



September 21, 2015

Expert Committee to Consider Financial Advisory and Financial Planning Policy Alternatives
c/o Frost Building North, Room 458
4th Floor, 95 Grosvenor Street
Toronto, Ontario
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Fin.Adv.Pln@ontario.ca

Dear Committee Members:

We are writing this letter on behalf of the Canadian Exchange-Traded Fund Association (“CETFA”). Based in Toronto, Canada, the CETFA is the only exchange-traded fund (“ETF”) association in Canada, and the first of its kind in the world and currently represents 95% of the Canadian ETF assets.

We are responding to your request for comments on your recent paper that is considering Financial Advisory and Financial Planning Policy Alternatives. While the majority of our members are on the ETF Product side of the financial services industry, we do have a membership category within the distribution channel – Portfolio Managers, and we believe that our comments – with their guidance - are appropriate for this subject.

We believe that the Government should be methodical in its implementation of this type of rule because, while the final results could be extremely positive for the end investor, a rush to implementation could have a negative affect on the reputation of the financial industry as a whole which could translate to a negative impact on investors.

We agree with professionalizing the financial planner role and understand that to accomplish this there has to be some way of identifying those that participate in the financial planning industry.

Currently, there are ways to identify and regulate portfolio managers. We believe the next group that could be regulated, without a great deal of impact to the industry, are Financial Planners that are members of the Financial Planning Standards Council (“FPSC”). FPSC has 17,000 members Canada-wide with 9,200 in Ontario. They have established standards of competence, ethics and practice for financial planners. FPSC has proposed that regulation be introduced to enforce their certification structure, governance and oversight mechanisms that already exist for their financial planner members.



FPSC is a member of the Financial Planning Standards Coalition¹ that has stated that the first step taken should be the least impactful as possible. This would mean that the first step, in a longer-term process, would be the regulation of the *Financial Planner* title. We agree with this plan as it would have minimal impact on the industry as a whole – and therefore the end investor.

Another positive aspect of working with the FPSC is that the average age of the graduates of the FPSC Level 1 is 35 years old, with one third under the age of 30. The average age of investment advisors in general is just over 49, and 51 for insurance advisors. This demonstrates that young professionals are interested in entering the financial planning industry through organizations that offer them certification and some form of structure. For the long term this is a positive development for the health of the industry and investors.

Additionally, where individuals are providing comprehensive financial plans to clients and their services and are already overseen by an existing regulator (MFDA, IIROC or FSCO), they should continue to be subject to the oversight of their current regulator who will apply the general framework, rather than be subject to an entirely new regulator/regime.

Thank you for the opportunity to respond to your paper as we always look forward to participation in the advancement of the industry.

Yours truly,

A handwritten signature in blue ink that reads "Pat Dunwoody".

Pat Dunwoody
Executive Director,
Canadian ETF Association
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¹ The Financial Planning Coalition was formed in 2009 to establish a framework for a profession for those holding themselves out as financial planners in Canada. The Coalition is made up of the Financial Planning Standards Council, The Canadian Institute of Financial Planners, the Institute of Advanced Financial Planners and the Institute Quebecois de planification financiere.