



November 12, 2020

Financial Services Regulatory Authority  
5160 Yonge St – 17<sup>th</sup> Floor  
Toronto, ON

**RE: Draft Financial Professionals Title Protection Rule and Guidance**

Thank you for the opportunity to provide feedback on FSRA's Draft Financial Professionals Title Protection Rule and Approach Guidance, which is the purpose of this letter. Kawartha Credit Union (Kawartha) recognizes and appreciates that this proposed guidance is principles-based.

About Kawartha Credit Union

Kawartha's Purpose is to support the financial success and well-being of our members and the communities we serve. For over 65 years Kawartha has made a positive impact on our members' lives with service excellence through proactive, needs-based advice and financial solutions. We support our members saving and investing needs through financial planning, a full range of deposit products and the distribution of mutual funds and securities through our affiliation with Aviso Wealth, offered through our network of 23 branches and online discount brokerage. Our Community Involvement Program has supported the well-being of the communities we serve with \$3 million in corporate donations and countless hours volunteered by our dedicated employees. Kawartha's Affinity Share profit sharing program has to date returned \$16 million to members as a reward for their patronage.

Kawartha agrees with FSRA's two key principles and broadly supports the proposed title protection rule and guidance. In support of the proposed rule and guidance, we offer the following comments and recommendations.

We have two cost related concerns:

1. Regulatory costs will be passed on to approved credential holders through the credentialing bodies. The cost of receiving and maintaining these designations is already quite high and borne by the credit union for advisors and planners. Increased fees charged to the credential holders would be passed on to the credit union and, thus, our members. We urge you to ensure these fees remain as low as possible and consistent with FSRA's principle of ensuring benefits of regulation outweigh costs.
2. While we support the rule, an unintended consequence could be to limit choice and competition amongst credentialing bodies – effectively creating an oligopoly. Please consider how you will ensure this rule does not result in outsized benefits for the credentialing bodies at the expense of those paying the fees to maintain the credentials.

KAWARTHA CREDIT UNION LIMITED

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Relative to disclosure, we support the notion that FP and FA title users be required to disclose the credential they hold enabling their use of the title. We believe this aids in consumer understanding of what the titles imply. It also contributes to the value of the titles, mitigating the cost.

We do not support allowing exemptions. The outlined transition periods of three and five years are generous in our view relative to the time required for any current planners or advisors to complete the required designations.

We believe that consumer education is important to achieving the intended benefits, given the lack of required credentials to date. Without consumer education the initials following an advisor's or planner's name are meaningless. Consumers must understand what they are getting with a financial advisor and/or financial planner. We believe there is a role in consumer education for every player in the industry: government, regulators, credentialing bodies, and industry. This must include a sustained commitment from government to educate the public and not put the entire burden on industry. If consumer education is not well executed or is only executed within industry communication channels, the intention of the legislation will be lost.

#### Conclusion

The subject draft rule and guidance are welcome and long overdue. They will be strengthened by an effective consumer education program that explains the benefits, so consumers see value in the credentials. Thank you for the opportunity to comment.

Regards,

A handwritten signature in black ink, appearing to read 'Robert Wellstood', written in a cursive style.

Robert Wellstood, CEO  
Kawartha Credit Union Limited

cc. Canadian Credit Union Association