



September 14, 2018

Delivered By Email

Debra Foubert  
Director, Compliance and Registrant Regulation  
Ontario Securities Commission  
[dfoubert@osc.gov.on.ca](mailto:dfoubert@osc.gov.on.ca)

Sophie Jean  
Directrice de l'encadrement des intermédiaires  
Autorité des marchés financiers  
[Sophie.jean@lautorite.qc.ca](mailto:Sophie.jean@lautorite.qc.ca)

Dears Ms. Foubert, Ms. Jean,

## **RE: IFIC Proposal on Title Reform**

We are writing on behalf of members of The Investment Funds Institute of Canada (IFIC) with an industry proposal on title reform for securities registrants. We appreciate the opportunity to present our proposals as the Canadian Securities Administrators (CSA) begins its review of titles. We hope that these proposals will be helpful to the CSA.

### **Guiding principles**

IFIC's proposal is guided by the following key principles which seek to improve the current use of titles within the industry:

1. Functional title: A title should reasonably reflect the functions of the person rendering the service.
2. The provision of advice is properly reflected: The concept of advice should be reflected in the title where appropriate. For example, the current mandatory title for mutual fund dealing representatives in Quebec is "Mutual Fund Representative" or "Mutual Fund Dealer Representative" which does not adequately reflect the advice provided to investors by such dealing representatives.
3. The title is understandable by the average investor: Proposed titles must avoid technical jargon that may not be understandable by the average investor. Titles must also avoid using terms that are misleading or too vague.

### **Proposed titles for securities registrants**

We propose the following titles for retail, client-facing registered representatives only. This would include mass market and high net worth clients, but exclude permitted clients. The proposed permitted titles assume the years of experience that are required to be fully registered under securities legislation have been met. Otherwise, the permitted title would include "Associate" in front of the title.

<b>Securities Law Registration Category</b>	<b>Recognized Financial Planning Credentials</b>	<b>Dealer firm provides financial planning services</b>	<b>Proposed Permitted Titles</b>
Investment Dealer	Yes	Yes	Securities Advisor and Financial Planner
	Yes	No	Securities Advisor
	No	Yes	Securities Advisor
Mutual Fund Dealer	Yes	Yes	Investment Funds Advisor and Financial Planner
	Yes	No	Investment Funds Advisor
	No	Yes	Investment Funds Advisor
Portfolio Manager Investment Dealer - Portfolio Manager	Yes	Yes	Portfolio Manager and Financial Planner
	Yes	No	Portfolio Manager
	No	Yes	Portfolio Manager

For the Mutual Fund Dealer, the title of Investment Funds Advisor (rather than Mutual Funds Advisor) is proposed as this would capture both conventional mutual funds, exchange traded funds, and in the future, alternative funds available to retail investors.

### **CSA's latest proposals**

IFIC supports the CSA's recent proposals, as part of the Client Focused Reforms, to ban registered individuals from using a title, designation, award, or recognition that is based partly or entirely on that registrant's sales activity or revenue generation or the use of a corporate officer title unless their sponsoring firm has appointed that registrant to that corporate office pursuant to applicable corporate law.

### **Consumer testing**

We recommend that the CSA do consumer testing to ensure that any titles that are proposed can be readily understood by retail investors.

### **Coherence across the financial industry**

Finally, we continue to advocate for titles that are coherent across the financial services industry. Registrants may also provide other financial services, either through the registered firm or a separate legal entity. This creates complexities given the different regulatory regimes that apply. However, we believe that consistent titles across the financial services sector are attainable and will result in consumers having a better understanding of the services provided by the individuals with whom they work. We wish to extend our support for CSA discussions with regulators responsible for insurance and banking services to that end.

\* \* \* \* \*

If you require further information, do not hesitate to contact me at [mupadhyaya@ific.ca](mailto:mupadhyaya@ific.ca) or 416-309-2314 or Kia Rassekh, Regional Director, Quebec, at [krassekh@ific.ca](mailto:krassekh@ific.ca) or 514-985-7025.

Yours sincerely,

THE INVESTMENT FUNDS INSTITUTE OF CANADA



By: Minal Upadhyaya  
Vice-President, Policy and General Counsel

CC: François Vaillancourt  
Analyste expert en réglementation – pratiques de distribution  
Direction de l'encadrement des intermédiaires  
Autorité des marchés financiers  
[francois.vaillancourt@lautorite.qc.ca](mailto:francois.vaillancourt@lautorite.qc.ca)