

June 21, 2021

Financial Services Regulatory Authority (Ontario)

Submission through the submission system on FSRA's website at:

<https://www.fsrao.ca/engagement-and-consultations/financial-professionals-title-protection-rule-and-guidance-second-consultation>

To Whom It May Concern

Re: Financial Services Regulatory Authority (FSRA) of Ontario Request for Comment Revised Proposed Rule [2020-001] Financial Professionals Title Protection

Chartered Professional Accountants of Ontario (CPA Ontario) appreciates the opportunity to continue to provide feedback on the Financial Professionals Title Protection Act. We are pleased to provide input to the Second Consultation of the Revised Proposed Rule [2020-001] Financial Professionals Title Protection (the Proposed Rule) released on May 11, 2021 under the Financial Professionals Title Protection Act, 2019 (FPTPA).

As noted in [our response](#) to FSRA's initial consultation, released on August 13, 2020, on the Proposed Rule, this is an important initiative for the Ontario public to improve consumer and investor protection and reduce confusion in the marketplace.

While we remain supportive of the principles guiding the Proposed Rule, we continue to advocate for the inclusion of an exemption provision and believe that protecting the public interest should be the key principle for the exemption provision. An exemption provision should be made for financial regulatory bodies who derive their regulatory authority from statute, who have a statutory obligation to protect the public interest, and who can demonstrate that they meet or exceed the minimum competency standards for title usage.

Without exemptions, FSRA risks compromising its objective of avoiding duplicative oversight and unnecessary regulatory burden. Our fundamental view is that regulated professions are what assures the public that they are getting competent, professional advice and service, and that the public has recourse to a regulator in the event of a breach of professional standards and ethics.

CPA Ontario is a self-regulatory organization (SRO), mandated to protect the public interest through statute and subject to government oversight. This statutory mandate is made clear through the objects set out in s.5 of the *Chartered Professional Accountants of Ontario Act, 2017* (CPA Act). The legislative authority of CPA Ontario to regulate CPAs is overseen by the Ministry of the Attorney General.

As an SRO with the mandate to protect the public interest, CPAs are required to complete a stringent certification program to achieve their designation and during their membership as CPAs they are subject to mandatory continuing education, practice inspections, and a robust and effective investigation and discipline process.

CPA Ontario would meet the criteria for an exempt credentialing body as CPAs meet, and exceed, the approval criteria for credentialing bodies in the Proposed Rule with respect to (i) educational requirements; (ii) examination requirements; (iii) code of ethics and professional standards; and (iv) continuing education requirements.

The CPA designation is a globally recognized and respected designation. CPAs are financial professionals who focus on the short, medium - and long-term financial integrity of their clients or employer. Among other things, CPAs are experts who are engaged in providing service in: finance, financial analysis, retirement planning, taxation including personal and corporate tax planning, accounting, and financial reporting, which are essential components in financial planning and advisory services to retail clients. Our CPAs providing such services to clients have a fiduciary responsibility.

As such, including exemption provision in the Proposed Rule and granting an exemption to CPA Ontario would not present any potential harm to the public but will allow FSRA to focus its resources on unregulated FAs and FPs or individuals who do not meet the minimum standards for title usage and will set an example of the “gold standard” to which any credentialing body under the proposed regime should strive to achieve. Keeping CPAs engaged in financial advising and planning activities allows retail clients access to highly qualified financial professionals. It is in the public interest to have these services performed by CPAs.

Accordingly, as the only established statutory regulatory body responsible for regulating professional accountants in Ontario with educational requirements meeting and exceeding the requirements under the Proposed Rule, we believe that CPA Ontario and our members should be exempt from the Proposed Rule.

The layering on of additional rules and regulatory oversight of CPAs who are already subject to rigorous and focused regulation creates added cost, red tape and unnecessary regulatory burden that will not provide additional protection to consumers and investors.

We also would like to bring to your attention the common use of the financial advisor title by CPAs providing services such as tax, assurance, financial reporting to corporate clients. These professionals, most of the time do not serve retail clients but only corporate clients and use the financial advisor title when they are promoting their services. It is our understanding that the Proposed Rule is intending to scope professionals providing services to retail clients however the Proposed Rule, as drafted, will create an overly broad scope and could have unintended consequences such as resulting in additional requirements for CPAs serving only corporate clients. This is again an additional regulatory burden for CPAs with no additional benefit and protection to consumers and investors.

In summary, we respectfully request that the Proposed Rule be amended to include exemptions and that CPA Ontario and CPAs be exempt. Our members that hold financial planners or financial advisor titles as part of their CPA services should not be subject to further regulation and face duplicative or conflicting regulatory requirements.

We hope these comments are helpful as FSRA continues to develop the Proposed Rule and its principles.



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Thank you for the opportunity to provide comments on this important matter. We would be pleased to further discuss our submission with FSRA.

Respectfully submitted,

Chartered Professional Accountants of Ontario

A handwritten signature in black ink, appearing to read "Carol Wilding". The signature is fluid and cursive, with a long, sweeping tail on the final letter.

Carol Wilding, FCPA, FCA
President & Chief Executive Officer

CC:

Honorable Peter Bethlenfalvy, Minister of Finance

Honorable Doug Dowey, Attorney General