



**Better Advisors  
Better Advice  
Better Consumer Outcomes**

Comprehensive/Facts Based Standards for Financial Advisors



## About Us

BA is a national organization consisting of 28 independent member firms with more than 250 advisors who are insurance, mutual fund, and securities licensed which collectively administers over 8,000 employee benefits plans, covering approximately 550,000 employees, with over \$1.4 billion in group insurance premiums as well as 1,500 group retirement plans that have over \$3.5 billion in plan assets.

We are highly selective in who qualifies to join BA, and prospective firms are peer nominated. Given the important role that Group Advisors play in lives of all Canadians from coast - to coast, to coast, only the best Group Advisors who are committed to the highest levels of professionalism are invited into our membership.

BA is an industry advocate promoting professionalism and excellence in client service, and from a policy perspective, we want to ensure that all Canadians receive the best advice available.

Our mission is to represent the best interests of our clients and their employees. We are committed to continuing education and professional development to ensure our members provided the highest standards of service and excellence.

## Enhanced Consumer Outcome

The *Financial Advisors and Financial Planners Act* (the “Act”) provides for the protection of two titles – Financial Advisor (FA) and Financial Planner (FP).

- Only those who have qualified for the use of an approved credential, by an approved credentialing body may use the titles FA or FP.
- Criteria for approval of a credential – must meet the Baseline Credentialing Profile (“BCP”) established for the use of the FA or FP titles established by the FCAA.

### Concern:

- The BCP for FPs is based on a comprehensive knowledge base.
- The BCP for FAs is based on an outdated and limited product-based approach.
- FAs and FPs undertake similar analysis in advising their clients:
  - Exception – FPs undertake additional study with respect to developing a comprehensive financial plan for their clients;
  - Fintech and Artificial Intelligence has simplified the development of a financial plan – the playing field has been leveled – anyone, even non-licensees can create a financial plan; and
  - Delineation between FAs and FPs establishes an artificial gap between the professionalism of FAs and FPs – represents a harmful engineering of the market in the delivery of advice to consumers and is counterintuitive to a prospective analysis.

## Benefits of Opt-in model

Higher standards and the use of the FA and FP title are based on an opt-in model:

- Absent meeting the BCP does not preclude existing or future entrants from licensing and advising clients – a market neutral outcome; and
- Higher standards established in the BCP only apply to FAs and FPs who select or “opt-in” to higher standard – it is a choice exercised exclusively by the licensee who wants to be held to a higher standard.

## Titles and Higher Standards Matter

Consumers view the title of FA and FP as equivalent – industry manufactures, brokers, dealers, and others in the distribution chain promote the vision of FAs and FPs as interchangeable terms denoting professionalism in attracting clients to their services and products.

## The Problem

Establishing a BCP for FAs based on a product-based foundation is outdated and rejected by regulators across Canada.

Bifurcating the BCP for FAs and FPs, requiring an FPs to meet the comprehensive model and FA a limited product based model, has no meaningful basis in fact nor is it prospective in nature. The resulting unintended consequences naturally follow:

- Creates a false sense of confidence for consumers;
- Set the stage for the professionalism of financial planner but not financial advice – an artificial professional gap;
- Defeats the purpose of establishing higher standards for those who select to work to professional standard;
- Establishes a standard for FAs barely above the current licensing requirements; and
- Exposes consumers to ongoing harm as they rightly conflate the role of FA and FP.

## Where We Need To Go

Protected titles must set a meaningful standard above licensing – a comprehensive model must be applied to both FAs and FPs to achieve meaningful consumer benefits and higher standards of professionalism within the advice channel – it establishes the conditions for a race to the top.

The elegance and beauty of the opt-in title protection legislation is that it leaves the choice to the individual licensee – No one is forced to work to the higher standards – the industry is in no way negatively impacted by the change – there will be no attrition in the industry – arguably, professionalism will attract more people to the profession.

Consumers will benefit from both FA and FP titles being measured against a comprehensive model as opposed to one based on an outdated and backward looking product approach.

A prospective outlook is needed wherein the interests of consumers receiving professional financial advice that will ensure greater financial health requires both titles be held to the comprehensive standard.

## The Solution is Simple

BA fully supports that FCAA and government of Saskatchewan in their title protection Act. The solution that brings the Act the top of the class with a standard that others will harmonize to can be achieved through a modification of the BCP for FAs based on a comprehensive model.



**Better Advisors** means **Better Advice**

And *better advice* means *better outcomes* **for clients.**

Consumers are the **winners.**

*If you have any questions, please don't hesitate in contacting the undersigned*

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