

From: Dan Hallett

To: Financial Planning Consultation (MOF)

Subject: Financial Planning Consultation

I just became aware of this consultation and the request for comments. While this is one business day late please consider my below comments with respect to your consultation of financial planning regulation.

By way of background, I am in my twentieth year in the financial advice business. I began as a registered salesperson (mutual funds) but have spent most of my career as a licensed portfolio manager – always with a financial planning component. I hold a Certified Financial Planner license and the Chartered Financial Analyst charter. I have worked with regulators to help enhance their regulation of financial advice providers, spoken at many industry and regulatory conferences and have been a regular expert sought by various media for the past 17 years.

1. Is Ontario's current regulatory approach in relation to financial planners appropriate?

To my knowledge Ontario has no regulations covering financial planning activities or the people and organizations providing financial planning services and advice. Given that Canadians are generally advice-seekers, the lack of regulation is not appropriate. Between the lack of rules around the use of titles and the nature of the courses that put letters after an individual's name, it would be wise to implement some form of regulation.

2. How would you improve Ontario's current regulatory approach?

3. Are there approaches to regulating financial planners which you would recommend?

More than a dozen years ago, the Canadian Securities Administrators and other financial services regulators were seemingly very close to doing what is considered today. [Multilateral Instrument 33-107](#) sought to not only regulate the use of specific titles but also to set proficiency standards, write and organize a comprehensive examination for hopeful financial planners. I think that old rule is worth resurrecting at the very least as a source of ideas for any forthcoming regulation.

If nothing else is done, simply regulating the use of titles would be a huge step forward. Titles would be tied to specific activities. Even choosing one or two designation programs – such as those leading to the RFP and CFP designations – and associated codes of ethics and codes of practice would be a terrific start. MI 33-107 seemed set to go despite heavy lobbying by various stakeholders, never to be heard from again. I can only assume that 33-107 fell into the proverbial black hole of politics and lobbying activities.

So my recommendation would be to strike a better balance between truly taking stakeholder feedback and letting lobbyists push you around. I would also encourage the inclusion of either the general public

or consumer advocacy groups such as [FAIR Canada](#) and the Ontario Securities Commission's [Investor Advisory Panel](#).

4. *Would regulation affect your business model(s) of providing financial planning services and, if so, in what way?*

If something along the lines of 33-107 was implemented, I don't expect any material impact on the business of my employer. While we provide some financial planning services and advice to our clients, those individuals within the firm providing such advice carry credentials (e.g., CFP, CFA, CA, etc.) that are likely to be grandfathered or at the very least allow us to continue providing such services without material changes.

Sincerely,

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