



September 24, 2021

Financial Services Regulatory Authority of Ontario (FSRA)
25 Sheppard St. W., Suite 100
Toronto ON M2N 6S6

Submitted via the FSRA website

Subject: Approach Guidance – Proposed Transparent Communication of FSRA Enforcement Actions

Independent Financial Brokers of Canada (IFB) appreciates the opportunity to comment on FSRA's draft guidance on Transparent Communication of Enforcement Actions.

IFB is a national professional association representing 3,000+ licensed financial advisors and planners. Most IFB members are life insurance licensees and/or mutual fund registrants, although many hold additional financial licenses or accreditations to enable them to serve the broader needs of their clients. Many IFB members are licensed to advise clients in Ontario and are regulated by FSRA.

IFB members are independent and often own small to medium sized financial practices in their local community. IFB does not represent employees of financial institutions or career (tied) life insurance agents.

The Approach Guidance affects all entities regulated or registered by FSRA. However, our comments will be limited to the life/health insurance sector which includes insurers, corporate insurance agencies, and agents.

Our comments

IFB agrees with the overall rationale and principles of the enforcement approach as set out at the beginning of the draft guidance. Making public FSRA's expectations for those it regulates, encourages compliant behaviour by building awareness, and informs licensees of the potential consequences of non-compliance.

Any enforcement framework must be fair to those whose actions are under review, and the hearing and disciplinary process must be transparent and consistent in its application. It is also important that sanction information is easily accessible to the public. Consumers are encouraged to research their advisor, or prospective advisor, to ensure they are appropriately licensed, and their license is in good standing. Such information is also useful to insurers and MGAs – even other agents - who may be considering contracting with an agent and want to verify their status and disciplinary history, if any.

FSRA states in the introduction to the guidance: *Our proposed approach will provide greater access to information about who and what type of conduct is being sanctioned.* However, having reviewed the guideline, it is unclear to us what is new. It would be helpful for FSRA to indicate in what way this guideline differs from the current approach.



We have found that the existing enforcement information on the FSRA website provides few details that are easily accessible in one place, and that explain any action taken by FSRA. In cases where an advisor has been assessed an AMP, for example, it is not clear how to determine if the advisor has paid the outstanding fine. A recent search of several agents on licensing link, who had recently been assessed an AMP, showed their licence status as “authorized to sell”. Does this mean the advisor has paid the fine?

IFB suggests it might be helpful for FSRA to develop a more robust sanctions guideline which clearly points to the kinds of circumstances that can lead to fines, suspensions or a licence being revoked. Both the [Sanctions Guidelines](#) on the MFDA website and [IIROC Sanctions Guidelines](#) are examples of a more explicit level of detail. Providing this level of detail would be helpful for the public, the industry and individual life/health agents. It would also be helpful for agents to know that a disciplinary decision becomes part of the agent’s permanent public record. Many are not aware of this.

IFB agrees that the enforcement process must be procedurally fair and balanced. It also must be flexible to adapt to the particular circumstances under review, which in some cases may be extenuating. Therefore, we support FSRA’s intent to not publicly disclose the existence of an ongoing investigation for the reasons cited. The exception would be circumstances where there may be imminent public harm. We further agree that there should not be any public disclosure when it is determined that no enforcement action is merited. To do otherwise could irreversibly damage an advisor’s career.

To improve the accessibility of disciplinary information, IFB suggests providing a direct link on the FSRA website to the CISRO Disciplinary actions website and the MFDA/IIROC/CSA websites so industry and members of the public can more easily verify if an advisor or firm has been sanctioned by another regulatory body. Eventually, this should also include disciplinary information captured in the Financial Planner/Advisor regime.

Thank you for the opportunity to comment. Please contact the undersigned, or Susan Allemang, Director Policy & Regulatory Affairs (sallemang@ifbc.ca), should you have questions or wish to discuss our comments further.

Yours truly,

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

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