



**Independent Financial Brokers of Canada**

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February 11, 2020

The Honourable Rod Phillips  
Minister of Finance  
c/o Budget Secretariat  
Frost Building North, 3<sup>rd</sup> Floor  
95 Grosvenor Street  
Toronto, Ontario M7A 1Z1

**Attention: Standing Committee on Finance and Economic Affairs**

Sent by email: [submissions@ontario.ca](mailto:submissions@ontario.ca)

**Subject: 2020 Budget Consultations**

Independent Financial Brokers of Canada (IFB) appreciates the opportunity to participate in Ontario's pre-budget consultation.

IFB is a national, professional association representing approximately 3,500 licensed financial advisors. The majority of IFB members reside in Ontario and are licensed to provide advice to retail consumers on life/health insurance products and mutual funds.

IFB members are independent owner-operators of small to medium-sized financial practices in their local communities. Licensed financial advisors play a significant role in helping Canadian individuals and families better prepare for a secure financial future - saving for a home, education, retirement or unexpected illness, death, or disability.

IFB supports the goal of this government to reduce the regulatory burden and improve competition in the marketplace. As an organization which represents smaller market participants, we see the burden that an increasingly onerous regulatory environment places on these individuals and firms, pushing up their costs and reducing their ability to compete with larger integrated financial entities.

Ontario's decision to review alternatives to a complete ban on embedded commissions is positive for Ontarians with limited financial resources to continue to access professional, personalized advice from advisors like our members. IFB proposed, in earlier submissions to the CSA, that options such as reducing the redemption periods for DSCs and limiting use of leveraging and DSCs for certain types of consumers are possible steps that could be employed to address consumer protection, while not limiting access to advice to consumers.

Ontario has moved to restrict the titles of Financial Planner and Financial Advisor. IFB works closely with insurance and securities regulators. We have participated in discussions with FSRA around the development of this framework. It has been IFB's position in previous consultations that the title of Financial Planner is more easily defined, due to the presence of an existing body of knowledge and

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internationally accepted accreditations. Our concern with regulating the Financial Advisor title is that no such equivalent definition exists. It is our hope that, as the details of this framework become available, it will, indeed, meet the stated goal of increased consumer protection, and not simply create another regulatory burden on advisors.

Financial advisors face other challenges. As the population ages, there are increasing demands on financial advisors to recognize the signs of reduced mental capacity and to take extra steps to protect their clients and their clients' savings. Similarly, clients – especially vulnerable clients – can be the target of fraud. Advisors need to be supported through education, the establishment of safe harbours, or other means, so that they can take judicious action on behalf of their clients. Regulation should embrace supportive measures for those it regulates, in addition to taking action to address improprieties.

IFB supports a review of the current SRO model in the securities industry and looks forward to participating in these discussions.

IFB supports this government's commitment to a balanced budget to secure the financial future of all Ontarians.

Thank you for the opportunity to provide comment on behalf of our members.

Yours truly,

A handwritten signature in black ink that reads 'Nancy Allan'. The signature is written in a cursive, flowing style.

Nancy Allan  
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