

September 30, 2021

VIA EMAIL

Financial and Consumer Services Commission  
Securities Division c/o David Shore  
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Email: [consultation@fcbn.ca](mailto:consultation@fcbn.ca)

**Re: Notice of Public Consultation – Regulation of Financial Planner and Financial Advisor Titles (the “Consultation”)**

The Canadian Advocacy Council of CFA Societies Canada<sup>1</sup> (the “CAC”) appreciates the opportunity to provide the following general comments on the Consultation. We are supportive of the FCNB’s consultation and agree that there is confusion in the marketplace with respect to the use of the financial planner and financial advisor titles, requiring regulatory action.

We support the frameworks adopted in the provinces of Ontario<sup>2</sup> and Saskatchewan, which will create minimum standards that entities will have to meet to obtain approval as a credentialing body, as well as to obtain approval for an acceptable financial planner or financial advisor credential.

Some of the provisions currently contemplated by the Saskatchewan legislation may provide additional tools to regulators, such as the enforcement provisions as well as the potential for simplified approval for credentialing bodies that have already been approved in another province. With respect to the latter, harmonization of resulting regulatory regimes is important in order to reduce regulatory burden and enhance compliance. We would support provisions for any framework that would provide reciprocity for credentialing bodies that have already been recognized in another jurisdiction. When the fees for any such framework are being developed, it will be

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<sup>1</sup> The CAC is an advocacy council for CFA Societies Canada, representing the 12 CFA Institute Member Societies across Canada and over 19,000 Canadian CFA Charterholders. The council includes investment professionals across Canada who review regulatory, legislative, and standard setting developments affecting investors, investment professionals, and the capital markets in Canada. Visit [www.cfacanada.org](http://www.cfacanada.org) to access the advocacy work of the CAC.

CFA Institute is the global association of investment professionals that sets the standard for professional excellence and credentials. The organization is a champion of ethical behavior in investment markets and a respected source of knowledge in the global financial community. Our aim is to create an environment where investors’ interests come first, markets function at their best, and economies grow. There are more than 178,000 CFA Charterholders worldwide in over 160 markets. CFA Institute has nine offices worldwide and there are 160 local member societies. For more information, visit [www.cfainstitute.org](http://www.cfainstitute.org).

<sup>2</sup> Please see our comment letter on the FSRA proposal released in May 2021 with respect to the Amended proposals re Financial Professionals Title Protection Rule and Guidance: [CAC Comment Letter](#) and the earlier 2020 initial consultation: [CAC Comment Letter Title Framework](#)

equally as important to recognize the fact that credentialing bodies may operate throughout the country and thus may be subject to other provincial fees relating to title protection regulation.

We believe New Brunswick should follow the rules as set out in Quebec with respect to the identification of titles that could reasonably be confused with the financial planner or financial advisor title. We do believe that additional guidance on examples of confusing titles, while not exhaustive, would be beneficial for both industry and investor advocates. However, such a document should not provide a list of “acceptable” titles, as it may unintentionally provide a tacit road map to titles that will not garner regulatory scrutiny in circumstances where it may be warranted on the basis of the intent behind such use. We think it is more helpful to either prohibit the use of certain specific titles or note them as reasonably confused with a protected title (and subject them to the same regulation), including “financial consultant”, as we understand is currently the case in Quebec. When setting out parameters to avoid confusion in the marketplace, the FCNB should provide additional guidance while retaining flexibility to undertake enforcement measures against those persons intending to deceive the public through clever title usage and intentional regulatory avoidance.

When developing the criteria for the curriculum for the credentialing bodies, the approach should be sufficiently flexible in order to accommodate different types of credentialing bodies. However, as a minimum, we do believe those using either a financial planner or financial advisor title should be able to analyze and determine the generally appropriate asset allocation for their clients as a fundamental tenet to almost any appropriate derived client recommendation, be it product-specific or broader. It is also important that any such curriculum emphasize ethics and require both a code of ethics and professional standards as well as continuing education requirements. We are of the view that credentialing bodies should discharge these responsibilities to the same extent expected of a regulatory body.

With respect to any transition periods that would permit individuals to continue to utilize titles for a period of time after any framework is adopted, we would encourage the FCNB to keep such periods as short as possible. Given the attention provided to the title protection issue amongst market participants, we believe that that a two-year transition period for each title should be more than sufficient.

Financial planner and financial advisor title users should have to disclose to their clients the credentials they hold. Such disclosure could be similar to the type of disclosure required by securities registrants to be provided as part of their relationship disclosure obligations, and clearly identify and explain the credential and the credentialing body from which it was obtained. Investors / consumers could then easily confirm that the credentialing body has been approved by the FCNB by checking a list which we think should be posted on the FCNB website. It is most helpful for end-users to be able to locate information about credential holders in one location, while minimizing the potential for confusion arising from fragmented information sources. As noted in our

comment letter to the FSRA, we would encourage the FCNB to explore information exchange or other such agreements with other regulatory agencies and credentialing bodies. Such information exchange should include the Canadian Securities Administrators, for links to or information from its National Registration Database, so that consumers receive a more complete presentation of the conduct, credentials and regulatory coverage of credential holders.

It is important that consumers of financial advice and financial planning understand the purpose of the credentialing regulation and process, the recognized credentials, and permitted use of titles. The FCNB and other similar regulators should be responsible for such educational initiatives for consistency in messaging.

### **Concluding Remarks**

We support efforts to regulate the use of the financial planner and financial advisor titles in New Brunswick and other jurisdictions as an investor protection measure. As noted above, it is important that jurisdictions implementing such frameworks include measures for reciprocity to reduce regulatory burden, including application fees, relating to the application process for credentialing bodies and recognized credentials in multiple jurisdictions.

We thank you for the opportunity to provide these comments and would be happy to address any questions you may have. Please feel free to contact us at [cac@cfacanada.org](mailto:cac@cfacanada.org) on this or any other issue in future.

(Signed) *The Canadian Advocacy Council of  
CFA Societies Canada*

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