

September 29, 2023

Submitted via Email

Attention:

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## RE: CONSULTATION PAPER FINANCIAL PLANNER TITLE PROTECTION

The Investment Industry Association of Canada (IIAC) is the national association comprising investment firms that provide products and services to Canadian investors. Our members manufacture and distribute a variety of securities and provide a diverse array of portfolio management and advisory services.

The IIAC is an independent, constructive, and informed voice seeking to ensure healthy, growing, and compliant markets for investors.

Thank you for the opportunity to comment on this issue.

Responses to questions posed as follows:

1. Should the Manitoba government proceed with legislation to prohibit individuals from calling themselves “financial advisors” or “financial planners” unless they possess appropriate qualifications?

**Individuals who are registered with CIRO, the Manitoba Securities Commission and the balance of the CSA, to provide investment advice, possess the appropriate qualifications to call themselves financial advisors or financial planners.**

**If individuals registered with CIRO or CSA members to provide advice only with respect to securities have clients who require non-securities advice, they are referred to qualified individuals with respect to non-securities matters in accordance with s. 13.8 of National Instrument 31 -103.**

**The oversight that is already being provided by these regulators and their corresponding Securities Acts, National Instrument, rules, policies, and guidance should not be duplicated. Further government action is neither necessary, proportionate, nor in the public interest.**

2. If so, should the overall approach of the legislation follow the models adopted in Ontario and proposed in Saskatchewan and New Brunswick, where the regulator approves credentials and credentialing organizations that are considered to have appropriate proficiency, ethical, continuing educational and disciplinary requirements?

**This overall approach should not be followed. It results in unnecessary administration and duplication. Investors need financial advice and planning, not bureaucracy created to justify too many regulators in the same space. Investors have received financial planning advice by individuals properly registered and supervised by the Manitoba Securities Commission, the balance of the CSA and CIRO, including those with ‘financial advisor’ or ‘financial planner’ titles, for many years. These regulators review credentials, titles, and conduct.**

**The Manitoba Securities Commission, the balance of the CSA and CIRO have:**

1. **A well-established governance structure with a strong public interest mandate**
  2. **The necessary expertise, resources and policies and procedures to administer and monitor compliance with its rules and/or legislation**
  3. **A proficiency regime for its registered individuals, and**
  4. **An established enforcement process that includes the disciplining of those individuals who breach its rules.**
3. Assuming it should, how should some of the differences between the regulatory regimes implemented or proposed in those three provinces be resolved? In particular:
    - a. Should the regulator in Manitoba be vested with the broad investigatory and enforcement powers given in the Saskatchewan and New Brunswick legislation? Alternatively, is the more limited ability to issue compliance orders in Ontario more appropriate?
    - b. Should the more simplified method for approving credentialing bodies previously approved in another Canadian jurisdiction, set out in the Saskatchewan and New Brunswick legislation, be adopted in Manitoba?

**The Manitoba Securities Commission is currently vested with broad investigatory and enforcement powers. .**

4. How important is it that the legislative requirements in Manitoba be harmonized with the regulatory regimes adopted in Ontario and proposed in Saskatchewan and New Brunswick, particularly regarding:
  - a. The definitions of “financial planner” and “financial advisor”,
  - b. The application process for recognized credentials and credentialing bodies, and
  - c. The ongoing compliance requirements for recognized credentialing bodies.

**Manitoba should not follow these provinces. Please see answer to question 2 above.**

5. What degree of regulatory coordination is desirable among regulators in Canada that oversee financial planner title protection, now or in the future?

**For securities, regulatory co-ordination has been achieved through the CSA which oversees CIRO, as a national regulator, and approves National Instruments. Regulatory regimes adopted in Ontario and proposed in Saskatchewan and New Brunswick run contrary to regulatory co-ordination.**

6. How broad should the title protection regime be in terms of the titles that are subject to it in addition to “financial advisor” and “financial planner”, given the relatively narrow approach taken in Ontario and the broader approaches taken in Québec and under consideration in Saskatchewan and New Brunswick?

**Broad title protection is already available through the Manitoba Securities Commission and the Securities Act of Manitoba, C.C.S.M c. S50. (the “Manitoba Securities Act”).**

**Section 6(1)(b) of the Manitoba Securities Act C.C.S.M c. S50, states:**

**A person must not act as an adviser unless the person is registered, in accordance with regulations, in the categories that the regulations prescribe for the activity.**

**s.74 of the Manitoba Securities Act states:**

**Representations as to registration**

**74 A person or company shall not represent that the person or company is registered under this Act unless**

- (a) the representation is true; and**
- (b) in making the representation, the person or company specifies the registration category in which the person or company is registered.**

**Certain misrepresentations prohibited**

**74.1 A person or company shall not make a statement about something that a reasonable investor would consider important in deciding whether to enter into or maintain a trading or advising relationship with the person or company if the statement is untrue or omits information necessary to prevent the statement from being false or misleading in the circumstances in which it is made.**

**In addition, National Instrument 31-103 sets out registration requirements across Canada.**

7. What should be the process if the recognition of a credentialing body or one of its credentials is revoked?

**N. A.**

8. How important to the proposed regulatory regime is a single, central, public database listing all individuals entitled to use these titles? The legislation in Ontario, Saskatchewan and New Brunswick all contemplate that the regulator will post lists of approved credentials and recognized credentialing organizations on their website, but do not call for a central database listing all approved individuals (although in Ontario each recognized credentialing organization maintains a publicly accessible list of their respective members). FSRA has stated that it intends to develop such a central database that the public can access but this is not yet in place.

**A central database is already available from the CSA who offers a national registration search: <https://info.securities-administrators.ca/nrsmobile/nrssearch.aspx>. It reads:**

**Registration helps protect you!**

**Verifying registration is the first step to take before investing.**

**If you discover the person or company you are dealing with is not registered, or is offering you something they don't seem permitted to, contact your local securities regulator.**

**Canadian Investment Regulatory Organization (formerly New Self-Regulatory Organization of Canada)**

**Canada's provincial and territorial securities regulators recognized the New Self-Regulatory Organization of Canada (New SRO) effective January 1, 2023. New SRO subsequently changed its name to the Canadian Investment Regulatory Organization (CIRO) on June 1, 2023. CIRO consolidates the functions of the Investment Industry Regulatory Organization of Canada (IIROC) and the Mutual Fund Dealers Association of Canada (MFDA). CIRO regulates mutual fund dealers, investment dealers and acts as the regulation services provider**

for marketplaces that have retained it as such, including monitoring trading on those marketplaces for compliance with CRO rules and securities legislation.

For further information on Investment Dealers that were formerly regulated by IROC (such as background, qualifications and discipline history), you can still use IROC's Advisor Report.

***Historical Registration Information***

*To view historical information or registration information with respect to individuals or firms that are no longer registered, you can select to "include Historical Registration Information" in your detailed search. Registration information on this site is limited to going back to September 28, 2009 at which time the registration regime was reformed and harmonized across Canada. For registration information prior to that date, contact your local regulator.*

*Checking registration is an important first step in making an informed decision. Use the "Check Before You Invest" workbook to record your registration search results when choosing or working with a firm or individual.*

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We'd be pleased to discuss these issues further with you.

Respectfully submitted by:

***Investment Industry Association of Canada***

cc. Jennifer.Penner@gov.mb.ca