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February 8, 2019

The Honourable Victor Fedeli
Minister of Finance
c/o Budget Secretariat
Frost Building North, 3rd Floor
95 Grosvenor Street
Toronto, ON M7A 1Z1

Sent via email: submissions@ontario.ca

Dear Minister:

Re: 2019 Budget Consultations

On behalf of Advocis, The Financial Advisors Association of Canada, we are pleased to provide our comments in regards to the 2019 Budget Consultations.

1. ABOUT ADVOCIS

Advocis is the association of choice for financial advisors and planners. With more than 13,000 members across the country, 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.

2. **OUR COMMENTS**

We commend the Government of Ontario for its commitment to reviewing the regulatory oversight of financial advisors and planners to ensure that families in the province are being serviced by qualified individuals. As indicated by the government in its 2018 Ontario Economic Outlook and Fiscal Review, Ontarians deserve to know that their money is being managed by financial advisors who have received appropriate training and are subject to regulatory oversight. Advocis welcomes these comments as they are a step toward recognizing the provision of financial advice as a true profession.

We believe that to become a true profession, the financial services industry needs to raise the professional bar. Professionalism among financial advisors and planners is vital to ensuring consumer confidence in financial advice and efficacy in regulatory oversight. We would add that financial advisors also need to abide by a code of professional conduct. In a poll conducted by Abacus Data on behalf of Advocis, 80% of respondents said that a code of professional conduct should be mandatory, and 91% support the regulation of the title of “Financial Advisor.”¹

Advocis has recently launched its strategic plan for 2018-2022 entitled “The Way Forward”. The Way Forward reaffirms Advocis’ commitment to advancing the value and professionalism of financial advisors and planners, in the best interest of the consumer. Advocis’ strategic plan also initiates key steps to truly becoming a professional association.

In 2018, as a key element of the strategic plan, Advocis introduced a new designation: the Professional Financial Advisor (PFA). The PFA is geared toward newer advisors who are looking to start down the path of professionalism, with an emphasis on practical knowledge, ethics and compliance and practice development. The PFA designation bridges the gap between insurance, mutual fund and securities licencing and obtaining further specialized designations such as the CFP® and the CLU®. In addition, Advocis introduced new membership requirements as of January 1, 2019: all new members of Advocis must hold an approved designation or attain one within three years of joining.

Advocis’ strategic plan, including the launch of the PFA designation and new membership requirements, demonstrates our commitment to taking concrete steps to align consumer expectations of the professionalism of their financial advisors and planners with reality. It is clear

¹ Advocis news release “Majority of Ontarians unaware financial advisors lack professional regulation.” October 25, 2018. To view go to: <https://www.newswire.ca/news-releases/majority-of-ontarians-unaware-financial-advisors-lack-professional-regulation-698526641.html>

that Advocis' plan aligns with the government's objectives announced in the 2018 Economic Outlook – which provides an opportunity for government and industry to work together to take meaningful action for the benefit of Ontarians.

We look forward to working with the Ministry of Finance in its review of the regulation of financial advisors and planners. Should you have any questions, please do not hesitate to contact the undersigned, or Ed Skwarek, Vice President, Legal & Regulatory Affairs at 416-342-9837 or eskwarek@advocis.ca.

Sincerely,

A handwritten signature in black ink, appearing to be 'G. Pollock', with a long horizontal line extending to the right.

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

A handwritten signature in black ink, appearing to be 'A. Jones', with a long horizontal line extending to the right.

Al Jones, CFP, CLU, ACCUD, ICD.D
Chair, National Board of Directors