11, 2021 and concluded on June 21, 2021.

FSRA's board of directors approved the Board Approved Rule on December 16, 2021.

Background

The Financial Planner (**FP**) / Financial Advisor (**FA**) title protection framework under the FPTPA is intended to:

- mitigate consumer and investor confusion; and
- provide confidence to consumers and investors that the individual with whom they are dealing is qualified to provide financial planning or advisory services.

FSRA believes these objectives can be achieved by implementing a fair and flexible framework that leverages existing regimes for granting and supervising financial planning and advising designations and licences. This will ensure that individuals using the FP or FA titles meet minimum standards.

FSRA posted the first proposed financial professionals title protection rule (the **First Proposed FPTP Rule**) for a [90-day public consultation](#) between August 2020 and November 2020 (**First Consultation**). FSRA also posted proposed Approach Guidance – Financial Professionals Title Protection – Administration of Applications (**Application Guidance**), which sets out FSRA's approach to the administration of applications for credentialing bodies (**CBs**) and FP/FA credentials under the FPTPA and the Board Approved Rule.

FSRA re-posted the second proposed financial professionals title protection rule (the **Second Proposed FPTP Rule**) and Application Guidance for a [40-day public](#)

[consultation](#) between May 11, 2021 and June 21, 2021 (**Second Consultation**) to address stakeholder feedback. FSRA also posted new proposed Approach and Interpretation Guidance – Financial Professionals Title Protection – Supervisory Framework (**Supervision Guidance**), which sets out FSRA's approach to supervision and interpretation of titles that could reasonably be confused with FP/FA under the FPTPA and the Board Approved Rule.

FSRA considered the comments received and made one immaterial amendment to the Second FPTP Rule and several material amendments to the Application and Supervision Guidance.

FSRA re-posted the Application and Supervision Guidance in December 2021 for an additional 28-day public consultation. A [summary](#) of the changes made is available. A summary of the written comments received during the 28-day public consultation will be available.

Delivery to the Minister of Finance

The Board Approved Rule and materials required by paragraphs (1)-(3) of s. 23(1) of the FSRA Act were delivered to the Minister of Finance (the **Minister**) on January 10, 2022.

No Action Taken by the Minister

If the Minister does not approve, reject or return the Board Approved Rule to FSRA for further consideration within 60 days after the Board Approved Rule is delivered to the Minister, then:

- If s. 15(1) of the FPTPA is proclaimed in force 75 or more days after the Board Approved Rule is delivered to the Minister, then in accordance with s. 8 of the Board Approved Rule and s. 24(2)(a) of the FSRA Act, the Board Approved Rule will come into force the date that s. 15(1) of the FPTPA is proclaimed in force.
- If s. 15(1) of the FPTPA is proclaimed in force less than 75 days after the Board Approved Rule is delivered to the Minister, then in accordance with s. 24(2)(c) of the FSRA Act, the Board Approved Rule will come in force on the date that is 75 days after the Board Approved Rule was delivered to the Minister.

Statement of Substance and Purpose

The Board Approved 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.

The Supervision Guidance and the Application Guidance provide additional detail on FSRA's supervision approach and interpretation of titles that could reasonably be confused with FP/FA and the administration of applications under the FPTPA and the Board Approved Rule respectively.

Written Comments Received and Responses to Significant Concerns

In accordance with paragraphs (4)-(5) of s. 23(2) of the FSRA Act, FSRA must publish on its website a summary of written comments received and FSRA responses to significant issues and concerns brought to FSRA's attention.

First Consultation

FSRA received 43 written comments during the First Consultation. [A summary](#) of written comments received and FSRA responses to significant issues and concerns raised during the First Consultation is available.

Second Consultation

FSRA received 27 written comments and 1 question during the Second Consultation. [A summary](#) of written comments received and FSRA responses to significant issues and concerns raised during the Second Consultation is available.

Implementation Considerations

If proclaimed into force, s. 15(1) of the FPTPA would provide FSRA with rulemaking authority to make the Board Approved Rule (the **FPTPA Rulemaking Provisions**).

Although the FPTPA Rulemaking Provisions are not yet in force, s. 10(1) of the *Legislation Act, 2006* provides FSRA with statutory authority to exercise a power conferred by an Act of the Legislature, after it receives Royal Assent but prior to it coming into force. Paragraphs (1)-(7) of s. 15(1) of the FPTPA are contained in Schedule 25 of the *Protecting What Matters Most Act* (Budget Measures), 2019, c. 7, which received royal assent on May 29, 2019 and will come into force on proclamation. Paragraph (8) of s. 15(1) of the FPTPA is contained in Schedule 12 of the *Plan to Build Ontario Together Act* (Budget Measures), 2019, c. 15, which received royal assent on December 10, 2019 and will come into force on proclamation.

Amendments to the First Proposed FPTP Rule

Following the First Consultation, FSRA received stakeholder comments and, in response, FSRA made two amendments to the First Proposed FPTP Rule. As a result, published a notice of change for a second consultation.

The amendments made by FSRA were:

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 FPTP 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).**

Amendments to the Second Proposed FPTP Rule

Throughout the Second Consultation, FSRA received further stakeholder comments and, in response, FSRA made one immaterial amendment to the Second Proposed FPTP Rule. As such, FSRA is not required to publish an additional notice of change for a third consultation, which would otherwise be required by s. 22(7) of the FSRA Act if FSRA proposed material changes.

The immaterial amendment made by FSRA is limited to:

1. **Add a new section 8 to clarify the coming into force date**

The coming into force provision provides additional clarity and flexibility as the implementation date of the title protection framework is currently unknown.

Board Approved Rule

For the text of the Board Approved Rule, please see Appendix A.

Questions

FSRA is pleased to answer questions concerning the Board Approved Rule. Submit questions at: [Financial professionals title protection rule and guidance second consultation | Financial Services Regulatory Authority of Ontario \(fsrao.ca\)](#)

Appendix A – Board Approved Rule (Blackline version)

Appendix B – Board Approved Rule (Clean)

Appendix A – Board Approved Rule (Blackline Version)

Financial Professionals Title Protection Act, 2019

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Definitions

Definitions

1. In this rule,

“Act” means the *Financial Professionals Title Protection Act, 2019*;

“Authority” means the Financial Services Regulatory Authority of Ontario continued under subsection 2 (1) of the *Financial Services Regulatory Authority of Ontario Act, 2016*;

“CEO” means the Chief Executive Officer appointed under subsection 10 (2) of the *Financial Services Regulatory Authority of Ontario Act, 2016*

Applications

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).

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).

Credentialing Bodies – Criteria and Duties

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).

Credential Criteria

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).

Transitional Matters

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,

- (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.

Coming Into Force

Coming Into Force

8. This Rule comes into force on the day that subsection 15(1) of the *Financial Professionals Title Protection Act, 2019*, S.O. 2019, c. 7, Sched. 25 (as amended) comes into force.

Appendix B – Board Approved Rule (Clean)

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(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).

Credentialing Bodies – Criteria and Duties

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4. (1) An application by a person or entity for approval as a credentialing body must demonstrate that the applicant has

- (e) an effective governance structure and administrative policies and procedures that serve the public interest,
- (f) the necessary expertise, resources, policies, procedures and administrative practices to effectively administer and maintain a credentialing program,
- (g) a code of ethics and professional standards for its officers, directors and employees that serve the public interest, and
- (h) 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

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

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

- 3. A current list of individuals holding approved credentials it has issued, including the type of credential issued to each individual.

4. 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).

Credential Criteria

Credential Criteria – Financial Planning

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

(c) 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

(d) 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:

9. The Canadian financial services marketplace and regulatory environment.
10. Estate planning, tax planning, retirement planning, investment planning, finance management and insurance/risk management.
11. Ethical practices and professional conduct.
12. Dealing with conflicts of interest.
13. Collecting personal and financial information.
14. Identifying client objectives, needs and priorities.
15. Providing suitable financial planning and investment recommendations to a client.
16. 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

(c) a code of ethics and professional standards that is consistent with the standard of care described in clause (1) (a), and

(d) 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

(c) 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

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(d) 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).

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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

(c) "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

- (d) “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,

- (c) the date on which the individual complies with section 2 of the Act, or

- (d) 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,

- (c) the date on which the individual complies with section 3 of the Act, or

- (d) the second anniversary of the date this rule comes into force.

Coming Into Force

Coming Into Force

8. This Rule comes into force on the day that subsection 15(1) of the *Financial Professionals Title Protection Act, 2019*, S.O. 2019, c. 7, Sched. 25 (as amended) comes into force.