

Backgrounder: Financial Professional Title Protection in Ontario

Consumer and investor advocates have long raised concerns about the wide array of titles and credentials used by individuals in Ontario's financial services marketplace. This led to questions about the expertise and experience of individuals who provide financial planning and advisory services.

In the 2019 Ontario Budget, the government announced that it would introduce [legislation](#) to limit the use of the titles "financial planner" and "financial advisor" to individuals who have obtained a credential from a credentialing body approved by the Financial Services Regulatory Authority of Ontario (FSRA).

FSRA worked with the Ministry of Finance to design an approach to standardize the use of Financial Planner or Financial Advisor titles in Ontario, one that is inclusive, flexible and has minimal regulatory burden on the industry. From August 2020 to November 2021, FSRA held several public consultations with industry stakeholders and consumer / investor advocates on the title protection framework to help inform the final rules and guidance.

The value to consumers

Many consumers will work with a trained professional to plan for various financial milestones. Regulating the use of Financial Planner and Financial Advisor titles means consumers who work with these financial professionals will have confidence that they are dealing with an individual who has a minimum standard of education, is being actively supervised by an approved credentialing body and is subject to a complaints and discipline process. This will also offer consumers greater clarity by minimizing confusion around the wide array of titles and credentials being used in the financial services marketplace.

The benefits to industry

Financial Planner and Financial Advisor title protection in Ontario is an important and positive change for the industry.

- ✓ It will help promote consistency and professionalism among those individuals using the titles.
- ✓ 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.
- ✓ FSRA's approach to title protection leverages existing requirements already administered by licensing and professional designation bodies, which mitigates duplication of regulatory requirements on individual Financial Planner and Financial Advisor credential holders.
- ✓ This initiative will be phased in over time. FSRA's transition periods – four years for Financial Planners and two years for Financial Advisors – provide individuals who were using these titles prior to and on January 1, 2020 ample time to comply with the framework following its implementation. This [chart](#) can help Financial Planners and Financial Advisors determine if the transition period applies to them.
- ✓ FSRA is seeking to harmonize with other provinces who are proposing similar title protection frameworks.

How it works

FSRA

Approves credentialing bodies to ensure they have policies and procedures in place that requires Financial Planner or Financial Advisor credential holders to put the client's interest first and ensures the fair treatment of consumers.

Monitors approved credentialing bodies to ensure they are appropriately overseeing the conduct of their Financial Planner or Financial Advisor credential holders, effectively administering the approved credential and handling consumer complaints in a timely manner.

Takes enforcement action against individuals who use a Financial Planner or Financial Advisor ([or similar](#)) title without an approved credential, and entities that falsely represent themselves as an approved credentialing body and/or offer approved Financial Planner/Financial Advisor credentials without FSRA's approval.



FSRA-approved Credentialing Bodies

Grants Financial Planner or Financial Advisor credentials and oversees and enforces the conduct of their Financial Planner or Financial Advisor credential holders.

Effectively administers and maintains a Financial Planner or Financial Advisor credentialing program.



Financial Planner and Financial Advisor Credential Holders

Earns an approved credential from a FSRA-approved credentialing body to use the Financial Planner or Financial Advisor title.