

Approach



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Proposed Financial Professionals Title Protection – Supervisory Framework

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.

Effective date and future review

This guidance became effective on **(insert date here)** and will be reviewed no later than **(insert future date here)**.

About this guidance

This Guidance is an Approach. Approach Guidance describes FSRA’s internal principles, processes and practices for supervisory action and application of Chief Executive Officer discretion. Approach Guidance may refer to compliance obligations but does not in and of itself create a compliance obligation. Visit [FSRA’s Guidance Framework](#) to learn more.

Appendix 1 – 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	Examples of titles that likely would not reasonably be confused with FP and FA
<ul style="list-style-type: none"> • 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 	<ul style="list-style-type: none"> • 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

<p>Examples of titles that could reasonably be confused with the FA title</p>	
<ul style="list-style-type: none"> • 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 	<ul style="list-style-type: none"> • Asset Coach • Asset Consultant • Asset Guru • Asset Counsellor • Asset Manager • Investment Coach • Investment Guru • Investment Counsellor • Investment Manager • Financial Consultant