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*Advancing Professional
Financial Planning*

FP Canada Response to FSRA Proposed 2024-2025 Statement of Priorities

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INTRODUCTION

FP Canada™ appreciates the opportunity to respond to the Financial Services Regulatory Authority of Ontario's (FSRA's) consultation on its Proposed 2024-2025 Statement of Priorities.¹

Established in 1995, FP Canada is a national not-for-profit education, certification and professional oversight organization working in the public interest. FP Canada is dedicated to championing better financial wellness for all Canadians by leading the advancement of professional financial planning in Canada. FP Canada is an approved Credentialing Body (CB) in Ontario under the Financial Professionals Title Protection Framework (FPTPF), with both CERTIFIED FINANCIAL PLANNER® certification and QUALIFIED ASSOCIATE FINANCIAL PLANNER™ certification approved as Financial Planner credentials in Ontario.

COMMENTS ON THE PROPOSED 2024-2025 STATEMENT OF PRIORITIES

We have provided comments in response to FSRA's four proposed "key activities" related to its oversight of the FPTPF.

Key Activity 1 – Implementing a supervision plan for approved credentialing bodies and individuals who use the FA title without an approved credential, including developing the necessary supervisory tools, resources and capabilities to implement the plan.

We agree with the emphasis FSRA is placing on ensuring, through effective supervision, that individuals who are not appropriately qualified do not misuse the regulated Financial Planner (FP) and Financial Advisor (FA) titles. We are supportive of this important role for FSRA which will help ensure the efficacy of the FPTPF.

With respect to the supervision plan for CBs, we would reinforce the importance of maintaining a risk-based approach to compliance; focusing oversight resources and reviews on CBs that have deficiencies in their processes. **We recommend FSRA's supervision plan not impose undue burden on CBs that have demonstrated compliance with FSRA's requirements, as this will only serve to raise costs for those CBs, their credential holders, and ultimately, consumers.**

Furthermore, if an approved CB is found to be out of compliance with FSRA's standards, **we recommend the costs and resources that FSRA expends to bring that CB back into compliance be borne exclusively by that CB.** To ask other CBs that meet or exceed FSRA's standards to subsidize such costs on behalf of a deficient organization would be unfair and would effectively constitute penalization for meeting or exceeding FSRA's standards.

¹ [FSRA Proposed 2024-2025 Statement of Priorities](#)

Key Activity 2 – Continuing to work with other Canadian jurisdictions to implement similar title protection frameworks.

While FP Canada remains supportive of all provinces adopting title protection legislation in the interest of consumers, there are consistent concerns among stakeholders with aspects of Ontario’s framework that FSRA has not yet addressed, and we cannot support harmonization of poor policies; policies that do not foster the high standards and consumer protection title protection legislation is meant to provide.

Specifically, we continue to believe the proficiency requirements for FA title use in Ontario should be raised, in keeping with the direction we proposed to the Financial and Consumer Affairs Authority of Saskatchewan (FCAA) as part of its title protection consultations. We recommended the FCAA amend the baseline competency profile (BCP) for FA credentials in Saskatchewan to include a requirement for FAs to have an awareness and understanding of the implications of a product recommendation on other areas of a client’s financial picture.² **In the interest of harmonization, we recommend FSRA likewise raise FA credential requirements in Ontario to align to our recommendations in Saskatchewan.**

Likewise, we cannot support adoption of FSRA’s new fee approach in other jurisdictions. As we articulated in detail in our June 2023 response to the revised FSRA Fee Rule consultation,³ we remain deeply concerned regarding the new FSRA Fee Rule as it pertains to the FPTPF. Under the new Fee Rule, we continue to believe that the Canadian Investment Regulatory Organization (CIRO), and its representatives who are approved for use of the FA title, are exempted from paying their fair share of fees required to fund the FPTPF; fees all other CBs and credential holders pay. Beyond the obvious questions around fairness and the policymaking process, we continue to believe this approach poses risks to the long-term efficacy and sustainability of the FPTPF, which will be exacerbated by other provinces following this approach.

We recommend that FSRA focus on completing its framework evaluation, with specific focus on the areas above, prior to advocating for other provinces to harmonize with its policies.

Key Activity 3 – Publishing a report on framework evaluation, which would explore possible future enhancements to the framework.

FP Canada is supportive of FSRA’s planned FPTPF efficacy review, and we look forward to providing detailed comments in response to each of FSRA’s planned review areas through the formal engagement process.

One of the key areas FSRA has committed to evaluating is the minimum standards for credentials. FP Canada is strongly supportive of this and would urge particular focus be given to the appropriateness of the current BCP for FA title use, given the many concerns that have

² [FP Canada Response to FCAA Consultation on Financial Planner and Financial Advisor Regulations](#)

³ [FP Canada Response to the Revised FSRA Fee Rule](#)

been raised by consumer groups and the potential divergence from Ontario's BCP being considered in Saskatchewan.

Other planned review areas we look forward to providing detailed comments on include: 1) FSRA's current enforcement powers, and the need to bolster them with additional fine and penalty powers to ensure compliance among individuals improperly using the regulated FP and FA titles, and; 2) the regulation of titles similar to FP and FA, and the need to engage with consumers and undertake a structured approach to determining which titles consumers find to be confusing.

While not currently a planned review area, as part of this review **we recommend FSRA specifically look at its cost allocation for the sector**, given the concerns raised by FP Canada and other stakeholders in response to FSRA's recent consultation on the revised FSRA Fee Rule. As the new Fee Rule provides that CIRO be exempt from FSRA's "oversight" costs (given ostensible duplication with the Ontario Securities Commission's existing oversight), but otherwise contribute to its other common costs, FSRA should carefully review sector spending to ensure the sufficiency of CIRO's fixed \$25,000 charge amount in funding these other costs.

Finally, **we recommend that FSRA also specifically review the placement of its "nexus to Ontario" criteria**. The "nexus to Ontario" definition is essential to scope capture and overall FPTPF compliance, yet it is currently housed within a historical consultation summary report,⁴ which we feel is not sufficiently reflective of its importance and the difficulty stakeholders living outside of Ontario experience in trying to determine whether they are captured under the FPTPF. Efforts should be made to ensure the scope capture criteria are formalized and placed prominently within a Rule or Guidance. We believe FSRA must also be better equipped to provide interpretations in circumstances where a title user's capture under the FPTPF may not be immediately clear.

Again, we look forward to providing detailed comments on each review area as part of FSRA's formal engagement process.

Key Activity 4 – Conducting a targeted campaign for businesses to assess and improve compliance with title usage.

In general, we support measures to ensure compliance with the FPTPF's title usage requirements. With that said, we would seek additional details around FSRA's plans in this area, such as what FSRA's engagement with businesses would look like, what actions might be taken based on the findings of this initiative, and where FSRA's authority to impose actions based on these findings would come from.

We believe this is another activity where the FP/FA SAC could likely provide unique value and insight to FSRA staff. Through the SAC's membership, a wide range of relationships with industry already exist which can be leveraged for this exercise (in fact, SAC members may already have ready access to this information and/or may be able to do much of this work on

⁴ [Financial Professionals Title Protection Framework Fees Consultation Summary Report](#)

FSRA's behalf). CBs in particular have existing relationships that can be used to communicate information and inform strategy. **We recommend FSRA staff work closely with the SAC and approved CBs as it further considers any such business outreach campaign.**

CONCLUSION

FP Canada appreciates the opportunity to provide comment. We look forward to continuing to engage with FSRA staff and working to ensure the FPTPF best serves the interests of Ontarians.