

June 1, 2020

Robert Day  
Senior Specialist Business Planning  
Ontario Securities Commission  
20 Queen Street West, 20th Floor  
Toronto ON, M5H 3S8

Sent via email: [rday@osc.gov.on.ca](mailto:rday@osc.gov.on.ca)

Dear Mr. Day,

**Re: Request for Comments Regarding Statement of Priorities  
for Financial Year to End March 31, 2021**

On behalf of Advocis, The Financial Advisors Association of Canada, we are pleased to provide our comments in regards to the Ontario Securities Commission's (OSC) current Statement of Priorities (SoP) to inform its business planning for the 2020-2021 fiscal year.

## **1. ABOUT ADVOCIS**

Advocis is the association of choice for financial advisors and planners. With more than 13,000 members across the country – over 6,000 of them working and living in Ontario – Advocis is the definitive voice of the profession, advocating for professionalism and consumer protection. Our members are provincially licensed to sell life, health and accident and sickness insurance, as well as by provincial securities commissions as registrants for the sale of mutual funds or other securities. Members of Advocis are primarily owners and operators of their own small businesses, creating thousands of jobs across Canada. Advocis members provide advice in several key areas, including estate and retirement planning, wealth management, risk management, tax planning, employee benefits, critical illness and disability insurance.

Professional financial advisors and planners are critical to the ongoing success of the economy, helping consumers to make sound financial decisions that ultimately lead to greater financial stability and independence both for the consumer and the country. No one spends more time with consumers than advisors and planners, educating them about financial matters and helping them to reach their financial goals. Advocis works with decision-makers and the public, stressing the value of financial advice and striving for an environment in which all Canadians have access to the advice they need.



## **2. OUR COMMENTS**

We congratulate the OSC and its colleagues at the Canadian Securities Administrators (CSA) for the coordinated response to the COVID-19 crisis. These are unprecedented times and the OSC has demonstrated its leadership by providing much-needed relief to industry during the pandemic. While we appreciate this opportunity to provide comments on your existing priorities, we support your decision to hold on issuing a new list of priorities this spring in favour of a more substantive consultation in the fall, once the landscape has settled somewhat and we are able to better appreciate the emerging priorities that must be addressed in the 2021-2022 Business Plan.

That said, there were many priorities in motion pre-pandemic and we would be loath to lose momentum on these files. When able, we urge the OSC to ensure that work on these files resumes as the underlying rationale driving these initiatives has not faded, and in many cases, their importance has only grown. Below are several of the initiatives for which we would be pleased to work closely with the OSC on over the coming year:

- **Title Restrictions.** Advocis remains committed to regulatory reform in Ontario (and across Canada) that includes the professionalization of financial advisors and financial planners. We see the Ontario Government's initiative to regulate the titles of "financial advisor" and "financial planner" as a significant opportunity to strengthen professionalism and modernize financial services delivery by aligning regulatory reality with consumer beliefs and expectations. It is particularly in times of crisis that we can appreciate the importance of having a professional and regulated financial advisor or planner on the consumer's side. We urge the OSC to work with its colleagues at the Ministry of Finance and the Financial Services Regulatory Authority of Ontario to ensure that the implementation of the title protection regime is timely and harmonized across product sectors to ensure the maximum benefit for Ontario's consumers.
- **Vulnerable Investors.** We are pleased that the OSC, as part of the CSA, is working to address situations involving the exploitation of vulnerable investors by introducing Trusted Contact Person and Temporary Hold provisions. As financial advisors are the intermediaries on the front lines, dealing directly with clients, they will have a critical role in determining the success of this effort. We see this initiative both as a major enhancement to investor protection and a vote of confidence in the professional and holistic nature of financial advice. We look forward to providing comments to this important initiative.



- **Review of Self-Regulatory Organizations.** We understand that the CSA will be consulting on the future of the self-regulatory organization model this summer and it will consider the efficacy of the current structure. The outcome of this review will directly impact the majority of our membership. We look forward to voicing our views on how advisors must have a seat at the regulatory table.
- **Burden Reduction.** The OSC has been doing excellent work towards its burden reduction initiative, both on its own (such as through the Burden Reduction Task Force which culminated with its 2019 report) and with its CSA counterparts (such as through its Issuers initiative). Of particular concern to our members is the reporting regime for outside business activities (OBAs). The temporary moratorium on late filing fees expires at the end of next year, so the clock is ticking for the OSC to develop harmonized standards with its CSA counterparts. We find several aspects of the OBA regime to be troubling and we would appreciate a fulsome review and reconsideration of the problems that OBA reporting is intended to address.
- **The Office of Economic Growth and Innovation.** We are excited about the OSC's establishment of the Office of Economic Growth and Innovation (OEGI) and we applaud Ms. Pat Chaukos' appointment to lead it. Technical elements of financial advice and planning will increasingly be digitized, allowing advisors to focus on adding value through deeper client relationships and behavioural coaching. We look forward to working closely with the OEGI to find innovative ways to expand access to high-quality, tailored and affordable financial advice for all Ontarians.
- **Deferred Sales Charges.** We support the OSC's efforts to preserve consumer choice by permitting Deferred Sales Charges (DSCs) to continue as a mutual fund sales option with new restrictions that will address key investor protection concerns associated with its use. DSC remains a suitable option for certain clients who would not otherwise be able to access the capital markets and benefit from the value of advice. We provided our comments to the OSC on May 21, 2020 and we would be pleased to work with the Investment Funds Branch to refine the OSC's proposal and address outstanding implementation issues.
- **Capital Markets Modernization Taskforce.** Finally, Advocis applauds the establishment of Ontario's Capital Markets Modernization Taskforce (the Taskforce) that will review and modernize the province's *Securities Act*. We understand that the OSC is acting not as a stakeholder to the Taskforce, but more as a partner and we recognize Mr. Naizam Kanji's contribution to the Expert Advisory Group. The work of the Taskforce is critically important to Ontario's future prosperity and we look forward to providing our thoughts in regards to professional titles, advisor proficiencies and conduct oversight, reducing regulatory burden and ensuring that there is a clear path forward towards the establishment of the Cooperative Capital Markets Regulator.



We appreciate the opportunity to provide our comments to the OSC's current Statement of Priorities. Once again, we commend you for providing leadership, guidance and direction to ensure the functioning of Ontario's capital markets during these difficult times, and we look forward to responding this fall to the 2021-2022 Business Plan. Should you have any questions, please do not hesitate to contact the undersigned, or James Ryu, Senior Director, Legal and Regulatory Affairs at [jryu@advocis.ca](mailto:jryu@advocis.ca).

Sincerely,

Greg Pollock, M.Ed., LL.M., C.Dir., CFP  
President and CEO

Abe Toews, CFP, CLU, CH.F.C., CHS, ICD.D  
Chair, National Board of Directors