

November 2020

FAIR Focus: New Funding for FAIR Canada

New Funding for FAIR Canada

We are very pleased to report that FAIR Canada has entered into an agreement with the Ontario Securities Commission (OSC) that provides stable, multi-year funding for the organization. The agreement will provide \$3.75 million over five years.

"The funding will permit FAIR Canada to enhance its ability to advocate for retail investors and act as a catalyst for positive changes within the investment sector," said the new Executive Director of FAIR Canada, Jean-Paul Bureaud.

"It also enables us to move forward with our new strategic priorities, including a renewed focus on policy research and recruiting additional staff to help us carry out our mission."

In addition to OSC funding, FAIR Canada has received funding this year from the Investment Industry Regulatory Organization of Canada (IIROC), a national self-regulatory organization (SRO), and is having discussions with other organizations about contributing to FAIR's future sustainability.

"We greatly appreciate the continued financial support from the OSC, SROs and others over the years," said Ellen Roseman, Chair of FAIR Canada. *"Without this continued support, we could not have made the important achievements for investor rights since our founding in 2008, or those we aim to make in the years to come."*



To donate, click [here](#)

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Who is FAIR Canada and what does FAIR Canada do? Find out more about us [here](#).

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Governance Renewal at FAIR Canada

The members of FAIR Canada elected a renewed and expanded Board of Directors at their annual meeting on Nov. 9, 2020.

Neil Gross, an experienced securities lawyer and current Chair of the OSC's Investor Advisory Panel, has joined FAIR's board. Neil is a former Executive Director at FAIR Canada and has a strong history of advocating for investor rights. We welcome Neil to the board and look forward to working with him in his new role.

The Board has elected Ellen Roseman as Chair and Preet Banerjee as Vice-Chair. We thank Guy Lemoine for his service as Co-Chair during a key transition period and we are pleased that he will continue to support FAIR Canada as a Director.

The Board is now composed of the following individuals:

Preet Banerjee, Vice-Chair | Toronto
Larry Bates | Toronto
Lines Deslandes | Washington, D.C.
Robb Engen | Calgary
Neil Gross | Toronto
Guy Lemoine | Montreal
Wanda Morris | Vancouver
Rossa O'Reilly | Toronto
Ellen Roseman, Chair | Toronto
Marc Ryan | Montreal

Will new title protection rules for Financial Planners and Financial Advisors lead to higher standards of professional conduct?

The Financial Services Regulatory Authority of Ontario (FSRA) has been given the responsibility to regulate financial planners and financial advisors in the province.

This agency is already in charge of regulating insurance, pensions, credit unions, loan and trust companies and mortgage brokers.

FSRA recently asked for feedback on proposed rules to regulate individuals using the titles of "financial planners" or "financial advisors."

Please note: Until the framework is proclaimed into law, investors should be alert to the fact that use of these titles is not regulated in Ontario.

Under the proposed rules, no one could use the title of financial planner or financial advisor in Ontario without having received a credential from an approved licensing organization (to be called a "credentialing body").

The FSRA is seeking input on the proficiency requirements for individuals wishing to provide financial planning or advisor services, as well as the requirements for credentialing bodies to be approved by FSRA.

FAIR Canada's [comments](#), submitted to the FSRA on Nov. 12, 2020, referred to the Expert Committee report to the Ontario Minister of Finance in 2016. See: [Microsoft Word - FAFP Final Report_EN.docx \(gov.on.ca\)](#)

The Expert Committee said the three most glaring contributors to harm to the public were:

- (1) The lack of specific, harmonized regulation.
- (2) Confusing titles and credentials.
- (3) The lack of an explicit obligation to act in the client's best interest.

Meaningful regulation of financial planners and financial advisers should address these three issues, FAIR Canada emphasized. It should also ensure the use of these titles is restricted to individuals who can be reasonably expected to provide competent, objective, professional services and to act in their clients' best interests at all times.

FAIR Canada believes it is critical for the FSRA to ensure that only competent and qualified individuals required to follow best practices in their conduct can use the title of "financial planner" or "financial advisor."

We recommend the FSRA strengthen the proposed rules by addressing the following outstanding issues:

- FSRA must widen the scope of its rules to regulate anyone who uses a similar title that could reasonably be confused with "financial planner" or "financial advisor."
- Investors continue to be misled and confused by the various uses of the term "advisor," which may be spelled with either an "er" or "or." While many investors may not appreciate it, the difference in spelling has real implications. Those working in the investment industry often like to portray themselves as being "advisors" even though they may only be licensed to trade in securities.

The term "adviser" under Securities Law, however, is reserved for those individuals that are licensed to provide investment related advice, including advice about buying or selling securities. Advisers, with an "er", have meet additional proficiency requirements and are required to act in the client's best interest of their clients; advisors, with an "or," do not. This difference in spelling creates real confusion and is misleading for the average retail investor. We believe the time has come to address the misuse of these titles.

- The duties of care to act in the client's best interests currently being implemented in the securities industry for registrants should be implemented by FSRA for financial planners and financial advisors.
- FSRA needs to ensure the financial services industry is required to meet the highest possible standards for proficiencies and knowledge before individuals are permitted to call themselves "financial planner" or "financial advisor."
- It is critically important that FSRA develops and imposes high standards on organizations that want to become an approved credentialing body.
- Ongoing FSRA supervision and oversight of approved credentialing bodies will also be critically important to the effectiveness of this new regulatory framework.

FAIR in the Media

FAIR Canada receives \$3,75 million from OSC

[Investment Executive](#) interviewed FAIR Canada Executive Director, Jean-Paul Bureaud, about the announcement of the \$3.75million funding agreement from the OSC

90-year-old RBC client allegedly lost \$60K to fraud by longtime advisor

FAIR Canada Executive Director, Jean-Paul Bureaud, was interviewed by [Global News](#) for a story about an 90 year old investor who was allegedly defrauded of \$60K and provided industry specific insights to the reporter.

SRO merger too simple?

FAIR Canada's recent policy work regarding the proposed SROs

merger was highlighted in an [Investment Executive](#) article earlier this month

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